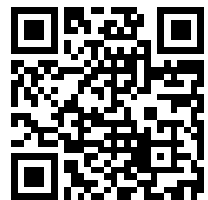

This is a reproduction of a library book that was digitized by Google as part of an ongoing effort to preserve the information in books and make it universally accessible.

Google™ books

<https://books.google.com>





7
THE

BANKERS MAGAZINE

UNIT OF
CAMPBELL

VOLUME CXI
JULY TO DECEMBER
1925

COPYRIGHT 1925 BY THE BANKERS PUBLISHING CO.

NEW YORK
THE BANKERS PUBLISHING CO., Publishers
71-73 MURRAY STREET

INDEX

HG 1501
B3
v. 111

July to December, 1925



	Page		Page
Acceptances, commodity classification of...	340	American banks in competition abroad	
Advertising (see also direct mail, personal solicitation and employes' new business campaigns).		(Samuel T. Hitting)	857
Banking publicity... 31, 191, 349, 571, 729,	905	American banking and world rehabilitation	
Financial advertisers to meet in Columbus	351	(Henry M. Robinson)	205
Financial windows of the East (M. E. Chase)	910	American Institute of Banking	
Financial windows of the Mid-West (M. E. Chase)	191	A. I. B. convention in Kansas City has record attendance (D. R. Young)	249
How banks are advertising,		Houston A. I. B. declares war on ignorance	704
35, 201, 358, 575,	917	New York A. I. B. educational program	658
How we made a long story short (Frank Fuchs)	312	American Trust Company, New York	1032
Increasing the sales of travelers' cheques among college students	357	Analyzing loan application in country banks (Frank S. Wettack)	19
Largest gathering of financial advertisers on record hears splendid program at Columbus (Richard F. Durham)	729	Anderson, B. M., Jr.	
"Oh, mercy no!" (T. N. T.)	319	The balance of trade	467
Poster idea for "selling" bank advertising literature (John T. Bartlett)	356	Cheap money and business	25
Who's who in bank advertising,		Anglo-American Bank of Greece, progress of	777
37, 199, 361, 581, 735,	913	Anthracite coal strike, the	852
Agriculture		Argentina	944
Banker-farmer relations	503	Atlantic National Bank of Boston, new building of	121
Allen, Frederick L. (my own financial survey)	887	Audited statements and auditors' certificates (Credit Editor)	779
Amending the Federal Reserve Act	5	Australia	387
America in the Far East (G. A. O'Reilly)	43	Austria	386
American and British bank building contrasted	688	Automobile and wealth, the	148
American Bankers Association Convention		Automobile financing, foresight or folly in (H. B. Lewis)	413
Annual convention of the American Bankers Association	307	Balance of trade myth, the (Benjamin M. Anderson, Jr.)	467
Association of bank women, convention of	567	Balance sheet items (Credit Editor)	81, 237, 401
Banker-farmer relations	503	Banco de Ponce (Ponce, Porto Rico), new building of	132
Clearing house section meeting	523	Bank building notes.....305, 465, 690, 845, 1041	
Community trust conference	545	Bank Buildings	
Fifty years of American banking (Lewis E. Pierson)	513	American and British bank building contrasted	688
Knox, William E. (the president's address—at the A. B. A. convention).....	507	American Trust Company, New York	1032
Los Angeles bids for next A. B. A. convention (James E. Shelton)	327	Atlantic National Bank of Boston, new building of	121
McFadden to concentrate on branch banking bill	493	Banco de Ponce (Ponce, Porto Rico), new building of	132
National bank division meeting	555	Bank of California, Seattle, Wash.	144
Record of past conventions	570	Round Brook Trust Company's new home	1029
Resolutions adopted by convention	491	Bristol Trust Company remodels its banking home	667
Savings bank division meeting	529	Building a bank on an odd shaped plot (Citizens Trust Co., Harrisburg, Pa.)	841
State bank division meeting	550	Canal-Commercial Bank, New Orleans, building \$1,000,000 structure	461
State secretaries section meeting	563	Central National Bank, New Rochelle, N. Y.	848
The Federal Reserve System	497	Central Trust Company, Cincinnati, O.	1033
The general sessions	478	Citizens State Bank of Chicago	142
The golden anniversary convention of the American Bankers Association	475	Colonial building for Bank of Nutley, N. J.	687
The golden anniversary foundation scholarships	485	Cumberland National Bank, Bridgeton, N. J.	465
The president's address (William E. Knox)	507	Empire City Savings Bank, New York	846
Tilson believes tax revision assured	554		
Trust company division meeting	539		
American banking, an English view of	287		

THE BANKERS MAGAZINE

Page	Page
Farmers' Loan and Trust Company, New York	466
Federal Reserve Bank of Pittsburgh, Pa. Individual lobbies in new Federal Reserve bank branch, (Federal Reserve Bank, St. Louis)	305
Federal Trust and Savings Bank, Hollywood, California	143
First National Bank of Boston, Buenos Aires branch, the	450
First National of Frackville's new vaults	1037
First National Bank, Nutley, N. J.	137
First National, Tampa, gets finest bank quarters in Florida	303
Fur storage as a bank service (Alfred C. Bossom and A. W. W. Marshall)	419
Garden City Bank, Garden City, N. Y.	843
Gastonia, N. C. gets new bank building (Citizens National Bank)	461
Harvard Trust Company, Cambridge, Mass., development of	831
Illinois Trust Safety Deposit Company, Chicago	688
Industrial Trust Company of Providence, R. I., the Slater branch of the	834
Kidder, Peabody & Company, Boston,	843, 844
Liberty Bank, Buffalo, N. Y.	849, 995
Liberty Discount and Savings Bank, Carbonale, Pa., enlarges quarters	686
Liberty, Mo., high school	845
Liberty Trust and Savings Bank, Chicago, Ill.	1010
London in 1950	141
Mechanics and Metals National Bank, New York	1038, 1039
Meyer-Kiser Bank, Indianapolis, Ind.	144
Middletown Savings Bank, Middletown, N. Y.	143
Midland Bank imposing new head office for	295
Millville National (bank, Millville, N. J.) rebuilt while occupied	825
Milwaukee's newest bank, (Mechanics National Bank of Milwaukee, Wis.)	1035
National Bank of the Republic, Chicago, new vaults in	829
National City Bank, N. Y. (America's billion dollar bank)	1021
National City Bank of New York, Havana, Cuba	812
New bank counter proof against hold-ups (Federal-American National Bank, Washington, D. C.)	1017
New type of teller's counter has no cage, (Federal-American National Bank, Washington, D. C.)	685
Norristown-Penn. Trust Company, Norristown, Pa.	689
Notable vault installation, a (Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, O.)	129
Ohio State Savings Association, Columbus, Ohio.	850
145,000 cubic feet of fresh air per minute (Union Trust Company, Cleveland, Ohio)	139
Pacific-Southwest Trust and Savings Bank, Los Angeles, Calif.	847
Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia	140, 303, 462, 847
Peoples National, Lynbrook, building new home	463
Philadelphia National Bank, Philadelphia, Pa.	1032
Planters National Bank, Richmond, Va., sixty years of	1013
Riverhead Savings Bank, (Riverhead, L. I.) has prominent location	461
Romance of the Riggs National Bank, (the W. H. Smith)	659
Rotterdamsche Bankvereniging at The Hague, new building of	127
Russell National Bank, Lewistown, Pa.	137
Seaman's Bank for Savings, New York.	840
Service Trust Company, Passaic, N. J.	138
State Street Trust Company, Boston, unique new banking house of	1009
Some recent bank building operations	137, 303, 461, 685, 841, 1029
Trenton Banking Company Trenton's oldest bank, history of	1025
Trenton Trust Company, new home opened	455
Trust Company of Larchmont's new building departs from traditional style	1033
Union Bank of Scotland, Limited, Glasgow	394
Union Savings Bank of Westchester County, Mamaroneck, N. Y., new building of	297
United Banking and Trust Company, Cleveland, Ohio	1036
United States Mortgage and Trust Company, New York	686
United States National Bank, Galveston, Texas, the	289
Unusual arrangement of Meriden Savings Bank	845
What can be done by remodeling (Pallade Trust and Guaranty Company, Englewood, N. J.) and (Newton Trust Company, Newton, N. J.)	1031
Bank library, the	875
Bank of California, Seattle, Wash.	144
Bank of Nutley, Nutley, N. J., colonial building for	687
Bank stocks, why, are attractive investments	681
Bankers and trade control	853
Banking and commercial law (see last page for detailed lists of cases)	27, 183, 343, 587, 723, 899
Banking and financial notes,	93, 263, 423, 633, 789, 959
Dominion of Canada section,	116, 283, 446, 654, 819, 989
Eastern states section,	93, 263, 423, 633, 789, 959
Middle states section,	110, 275, 438, 649, 809, 975
New England states section,	105, 269, 434, 642, 799, 967
Southern states section,	108, 270, 435, 645, 803, 971
Western and Pacific states section,	114, 280, 442, 653, 816, 983
Banking History	
Anglo-American Bank of Greece, progress of	777
Atlantic National Bank of Boston, new building of	121
Banco de Ponce (Ponce, Porto Rico), new building of	132
Bound Brook Trust Company's new home	1029
Centenary volume of an old Irish bank (Northern Banking Company, Limited, Belfast)	74
Cleveland Trust Company history	682
Fiftieth and seventy-fifth anniversaries celebrated by banks during year	957
Fifty years of American banking (Lewis E. Pierson)	513
First National Bank of Boston, Buenos Aires branch, the	450
Gastonia, N. C. gets new bank building (Citizens National Bank)	461
Harvard Trust Company, Cambridge, Mass., development of	831
Industrial Trust Company of Providence, R. I., the Slater branch of the	834

THE BANKERS MAGAZINE

Page		Page
<p>Liberty Bank, Buffalo, N. Y. ....849, 995</p> <p>Merchants National Bank (one hundred years of banking in New Bedford, Mass.) 1019</p> <p>Millville National Bank, Millville, N. J., rebuilt while occupied 825</p> <p>Milwaukee's newest bank (Mechanics National Bank of Milwaukee, Wis.)..... 1035</p> <p>National Bank of the Republic, Chicago, new vaults in 829</p> <p>Planters National Bank, Richmond, Va., sixty years of 1013</p> <p>Romance of the Riggs National Bank, the (W. H. Smith) 659</p> <p>Rotterdamsche Bankvereniging at The Hague, new building of 127</p> <p>State Street Trust Company, Boston, unique new banking house of 1009</p> <p>Tea merchants and bankers (A. C. Blackall) 1027</p> <p>Trenton Banking Company—Trenton's oldest bank, history of 1025</p> <p>Trust Company of Larchmont's new building departs from traditional style... 1033</p> <p>Union Bank of Scotland, Limited, Glasgow 394</p> <p>Union Savings Bank of Westchester County, Mamaroneck, N. Y., new building of 297</p> <p>United States National Bank, Galveston, Texas, the 289</p> <p>Banking publicity.....31, 191, 349, 571, 729, 905</p> <p>Banking theory (see also economics)</p> <p>American banking and world rehabilitation (H. M. Robinson) 205</p> <p>American investments abroad 1</p> <p>An English view of American banking... 287</p> <p>Bankers and trade control 853</p> <p>Call loan fallacies 673</p> <p>Cheap money and business (B. M. Anderson, Jr.) 25</p> <p>The President on banking 145</p> <p>Bartlett, John T. (a poster idea for "selling" bank advertising literature) 356</p> <p>Belgian 608</p> <p>Belgian debt settlement, the 471</p> <p>Better Business Bureau</p> <p>Checkmating the get-rich-quick promoter (B. G. Priestley) 317</p> <p>Bitting, Samuel T. (American banks in competition abroad) 857</p> <p>Blackall, A. C. (tea merchants and bankers) 1027</p> <p>Bonds advanced, stocks declined in November 1012</p> <p>Bosson, Alfred C. and Marshall, A. W. W. (fur storage as a bank service) 419</p> <p>Bosson, Alfred C. (how bank employes can gain business and good will) 260</p> <p>Bound Brook Trust Company's new home... 1029</p> <p>Bounty for bank robbers, a 158</p> <p>Branch Banking</p> <p>Are national banks doomed? (J. M. Head) 313</p> <p>McFadden to concentrate on branch banking bill 493</p> <p>Bread and butter (Richard W. Saunders) 334</p> <p>Bristol Trust Company remodels its banking home 667</p> <p>Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, O. (a notable vault installation) 129</p> <p>Bryan's place in history 691</p> <p>Building and loan association assets increase twenty per cent. in year 261</p> <p>Business Conditions</p> <p>Bonds advanced, stocks declined in November 1012</p> <p>Cheap money and business (B. M. Anderson, Jr.) 25</p>	<p>The favorable business outlook 851</p> <p>The financial situation of Poland (Wladyslaw Grabski) 159</p> <p>Germany's economic struggle (Arthur E. Dunning) 921</p> <p>World conditions 856</p> <p>Business congress, a 1028</p> <p>Call loan fallacies 673</p> <p>Canal-Commercial Bank, New Orleans, building \$4,000,000 structure 461</p> <p>Career of William Kidd, the (Withers Woolford) 175, 335</p> <p>Cauchois, Oscar R. (portrait of) 620</p> <p>Centenary volume of an old Irish bank (Northern Banking Company, Limited, Belfast) 74</p> <p>Central National Bank, New Rochelle, N. Y. 848</p> <p>Central Trust Company, Cincinnati, O. 1033</p> <p>Chase, M. E.</p> <p>Financial windows of the Mid-west..... 191</p> <p>Financial windows of the East 910</p> <p>Cheap money and business (B. M. Anderson, Jr.) 25</p> <p>Checkmating the get-rich-quick promoters (Bernard G. Priestley) 317</p> <p>China 392</p> <p>Christmas Club</p> <p>A three hundred million dollar idea (Herbert F. Rawll) 883</p> <p>Citizens State Bank of Chicago..... 142</p> <p>Citizens Trust Company, Harrisburg, Pa. (Building a bank on an odd shaped plot) 841</p> <p>Cleveland Trust Company history 682</p> <p>Collateral, some aspects of in country bank credits (F. S. Wettack) 705</p> <p>Commercial barrier, removal of 308</p> <p>Connor, F. D. (why unprofitable accounts?) 364</p> <p>Conventions</p> <p>American Bankers Association convention October</p> <p>A. I. B. convention in Kansas City has record attendance (D. Diehard Young) 249</p> <p>Annual convention of the national association of credit men 40</p> <p>Financial Advertisers' Association (Largest gathering of financial advertisers on record hears splendid program—R. F. Durham) 729</p> <p>Helping the men to carry the load (Association of Bank Women) 411</p> <p>National foreign trade convention 217</p> <p>New York state bankers meet 75</p> <p>Thirteenth national foreign trade convention (O. K. Davis) 928</p> <p>Cook, Allan B. (good will or good bye!) 877</p> <p>Cooke, Guy W. (portrait of) 913</p> <p>Cotton goods, are, unpopular? 590</p> <p>Counterfeiting</p> <p>It looked like real money—but it wasn't (Richard F. Durham) 715</p> <p>Country bank credits 855</p> <p>Credit</p> <p>Analyzing loan applications in country banks (F. S. Wettack) 19</p> <p>Annual convention of the national association of credit men 40</p> <p>Audited statements and auditors' certificates (Credit Editor) 779</p> <p>Balance sheet Items (Credit Editor) 81, 237, 401</p> <p>Better credit letters (Mahlon D. Miller) 167</p> <p>Country bank credits 855</p> <p>Country banks should loan on facts—not optimism (F. S. Wettack) 171</p> <p>Profit and loss statement (Credit</p>	

THE BANKERS MAGAZINE

	Page		Page
Editor)	623	Federal farm loan system	
Security aspect of country bank credits (F. S. Wettack)	323	Federal land bank bonds as security for postal savings deposits	903
Some aspects of collateral in country bank credits (F. S. Wettack)	705	Review of the operations of the Federal farm loan system (R. D. Kilborne).....	697
Some bank credit problems (Credit Editor)	31, 237, 401, 623, 779,	Federal Reserve Act	
Why men borrow (Credit Editor)	949	Amending the Federal Reserve Act.....	6
Cumberland National Bank, Bridgeton, N. J.	465	Proposed amendments to the Federal Reserve Act	151
Currency, heavy demands for	4	Federal Reserve Bank of Pittsburgh, Pa.	142
Czechoslovakia	770	Federal Reserve Bank of St. Louis (Individual lobbies in new Federal Reserve Bank branch)	305
Danne, Harold A. (Valuation of public utilities from a banking standpoint)	247	Federal Reserve System	
Davis, O. K. (thirteenth national foreign trade convention)	928	Decrease in membership in the Federal Reserve System	471
Denmark	384, 614	The Federal Reserve exhibit (at the A. B. A. convention)	785
Direct mail as part of the trust selling campaign (T. T. Weldon)	31	The Federal Reserve System	497
Dunning, Arthur E. (Germany's economic struggle)	921	Rechartering the reserve banks	694
Durham, Richard F.		Welghing the Federal Reserve System in the balance (L. E. Pierson).....	78
It looked like real money—but it wasn't	715	Federal Trust and Savings Bank, Hollywood, California	143
Largest gathering of financial advertisers on record hears splendid program at Columbus	729	Fiction	
Economics (see also banking theory)		The career of William Kidd (Withers Woolford)	175, 335
American banking and world rehabilitation (H. M. Robinson)	205	Fiftieth and seventy-fifth anniversaries celebrated by banks during year.	957
American investments abroad	1	Financial advertisers to meet in Columbus	351
Automobile and wealth, the	148	Financial windows of the East (M. E. Chase)	910
Bankers and trade control	853	Financial windows of the Mid-West (M. E. Chase)	191
The balance of trade myth (Benjamin M. Anderson, Jr.)	467	First National Bank, Nutley, N. J.	137
Call loan fallacies	673	First National Bank of Boston, Buenos Aires branch, the	450
'Cheap money and business (B. M. Anderson, Jr.)	25	First National of Frackville's new vaults	1037
Education		First National, Tampa, gets finest bank quarters in Florida	303
Bankers' educational endowment fund....	696	First thousand dollars, the (Richard W. Saunders)	24
Does a college education pay?	892	Foreign banking	
The golden anniversary foundation scholarships	486	America in the Far East (G. A. O'Reilly)	43
Learning to be a banker	147	American banks in competition abroad (S. T. Bitting)	857
More subscriptions for A. B. A. educational fund	727	Foreign Debts	
The need of elementary economic education	3	Balance of trade myth (Benjamin M. Anderson, Jr.)	467
Empire City Savings Bank, New York	846	The Belgian debt settlement	471
Employees' new business campaigns		Europe paying up	149
"Knowing their stuff?" (Herbert V. Prochnow)	352	Financial situation of France (Emile Daeschner)	593
Successful campaign brings \$12,000,000 in new deposits	893	French debt negotiations	693
Employees of Pittsburgh bank stage successful musical comedy	90	French financial difficulties	856
Essay Contest		Reputation on both sides of the Atlantic	310
Many essays received in prize contest....	311	Status of war debt funding to date	1041
Results of THE BANKERS MAGAZINE prize contest	701	U. S. Foreign loans for first six months of 1925 total over half billion	367
Europe, our moral support for	309	Foreign Trade	
Europe paying up	149	America in the Far East (G. A. O'Reilly)	43
Failures		Balance of trade myth (Benjamin M. Anderson, Jr.)	467
Are there too many banks?	148	National foreign trade convention	217
For better bank supervision	695	Thirteenth national foreign trade convention (O. K. Davis)	928
Why banks fail	471	United States trade with Europe shows big increase	369
Far East, America in the (G. A. O'Reilly)	43	World's recovery in export trade	822
Farmers' Loan and Trust Company, New York	466	Forepaugh, W. F. (portrait of)	993
Favorable business outlook, the	851	Forms	
Federal-American National Bank, Washington, D. C. (New type of tellers' counter has no cage)	685	Penalizing chronic overdrawers	399
(New bank counter proof against hold-ups)	1017	New form of signature card	713
		France	60, 226, 378, 606, 767, 934
		France, financial situation of (Emile Daeschner)	593

THE BANKERS MAGAZINE

	Page		Page
French debt negotiations	693	Labor Banks	
French financial difficulties	856	Success of the labor banks	7
Fuchs, Frank (how we made a long story short)	312	Letters	
Fur storage as a bank service (Alfred C. Bosson and A. W. Marshall).....	419	Better credit letters (Mahlon D. Miller)	167
Garden City Bank , Garden City, N. Y.....	843	Lewis, H. Bertram (foresight or folly in automobile financing?)	413
Germany .....58, 225, 376, 602, 764, Germany's economic struggle (Arthur E. Dunning)	921	Liberty Bank , Buffalo, N. Y.	849, 995
Good will or good bye! (Allan B. Cook)....	877	Liberty Discount and Savings Bank (Carbondale, Pa.) enlarges quarters.....	686
Government Finance (see also Taxation)		Liberty, Mo. , high school	845
Battle against extravagance and waste....	147	Liberty Trust and Savings Bank , Chicago, Ill.	1040
Cut debts to reduce budgets	1020	Lobbies , individual in new Federal Reserve Bank branch	305
A defense of Coolidge economy (William E. Knox)	8	Loeruno pact , the	853
Growth of Federal expenditure	5	London in 1950	141
Great Britain .....55, 222, 372, 599, 762, 931		Los Angeles bids for next A. B. A. convention (James E. Shelton)	327
Grabski, Wladyslaw (the financial situation of Poland)	159	Mulhaive, Pierre De (portrait of)	619
Greve, William M. (portrait of)	746	Marshall, A. W. W. and Bosson, Alfred C. (fur storage as a bank service)	419
Hardesty, Paul L. (portrait of)	735	McFadden, Louis T. (the national bank bill)	865
Harvard Trust Company , Cambridge, Mass., development of	831	Mechanics and Metals National Bank , New York	1038, 1039
Hayes, William (can a trust company successfully administer a great newspaper?)	709	Merchants National Bank , New Bedford, Mass. (one hundred years of banking in New Bedford)	1019
Head, J. M. (are national banks doomed?)	313	Meriden Savings Bank , Meriden, Conn., unusual arrangement of	845
Helping the men to carry the load	411	Meyer-Kiser Bank , Indianapolis, Ind.	144
Henderson, A. T. (portrait of)	621	Middletown Savings Bank , Middletown, N. Y.	143
Houston A. I. B. declares war on ignorance	704	Midland Bank , (London, Eng.) imposing new head office for	295
How bank employes can gain business and good will (Alfred C. Bosson)	260	Miller, Mahlon D.	
How banks are advertising , 35, 201, 358, 575, 917		Better credit letters	167
How we made a long story short (Frank Fuchs)	312	A helpful plan to get new savings business	889
Illinois Trust Safety Deposit Company Chicago	688	Millville National (bank, Millville, N. J.) rebuilt while occupied	825
Industrial Trust Company of Providence, R. I. , the Slater branch of the	834	Milwaukee's Newest Bank , (Mechanics National Bank of Milwaukee, Wis.).....	1035
Installment Buying		My own financial survey (Frederick L. Allen)	887
Wage earners' debts and the savings margin (O. R. Johnson)	9	National Bank bill , the (Louis T. McFadden)	865
Insurance , five billion new, for first half-year	673	National bank division meeting A. B. A. convention	555
International banking and finance , 41, 203, 365, 591, 747, 919		National Bank of the Republic , Chicago, new vaults in	829
International banking notes , 70, 232, 392, 614, 773, 945		National City Bank of New York , Havana, Cuba	842
Investments , American, abroad	1	America's billion dollar bank	1021
It looked like real money—but it wasn't (Richard F. Durham)	715	National foreign trade convention	217
Italy .....64, 229, 382, 611, 769, 939		New York A. I. B. educational program	658
Japan	68, 390	New York state bankers meet	75
Johnson, O. R. (wage earners' debts and the savings margin)	9	Norristown-Penn Trust Company , Norristown, Pa.	689
Kerman, Frederick R. (portrait of).....	37	Northern Banking Company, Limited , Belfast (centenary volume of an old Irish bank)	74
Kidd, the career of William (Withers Woolford)	335	Norway	385, 772
Kidder, Penbody & Company , Boston.....	843, 844	Ohio State Savings Association , Columbus, Ohio	850
Kilborne, R. D. (a review of the operations of the Federal farm loan system)	697	O'Reilly, G. A. (America in the Far East)	43
"Knowing their stuff" (Herbert V. Froehnow)	352	Overdrawers , penalizing chronicle	399
Knox, William E. (a defense of Coolidge economy)	8	Pacific-Southwest Trust and Savings Bank , Los Angeles, Calif.	817
(The president's address—at the A. B. A. convention)	507	Page, F. LeMoyné (portrait of)	361

THE BANKERS MAGAZINE

	Page		Page
Passports		Saunders, Richard W.	
Removal of a commercial barrier	308	The first thousand dollars	24
Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia	847	Wealth or income	166
Peoples National, Lynbrook, building new home	463	Bread and butter	334
Personal solicitation as a part of the trust selling campaign (T. T. Weldon)	571	Save-to-travel—the new banking program (Allan F. Wright)	329
Personnel		Savings bank division meeting A. B. A. convention	529
Employees of Pittsburgh bank stage successful musical comedy	90	Savings (see also Thrift)	
How bank employes can gain business and good will (A. C. Bossom)	260	A helpful plan to get new savings business (M. D. Miller)	889
Reducing the labor costs in banks (Edward P. Vollertsen)	15	Savings plans for the business and professional man	355
Philadelphia National Bank, Philadelphia, Pa.	1032	School savings increase \$5,500,000	70
Pierson, L. E.		A three hundred million dollar idea (H. F. Rawll)	883
Weighting the federal reserve system in the balance	78	Schoeffel, Miss Marjorie E. (portrait of)	581
Fifty years of American banking	513	Scrip savings plan, a helpful plan to get new savings business (M. D. Miller)	889
Planters National Bank, Richmond, Va., sixty years of	1013	Seaman's Bank for Savings, New York	840
Poland	67	Security aspect of country bank credits, the (Frank S. Wetack)	323
Poland, the financial situation of (Whodyslaw Grabski)	159	Service Charges	
Poster idea for "selling" bank advertising literature, a (John T. Bartlett)	356	Clearing house section meeting, A. B. A. The problem of the service charge (M. R. Sturdevant)	18
Preston, Thomas R. (the question of the inheritance tax)	125	Why unprofitable accounts? (F. D. Connor)	364
Priestley, Bernard G. (checkmating the get-rich-quick promoters)	317	Service Trust Company, Passaic, N. J.	138
Prochnow, Herbert V. ("Knowing their stuff")	352	Shelton, James E. (Los Angeles bids for next A. B. A. convention)	327
Profit and loss statement, the (Credit Editor)	623	Signature card, a new form of	713
Profiteering as a cause of war	309	Smith, W. H. (the romance of the Riggs National Bank)	659
Prohibition, economic effects of	4	Some bank credit problems, 81, 237, 401, 623, 779, 949	949
Public utilities, valuation of, from a banking standpoint (H. A. Danne)	247	Some recent bank building operations, 137, 303, 461, 685, 841, 1029	1029
Radio station KFWB, Los Angeles, Calif.	1040	South America	230
Rawll, Herbert F. (a three hundred million dollar idea)	883	State bank division meeting A. B. A. convention	550
Real estate mortgage bonds	145	State banking laws, bankers survey	720
Records of the bank, keeping the	838	State secretaries section meeting A. B. A. convention	563
Reducing the labor costs in banks (Edward P. Vollertsen)	15	State Street Trust Company, Boston, unique new banking house of	1009
Religion		Strictly local bank, a	855
President Coolidge's remedy for social ills	851	Sturdevant, Myron R. (the problem of the service charge)	18
Remodeling, what can be done by (Pall-sade Trust and Guaranty Company, Englewood, N. J.) and (Newton Trust Company, Newton, N. J.)	1031	Sweden	66, 382
Reputation on both sides of the Atlantic	310	Switzerland	612
Retailers expect record Christmas	584	Taxation (see also Government finance)	
Review of countries, 55, 222, 372, 599, 762,	931	High receipts from income taxes	150
Riverhead Savings Bank (Riverhead, L. I.) has prominent location	461	Prospective tax reduction	310
Robbery		The question of the inheritance tax (Thomas R. Preston)	125
A bounty for bank robbers	158	Tilson believes tax revision assured	554
Protecting the banks	146	Tea merchants and bankers (A. C. Black-all)	1027
Robinson, Henry M. (American banking and world rehabilitation)	205	Tellers' counters, new type of, has no cage	685
Romance of the Riggs National Bank, the (W. H. Smith)	659	New bank counter proof against hold ups	1017
Rotterdamseche Bankvereening at The Hague, new building of	127	The Netherlands	65, 770, 942
Russell National Bank, Lewistown, Pa.	137	Thrift (see also savings)	
Russia	67	Battle against extravagance and waste	147
		Bread and butter (R. W. Saunders)	334
		The first thousand dollars (R. W. Saunders)	24
		New savings bank plan to meet building and loan competition	333
		Organization of thrift in Great Britain	749
		Save-to-travel—the new banking program (A. F. Wright)	329
		Wealth or income (R. W. Saunders)	166
		Tilson believes tax revision assured	554

THE BANKERS MAGAZINE

	Page		Page
T. N. T. ("Oh, mercy no!")	349	Window advertising	
Travel		Financial windows of the East (M. E. Chase)	910
Around the world—a cruise	827	Financial windows of the mid-West (M. E. Chase)	191
This urge to travel	837	Winter cruises	675
Winter cruises	675	Women in banking (Helping the men to carry the load)	411
Travelers' cheques, increasing the sales of, among college students	357	Woolford, Withers (the career of William Kidd)	175, 335
Trenton Banking Company—Trenton's oldest bank, history of	1025	World conditions	856
Trenton Trust Company, new home opened	455	Wright, Allan F. (Save-to-travel—the new banking program)	329
Trust company division meeting A. B. A. convention	539	Young, D. Richard (A. I. B. convention in Kansas City has record attendance).....	249
Trust Company of Larchmont's new building departs from traditional style	1033		
Trust Companies			
Can a trust company successfully administer a great newspaper? (William Hayes)	709		
Direct mail as part of the trust selling campaign (T. T. Weldon)	31		
Merchandising the trust company (T. T. Weldon)	905		
Personal solicitation as part of the trust selling campaign (T. T. Weldon)	571		
The trust company division meeting (A. B. A. convention)	539		
Union Bank of Scotland, Limited, Glasgow	394		
Union Savings Bank of Westchester County, Mamaroneck, N. Y., new building of	297		
Union Trust Company, Cleveland, O. (165,000 feet of fresh air per minute)	139		
United Banking and Trust Company, Cleveland, Ohio	1036		
United States Mortgage and Trust Company, New York	686		
United States National Bank, Galveston, Texas, the	289		
Ventilation			
165,000 cubic feet of fresh air per minute	139		
Vollertsen, Edward P. (reducing the labor costs in banks)	15		
Wage earners' debts and the savings margin (O. R. Johnson).....	9		
Wall Street			
Will "Wall Street" pass?	472		
Wealth or income (Richard W. Saunders)	166		
Weldon, Theodore Tefft (portrait of).....	189		
Direct mail as part of the trust selling campaign	31		
Personal solicitation as part of the trust selling campaign	571		
Merchandising the trust company.....	905		
Wettack, Frank S.			
Analyzing loan applications in country banks	19		
Country banks should loan on facts—not optimism	171		
The security aspect of country bank credits	323		
Some aspects of collateral in country bank credits	705		
Who's who in bank advertising			
Frederick R. Kerman	37		
Theodore Tefft Weldon	199		
F. LeMoyné Page	361		
Miss Marjorie E. Schoeffel	581		
Paul L. Hardesty	735		
Guy W. Cooke	913		
Why banks fail	471		
Why unprofitable accounts? (F. D. Connor)	364		

BANKING AND COMMERCIAL LAW

Agreement to charge bank overdraft check	725
Attachment of contents of safe deposit box	28
Bank allowed to recover money paid on check after payment stopped	183
Bank held liable on guaranty	188
Bank liable for nominal damages only in returning check for insufficient funds through mistake	345
Bank liable to depositor in paying fraudulent checks	185
Bank not liable on note indorsed by president without authority	723
Deposit for special purpose	343
Depositor's duty to examine canceled checks for forged signatures	27
Liability of national bank stockholder	184
Pass book notice relative to out of town collection items	587
Notifying bank as to payment of forged check	901
Telegram agreeing to pay check makes bank liable	899

LIST OF CASES

Carples v. Cumberland Coal & Iron Company	28
Karraker v. Ernest	184
Katz v. Pacific Bank	345
Lumbia v. Lachovitz	183
Plerson v. Swift County Bank	843
Samples v. Milton County Bank	901
Stapleton v. Farmers' Bank of Morrill	899
Semingson v. Stockyards National Bank	587
Stansell v. Payne	723
Stephens v. First National Bank of Cleveland, Texas	725
Stumpp v. Bank of New York	27
Washington Grocery Co. v. Citizens' Bank of Anacortes	188
William J. Connors Car Co., Inc., v. Manufacturers' and Traders' National Bank of Buffalo	185

The page numbers for this volume are distributed as follows:

1—144	July
145—305	August
307—470	September
471—690	October
691—850	November
851—1012	December

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

JULY 1925

No. 1

American Investments Abroad

Wage Earners' Debts and the
Savings Margin

Reducing the Labor Costs in Banks

Analyzing Loan Applications in
Country Banks

Direct Mail as Part of the Trust
Selling Campaign

America in the Far East

New York State Bankers Meet

FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y.
UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U. S. A.

PUBLISHED MONTHLY BY

THE BANKERS PUBLISHING CO.

M. C. WARREN, PRES.

W. H. BUTT, VICE-PRES.

K. F. WARREN, TREAS.

J. R. DUFFIELD, SEC.

BOSTON

NEW YORK

CHICAGO

J. P. MORGAN & CO.

Wall Street, Corner of Broad
NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.
Foreign Exchange, Commercial Credits.
Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

*Offers these
Services to
Banks,
Corporations
and
Individuals*



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$28,500,000

100 Broadway
57th St. & Fifth Ave. 40th St. & Madison Ave.

SEEKING NEW BUSINESS ON OUR RECORD

Past Present and Future

THIS bank's experience of 101 years can be successfully applied to your problem of the PRESENT so that we both may prosper in the FUTURE.

**THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK**

**B'WAY at CHAMBERS, FACING CITY HALL
FIFTH AVENUE at TWENTY-NINTH STREET
MADISON AVENUE at FORTY-SIXTH STREET**

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE *and* 46th STREET

SEVENTH AVENUE *and* 32nd STREET

DIRECTORS

Charles Scribner
Richard Delafield
Francis R. Appleton
Cornelius Vanderbilt
Gilbert G. Thorne
Thomas F. Vietor
John G. Milburn
William Vincent Astor

Joseph D. Oliver
Lewis Cass Ledyard, Jr.
David M. Goodrich
Eugenius H. Outerbridge
Kenneth P. Budd
John H. Fulton
Frank L. Polk
Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus *and* Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by

THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAQ." NEW YORK

Volume CXI

JULY 1925

No. 1

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	1
American Investments Abroad—The Need of Elementary Economic Education—Economic Effects of Prohibition—Growth of Federal Expenditure—Amending the Federal Reserve Act—Success of the Labor Banks.	
A Defense of Coolidge Economy	8
By William E. Knox The president of the American Bankers Association defends President Coolidge's economy program against critics who maintain that this program has been responsible for a slackening of trade. Mr. Knox says that business men who blame sound economical programs for unsatisfactory conditions in their businesses are hiding behind a sham excuse.	
Wage Earners' Debts and the Savings Margin	9
By O. R. Johnson Mr. Johnson says that the phenomenal development of instalment buying offers to savings bankers a question for serious consideration. He discusses partial payment purchases both from the point of view of the purchaser and that of the savings banker. He points out where the real danger lies in instalment buying, and suggests a remedy for the situation which he describes. Mr. Johnson tells why he believes that the remedy for the situation lies, in part at least, with bankers.	
Reducing the Labor Costs in Banks	15
By Edward P. Vollertsen The author points out that although banking has outdistanced industry in many respects, bankers have fallen somewhat behind in the matter of human relations. He puts his finger on what he believes to be the fundamental weakness of the problem and offers a solution which practical experience in dealing with questions of personnel has convinced him will prove an effective remedy. Mr. Vollertsen is controller of the National Bank of the Republic, Chicago.	
Analyzing Loan Applications in Country Banks	19
By Frank S. Wettack This is the second article of a series by Mr. Wettack outlining principles upon which country bank credits should be based. The author discusses, in this article, the credit risk in connection with threatened insolvency; the married man as opposed to the bachelor as a credit risk; the question of the prospective borrower's mode of living; the place of the saver in our credit structure; analyzing the proposed loan; and the borrower's attitude toward loan analysis. The author is cashier of the First National Bank of Coffeyville, Kansas, and has had twenty-five years of practical experience in meeting all types of problems in bank credit work.	

(Contents continued on page vii)

The Age of a Bank

TO be distinguished for age alone is, in a man, a distinction of doubtful value. But age by itself confers eminence upon a Bank, for it implies not only the experience that comes with years, but survival amid competition, and is a guarantee of permanence.

To the Bank of New York and Trust Company belongs the honor of being the oldest Bank in the City. Its Banking Department, founded in 1784, antedates even the Constitution of the United States itself. Its Trust Department was established in 1830, at a time when the wealth of the City was only beginning to be great enough to justify an organization devoted principally to the care of Estates.

In addition to a thorough familiarity with the banking and fiduciary business of the present day, the Bank possesses the honorable tradition and the sum of the experience of one hundred and forty-one years of service.

May it not serve you?



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office
149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited.

RESOURCES OVER QUARTER BILLION DOLLARS

1864

*Comprehensive
Foreign
Banking
Service*



1925

*Traveler's
Checks
Foreign
Currency*

61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafeld
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY

NEW YORK

PLAZA OFFICE
5th Ave. & 60th St.

42ND STREET OFFICE
Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER

NATIONAL BANK
OF THE CITY OF NEW YORK
Established 1851

OFFICERS

WILLIAM WOODWARD
PRESIDENT

E. HAYWARD FERRY
VICE PRESIDENT

HENRY P. TURNBULL
VICE PRESIDENT

WILLIAM E. CABLE, JR.
CASHIER

SAMUEL WOOLVERTON
VICE PRESIDENT

J. NIEMANN
ASST. CASHIER

JOSEPH BYRNE
VICE PRESIDENT

WILLIAM DONALD
ASST. CASHIER

CHAS. H. HAMPTON
VICE PRESIDENT

GEORGE E. LEWIS
ASST. CASHIER

JOSEPH S. LOVERING
VICE PRESIDENT

FREDERICK A. THOMAS
ASST. CASHIER

JAMES P. GARDNER
VICE PRESIDENT

WALTER G. NELSON
ASST. CASHIER

FOREIGN DEPARTMENT

CHARLES B. CAMPBELL
ASST. CASHIER

WILLIAM H. SUYDAM
VICE PRESIDENT
AND MANAGER

WILLIAM B. SMITH
ASST. CASHIER

WILLIAM H. ALLEN
ASST. CASHIER

Capital \$5,000,000
Surplus and Profits 2,400,000

The "Hanover" is New York Correspondent of over 4000 Banks

CONTENTS—Continued

	Page
The First Thousand Dollars By Richard W. Saunders	24
<p>A very stimulating and thought provoking dissertation on the importance of saving. The author is a regular monthly contributor to THE BANKERS MAGAZINE. He has been a banker most of his life, and was for several years cashier of the National Bank of Commerce in New York. He is now comptroller of one of the country's best known corporations.</p>	
Banking and Commercial Law	27
<p>Important decisions of current interest handed down by state and Federal courts upon questions of the law regarding banking and negotiable instruments—Depositor's Duty to Examine Canceled Checks for Forged Signatures—Attachment of Contents of Safe Deposit Box.</p>	
Banking Publicity	31
<p>"Direct Mail as Part of the Trust Selling Campaign," by Theodore Tefft Weldon, advertising manager Northern Trust Company of Chicago (the third article of a series prepared for THE BANKERS MAGAZINE by Mr. Weldon on the general subject of a Complete Campaign for New Trust Business).—How Banks are Advertising—Editorial Column—Who's Who in Bank Advertising.</p>	
Convention of National Association of Credit Men	40
<p>High lights of the convention of credit men held in Washington, D. C., June 8-13.</p>	
International Banking and Finance	41
<p>"America in the Far East," by G. A. O'Reilly—Review of Countries—International Banking Notes.</p>	
New York State Bankers Meet	75
<p>A resumé of the proceedings of the thirty-second annual convention of the New York State Bankers Association, held at Ithaca, N. Y., June 22-24.</p>	
Some Bank Credit Problems	81
<p>This department contains this month in addition to the usual questions and answers on bank credit problems an article by the Credit Editor on "Balance Sheet Items." This article is the fourth of a series setting forth some of the basic business and credit principles which every bank credit man should have fixed in his mind.</p>	
Employees of Pittsburgh Bank Stage Musical Comedy	86
<p>The Pennsylvania Trust Club, an organization of employees of the Pennsylvania Trust Company of Pittsburgh stages successful production of two act musical comedy at Carnegie Hall.</p>	
Banking and Financial Notes	93
<p>Items of current interest to bankers about banks and banking in every section of the country are contained in this department each month.</p>	



Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

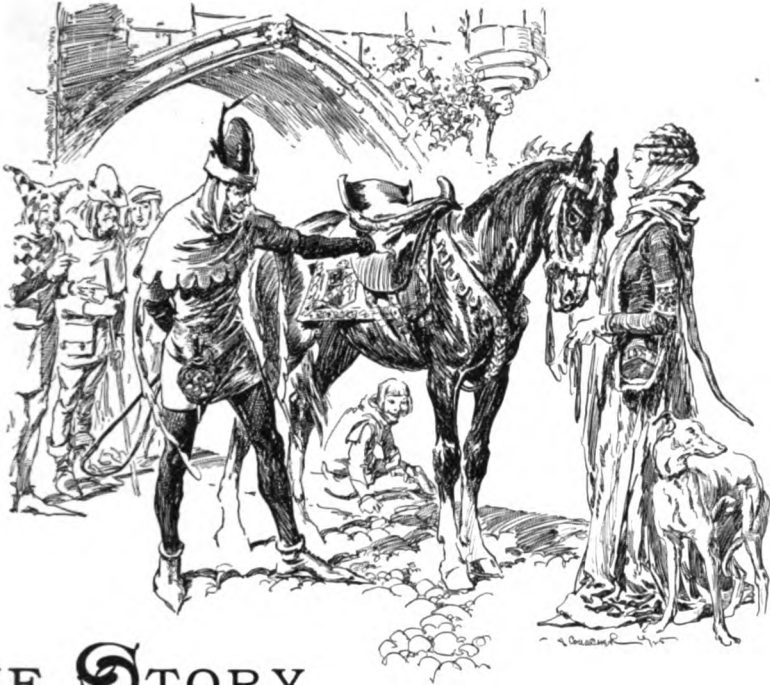
HOME ATMOSPHERE

The cordiality you will receive in The Coal and Iron National Bank will remind you of your home town. Our correspondents transact their business with us with ease and dispatch because of the cordial relationship existing. Pay us a visit when in New York.

The
COAL & IRON
NATIONAL
BANK

OF THE CITY OF NEW YORK

Personal Service Headquarters



THE STORY of a "poor little rich girl" in 14th century Britain

LADY Berkeley was out of funds. She was "broke." There she was in town, miles from home, without money, but with a very natural desire to hear the jingle of coins in her purse.

She did have a perfectly good horse, and, according to the story, "She even contemplated selling her horse and walking back to the vast landed estates of which she was the mistress." *

In those days, stocks and bonds, and other modern investments did not exist. Banks had yet to make their appearance in England. Wealthy people who tried to make provision for their families were forced to invest in gold and silver plate, chains, brooches, and other trinkets, easily bought but, in those days, not

easily sold. Or, they had the alternative of buying land and being "land poor."

But in either case, those possessors of fortunes in lands or treasures were often at their wits' end to secure a mere trifle of ready money.

* * *

TODAY it is still difficult always to be sure that investments are marketable and dependable. Impartial financial counsel at the Seaboard is yours for the asking.

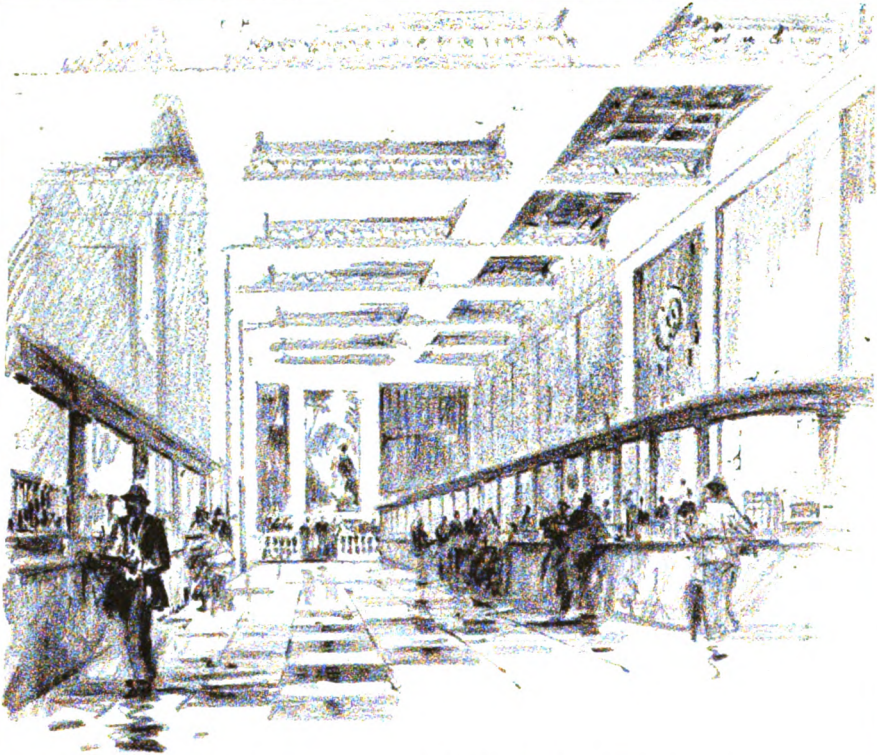
With no securities of our own to sell, we report facts without any self-interest in the matter. Our unusual facilities for gathering information about securities is a service we are glad to extend to our depositors who ask for it.

THE SEABOARD NATIONAL BANK

of the City of New York

115 BROADWAY BROAD AND BEAVER 24 EAST 45TH ST.

* Incident related by Ellis T. Powell in his "Evolution of the Money Market."



Associate Yourself With This Great Commercial Bank

Its broad influence may be of direct personal benefit to you.

Its many-pointed contact with successful business men; its knowledge of markets, domestic and foreign; its alive credit information, will aid you in the building of your business.



Establish a connection with this bank, which can care for every phase of your financial interests.

CORN EXCHANGE NATIONAL BANK PHILADELPHIA

**MAIN OFFICE
CHESTNUT ST. AT SECOND**

**CENTRAL CITY OFFICE
1510-12 CHESTNUT**

The Publisher's Page

THE fourth article of Theodore Tefft Weldon's series on "A Complete Campaign for New Trust Business" will appear in the September number of THE BANKERS MAGAZINE. Previous articles of this series have discussed the subjects of "Selling the Trust Department to the Public," "Newspaper Advertising as Part of the Trust Selling Campaign," and "Direct Mail as Part of the Trust Selling Campaign." Mr. Weldon's article in the September number will be on the subject of "Personal Solicitation as a Part of the Trust Selling Campaign." He will discuss such points as: Getting the co-operation of everyone in the bank; the work of the trust solicitor, personality and training, securing leads, getting in to the prospect, closing the deal, when to drop a prospect; how much business may be expected from a solicitor; and, priming the trust officers on handling new business inquiries.



THE third article of the series by Frank S. Wettack on "Some Phases of Country Bank Credits," will appear in the August number. Mr. Wettack says, among other things in this article, that: "No bank can endure if it adopts the attitude of the bartender—'What'll you have, gentlemen?'—and proceeds to meet the order. Too much emphasis cannot be placed on the principle that a bank must lend on successful ventures. Success can only result in the ventures having sound conditions. A consideration of the purpose to which the borrowed money will be devoted is always in order. The consideration which the borrower has given to the venture can be supplemented by the banker's contact with other similar ventures. Successful bankers in a large measure owe their success to an analytical temperament whereby they have been able to detect weak points. The borrower is usually convinced of the merits of his proposition. Bankers must scrutinize plans to detect not only the bright spots but also the dark spots. Borrowers seldom approach a banker from the angle of inviting an impartial analysis. Every country banker

will testify that he is invited twenty times to pull a borrower out of the hole, to once where he is given an opportunity to keep his patrons from getting into one."



ONE of the features of the August number will be a practical and helpful article on window displays, entitled "Financial Windows of the Mid-West," by M. E. Chase. The author has spent the last three years traveling from coast to coast and from the Canadian border to the Panama Canal interviewing banks, large, medium and small in cities of all sizes. It was found that whether or not a banker was using window displays at the time interviewed, was about to, or had no definite plans in that direction, all were alike interested in knowing how other banks had gone in for window displays and what they thought on the subject. In this article, and succeeding articles which will appear on the subject of window displays, readers of THE BANKERS MAGAZINE will be given an opportunity to "listen in" on the interviews which M. E. Chase has had with some of the pioneers and leaders in the bank window advertising field.



IN "Better Credit Letters," an article by Mahlon D. Miller, which will appear in the August number, the author will discuss the following questions: How to secure dependable information concerning the credit standing and financial responsibility of a corporation; how to follow up the initial letter of inquiry so as to receive a prompt reply; how to check the financial standing of the individual seeking credit on a personal statement; how to check trade acceptances and other paper left by depositors; and, how to follow up new accounts to establish a financial background concerning new depositors. Several credit inquiry letters which the author has used successfully are reproduced with this article. Mr. Miller is manager of the new business department of the Lake Shore Trust and Savings Bank, Chicago.

—At the New York End

One of New York's oldest banks offers its services as an efficient correspondent for firmly established banks and bankers in all parts of the country.



Capital, Surplus and Undivided Profits over \$11,000,000



Main Office
Fifth Ave. at 32nd Street

The Bank of United States

Member Federal Reserve System

Resources Over
\$65,000,000.00

DEPOSITORY FOR
United States Postal Savings Funds
State of New York City of New York

Foreign Exchange

Domestic and Foreign Letters of Credit Issued

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

Accounts of Banks and Bankers Invited

Between The Upper and The Nether Millstones!

In a period characterized by lowering rates of income and constantly increasing expenses, efficient collection facilities are as desirable as gilt-edged loans and investments.

The cost to you of collecting a difficult item through ordinary channels may be equal to the difference of $\frac{1}{2}\%$ on a loan of like amount.

Our continuously operating Transit and Collection Departments insure against avoidable delays.

All items received at par.

THE
PHILADELPHIA
NATIONAL
BANK

Capital, Surplus and Profits \$17,000,000



CAPITAL and SURPLUS
\$9,000,000.00

YOU WILL FIND THIS BANK an active, well-managed institution. Your financial requirements, whether large or small, will receive the benefits of a strong organization, ready to cultivate an interest in the affairs of its customers and friends.

CENTRAL TRUST
COMPANY OF ILLINOIS
CHICAGO

FINANCIAL EYES AND EARS
(for your Investments)

Even after money is invested in good bonds it is well to keep informed about each security. Doing this work is one phase of the service we afford our correspondents.

When it is desired, our Bond Analytical Division will follow up your securities, advising you from time to time of any changes which seem important. It is a satisfaction to know that your bonds are receiving the attention of a conservative organization.

Bond Department

THE NORTHERN
TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$7,000,000



Northwest Corner La Salle and Monroe Streets, Chicago



THE standing of this bank in the public mind has not come suddenly. It is the result of constant fidelity for more than a half century to the highest principles of banking practice.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

THE FOREMAN BANKS

FOUNDED 1862

We are equipped to give exceptional service to banks, corporations, firms and individuals. Special attention paid to collections. Our foreign department can serve you in more than 50 foreign countries.

The Foreman National Bank

The Foreman Trust and Savings Bank

La Salle and Washington Sts., Chicago

Combined Capital, Surplus and Undivided Profits exceed

\$10,000,000

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

Pine Street, Corner William
NEW YORK

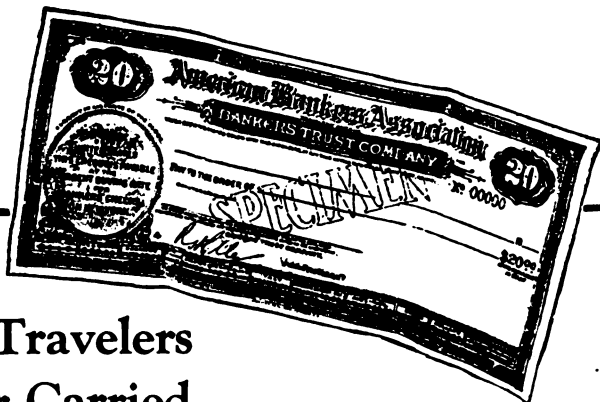
BONDS FOR INVESTMENT

Harris, Forbes & Company
Incorporated
Boston

Harris Trust & Savings Bank
Bond Department
Chicago



Like the Magic Carpet,
A·B·A (American BANKERS
Association) Travelers'
Cheques take you
wherever you want to go.



650,000 Travelers
Last Year Carried
\$136,500,000 In

A·B·A American
BANKERS
Association **Cheques**
"TRAVEL MONEY"

making them the most widely used
travelers' cheques.

The growing preference among travelers for A·B·A (American BANKERS Association) Travelers' Cheques is a fact which should more and more react to the benefit of every banking institution selling them.

They have never been successfully counterfeited. Well made,—crisp, clean and handsome as new bank-notes. Good for U. S. customs. Self-identifying. Accepted everywhere at home and abroad. Provided in neat wallets in denominations of \$10, \$20, \$50 and \$100. The OFFICIAL travelers' cheques of the American Bankers Association.

Write us for literature and further information.

*The Agent for the payment of all American Bankers Association
Travelers' Cheques is*

BANKERS TRUST COMPANY

NEW YORK

PARIS

LONDON



Meeting the Needs of a Greater Philadelphia

Capital and Surplus \$3,500,000.00
Resources over . \$30,000,000.00

FRANKLIN TRUST COMPANY

Southwest Corner Fifteenth and Chestnut Streets

West Phila. Office

Fifty-second and Market Sts.

Front Street Office

Front and Market Sts.

Germantown Office

5708 Germantown Ave.

Frankford Office

Frankford Ave. and Paul St.

PHILADELPHIA, PA.

America's Largest Exclusively



Day - and - NIGHT Bank



NORFOLK, VIRGINIA

Organized 1885

UNITED STATES DEPOSITORY

Capital \$1,000,000
Surplus and Profits \$1,310,000

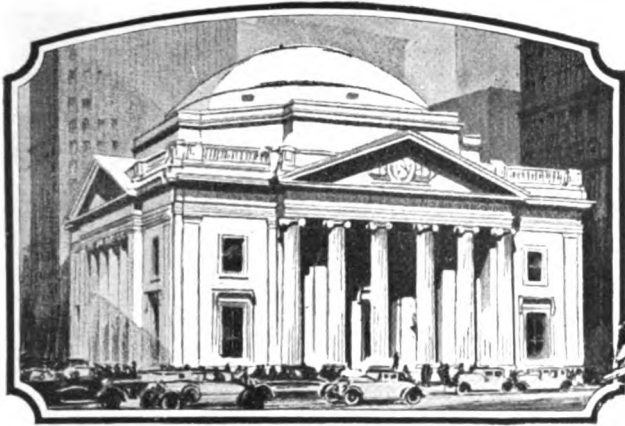
- W. A. GODWIN President
- A. B. SCHWARZKOPF Vice-President
- J. B. DEY, Jr. Vice-President and Cashier
- C. S. WHITEHURST Vice-President
- I. T. VAN PATTEN Asst. Cashier
- E. D. DENBY Asst. Cashier
- R. H. MOORE Asst. Cashier
- H. B. REARDON Auditor

The Oldest National Bank in Eastern Virginia

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.

PRESENTED TO THE CORPORATION OF
NORFOLK BY L^Y GOW, ROBERT DINWIDDIE,
AM 1793



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds **\$370,000,000**
Corporate Trusts - **\$1,500,000,000**

GIRARD TRUST COMPANY

BROAD AND CHESTNUT STREETS • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street



WITH its numerous branches located throughout Detroit with a background of over fifty years banking service—The Peoples State Bank is a definite factor in the development of Detroit.

THIS widespread activity enables this bank to better serve its correspondents.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

Detroit, Michigan

Resources over \$150,000,000



The A B C

of international banking is provided through our 60 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France and Spain

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America

and

Commercial Bank of Spanish America

Represented by

THE ANGLO-SOUTH AMERICAN TRUST COMPANY

Incorporated under the laws of the State of New York

49 Broadway, New York

Let us send you the most interesting banking biography—



The late James B. Forgan

The Table of Contents includes: Preface; Five Generations; My School Days; My Apprenticeship and Early Business Training; Leaving Home; My Experience as a Clerk in the Bank of British North America; My Career in the Bank of Nova Scotia; My Connection with the Northwestern National Bank of Minneapolis; My Career in the First National Bank of Chicago; The Se-

BANKERS everywhere are reading the life story of America's best loved banker—told by himself in a simple, unassuming and yet wholly captivating style. Let us send you for examination a copy of

Recollections of a Busy Life

By James B. Forgan

The lighter details of the author's experiences as well as the more serious side make this book of interest to all bankers. The youngsters will receive inspiration from the author's account of the reasons for his success and the older generation will enjoy his recollections of banking days of the past.

curity Bank of Chicago and its Ally, the Second Security Bank of Chicago; Chicago Clearing House Committee; Currency Commission; American Bankers Association; My Connection with the Federal Reserve System; Activities Outside of the Banking Business; Moral Reflections; Some of Mr. Forgan's Public Addresses.

The book is attractively bound in full green leather and each copy contains a special page personally autographed by the author. As only a few autographed copies are left we urge you to act promptly and send for yours today.

BANKERS PUBLISHING CO., 71 Murray St., New York

If you wish to examine this interesting book at your own desk sign and mail the coupon today

BANKERS PUBLISHING COMPANY,
71 Murray Street, New York.

You may send me on 5 days' approval a copy of "Recollections of a Busy Life" by James B. Forgan. At the end of 5 days I will either pay you \$6 or return the book.

Name _____
Bank _____
Address _____

FOR YOUR FIDUCIARY BUSINESS IN MASSACHUSETTS



During more than 47 years of active fiduciary experience in Massachusetts we have met and solved practically every type of Trust and Estate problem.

This Company offers its special training and experience to individuals and corporations having fiduciary business in this State, and invites correspondence with the President or other officers of the Company.

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At ARCH and DEVONSHIRE STREETS

Author

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System



Capital	- - -	\$1,000,000.00
Surplus	- - -	300,000.00

DR. L. A. BIZE	_____	President
W. W. TRICE	_____	Vice-President
ISAAC MAAS	_____	Vice-President
L. L. BUCHANAN	_____	Vice-President
D. H. LANEY	_____	Cashier
W. W. BLOUNT	_____	Assistant Cashier
EUGENE KNIGHT	_____	Assistant Cashier
C. E. HESTER	_____	Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made

DRESDNER BANK



Head Office:

BERLIN W 8

Behrenstrasse 35-39



*Branches in about 100 towns,
including*

**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:

PROEHL & GUTMANN

Telegrams: Dresdagent

THE BUSINESS LAW JOURNAL

THE Business Law Journal publishes and explains each month the current court decisions involving commercial transactions.

These decisions are of interest and importance to every business man. The best way to find out whether the Journal will be useful to you is to examine it.

This you can do without obligating yourself in any way.

Send in an approval subscription on the blank below. After you have received and examined the first issue remit \$8 for one year or notify us to cancel your order.

**The Business Law Journal,
71 Murray St., New York City.**

You may enter my subscription to The Business Law Journal for one year, beginning with the current issue, subject to my approval.

After I receive the current issue, I will either remit \$8 for one year or notify you to cancel the order, in which event I am to be obligated in no way.

Name

Please Print Name

Address

CityState.....

THE BANK OF TORONTO

Incorporated 1855

Facilitates Your Canadian Collections

Banks and business houses in the United States and Foreign countries are assured of prompt, accurate, satisfactory service through our branches at
Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000

JOHN R. LAMB
General
Manager



Surplus
\$7,000,000

Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000

Surplus and Profits \$726,000

Resources \$8,622,663

WM. H. FOLTS, President
 JOHN H. CHILES, Vice-President MORRIS HIRSHFELD, Vice-President
 T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
 S. B. ROBERDEAU, Asst. Cashier LEFFLER COBBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

H. A. WROE, President
 R. C. ROBERDEAU, Vice-Pres. L. J. SCHNEIDER, Vice-Pres.
 A. D. THOMPSON, Vice-Pres. L. D. WILLIAMS, Cashier
 H. PFÄFFLIN, Asst. Cashier D. H. HART, Jr., Asst. Cashier

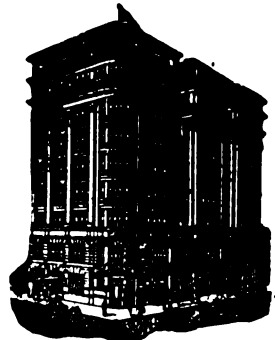
For Prompt and Best Service Send Your
Texas Items Direct to the

American National Bank

AUSTIN, TEXAS

Capital, \$300,000 Surplus, \$800,000

Directors' Responsibility Over \$8,000,000 United States Government Depository
 Will remit in New York, Boston, Chicago, St. Louis, Kansas City
 or New Orleans Exchange when requested. We have unsurpassed
 facilities for collecting on all banking points in Texas.





ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

GENERAL MANAGER'S OFFICE: TORONTO, ONT.
 J. A. McLEOD, General Manager

NEW YORK AGENCY - - - - 49 WALL STREET
 P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E. C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
 Royal Bank of Scotland**
**NEW YORK—Bank of New York & Trust Co.
 National Bank of Commerce in New York**



An Ally of Business Since 1869

OVER half a century ago, during an important period in the history of the Maritime Provinces, a small banking firm was formed to fill a definite need in the commercial life of the community.

From this modest beginning, through a careful yet progressive policy, The Royal Bank of Canada has developed with the Dominion, till it now occupies a position amongst the most powerful banks in the world.

Besides the advantage of this mature experience, its Customers and Correspondents have the security of the sound business management and financial strength of an institution world wide in its influence.

The Royal Bank of Canada

Resources of Over \$618,000,000

Head Office
Montreal

New York
68 William St.

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) - - - \$7,000,000
 Reserve Fund - - - - - 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE-PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER

H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents

UNITED STATES

New York—Bank of the Manhattan Co.
 Boston—National Shawmut Bank.
 Philadelphia—Fourth St. National Bank
 Buffalo—Marine Trust Co.
 Chicago—First National Bank.
 San Francisco—Wells Fargo Bank &
 Union Trust Co.
 Seattle—Seattle National Bank.
 Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
 Scotland—The Commercial Bank of Scot-
 land.
 Ireland—Northern Banking Co., Limited,
 Belfast, and Branches.
 FRANCE, BELGIUM and
 SWITZERLAND
 Lloyds & National Provincial Foreign
 Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed	\$5=£1 \$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 31st Dec., 1924	306,450,100

375 BRANCHES AND SUB-BRANCHES.

*All descriptions of Banking, Trustee and Foreign
 Exchange Business Transacted.*

The Bank is prepared to act as Agents for Foreign Banks
 on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

Over 60 Branches and Agencies Throughout Italy



ROME OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.



The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.

Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 410,000,000 Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO

LIMA, PERU

Established 1889

Capital Fully Paid Lp. 400,000

Surplus Lp. 450,831

BRANCHES

Callao—Arequipa—Chincha Alta—Mollendo—Trujillo

*Representatives for the U. S. A.***Banca Commerciale Italiana**

Agency in New York

62-64 William Street

Phone: John 1000



BANKER & TRADESMAN

New England's Leading Business Weekly—Covers
 the Business, Financial and Real Estate News of
 the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.

Commerz-und Privat-Bank

Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R. M. 63,000,000

All Banking Transactions

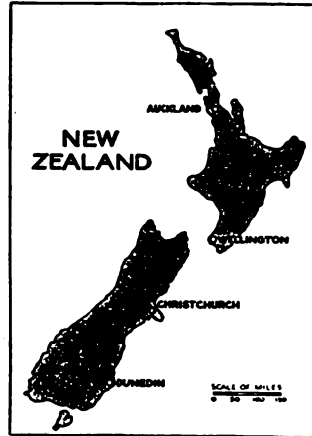
Extensive Trade Information Service

Cable address for main offices and branches

"HANSEATIC"

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000



Head Office

8 Moorgate Street, London, E. C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY

80 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

(Affiliated with Barclays Bank, Ltd.)

Subscribed Capital	. . .	£1,800,000
CAPITAL PAID-UP	. . .	£ 600,000
Reserve Fund	. . .	£ 720,000

Head Office : 37 to 39 King William Street
 London, E.C. 4

BRANCHES

- EGYPT.** Alexandria, Cairo, Port-Said, Suez, Tantah, Zagazig, Mansourah, Assiut, Beni-Suef, Minieh, Musky.
- SUDAN.** Omdurman, Khartoum, Port Sudan, Makwar, Wad Medani.
- PALESTINE.** Haifa, Jaffa, Jerusalem, Nazareth.
- MEDITERRANEAN.** Malta, Gibraltar.

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed.....Yen 60,000,000
Capital Paid Up.....Yen 52,500,000
Reserve Funds.....Yen 14,180,000

KOJURO NAKAGAWA, Esq.
President

HIROZO MORI, Esq.
Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.

TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyon.

CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.

OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

K. YAMAMOTO, Agent

London Office: 25 Old Broad Street

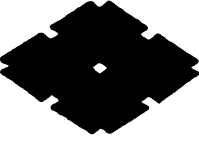
Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

The Sumitomo Bank, Limited

Cable address: "Sumitbank"

ESTABLISHED 1912

(Successors to The Sumitomo Bank)

Capital Subscribed . . .  . . . Yen 70,000,000

Capital paid up " 50,000,000

Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President

K. YUKAWA, Esq., Managing Director

S. YOSHIDA, Esq., Managing Director

N. YATSUSHIRO, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (2)	Kyoto (2)	Nagoya
Shimonoseki	Moji	Hiroshima (2)	Hakata	Hyogo	Niitama
Kurume	Kure	Wakamatsu	Kokura	Yanai	Onomichi

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay
 Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo
 Bank of Seattle, Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues Commercial and Travellers Letters of Credit available in all important parts of the world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed . . .  . . . Yen 100,000,000.00

Capital Paid-Up Yen 60,000,000.00

Reserve Funds (June 1924). Yen 47,100,000.00

Head Office : TOKYO, JAPAN

(No. 1 Suruga-cho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq.

N. KIKUMOTO, Esq.

H. KAMESHIMA, Esq.

R. IMAI, Esq.

New York Agency, 61 Broadway, New York City

Home Branches:

Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji,
 Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru,
 Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches:

Bombay

London

New York

Shanghai

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		Yen 80,000,000
Capital Paid-Up . . .		Yen 50,000,000
Total Resources . . .		Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUK'

Y. KATAYAMA

Directors

I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

CHOSSEN: (Korea) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.

MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.

JAPAN: Tokyo, Osaka, Kobe, Shimonoseki.

CHINA: Shanghai, Tsingtao, Tientsin, Tsinan


SIBERIA: Vladivostok.

New York Agency, 165 Broadway

H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,600,000.00
DEPOSITS (Dec. 31, 1924)		168,531,134.00

Keizo Hirooka, Esq., President
Chusuke Yoshii, Esq., Managing Director
Sejjiro Glon, Esq., Director
Tadanosuke Emura, Esq., Director
Manroku Matsui, Esq., Auditor

Yukinori Hoshino, Esq., Managing Director
Seishichi Kawakami, Esq., Managing Director
Hikotaro Ohmura, Esq., Director
Kyuemon Hirooka, Esq., Auditor
Kin-ichiro Hoshijima, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

General Banking, Foreign Exchange and Trust Business Transacted

New York Correspondents

Yokohama Specie Bank, Ltd.
Bank of Taiwan, Ltd.
American Express Co.

London Correspondents

Yokohama Specie Bank, Ltd.
Bank of Taiwan, Ltd.
London & Brazilian Bank, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office : Athens

Branches : Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Triccala, Mytilene, Canea, Zante, Plomari and Tripolitza

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

Correspondents in the principal towns of Greece and in foreign countries
throughout the world

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East, on the Continent, on Great Britain, Africa, America and Australia, and transact Banking Business of every description.

LONDON CORRESPONDENTS :

The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office :

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's, Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

NATIONAL PROVINCIAL BANK

LIMITED

Established 1833

(\$5=£1)

Subscribed Capital - - -	\$218,085,400
Paid-Up Capital - - - -	47,397,080
Reserve Fund - - - - -	47,397,080

Head Office: 15, BISHOPSGATE, LONDON, E. C. 2

UNION BANK OFFICE: 2 Princes Street, London, E. C. 2

OVER 1,100 OFFICES in ENGLAND and WALES

The Bank offers special facilities for the conduct of accounts of
Colonial and Foreign Banks

AFFILIATED BANKS

COUTTS & CO., GRINDLAY & CO., LTD.

ASSOCIATED BANKS:

BANK OF BRITISH WEST AFRICA, LTD.
LLOYDS & NATIONAL PROVINCIAL FOREIGN BANK, LTD.
P. & O. BANKING CORPORATION, LTD.
THE BRITISH ITALIAN BANKING CORPORATION, LTD.

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ESSAME Assistant Manager—W. A. LAING
Secretary—F. H. McINTYRE

193 Branches throughout Australia and New Zealand, viz.:-

In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western
Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of
Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits
issued available throughout the World.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth,
United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			<u>\$675,606,797.21</u>

Cable Remittances made to, and drafts drawn on United States,
Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened

Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE
NATIONAL BANK OF AUSTRALASIA

LIMITED

ESTABLISHED . . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)	\$50,000,000
Capital Paid Up	\$20,000,000
Reserve Fund	\$11,500,000
Total Assets March, 1925	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager E. H. WEEFORD	Deputy Chief Manager JAMES WILSON	Chief Inspector J. A. G. HADLEY
Inspector and Manager, Foreign Department: E. J. OSBORNE		

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank,
 Limited

Authorized Capital	\$15,000,000
Paid-up Capital	\$7,500,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,100,000

HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
 and 370 Branches and Agencies in Australia

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. BILLS NEGOTIATED or sent for COLLECTION. REMITTANCES made by TELEGRAPHIC TRANSFER. WOOL and PRODUCE CREDITS arranged. LETTERS of CREDIT and DRAFTS issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.
 CHICAGO—First National Bank.
 SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital - £4,000,000
 Reserve Fund - £3,700,000
 Reserve Liability of Proprietors
 under the Charter - £4,000,000
£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2

EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

VICTORIA

Melbourne: 394 &
 396 Collins St.; 384
 Elizabeth St.; 71
 Collins St. East
 Brunswick
 Bursley
 Coburg
 Collingwood
 Easternwick
 Malvern
 Middle Brighton
 Port Melbourne
 Prahran
 St. Kilda
 Williamstown
 Bairnsdale
 Ballarat
 Benalla
 Bendigo
 Bright
 Castlemaine
 Charlton
 Chiltern
 Cobram
 Corryong
 Drouin
 Euroa
 Fish Creek
 Foster
 Geelong
 Katamatite
 Kingston
 Korat
 Korong Vale
 Korumburra
 Leongatha
 Mirboo North
 Mooroopna
 Morwell
 Nathalia
 Numurkah
 Port Fairy (Belfast)
 Rutherglen
 St. James

Victoria, Contd.

Sale
 Shepparton
 Stawell
 Strathmerton
 Tallangatta
 Terang
 Traralgon
 Tunngamah
 Walwa
 Warragul
 Warrnambool
 Wedderburn
 Welshpool
 Wycheproof
 Yackandandah
 Yarram
 Yarrowonga

NEW SOUTH

WALES
 Sydney: Martin
 Place; 55 Pitt St.;
 555 George St. S.;
 Wentworth Ave.;
 236 William Street
 Bondi Junction
 Hurstville
 Kogarah
 Leichhardt
 Marrickville
 Newtown
 North Sydney
 (84 Mount St.)
 Petersham
 Albury
 Ballina
 Bathurst
 Bega
 Bellingen
 Berrigan
 Blayney
 Broken Hill
 Cessnock
 Cootamundra

N. S. Wales, Contd.

Corowa
 Crockwell
 Dorrigo
 Dubbo
 Forbes
 Glen Innes
 Goulburn
 Grenfell
 Hamilton
 Howlong
 Jerilderie
 Kempsey
 Kyogle
 Lismore
 Maitland (West)
 Maitland (East)
 Moree
 Murwillumbah
 Muswellbrook
 Narrabri
 Narromine
 Newcastle
 Nowra
 Orange
 Parkes
 Peak Hill
 South Grafton
 Stroud
 Tamworth
 Tullamore
 Wagga-Wagga
 Wee Waa
 Young

QUEENSLAND

Brisbane
 Cairns
 Charters Towers
 Chillagoe
 Cooyar
 Crow's Nest
 Herberton
 Hughenden
 Ipswich

Queensland, Contd.

Kingaroy
 Longreach
 Maryborough
 Oaky
 Richmond
 Rockhampton
 Roma
 Toogoolawah
 Toowoomba
 Townsville

SOUTH AUSTRALIA

Adelaide
 Kooragang
 Mount Barker
 Port Lincoln
 Port Pirie
 Wirrabara

WESTERN

AUSTRALIA

Perth
 Albany
 Beverley
 Bunbury
 Fremantle
 Gnowangerup
 Kalgoorlie
 Moora
 Northam
 Warin
 Wickopin

TASMANIA

Hobart
 Burnie
 Deloraine
 Devonport
 Fingal
 Launceston
 Sheffield
 Stanley
 Ulverstone
 Wynyard

Branches in New Zealand

Wellington
 Ashburton
 Auckland
 Christchurch
 Dannevirke
 Dunedin
 Eltham
 Featherston
 Feilding
 Gisborne
 Gore
 Hamilton

Hastings
 Hawera
 Invercargill
 Kaikāia
 Levin
 Manaia
 Mangonui
 Marton
 Masterton
 Matamata
 Morrinsville
 Napier

New Plymouth
 Otaki
 Palmerston Nth.
 Patea
 Raetihi
 Rotorua
 Stratford
 Taihape
 Taumarunui
 Tauranga
 Te Aroha
 Te Kuiti

Temuka
 Te Puke
 Timaru
 Waipawa
 Waipukurau
 Wairoa
 Wanganui
 Waverley
 Whakatane
 Whangarei

Principal Correspondents in North America

CANADA:

Bank of Montreal
 Canadian Bank of Commerce

UNITED STATES:

Bank of New York & Trust Co., New York
 Hanover National Bank, New York
 National Bank of Commerce, New York

UNITED STATES, Contd.:

National City Bank of New York
 Continental & Commercial Nat. Bk. of Chicago
 Illinois Merchants Trust Co., Chicago
 National Bank of the Republic, Chicago
 Fourth Street National Bank, Philadelphia
 Wells Fargo Bank & Union Trust Co., San
 Francisco

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers, Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorised Capital	-	-	-	-	-	£10,000,000
Subscribed Capital	-	-	-	-	-	£8,916,660
Paid-Up Capital	-	-	-	-	-	£2,229,165
Reserve Fund	-	-	-	-	-	£2,893,335
Uncalled Capital	-	-	-	-	-	£6,687,495
						£11,809,995

**BANKING BUSINESS TRANSACTED
IN ALL PARTS OF THE WORLD**

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch : 9 Northumberland Avenue, W. C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolingsel

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

**Branches and Agencies Throughout
SOUTH and EAST AFRICA**

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in } Bank of British West Africa, Ltd.
New York } Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		<u>\$80,750,000</u>



Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager

403 BRANCHES AND AGENCIES

403 BRANCHES AND AGENCIES

AUSTRALIA

Pop., 6,000,000; area, 2,974,581 sq. miles; sheep, 78,803,000; cattle, 14,350,000; horses, 2,400,000; imports, \$702,849,263; exports, \$595,837,035.

Annual Value of Australia's Products

Agriculture	\$120,910,000
Pastoral	457,375,000
Dairying	217,708,370
Mining	101,580,800
Manufacturing	1,632,485,000
Total	\$2,830,059,170

Head Office—George St., Sydney London Office—29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London
 Cable remittances made to and drafts drawn on Foreign Places DIRECT
Foreign Bills Negotiated and Collected. Letters of Credit Issued.
NEGOTIABLE THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York: Standard Bank of South Africa, Ltd.
 National City Bank of New York.

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Specialized Service to Banks



Guaranty Trust Company of New York

MAIN OFFICE: 140 Broadway

FIFTH AVENUE OFFICE: Fifth Ave. and 44th St.

MADISON AVENUE OFFICE: Madison Ave. and 60th St.

NEW YORK

London Offices:

32 Lombard St., E. C. 3 50 Pall Mall, S. W. 1
Bush House, W. C. 2

Paris: 1 & 3 Rue des Italiens *Brussels:* 156 Rue Royale

Liverpool: 27 Cotton Exchange Buildings

Havre: 122 Boulevard de Strasbourg

Antwerp: 36 Rue des Tanneurs

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

JULY 1925

VOLUME CXI, NO. 1

Editorial Comment

American Investments Abroad

FROM a recent statement issued by the Department of Commerce it appears that American investments abroad increased last year by about \$1,000,000,000, and that the total now exceeds \$9,000,000,000.

These impressive figures, combined with some late statements made in official circles regarding our foreign loans, render this subject one of very great interest to the people of the United States. The statements referred to were intended to impress upon foreign borrowers the fact that loans were to be made by this country for economic purposes as distinguished from those of a military character. We are to lend, it was pointed out, for purposes of construction, not of destruction.

This distinction is an entirely laudable one, but its accuracy must be open to doubt. Can loans be thus specifically defined? For example, if a foreign country borrows here for the ostensible object of stabilizing its currency, that is apparently a loan for a purely economic purpose. But the strengthening of the economic position of a country is not infrequently one of the most effective preparations for war. We may lend to a foreign country for the purpose of building railways, or to construct ordinary roads and bridges. These are surely means of peaceful communication, but no one needs be told that they are likewise among the most important objects to be attended to in case of war.

Furthermore, granting that the loans

we make to foreign countries are restricted so far as possible to what may be called purely economic purposes, it must be clear that such loans will relieve the budget of the borrowing nation to the extent of the advances made, and by taking this much off the revenue required for economic purposes, so much more is rendered available for military expenditures.

It is feared that the work of separating the sheep from the goats in making foreign loans will be a much more difficult proceeding than certain official circles imagine. Nevertheless, the warning put forth, that we do not wish to make loans for military purposes, is wise and timely. For the world needs building up, not tearing down.

At present we have large foreign loans outstanding made for purely military purposes, but these loans were made under special circumstances and to countries with which the United States was associated in the prosecution of a great war.

But there are other aspects of foreign investing that are worthy of study. Our Government strictly maintains an attitude of non-intervention in the political affairs of Europe, and this policy seems to have the approval of the people. It is, however, an open question as to whether we shall be able to maintain this policy if we keep on making foreign loans. With a huge amount of capital invested in a country that may be thrown into violent disorder by revolution or radicalism, could the United States be passive and indifferent in such a situation? The question is by

no means a novel one. It has arisen time and again in the past as it is bound to do in the future. In essence the answer depends upon the attitude of the Government in protecting the expatriated capital of its citizens. The life of a citizen, wherever he may be, is deemed worthy of the protecting care of the country to which he owes his allegiance. Does this same right of protection extend to his property also? This, as has been said, is not a novel question, though one of much greater importance to the United States than it ever has been before, and one whose practical interest waxes as our foreign loans increase.

It can hardly be supposed that the United States will ever resort to force to collect any of its foreign loans now outstanding, or those that may be made in the future. That our Government and people would oppose such a course is well known. But there are other ways of intervening in a country's political affairs. Diplomatic and economic pressure may prove quite as effective in bringing a recalcitrant debtor to terms as would the employment of fleets and armies.

In what has been said it is not intended to imply that our foreign loans may lead to war with some of the borrowing nations. Such an outcome of these loans is unthinkable. But we should not forget, on the other hand, that as we make loans abroad we are becoming more and more enmeshed in the net of international politics. Whether we like it or not, and whatever may have been our intentions, the loans we have made and are making to Europe give us a deep and practical concern in the political affairs of the nations in that quarter of the world. Fully to understand and recognize this fact will free us of illusions which may prove harmful if retained. For it is a fact, that whatever we think about alliances with this or that nation or group of nations, or whatever may be our attitude toward the League of Nations, we have now become inextricably involved in Europe

by the loans we have made there. It is hardly possible, in the long years that must elapse before these loans are paid, that this connection will be purely economic in character. We are already, by force of circumstances, deeply concerned in European politics. There are those who will deplore the fact that this interest has been reached less by following abstract ideals than by the extremely practical offices of the American dollar; but in the actual state of affairs in Europe, the services of the dollar were sorely needed, and they have been of very great help in preventing widespread chaos.

What has been said does not exhaust the subject under consideration. Our whole policy in regard to foreign loans constitutes a fascinating study. Why do we make such loans at all? In investigating this phase of the subject we may discard at once the large advances made on war account. It is plain enough why these loans were made. But why do we continue making foreign loans in times of peace? Heretofore the most conspicuous exporter of capital has been England. This exportation was made in the form of goods and services rendered (shipping, insurance, banking, etc.) and the purpose of it was that England might obtain raw materials for her manufacturing industries and food to sustain her population. Our need of raw materials, though much less than that of England, is large and increasing, while we are still a food-exporting country, though we import sugar, coffee, tropical fruits, etc., in large volume. We export partly to obtain these raw materials and special kinds of food not produced here, and also to pay for services rendered us in the forms already mentioned (banking, shipping, insurance, etc.) and we have to pay the amount—now a very large sum—annually spent abroad by American tourists.

The individual investor expects to receive, in return for his investment, a corresponding command over goods and services. And this expectation continues

the same, whether the investment be made at home or abroad. The same motive applies to foreign investing on a larger scale. It is done to procure goods and services; but, temporarily at least, it has another object, and that is to enable manufacturers and other producers to keep up their exports. The loans are not for the purpose of buying, but for selling. In the long run this is only an apparent difference, for the real object of selling is that something is to be taken in exchange at a profit, and beyond the comparatively small balances liquidated in gold, that which is received in payment must consist of goods and services. As a matter of fact, by making loans abroad we are adding the interest, which must be similarly paid for.

The change of position of the United States from a debtor to a creditor nation opens up an inviting field for study and investigation by American bankers. This change has come about in a very short period of time, and it can hardly be said that we yet recognize all its implications, or that we are prepared to discharge the responsibilities thus suddenly imposed upon us. Until better understood, foreign investing may well be left to the specialist, though the importance of the subject may well command the attention of bankers generally.



The Need of Elementary Economic Education

IN an address delivered a short time since, before the Tennessee Bankers Association, President William E. Knox of the American Bankers Association pointed out that this country was annually wasting \$10,000,000,000 of the \$60,000,000,000 earned annually by the 44,000,000 employed in gainful occupations. He accompanied these figures with the following statement:

"The paramount challenge to education in America today calls for the effective teaching of personal economics. Our children today are passing through our educational systems practically without instruction for placing their lives on a sound economic basis, virtually without direction in the elementary principles of financial success. Economics has been pitched above the average mind. What we need above all is an economic philosophy gauged for the work-a-day requirements of plain people. This would accomplish more than any other influence to stabilize social conditions—to bring about industrial peace, to inspire obedience to law and to develop loyalty to government.

"New York city spends \$65,000,000 a year for charity. For instruction in practical principles of personal economics it spends in its school system practically nothing. Virtually every object of charity and every case of dependency could be traced back to the failures of the schoolhouse to teach the value of money and the importance of saving."

Much of the befuddling of the public mind by politicians is made possible because of the inability of most of us to distinguish between economic truth and economic error. An attempt to gain the knowledge with which the average citizen should be equipped in order to combat the sophistries of the demagogue is met with discouragement at the outset, for the average economic treatise is not only hopelessly dull but put in language utterly beyond the comprehension of average mortals. Generally the author of an economic treatise seems less concerned in the clear presentation of truth than in spinning a fine web of economic theory.

President Knox is right in what he says about the need for sound elementary economic education. This is a work in which the American Bankers Association has already done much, and in which it might profitably do still more.

Heavy Demands for Currency

REPORTS from Washington indicate an unprecedented demand for paper currency. This growth in currency requirements is attributed to higher prices, use of automobiles, "necessities of commerce and industry," and "modern habits and ideas." Some of these reasons are rather vague, and it has been supposed heretofore that as habits and ideas became more modern the demand for actual currency lessened. In fact, the bank check has been regarded as a mark of advanced civilization. No doubt the automobile has increased the demand for currency, not because of the expensive character of this means of travel, but because the user of an automobile frequently journeys far away from home, where he finds it difficult to use bank checks, and where actual currency is needed. It is a safe assumption also that the owner of an automobile spends money more freely than did the average owner of the horse-drawn vehicle.

The heavy demands on the Treasury for paper currency indicate that the people of this country have definitely turned away from the use of coin, special efforts recently made by the Treasury to circulate silver dollars having proved unsuccessful. Difficulty has been experienced in printing bills as rapidly as required by the public, a difficulty which the Treasury is now trying to overcome by building up a reserve of currency so the bills will have time to become properly seasoned before being put in circulation.



Economic Effects of Prohibition

PROHIBITION has now been in effect long enough to have exercised an important influence upon the economic life of the country.

As to the moral effects of prohibition, the testimony is conflicting, according

to the viewpoint of the respective witnesses. The charge most commonly made against prohibition is that it has fostered lawlessness. The sacred regard the saloons always felt for the law will be clearly remembered by everybody! But this is not the aspect of the question now under consideration. What has been the economic effect of prohibition in the United States?

From a foreign source comes a striking testimony to the economic benefits of prohibition in this country. Speaking before a meeting of the National Commercial League in London, Sir George Paish, the well-known English economist, gave it as his opinion that prohibition was responsible for a considerable part of our capital accumulation. The speaker's remarks were thus summarized by the *London Times*.

"Sir George Paish, who was the chief guest, said that he had been spending four months in the United States, and one of the things that impressed him was the great effort made to suppress the drink traffic. It was quite unlikely that prohibition would ever be repealed. The benefits of it were that the great mass of the working people were better off than they ever were before. Another benefit was the increase of savings. There could be no doubt today that no inconsiderable part of the capital that America had for investment, not only at home, but throughout the world, was money from the working people. They were no longer workers, but were becoming capitalists. Trade unions had bought six banks, and had a controlling interest in one of the big trusts.

"The situation in Britain was not what it should be. It was obvious if one looked at our foreign trade returns for last year, that there was reason for anxiety. So far as he could judge, last year for the first time for a very long period there was no foreign investment of British capital. Before the war they were supplying foreign countries with £200,000,000 a year, and their total savings were £100,000,000 a year. They were not doing their duty to

themselves and to the world. If they bore in mind that Great Britain depended on the world's surplus food for its existence, then they ought to save their money and provide themselves and the world with the capital necessary to expand food production. Unless this capital could be supplied, the population would grow more rapidly than production, and they would have increasing misery and distress. They must help France. If France became bankrupt it would send a shiver round the world, and the world could not stand shivers in its present state. Unless Great Britain and America were prepared to put up the capital the world needed they could not get their prosperity back.

"There was one thing this country could do without. They were spending nearly £300,000,000 a year on drink. What an advantage it would be if that great sum could be used in increasing the productive power of the world. He believed that the time had come when they must completely change their habits in this respect for the good of themselves and their families and the country and for the good of the world."

Testimony of this character is not lightly to be set aside. It counteracts much of the propaganda which seeks to prove that prohibition is ruining the United States economically and otherwise. An impartial presentation of the truth is highly desirable.



Growth of Federal Expenditure

STRIKING testimony as to the growth of Federal expenditure was given in a recent letter which Secretary Mellon addressed to the Economic Club of New York. In his letter the Secretary called attention to the fact that our Federal expenditure had increased from \$1.71 per capita in 1850 to \$7.68 per capita in 1910, and to \$31.12 per capita in 1924. In presenting these figures, the Secretary said:

"The mere fact that Governmental expenditures show this constant ten-

dency to increase is, of course, not necessarily an evil, but it does emphasize the growing importance of public finance in relation to our economic system. Tax payments, direct and indirect, have become one of the substantial charges against private income. In this country approximately \$1 out of every \$8 of private income is taken for governmental purposes, Federal, state and local. The individual, therefore, has a growing interest in the management of these activities. In other words, he wants a return on these expenditures commensurate with the return on his other expenditures. He is interested in the application to public affairs of the same business principles which have proved successful in private affairs."

The marked increase in expenditures after 1850 was chiefly due to the Civil War, as the increase after 1914 was due to the Great War. But aside from these main causes of increased Federal expenditures there has been a tendency in the same direction arising from the vast enlargement that has taken place in the scope of government activities.

Measurement of public expenditures according to population is apt to be misleading, because the business done per capita now may bear little relation to that of 1850, though the change in that respect since 1910 has not been nearly so great. But, as already stated, the increased public outlay since the latter date has been largely due to the war. No doubt much of the present public expenditure can be defended, but the tendency of the Government to intrude into fields better left to private enterprise should be closely watched.



Amending the Federal Reserve Act

WHEN Congress assembles next winter it will be called on to amend the Federal Reserve Act. Before the adjournment of the last Congress Mr. McFadden had intro-

duced a bill providing for important changes in the act, particularly with reference to the reserves of member banks and the methods of issuing Federal Reserve notes. Already discussion is going on among bankers as to these proposed alterations in the Federal Reserve Act. It seems to be the prevailing opinion that the Federal Reserve System as a whole is "sound and scientific," but that in some of its details of operation and management improvements are desirable. This view seems to overlook the fact that since the enactment of the measure in 1913 it has been subject to frequent amendment with the object of correcting these details. Perhaps no banking act in the entire history of the United States, in so short a time, has been tinkered with and patched up to the same extent. If now further piecemeal legislation is required, may this not suggest that the difficulty appertains rather to the fundamentals of the act than to its details?

There are certain underlying principles embodied in the Federal Reserve Act about which little disagreement exists. In the first place, it unified the national banks into a coherent banking system, making it possible to use their united strength for the protection of all the member banks. Better rediscount facilities, provided for in the act, ended currency famines, and made credit more easily procurable as needed. The gold settlement fund, speedier collections of checks and drafts, the substitution of commercial paper and gold as the basis of note issues—these are some of the things accomplished by the Federal Reserve Act which few, if any, could wish to change.

What, then, is wrong with the Federal Reserve Act? Chiefly, Bryanism. However captivating Mr. Bryan may be as an orator, he never plunged into the waters of banking and finance without muddying them. Not his fine Italian hand, but his clumsy Nebraska fist, is seen in many a line of the Federal Reserve Act; and this remark applies not merely to its details, but to its fundamental character. It will not do to

make these assertions without proving them.

In the first place, the Federal Reserve System is under absolute control of the Government. This control is assured in two ways: by making the Secretary of the Treasury and the Comptroller of the Currency ex-officio members of the Federal Reserve Board, and further by giving to the President of the United States the power to appoint the members of the Federal Reserve Board, this board having the right to remove the directors of all the Federal Reserve Banks. There you have complete Government control of the Federal Reserve System; and this means yoking banking up with politics. The most superficial observer of the history of the Federal Reserve System must have seen that this combination has already proved unfortunate.

But Bryanism infects the note issues also. The Federal Reserve notes are obligations of the United States—Government paper money. This gives them a utility which a true bank note should never possess—that of being employed as reserves for the state banks.

When it comes to the distribution of the profits earned by the Federal Reserve Banks, socialism is encountered. The member banks furnish the funds, and the Government takes the profit in excess of 6 per cent. on capital.

If the Federal Reserve Act is to be amended at all, its fundamental defects should be cured, and this cannot be done by mere patchwork legislation. Would it not be wiser to let the act alone for a time, until near the date of the expiration of the charters of the Federal Reserve Banks in 1933, meanwhile studying and observing the operations of the system?

When all the legal reserves of member banks were required to be transferred to the Federal Reserve Banks, THE BANKERS MAGAZINE pointed out the immense potential inflation consequent upon this change. Consider what this means: that the only legal reserve a member bank has is a loan to the Federal Reserve Bank of its district. Loans

have ranked heretofore as a secondary reserve, but what banker ever considered them as other than that? True enough, as to availability, the loan to the Federal Reserve Bank is superior to other loans, but that all a bank's reserves should be in the shape of loans is an unsound banking departure nevertheless. The loan (or deposit) with the Federal Reserve Bank permits further lending or pyramiding — something which the Federal Reserve Act was designed to prevent.

Mr. McFadden's bill would permit the banks to retain a percentage of their reserves in their own vaults, and this would minimize the effects above mentioned. There are positive indications that the funds of the Federal Reserve Banks are excessive, and that a reduction of their reserve holdings would be beneficial. These institutions have become unwieldy, and are far larger than necessary to perform the ordinary functions required of them.

It must be apparent that the object of the act with respect to note issues—to make these issues rest on coin and commercial paper—has been defeated. By enlarging the scope of the kinds of paper eligible for rediscount, and by providing for "borrowing" of notes against Government bonds as collateral, the note issues are now far from scientific in character.

Mere tinkering with the Federal Reserve Act will not cure these fundamental defects. Hasty and ill-considered legislation will not provide the real renovation of the Federal Reserve System which its true friends demand.

Success of the Labor Banks

THE rather remarkable success of the labor banks, in a comparatively short time must tend to the encouragement of hard thinking on the part of the officers of the banks that have been in business much longer and have grown less rapidly. These labor banks had the advantage which novelty often confers, and their rapid growth may be in part ascribed to this feature. But possibly they have provided some forms of service which the existing banks did not supply, or they have been animated by some spirit which the older banks lacked. At any rate, whatever may be the cause of their prosperity, it is well worth studying. It is rather our habit in this country to assume that we have reached the limits of banking service, but apparently the labor banks have shown that a large and profitable field was being overlooked. Now comes a banker who tells the banks that "up to this time the surface of the possibilities of trust service has hardly been scratched." Probably there are many national banks that do not realize how wide a field of service is open to them; or, if they do realize it, they are not making use of their opportunities. Of course, the advantage of a trust department in a national bank does not consist merely in the fees made for trust services, but in the banking business that frequently flows to the bank from those who make use of the trust department.

The possibilities of banking service have already been widely developed by our banks, but they seem far from having been exhausted.



A Defense of Coolidge Economy

By William E. Knox

President American Bankers Association

WE have witnessed an amazing resurrection in recent weeks of one of the greatest and most baseless fallacies of economic history. Economic fallacies are peculiarly insistent in their recurrence. A number stand out particularly prominently. But it remained for recent weeks to witness the resurrection of the most obvious fallacy of them all—one that touches more closely the plain, everyday interests of the great masses of our people—that has to do with their personal pocket books. It stands out as particularly flagrant, coming as it does in a period when we had begun to congratulate ourselves that our people, especially our business leaders, were developing a considerable degree of economic-mindedness. It illustrates again the imperative need of more general, thorough-going public education in economic subjects.

I refer to the strange claim of recent weeks that personal economy on the part of our people is hurting business. Those who put forth this view have been quoted as doing the more amazing thing of blaming President Coolidge's economy program as being responsible for a slackening of trade.

I am willing to go to the other extreme and say that if it had not been for the sound element of economy that the President had brought into the times, the nation would now be in danger of a real depression.

Of course, in the first place, in the accusation that Coolidge economy hurts business there was an obvious distortion of fact. The President's economy program has had to do with economy in government, with reduced public expenditures in order to make possible reduced taxes. Will any one carp at that kind of economy? He has not meddled with personal economy or private purchasing. But nevertheless, insofar as his sound, sane administration

of public business has been copied by our citizens and applied to their personal finance, it has been good for business and not bad.

A major cause of the depression phase of business cycles in the past has been extravagance and waste. Wastefulness in personal habits by our people is a greater economic burden on business than Government taxation. On the other hand the foundation of a sound economic condition for the country is the personal economy of the masses of our people—the prudence of the individual multiplied by the millions of our population. Personal economy means increased savings, it means conserved and stored up purchasing power against future needs. Is there any business man who will say that is bad for business? Judicious spending, which is just as much a part of thrift as is saving, means a sound, steady buying demand for the staple products of industry—and is there any business man who will say that is bad for business? Abstinence from wasteful consumption means avoidance of exhausting our stocks of goods with consequent soaring of prices, speculative jacking up of costs and inevitable retrenchment and reaction. Do business men say they want that? Extravagant indulgence in useless luxuries, beyond a reasonable enjoyment of the good things of life, means engrossing large parts of our productive industry and labor, with consequent unsoundly rising prices and wage scales in all directions, again leading to an unbalanced price structure.

Business men who blame sound economical programs for unsatisfactory conditions in their business are hiding behind a sham excuse. They must adjust their operations to conform to the present day prudent public mood—not expect the public to adjust itself to their exigencies. Profits must come from economic service to the public welfare.

Wage Earners' Debts and the Savings Margin

It's Hard to Save a Dollar Spent Before it is Earned, and That is One Reason Why Wage Earners' Savings Accounts Grow No Faster

By O. R. Johnson

A YOUNG friend of mine, a senior at college, recently opened my eyes to an extremely interesting situation. In the course of our conversation he revealed that he was "secretly" engaged. That is to say, he was actually engaged, but no announcement was to be made until after his graduation, when the wedding would also take place.

"But aren't you rushing things a bit?" I asked. "What are you going to get married on?"

"Oh, that's all right," he remarked airily. "We can get along on credit for the first coupla years! Lots of fellows at the house have done it so I guess I can!"

And maybe he can, but it is a state of affairs worth the attention of savings bankers. I had always considered the advertisement of the house furnishing stores: "You furnish the girl—we'll furnish the house," as a pointedly humorous exaggeration, but they evidently meant it, and had, moreover, convinced others that they did.

A short investigation stimulated by this conversation proved that at least the following could be purchased upon credit: furniture, pianos, radio sets, clothing, washing machines, vacuum cleaners, stoves, paint, auto repair service, phonographs, rugs, safes, musical instruments, watches, jewelry, diamonds, kitchen cabinets, typewriters, and even such quickly consumed products as candy and nuts. It is almost certain that a more thorough search would reveal many more things that could be "bought" on "time," this latter

word covering any period of from one to thirty-six months.

Real Competition for Savings Bankers

Here is real competition for savings bankers! Not only is cash being withdrawn from the pockets of their prospective depositors by the spell of sales wizardry and the potent lure of bargains, but even future income is mortgaged for years in advance, making saving impossible during that period, however hard the new business manager may work!

Without thorough statistical investigation it may be dangerous to set any amount as the average which a young couple will spend in starting house-keeping, but we will take the risk, for, whatever may be the correct amount, the principle remains the same and the relative amounts proportionate.

Let us assume, then, that our young friends "buy" \$1100 worth of house furnishings. Those who think this figure too low must remember that he and she have many kind friends; while those who consider it high must remember that he is a college graduate and consequently possessed of somewhat expensive tastes.

Before he could secure the necessary credit, he had to get a job and a couple of character references, but the job was waiting for him upon graduation, and the character references were easily secured from friends of the family. While the company that employed him was a big one his salary was not. However, the various merchants approached were satisfied that his \$40 a week income made him a reasonable credit risk. They

NEWS from the OLDEST FURNITURE F

Instead of a Deposit— Only the 1st Weekly Payment!

What could be simpler than this exclusive idea of furnishing your home? You simply make the first weekly payment (there is no other deposit required) and the goods are at once delivered to you.

You then have a full year and a half to pay the balance—without interest or extras of any kind.

This very liberal policy of applies to all purchases, large or small, of everything except Radios and Pianos. If you buy \$200 worth, for instance, you pay only \$2.50, which is the first regular weekly payment. The goods are then put in your home immediately, and you have the full benefit of them while you pay off the balance during the next 18 months at the rate of \$2.50 weekly. Payments arranged monthly if you prefer. Prompt delivery or goods held until wanted.

A newspaper advertisement offering furniture on a weekly payment plan extending over a period of eighteen months

realized, furthermore, that being newly married he would probably hang on to his job; and they knew also that this young college man would root for his Alma Mater's bitterest rival before he would let anyone come and take away his furniture. What would the neighbors say?

So the house is finally furnished, and at the end of a month our young hopefuls find that Mabel's nest egg of \$239 and Bill's odd cash amounting to \$167 have gone out as "down" payments, and that they owe to various merchants a total of \$694. From their viewpoint, this isn't bad at all. In fact, it must be recorded that they felt quite proud of the fact that in all but one instance they were able to pay more than the minimum "down" payment demanded.

Of the total of \$694 there is due and payable weekly approximately \$15. That is bad, but not nearly so bad as the instance cited by Mr. Filene, the Boston merchant, of a man earning \$60 per week and trying to pay \$72 weekly on his installments for house, automobile, furniture and radio.

Mabel's complement of clothes will carry her through the first year. Bill's economies on raiment, cigars, lunches, and carfares are also helpful, and their mutual interest in each other makes expensive theater parties unnecessary. All of this, combined with the good fortune that does not always leave debtors childless, brings them to their first anniversary with hypersensitive ears for collectors' calls, perhaps, but only \$187 in arrears on their payments.

They now have approximately \$1100 worth (originally) of house furnishings, \$12.49 in their pockets, \$187 in debt, and not a cent in the bank.

"Fine!" some merchant may declare. "Under what other circumstances would they have saved so much or economized so rigidly? They'll soon clean up their accounts, and everything will be lovely!"

Weighing Both Sides of the Ledger

Well, let's look into it. What did they accomplish?

First of all they "saved" a year's time

of waiting to get married. Who will put that into the scales and weigh it? Not I. for one.

On the debit side we must record, first of all, the cash cost of the credit granted them. This charge appears in at least two places: first, in the increased cost of the goods purchased; second, in the interest charged for the credit granted. This latter charge usually runs from 6 per cent. to 8 per cent., while the former, according to reliable estimates will increase the cash cost of merchandise from 10 per cent. to 25 per cent.

Taking an average in each case, the interest on the money advanced at 7 per cent., amounted to \$27.79. The loss suffered in the actual value of the merchandise bought was about \$165, or 15 per cent. of the price paid for the merchandise.

Theoretically, then, they received in actual value of merchandise about \$907.21 worth for \$1100, the difference being the cash cost of the credit "given."

This particular couple, being much in love, and not particularly interested in mathematics, probably believed the extra year worth the price. But to those not in love the situation looks somewhat different.

The Situation from the Savings Viewpoint

To the savings banker, for instance, the situation is more serious. As he looks at it, if this young couple had postponed their marriage a year, and from their combined incomes (Mabel was a stenographer) saved diligently, they would have amassed a total of very close to \$1100 before marrying, of which about \$400 would have been Mabel's contribution.

Instead of paying interest, in this case they would have received interest amounting approximately to \$22, and raising their total capital to \$1122. Now, being ready to start housekeeping, they could have shopped around at

Liberal Credit

*makes it easy to !
furnish your home •*

It should no longer be a hardship to furnish a home—there should be no need of skimping or doing without, or prolonged saving. Extended Payment Plan enables you to get the things you want now when you want them—and pay for them out of your income—just as you pay your rent!

A small initial payment secures the furnishings for an entire home—the balance may be conveniently distributed over a year and a half period.

We have prepared a schedule of payments to help you budget your expenditures. If different terms are desired you will find our plan elastic enough to meet any requirement.

If you would like further information about our plan and cannot visit any of our four stores, we'll send a representative to you. For an appointment just phone LACKawanna 7600 and ask for Mr. Johnson

Another partial payment plan advertisement

"cash" stores and gotten equivalent values in merchandise for, say, \$907.21. This would have left them a bank balance of \$114.79, which with interest during their first year of married life would have increased to \$119.38.

In addition to this, out of Bill's salary of \$45 (he got a raise at the end of the year) they could have saved pretty close to \$8 a week, which with interest at the end of a year would have totalled \$424.32. Added to the sum already on deposit at the beginning of the year, this would have raised their bank account to \$543.70. Nor would that sum have represented their entire savings. Mabel's wardrobe would have been replenished, while Bill would have added to his a new suit and a new overcoat.

So, two years after Bill's graduation, there would be nearly \$1000 worth of stuff in the house, good value for their money. \$543.70 in the bank, and two well-furnished wardrobes.

Now let us go back again to Mabel and Bill at the end of their first year of married life on "credit." They have rushed things a bit and feel the strain

SPECIAL TERMS
\$5.00 Deposit on
\$100.
Worth of Furniture House
Furnishings, Etc.

\$10 Deposit on \$200
\$15 Deposit on \$300
\$20 Deposit on \$400
\$25 Deposit on \$500

On \$50 Purchase 75c a Wk.
 On \$75 " \$1.00 "
 On \$100 " \$1.50 "
 On \$200 " \$3.00 "
 On \$300 " \$4.50 "
 On \$400 " \$6.00 "
 Pay Monthly if You Wish

Still another advertisement offering partial payment terms

of their forced economies and hazardous financial position.

But still they simply must have some new clothes. So out they go, and since they have no cash, they must, perforce, use their credit. Before they get through, they have spent the following: \$65 for Bill's overcoat, \$75 for his suit, \$8.50 for a hat, plus \$15 for odds and ends in haberdashery.

Mabel's coat cost her \$90 (which seemed rather high at first, but it was just as easy to get "credit" for that as for a \$70 coat, so she took it) some hats and dresses and miscellaneous articles of apparel came to \$93, bringing their total combined purchases to \$341.50. This, added to their previous indebtedness, puts them \$528.50 in the hole.

So their second year becomes a fair replica of the first. Every week's salary is mortgaged, and they approach the end of the second year wondering if they'll ever have anything of their own. In retrospect, their married life seems but one "stall" after another for the edification of the ubiquitous in-stallment collectors.

Where the Real Danger Lies

Now all this would not be so bad if it represented merely the difference of \$543.70 in the savings bank accumulated by thrifty cash paying habits. The real danger lies in the fact that Mabel and Bill now have the "credit" habit, and probably will yearn all their lives for things they haven't earned, and what's more to the point, they will satisfy their yearnings—on credit, of course.

The general effect, when you consider the increasing popularity and growth of instalment selling, is of vital importance to business, and an urgently serious problem for bankers.

According to a writer in a recent issue of *Advertising and Selling Fortnightly*, "Investigation has disclosed that only 10 per cent. of the people in any community buy for cash, while a bare 30 per cent. are able to purchase on charge accounts. In other words, fully 60 per cent. of all present day buying is done along easy payment lines, despite the fact that many manufacturers and dealers shun the method as dangerous and unstable."

CUT PRICE SALE

TERMS AS LOW **\$1** WEEKLY

As **1** WEEKLY

SONORAS
COLUMBIAS
VICTROLAS

REDUCED **35%** TO **50%**

RADIOS ON TIME PAYMENT

Open daily except Sunday till 6:30




A plan for buying phonographs and radios on time payments

The collage consists of six individual newspaper advertisements for house painting services:

- Top Left:** "There's nothing Property Life Insurance and opening the way to the best" - Illustration of a man and woman in a room.
- Top Middle-Left:** "Paint now! - down - 10 months for the rest" - Illustration of a painter working on a wall.
- Top Middle-Right:** "The old home is 40 years young. Mother Peter and several have kept it over the years and built it" - Illustration of a woman sitting in a chair.
- Top Right:** "Now we can always keep it new" - Illustration of a woman standing in a room.
- Bottom Left:** "Paint now - and pay later" - Illustration of a woman sweeping a staircase.
- Bottom Center:** A large text box with the heading "THESE co-operative newspaper advertisements will help you put across and cash in on the partial payment plan in your town. Mats furnished free to newspapers; proofs sent gratis by us. Order by number." Below this, it says "Actual size is 4 columns wide by 12 inches deep. They can be expanded to make room for any number of individual painters and dealers by cutting at the point indicated for signatures of those co-operating in the advertising." At the bottom, it reads "SAVE THE SURFACE CAMPAIGN 507 THE BOURSE PHILADELPHIA, PA."
- Bottom Right:** "Paint now - 10 months to pay" - Illustration of a woman sitting at a desk with a typewriter.

The partial payment plan applied to house painting

There are, then, hundreds of thousands of Mabels and Bills in the country today, always "in the hole," saving nothing themselves and unnecessarily demanding the use of capital that could be used elsewhere more constructively.

Only a short time ago President Coolidge was condemned for his striking and well advertised economies, the objection raised being that his "parsimony" was being emulated by buyers, with a resultant slowing up of trade, and a reduction of sales.

This attitude is typical of selling today. "Sales at any cost" is the slogan, apparently, while sounder business and economic policies are forgotten in the excitement of active competition.

The thrifty are the best spenders, and merchants should be reminded of the fact. While the thriftless are consuming what they have not produced, the thrifty are laying aside a portion of their income for increased production. Their purchases are made more wisely, tending toward sounder manufacturing and production programs in industry. In times of economic and financial stress, their personal reserves flow into business channels and help maintain the regular level of trade.

The thriftless, who have bought freely on credit are the first affected by "dull" times, for with a falling off of either business or manufacturing, their incomes are reduced, their "payments" are not met, and the goods purchased are either re-possessed to glut an already saturated market, or else the merchant's money is tied up, to cripple him and all his creditors. And so it goes, all the way down the line. Months and years have passed before the adjustment is made. Neither the individual, the family, the nation, nor the world can spend more than it produces without being called upon very soon to balance its budget.

Where the Remedy Lies

The remedy for the situation described lies, in part, with bankers. First, they must themselves maintain sound credit standards; second, they must see to it that their customers have and use sound business policies; third, persistent and effective thrift campaigns must be carried on, particularly among wage earners, who are most addicted to the credit habit and probably least affected

by the routine thrift promotion work of savings banks.

In respect to this it must be said that

—Manufacturer's Amazing Offer

Player-Piano

FREE **Outfit—**
'345

FLOOR LAMP,
 ROLL CABINET,
 BENCH AND
 MUSIC ROLLS
 with each Player
 purchased now.

New York's Greatest Player-Piano Offer
 Every Player Brand New and Fully Guaranteed



We will accept your present piano, phonograph or other musical instrument of full cash value as part payment on this Player-Piano outfit.

This Player-Piano Outfit Now Only \$345

The illustration above pictures Starck's wonderful new Player-Piano Outfit at \$345. Be sure to see and hear this wonderful Player-Piano before you buy anywhere at any price. Don't buy any player-piano outfit because the price is low when you can buy this beautifully finished Player-Piano for \$345. This Player-Piano compares favorably with player-pianos sold in other stores at \$600 to \$650.

Besides the beautiful Player-Piano, we are including FOR THE NEXT FEW DAYS, with each outfit, a handy music roll cabinet, a beautiful piano lamp, combination piano and player-piano bench and nice selection of music rolls. And best of all, you can purchase this wonderful complete outfit on terms as low as

\$10 Per Month

New Starck Player-Pianos, \$900 to \$1500

A partial payment plan for purchasing pianos

the thrift promotion work being done by banks today places far too much emphasis upon the universally admitted fact that everyone *should* save, and far too little upon actually making saving

easy. What is needed is a more practical adjustment to the actual situation, so that more information can be given in detail as to just *how* the saving is to be done.

Nothing is gained by closing one's eyes to the fact that those banks that are a genuine influence for thrift in their communities do more—much more—than hand out good advice. For one thing, they are almost always operating actively in the schools, creating the actual *habit* of thrift. This work is as sound and constructive as anything being done today, and is a very valuable counterbalance to the insidious influence of the liberal credit specialists.

Active work in the home, shop, and office is also necessary if savings bankers are to stem effectually the rising tide of time payments. Practical work in the home on the elementary principles of household economics will help convince the ladies that the real "bargains" are not to be found at the easy payment stores, and once they become convinced of the high cost of credit they will not be so susceptible to its lures.

In the shops and offices the emphasis can best be laid upon convenient and easy savings plans, whereby the burden of effort is removed so far as possible by making saving easy, convenient and attractive by doing it right there rather than at the bank.

All of these things, and many others, need to be done if the mortgage on the wage earner's dollar is to be lifted; and it is certain that until that mortgage is lifted, the savings margin hasn't much of a chance of getting into the savings bank.



Reducing the Labor Costs in Banks

By Edward P. Vollertsen

Controller National Bank of the Republic, Chicago

IT is paradoxical that banking, which has out-distanced industry in so many respects, should drop so far behind in meeting the problem of human relations. While much of this insufficiency may be attributed to the rapid growth of financial institutions within the past few years, it is difficult to state specifically why this problem has been so sadly neglected.

The employee has learned that the industrial employer selects his employees scientifically. What could be more natural than that the employee should exercise equal care in choosing his employer? The employee realizes that the right choice here may mean ultimately the difference between failure or success, all of which indicates an awakening and a growing appreciation of the meaning of the opportunities which work affords. This tendency should be a *stop, look and listen* signal to banks which follow the practice of replenishing their staffs either with inexperienced and untrained youths, or with older applicants without careful selection. The selection of employees who fill even minor positions requires mature and experienced judgment and a knowledge of human nature if the clerk in the junior position is to be trained for greater responsibility and usefulness. Many employers gauge an applicant's ability by the number and nature of positions previously held, or by letters of recommendation from personal friends or principals of schools. The time is at hand when the financial institution with vision and an eye to the future must give careful study and serious thought to its employment department if it is to attract the highest type of employees, to reduce labor turnover and to inculcate the spirit of co-operation, the lack of which is due largely to the decentralization in dealing with questions of employment. The finan-

cial institution of today may well emulate the example set by some of the industrial concerns, such as the General Electric Company, the Eastman Kodak Company and the United States Steel Corporation, which maintain industrial relations, personnel, or similar departments where a complete record of pertinent information concerning employees is kept—personal qualifications, opinions as to integrity, character, education, as well as detailed information regarding positions previously held, salaries, experience and fitness for jobs.

Where the Fundamental Weakness Lies

The fundamental weakness of the problem lies in the dearth of information and data regarding employees and the decentralization of the control of the personnel. The remedy is obvious, namely, the establishment of a well-thought-out employment department, to which should be transferred the various scattered and disconnected employment and welfare plans. It should be the headquarters for all vital problems centered around the human relations, and through this department should pass all the fundamental problems having to do with the selection, hiring, promotion and discharge of employees. Here should be gathered, in compact form, all vital information relative to the bank's policy, both in relation to its customers and to its employees. Upon joining the staff, this information should be supplied to all employees according to their position. The office boy will require entirely different treatment from the junior clerk, the messenger, or the teller—for instance, upon entering the bank's employ a letter enclosing a booklet, such as "Things to Think About," which is reproduced below, should be mailed to the office boy's home. Its purpose is twofold: first, it awakens an

interest in the institution which has employed him; second, it impresses upon the parents the fact that their boy has been employed where his future will be guided and an interest taken in his development. The letter accompanying the booklet reads as follows:

May 10, 1925.

Mr. William Jones,
Chicago, Illinois.

Dear William:

I am enclosing a few thoughts which I sincerely hope may help you to climb the ladder to a successful banking career. May I ask you to keep it and read it again if you become discouraged, and you may. At times I have felt that way myself. I believe every boy gets that feeling sooner or later, but just remember this, you are fundamentally the same as every boy who ever lived. Also remember that I shall be glad at any time to help you, but get the right attitude on life, on your work. Remember, we work for ourselves most when we work for others best.

Buck up—be game—go through, and here's to you—Success.

Sincerely yours,

EDWARD P. VOLLERTSEN,
Controller.

The text of the booklet "Things to Think About" reads:

Many men have failed to achieve the success of which they were capable, for lack of a proper start. In order to win a race, you must have the opportunity to start, and when you have entered the employ of the National Bank of the Republic of Chicago as a page, you have made a start. You have the opportunity to start in the race but whether you get away on the right foot will depend entirely on you. The fact that many bank officers, even bank presidents, have been pages should be ever foremost in your mind. Never be satisfied, never stop until you have succeeded in reaching the very highest position. "At all times be satisfied with what you have but never with what you are." To win you must think, observe, read, study and work. To be able to think clearly and quickly is one of the foremost requirements of a successful banker. The boy who anticipates the wishes of those he serves will soon learn to think along the proper channels. Very few people truly observe. They look at things but never see them. Train yourself so that, for example, when you see an electric fan you will say—is it properly placed so that the greatest benefits will be obtained from its use; is it

being regularly inspected to insure the longest possible use; is it being turned off when it is not in use, or is it allowed to run unnecessarily, thus wearing itself out; are the electric lights burning when they might be turned off, causing the bank unnecessary expense, wasting electricity and bulbs? Observe and think observingly.

Abraham Lincoln and many others are splendid examples of what a man may accomplish by consistently and persistently reading with a purpose, instead of filling the mind with trashy lurid tales. Read the best authors to increase your command of the English language, to cultivate your mind, to enlarge your vocabulary and improve your grammatical construction. Read and re-read all books and magazines pertaining to your business; set aside a certain hour each day for this purpose and do it consistently. The result will amaze you. Read Elbert Hubbard's "Carrying a Message to Garcia," and Arnold Bennett's "How to Live on Twenty-four Hours a Day." Read about banks, their organization, their growth and their management.

Most pages are, for various reasons, obliged to leave school before they have finished—whatever the reason may be, realize now that this places a handicap upon you, but a handicap which you can remove by study. To study means to learn by mental application; it means to add to your mental equipment; and if you want to get the most from this life and be a source of power in this little old world of ours, you must be fully equipped mentally. You can't compete, with a ragged mind, any more than you can compete, with ragged clothes—also you can never quite make up for what you lose by not finishing—something—so if you have left school without finishing, start now to finish it by a little regular, systematic studying each day. Finish it! One of the greatest lessons in life is to finish things. Train yourself to finish whatever you start—be game—go through.

Work! The joy of living is to be able to work. No greater punishment can befall any man than to be unable to work. Train yourself to work efficiently and you will receive more pleasure from working than from anything else. Hard work, persistent application and long hours are the most potent influence in preserving both mental and physical vigor. Your success depends to a large degree also upon your attitude toward your work. Put your whole heart and soul into your work and if you can't do that every hour that you work, find a new job where you can put your heart and soul into it. Don't be a square peg in a round hole. Elbert Hubbard has expressed it as no one else ever could—"I believe in the stuff I am handing out, in the firm I

am working for, and in my ability to get results. I believe that honest stuff can be passed out to honest men by honest methods. I believe in working, not weeping; in boosting, not knocking; and in the pleasure of my job. I believe that a man gets what he goes after, that one deed done today is worth two deeds tomorrow, and that no man is down and out until he has lost faith in himself. I believe in today and the work I am doing, in tomorrow and the work I hope to do, and in the sure reward which the future holds. I believe in courtesy, in kindness, in generosity, in good cheer, in friendship and in honest competition. I believe there is something doing, somewhere, for every man ready to do it. I believe I'm ready—*right now!*

Now a word on personal appearance. Remember that it is not necessary that a boy have the finest clothes, but he should keep his clothes clean and neatly pressed, his hands scrupulously clean and his shoes polished. These things reflect your character and are indicative of your work. A boy who is slovenly cannot do his work neatly. It is not consistent. Ten cents will buy a nail file—learn to use it. Do not be afraid of a brush with a liberal amount of soap and water. It won't hurt your hands. Polish the heels of your shoes, as well as the toes. Neatness is the first commandment of a better boy. The second is—be polite not only in the office, but outside of it. Other people will judge the bank by what you are outside of the office. You cannot be one kind of a boy in the office and another kind outside of it. To be a gentleman—be gentle. The third is—perform the task which is given you to do. Never delegate it to the other boy. Perform that task better than any other boy and you will soon be on the way to promotion. The fourth is—co-operate in every way possible with the other boys, get the spirit of helpfulness—it never hurts to help the other fellow. While you are waiting for a call, do not fool away your time. Think how you can improve the work, the service, and save the bank money. Eliminate waste.

Now boys, this is not meant to be a sermon, but just a chat to help you. Learn to help yourself. There are many things that could be said, but that would preclude you from thinking for yourself. To be a successful page you must learn to think. Your officers are always willing to help. Ask questions. You are now a part of a successful institution and upon your efforts will depend its future success or failure. Boys! It's now up to you.

A junior clerk should receive a more advanced and comprehensive booklet, setting forth a history of the bank, its

policy regarding working hours, attendance, punctuality, overtime, vacations, borrowing or loaning of money, an account of athletic or recreational activities, pension plans, employees' savings funds, insurance, system of promotion, and other facts that will give the applicant the proper picture of the bank's attitude toward the applicant and its regard for his welfare. It is only fair to the employee that he be given an opportunity to know accurately upon just what kind of job he is entering.

The waste resulting from labor turnover is too costly, and too well known to require further discussion, and while a study of the individual is necessary, so likewise is a thorough knowledge of the various departments and their method of operation. It naturally follows that the knowledge of men and the knowledge of their jobs will result in planning definite lines of promotion. There is much criticism, justifiably so, that men are held in positions too long. This creates the attitude in an employee that there is little use in striving, which tends to kill initiative and lower efficiency. An employee, to give his best, should feel that the bank practices the principle of honest promotion on the basis of merit.

Success is measured largely in terms of income, therefore, it is the wise financial institution which trains its employees to understand the requirements of their jobs and outlines its basis for promotion, that its employees may support themselves and those dependent upon them in comfort and at the same time handle more work at less cost. or, in the industrial terms, to "make men dear and goods cheap."

The success of an employment department is dependent in a large measure upon the man chosen to direct it. His qualifications must be unique. In addition to a forceful personality and the qualities of an executive, he must know men and women, how to fit them into their proper niche, placing them in the work to which they are best suited. He must have those qualities infrequent-

ly found—a knowledge of human values, a complete understanding, the ability to sympathize and put himself in the other man's place; and lastly, the trait of drawing men toward him instead of repelling them.

Throughout the financial world, as well as throughout the country today a

great need exists for closer team play, for a broader understanding, and it is the opinion of the writer that the establishment of an operating division with a well-thought-out employment department is a long step toward that understanding, which, in terms of money, means reduced labor costs.



The Problem of the Service Charge

By Myron R. Sturdevant

President Missouri Bankers Association

THE banker's greatest problem today is making dividends, with the present low interest rate. Money is about the only commodity that is not higher now than in 1913. While it is true that deposits have materially increased since 1913, it is also true that supplies, wages and everything that has to do with the operation of a bank have so increased that it is doubtful if the increased volume of deposits is sufficient to overcome the low interest rates.

In the last year much thought has been given to a service charge sufficient to cover the actual cost to the banks in handling small accounts. Bankers in many cases have, with much hesitancy, approached this subject but where a thoughtful study has been made, it has been the rule that the charge has been put into effect and where so put into effect by the united bankers of a respective community, I know of no instance where the bank has returned to the old system of condoning a loss on a large percentage of its business.

It is predicted that the banks everywhere will be on a service charge basis in the near future.

Whether we agree it is best or not, there is one thing every banker should do for his own enlightenment and that is to make a complete survey of his deposit accounts, ascertain how many carry an average balance of less than \$200, \$150, \$100, or \$50, and make your calculations as to the amount you

can break even on. I think you will be well paid and perhaps startled at the information, and should the survey you make reveal the fact that 50 per cent. of your depositors are carried at a loss, ask yourself if it is any safer for a depositor to carry his funds with you, under those conditions, than it would be for you to loan to a merchant who loses money on 50 per cent. of the merchandise handled.

The oft-time argument is that a small depositor today may be a large depositor next year. Granted—but does it pay to carry an army of small depositors on such a hope?

Suppose an occasional small depositor today does become a valuable depositor later on and your competitor gets him. You may get one equally as good from your competitor. Of course it may be unwise to try it single-handed but where a whole city or community is united it is a sane, sensible and scientific way of handling such accounts.

Some small town banker may say, "My competitor would not live up to such an arrangement." It is very possible the competitor would say the same thing of the accuser.

Figure it as we may, there is no class of business that grants so much service at a loss as do the banks and the safeguarding of deposits should not be performed at a loss.

Analyzing Loan Applications in Country Banks

The Second Article of a Series Outlining Principles Upon Which Country Bank Credits Should be Based

By Frank S. Wettack

MANY farmers who, with successful records in farming, engage in business pursuits, are not successful. The temperament developed by the activity of farmers where there is often almost complete isolation from contact with people, may not be an asset in lines of business where contact with the public is required.

Good character, as a basis for credit, embraces much more than moral excellence or good qualities. Good character, in this sense, means an absence of those personal qualities which render the loan hazardous. A man of good character is honest and industrious. He provides for emergencies, carries life insurance, and does not have questionable associates. He has well balanced judgment of life's real values. He does not lessen his debt paying power by extravagance.

The real test of a man's character is what he deems to be the most important thing for him to accomplish. Almost every man of sixty will say that the important thing for every young man is to accumulate a reserve fund to meet emergencies and adversities. Life's lessons have impressed this principle upon the sixty-year-old man. A man of good character, in the sense in which we use the term, has an adequate conception of this important principle.

When Insolvency Threatens

The term "good moral risk" is loosely used in connection with loans. All persons are good moral risks when they are moderately prosperous. There are no good moral risks among the human family when insolvency and bankruptcy

threaten. Self-preservation is one of the strongest impulses in the human heart. Regard for self and family will, when the door opens in a man's business affairs to let in insolvency, cause the "good moral risk" hitherto present to make its escape through the same door. Seldom does a business house become insolvent that in the wind-up is not found to have been gutted by the owners. Only a shell usually remains for the creditors. It takes a considerable period of time for a business to become insolvent, and the strain of a protracted period of adversity breaks the moral risk. Everybody protects his interest as best he can. The owners of the business, being in charge of the assets, do not neglect their own interests, and the creditors are usually left very little. The credit man must keep this unpleasant fact in mind in considering hazardous business risks.

During the present period after the culmination of three years of adverse conditions in most lines of business, and especially in agriculture or in lines dependent largely upon agriculture, one of the hardest problems for the credit man has been presented in cases where the period of adversity has broken down the moral risk.

The marital status of the borrower, especially in unsecured loans, dependent for payment upon the personal qualities of the borrower, should also be considered. The general rule is that a married man is more stable than a man without dependents. The right type of man with the responsibility of a family soon learns the meaning of the word "hustle." His mind is keyed to the future more accurately than his less favored single brother. He is made

more cautious, more ambitious and more dependable by his responsibility. He feels the necessity of making good to a far greater extent. Observation will bear this out. Few men begin to save until they are blessed with the responsibility of a household.

The Borrower's Mode of Living

The borrower's mode of living, in loans dependent for payment largely upon personal qualities, is also important. If such a borrower is dressing his children to a point where it conflicts with his debt paying power, it may be a decidedly adverse item. If the limit of the borrower's ambition is to own an equity in a large car, or to live in a large house on a lavish scale, out of keeping with his income or assets, such facts are decidedly adverse elements. This system of living apparently is very common in this day. Such individuals usually come to grief. Increased income is quickly devoured by increased wants.

A man with a good salary usually appears to be an attractive credit risk. He usually moves in good social circles, dresses well, and a superficial view indicates prosperity. Yet a salaried man without assets, who is not saving money regularly and consistently out of his salary, is usually to be condemned as a credit risk. This is nearly always the case where the credit is desired for paying indebtedness incurred for current living expenses. A salaried man without assets should provide an emergency fund, not necessarily in a savings account, but in some property upon which he can borrow to meet sickness or periods of unemployment. Usually a loan to a salaried man without assets, to meet debts incurred for living expenses, is hazardous. Every aspect of a man's personal or family life, where a loan is not secured by tangible assets, or by the possession by the borrower of assets sufficient to justify the credit, should have consideration in passing upon the credit risk. Even

the type of shoes the baby wears may have a bearing.

What will be the effect of the enormous amount of credit now employed in retail sales of a varied nature. As long as the individual purchaser has such employment that his income is sufficient to meet the instalment payments there is very little immediate effect upon this individual. However, rules affecting the ultimate prosperity of individuals are fixed. The volume of retail credit operations will cause persons neglecting the fundamental rule of providing a reserve fund, to be candidates for the poorhouse when their days of high wages and employment are over.

The Saver's Place in Our Credit Structure

There is a widespread doctrine that individuals who spend their entire income are a great blessing to a community. These people are commended as keeping their money in circulation. If everybody followed this plan, the country would, in a short time, revert to a state of decay and barbarism. Paved streets, schools, hospitals, churches, railroads and the other institutions of modern life, are a necessity. But cities could have none of these unless some group of individuals had deemed it worth while to save, and thus become able to buy the bonds which paid for these things which are necessary to our civilization. Savers are the first line of defense. They are the mainstay to the forward movement of humanity. Saving is the first requisite to sound credit. Without savers our credit structure could not be safely reared. Venturesome, thriftless, extravagant individuals serve a purpose in our economic scheme. They assist in kindling the fire under the boilers of trade and manufacture. Their reward must consist largely of a realization of having served this purpose. Eventually their self-respect, well-being and hopes for advancement are effaced. While the thriftless and extravagant may be necessary—at least, they have always

been present in all ages—the credit relations of banks must be with individuals who, through industry and thrift, make the effort to be classed among the successful. Too many credit relations with the thrifless and unsuccessful will make a bank unsuccessful also. Our country's prosperity is essentially dependent upon those employed individuals and small business establishments whose plan of operations and mode of living enable them to increase their assets. To this group we owe the soundness of our business and credit fabric. With this class banks must have their credit relations. Our large industries depend upon this class.

A salaried man or wage earner who is regularly saving will usually be entitled to a moderate credit, if there exists a proper reason to borrow.

Much of the foregoing has its chief application to unsecured loans dependent upon the borrower's satisfactory personal qualities. The personal qualities enter into all loans, whether large or small, secured or unsecured. An intelligent application of the ruling credit principles to unsecured loans will result in few losses.

To extend credit to a man without security or assets, upon a sound proposition, and to see the borrower's plans successfully mature, is one of the credit man's compensations. To have been the means of young business men succeeding through credit wisely extended is joy to the credit man. To see borrowers come into the ownership of homes through merited credit is an enduring satisfaction to the credit man. So many of a country bank's credit operations are supported by the personal qualities of the borrower, rather than by definite security or assets, that the successful country bank credit man must be expert in selecting loans secured largely by the borrower's character, industry and capacity. To have matched these qualities by proper credit, and to have watched the splendid results, is one of the compensations of bankers.

The connections of the borrower, in

a family and business way, are always a legitimate part of the analysis. Favorable connections give the borrower an opportunity to direct business to the bank. Frequently such connections may justify making small loans, where a strict analysis might not disclose the necessary merit. It is more necessary to place emphasis upon not permitting connections to unduly influence the granting of credit.

Much danger lies in loans made solely upon connections. As many losses accrue to banks through this as from any other one channel. Illustrations where connections work to the disadvantage of bankers are frequently found where public officials control large deposits. It is unusual to find a person holding an appointive or elective office whereby he becomes custodian of a large amount of funds, who had attained a marked success in business pursuits. Yet such individuals, through their connections, control large deposits. They frequently seek credit, and the influence of their deposit account is employed to procure loans. Frequently executors, administrators, guardians, county and state officials use the influence of a large deposit account to procure lines of credit which are not supported by the merits of the loans. Such applications for credit present a difficult problem. The bank desires the deposit account. But frequently the connections have a short life. The official fails of re-election. The officer of the corporation is dismissed or dies. The net result is that in many cases the considerations upon which the loan was based, namely, the connection of the borrower, no longer exist.

Analyzing a Proposed Loan

The analysis of the proposed loan will include a consideration of the use to which the proceeds of the loan will be devoted. Many a loan which, from the viewpoint of the borrower's assets, does not measure up to high standards will be commended by the use the bor-

rower will make of the funds. More frequently, loans will be offered which fairly meet the requirements as to borrower's assets and personal qualities, but the use to which the borrower will put the funds may not meet banking requirements. The emphasis to be placed on the purpose of the loan is determined by how well the loan is secured, or what relation the value of the borrower's assets bears to the amount of the loan. The use to which the borrower will put the proceeds of the loan is a controlling consideration in unsecured loans in such cases as the following:

1. Where the applicant's assets are not sufficient to afford necessary strength to the proposed risk.
2. Where the applicant's assets meet reasonable requirements, but are not connected with or related to the purpose for which credit is sought.
3. Where the assets are sufficient in value, but are wholly exempt.
4. Where indebtedness subsequently incurred by the borrower, will rank equally with the bank's claim.
5. Where the payment of the loan largely depends upon the borrower's venture working out successfully.

Unsecured loans upon business ventures which, when made, meet reasonable credit requirements, may become very inferior by reason of taking equal rank with large indebtedness subsequently incurred by the borrower. Bank credit must have a greater security than mercantile credit. A bank collects a small rate of interest per year. There is only one turnover. The margin of profit on a year loan is small. Mercantile creditors, with an equal amount of credit, may sell the borrower many times in each year, receiving a net profit on each turnover far in excess of what the bank receives on a risk running an entire year. The standard of security upon which bank credit must be based must necessarily be higher than prevails in mercantile risks.

Even if the loan is properly secured, if the purpose for which the loan is

sought will not stand analysis, it is debatable whether, in the long run, the granting of such credit will work out satisfactorily. It is not sufficient that a bank loan be legally collectible. Loans entitled to the highest rating are those paid by the fruition of the borrower's plans. Every first grade bank loan must have this objective—payment in the usual course by the orderly working out of the borrower's well conceived plans. The provision for payment is a feature which should loom large in the mind of the bank credit man. When the depositors' funds are launched on the sea of business, the itinerary should include a return to the harbor after a voyage which, at the outset, shows no storms or shoals.

To state it in other terms, the credit is the seed; the borrower's well ordered business plans are the necessary fertile soil; this combination should furnish the means whereby with the blossom and fruitage of success, there will be provided the means of payment. The payment of the loan should not be through strain or pressure, but it should be as natural a process as the budding, blossoming and developing of the fruit which, when ripened, is ready to be made use of. The analysis of the purpose to which the borrowed money is to be devoted, is to determine whether this process may be reasonably expected.

The Borrower's Attitude Toward Loan Analysis

Many borrowers resent a discussion of this aspect of a loan. The number which show resentment is fortunately decreasing. More bankers are making the full analysis of credit risks which prudent and conservative bankers have always employed. Where the inquiry is pursued tactfully, in a spirit of helpfulness, very little resentment should be encountered. Many borrowers' objections are based on the feeling that loans should be made upon long association or friendship. This relation usually exists in small communities between the

banker and his borrowers. The principle that a banker should know the use to which his depositors' funds will be devoted, is an eminently correct one. Every banker who ignores this principle signally fails in his duty to his depositors. It is a safe principle for every banker to adopt, that no consideration will deter him from obtaining the necessary data required to fully analyze applications for credit. The bankers are merely the depositors' agents in making loans for the depositors. Any banker who does not analyze all the aspects of an application for credit cannot satisfactorily discharge his duties. Where a banker uniformly requires a full presentation of the borrower's position, he must expect some loss of business from over-sensitive borrowers. He may, however, have assurance that over a long course of years this principle will work out to the bank's advantage. The bank credit man must know the principles upon which bank credit may safely be extended, and not depart from these principles. He may have assurance that if he cannot be successful in the banking business on banking principles, it is not likely that he will be successful on any other principles. It is better, where a loan is offered, to make a full analysis and to decline inferior loans and possibly incur the applicant's ill will, than to grant the loan and later lose both the depositors' money

and the borrower's good will. Applicants for credit should not be unnecessarily harassed, but the bank credit man must know his ground. A banker may err in being too conservative. To ask for security in loans where credit principles indicate security is not necessary, and to thus cause offense to the borrower, may divert desirable credit business to other institutions. It is difficult, as every credit man will testify, to maintain every hour in every day, a well balanced poise on loan requirements. The credit man may on one loan make unreasonable requirements, and then let down the bars and make an inferior loan. One reason for this is that the bank credit man does not always keep in mind the ruling principles. Too close and unrelenting contact with credit problems, a multitude of small irritations, too much pressure of detail work, lack of harmony with his brother officers and employees, may cause him to lose his balance. He can best maintain this balance by having an adequate conception of the ruling principles of credit well fixed in his mind, and attempting always to carefully and impartially analyze loans from the viewpoint of these principles, and not allowing personal feelings, friendship or long association, or matters entirely outside of the merits and defects of the risk, to direct his judgment.



THE greatest problem of independence of the average man or woman is how to get out of what they earn a good living and a reasonable degree of financial comforts in old age. And the most direct and practical way to improve the citizenship is to establish an organized movement to teach the nation's children in our public schools and help working people in American industries to use more intelligently the thing we call "an income."—*William E. Knox.*

The First Thousand Dollars

By Richard W. Saunders

IT has become an axiom, verified by the experience of millions of people, quoted by all self-made men and bequeathed to us by our ancestors, that the making and retaining of the first thousand dollars is harder than all the later acquisitions. Among the ancient Greeks when one was asked how he made his large fortune he answered, "My large fortune easily but my first money only by arduous toil."

One would think, therefore, after reflecting how money breeds money, how the possession of even a moderate amount brings respect from one's self and one's neighbor, that one of the first if not the first endeavor of all men when they begin to earn would be to accumulate and set aside this precious thousand, pregnant as it would be of future success and happiness.

A state of society can be readily imagined where the possession of such a thousand, free and clear of all debts, would be required of all men before they were admitted to the state of manhood and the privileges of social intercourse. Before reaching that goal one can easily imagine them in a state of ostracism as those who had not as yet proved their possession of self denial and the power of resisting temptation.

As laws are now being passed on every conceivable question (even including speculations on the manner of our descent) it is more than probable that some legislator of the future, inspired by the economic importance of such a fund, will seek to enact such a regulation and all men and women will be required to gather, in some lawful manner, the sum looked upon as so tremendously important in the life of each individual. The proper penalties to be imposed might perhaps be a problem, but legislators have always been strong on working out penalties. Possibly they might order a refusal to issue a marriage li-

cence, or demand a denial of the privilege of purchasing theater tickets or forbid even to have served to any hungry diner a meal costing in excess of a certain sum unless such person or persons were able to show a pass-book issued by a reputable savings bank showing a credit of at least the sum in question. Social restraints might be brought to bear and we might hear uttered such scathing words as "He cannot amount to much. He hasn't a thousand dollars to his name."

While waiting for this possible millennium there is probably nothing to do but continue to point out to the young and thoughtless the desirable consequences that follow the cultivation of the savings habit and especially the safely tucking away of the initial thousand where "moth and rust will not corrupt" and where at least 4 per cent. interest will bestow upon it a slow but certain growth. Since banks have begun to advertise so extensively the aforesaid young and thoughtless certainly cannot complain that the matter has not been brought to their attention. It is blazoned in every street car. And was not a certain statute, now creating considerable comment, largely passed because of the argument that money formerly spent on certain beverages would be saved, with the exception perhaps of those sums spent on certain other, but less potent beverages? So perhaps the legislation referred to above is not as far off as one might think.

The chief reason the elusive thousand is so hard to corral seems to be the fact that so many people seem to be after it also, whether they already have a thousand or not and the "young and thoughtless," as well as others, have to pass through a network of temptations that would cause an anchorite to give way. Alluring advertising suggests, from countless signboards, the joys of

this or that. Human nature works against them. The maiden lingers as she and the youth pass the ice cream parlor together or view the enticing lobby display in the movie palace. Relatives both near and distant evince strong desires to be "supported" and bring forward certain arguments concerning duty or the ties of blood, etc., which give the young grave concern. It is, by the way, a strange fact that nearly all people willing to be supported find some person willing to support them. Appeals for charity, the lure of the new spring suit, the latest novel, the talked-about play, the auto trip—but why go on, the list is interminable.

So, back again, one finds one's self at the old starting ground and the same old solution seems the only one. What we want the most we get and any man or woman who wants the first thousand hard enough can certainly have it. The price is work and self denial. But the price not only covers the first thousand but those that follow also for what is gained is not only the money but the enforced habit which, as a rule, will become a permanent guide through life. Men value most what has cost them most. On the one side is "Come easy—go easy" and on the other "Save and have."



Cheap Money and Business

By Benjamin M. Anderson, Jr., Ph. D.

Economist of the Chase National Bank of New York

THERE is a belief, widely held on both sides of the Atlantic, that good business depends on cheap money, and that even moderate increases in money rates can turn good business into depression. It is a fantastic idea, unsound in theory and repeatedly refuted in economic history. The causal relation between business and money rates is, for the most part, directly the reverse. Good business makes firm money and business depression makes cheap money, other things equal. To the extent that there is a causal connection, money rates are generally the effect of business conditions rather than the cause of business conditions.

The facts are, as business men and bankers know, that the volume of commercial borrowing is primarily governed by the expectations which business men have as to the volume of business which can be done with the money, and the profits which can be made. Business profits depend on the relation of costs

to receipts. Money rates are among the elements of costs, along with labor, raw materials, transportation, rentals, taxes and other items. If money rates go excessively high, they may make a real difference in profits. Within a wide range, however, anticipated volume of business is far more significant than money rates. If a large volume of business can be done with 5 per cent. or 6 per cent. money, profits may be much greater than they would be with a smaller volume of business done with 3 per cent. money, because overhead expenses can be spread out over a much larger number of units of product, so that cost per unit is smaller with a large volume despite higher money rates. In the actual calculations of business men who are deciding whether to borrow a larger or smaller amount from their banks, the rate to be paid is very much less important than their anticipations as to the volume of business which can safely be undertaken.



The Lima Trust Company, Lima, Ohio

THE employment of the Weary and Alford Company assures the banker of the services of an organization which knows his problems, knows from long experience how to meet them, and whose only business is the design and execution of bank and office buildings—the most economical, practical and attractive that can be produced for the money available.

WEARY AND ALFORD COMPANY
Bank and Office Buildings
1923 Calumet Avenue
Chicago

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Depositor's Duty to Examine Canceled Checks for Forged Signatures

Stumpp v. Bank of New York, New York
Supreme Court, Appellate Division,
April 30, 1925.

THE law presumes that a bank knows the signature of each and every one of its depositors. Consequently, when a bank pays a check drawn upon it and it is afterwards found out that the drawer's signature is forged, the bank cannot charge the check against the depositor's account but must bear the loss itself.

But, when a depositor receives from the bank a statement of his account and the canceled checks which have been paid, he is under duty to give the statement and checks a reasonably prompt and careful examination and to report any irregularities to the bank.

The depositor's failure in this regard will shift the burden of the loss from the bank to him. The reason is that the depositor's delay in discovering and reporting the forgeries may result in depriving the bank of an opportunity to take prompt action against the wrongdoer. Furthermore, where the forgeries extend over a period of time, the depositor's failure to discover the first wrongful payment enables the forger to continue his raid upon the depositor's account.

In this case, the question was presented as to how thorough an examination a depositor is required to give to the bank's statement to protect himself from liability where an employee has forged a series of checks against his account.

When a loss of this character is sustained, it is frequently a severe one. It is, therefore, important for bank depositors to know exactly what the courts require of them in this respect.

The New York court holds in the case referred to that it is not sufficient to check the canceled checks against the stubs in the check book and to see that the balance in the check book corresponds with the balance shown in the bank's statement.

In addition, the depositor must compare the canceled checks with the list of checks entered on the bank's statement as having been paid.

The plaintiffs in this case were partners doing business under the firm name of August Stumpp & Company. For several years prior to May 1, 1916, the plaintiffs kept their account in the defendant bank. They had in their employ a bookkeeper by the name of Pratt, who had charge of the firm's check book and was authorized to receive and receipt for the statements of the plaintiffs' account with the defendant bank and the canceled check vouchers.

Pratt conceived a plan for defrauding his employers which was possible of execution because of his knowledge of the manner in which the plaintiffs checked up their bank statements.

His method was to draw forged checks against the account, present them at the defendant bank and receive the cash for them from the paying teller. The amounts of these forged checks were not entered on the stubs in the check book.

Pratt concealed the forgeries by falsifying the additions of deposits made by the plaintiffs during the month so as to make the total amount less than was actually deposited. The amount by which he reduced the total of deposits corresponded with the amount of the forged checks drawn during the month. In some instances, he concealed his forgeries by making the total of checks drawn against the account and shown on the stubs in the check book greater than it actually was. Thus, the balance in the check book always corresponded with the balance returned by the bank.

He guarded against accidental detection by drawing the forged checks either in even hundreds or in such a way that two forged checks together made an even thousand, thus reducing the chances of detection of the erroneous additions.

When the canceled checks were returned by the bank each month, Pratt would abstract and destroy those which he had forged. He would then deliver the remaining valid checks to August Stumpp, the senior member of the firm, whose practice it was to compare the checks with the stubs

in the check book. These tallied exactly with the entries in the check book leaving some few checks still outstanding. Stumpp would then add the amount of the outstanding checks to the balance shown on the check book and, finding that this corresponded with the balance shown by the bank, would make no further investigation.

Pratt's forgeries extended over a period of about fifteen months. In all he collected twenty-one forged checks, the aggregate amount of which was approximately \$11,000. His forgeries were not discovered until he forged a check for \$5000 against the plaintiff's reserve account, carried in another bank, deposited it secretly to the credit of the plaintiffs in the defendant bank, drew out the proceeds by a series of forged checks and disappeared from the community.

The court held that the plaintiffs, through the negligent manner in which they examined their bank statements and canceled vouchers, had relieved the defendant bank from responsibility in paying the forged checks.

OPINION (IN PART)

DOWLING, J.—It is quite apparent that Pratt's immunity from discovery for so long a period of time was due to plaintiffs' way of conducting their so-called examination of the returned statements and vouchers from the bank. They did not even add up the columns of figures of deposits and withdrawals by check, as entered by Pratt in their books. All they did was (1) to check the returned vouchers against the stubs in their check book, and (2) to see if the balance appearing in their check book corresponded with the balance shown the bank's statement. I am of the opinion that this was insufficient to constitute ordinary care, and that their failure to do more constituted negligence on their part.

Under the authorities, I believe that the depositor, upon the return of his vouchers from the bank accompanied by a statement of the transactions in his account for the preceding month, is bound to do three things: (1) Compare the vouchers returned by the bank with the check stubs in his stub-book; (2) compare the balance entered in the statement (or pass-book) with the balance in his stub-book; (3) compare the returned vouchers with the list of checks entered in the statement (or check-list). If such examination is made with ordinary care and no error is detected, then the de-

positor is not negligent; if he fails to make any or all of these comparisons, and such comparison would have disclosed the forgery, then he is negligent and cannot recover from the bank.



Attachment of Contents of Safe Deposit Box

Carples v. Cumberland Coal & Iron Company, New York Court of Appeals, May 5, 1925.

The contents of a safe deposit box may be attached at the instance of a creditor of the owner of the contents.

OPINION

HISCOCK, Ch J.—The plaintiff obtained a warrant of attachment against the property of the defendant, which was issued to the Sheriff of New York County. He claimed that a certain box in the vault of the Safe Deposit Company of New York was rented by defendant and contained property which was leviable under a warrant of attachment. The safe deposit company having refused to allow the sheriff access to the box for the purpose of making a levy and having refused to give a certificate of the contents of such box on the ground that it was without sufficient knowledge, plaintiff applied on notice to the safe deposit company for an order directing the sheriff to open said box and to take and keep such property as might be found therein which was subject to levy. While notice of said motion was served only upon the safe deposit company the defendant voluntarily appeared on said motion and is now the only appellant from the order made as aforesaid. Under these circumstances there have been certified to us the questions in substance whether there is any statutory or common law empowering the sheriff to break open a safe deposit box of the defendant in aid of the attachment issued to him, and whether any constitutional rights of the defendant will be violated by thus breaking open said box and seizing such property as may be liable to levy.

In the first place we desire to make it plain that one question argued by the defendant and another question which, under other circumstances might be argued, are not presented on this appeal. It is urged that the

court has no right to order such action as was authorized in this case and which may result in the destruction of the property of another, in this case the safe deposit company owning the vault. As we have stated, the safe deposit company which alone would be interested in that question is not appealing here and, therefore, we have no occasion to consider the question suggested or to decide whether such an order as is here presented might, under some conditions, involve such a destruction of the property of others as would not be tolerated.

Neither are we concerned with the question whether a safe deposit company should be protected as against its customer by notice to such customer of such an application for leave to open his box as was presented here. Apparently actual notice of the motion was given to the customer and it appeared upon the motion. Therefore we come simply to the questions which have been certified as they arise between the plaintiff and the defendant, and the preliminary one of appellant's right to appeal.

We shall not review at length the affidavits presented in behalf of the plaintiff and in behalf of the defendant on the motion to require the sheriff to open the box and by which these questions are to be determined. We shall content ourselves with the simple statement that in our opinion such affidavits permitted the court to find as it necessarily did that the box in question had been rented by the defendant acting through its officers and that, presumably, at the time in question there was property contained therein which was subject to levy under the warrant of attachment.

While it is challenged, we think that the defendant is a party aggrieved by the order which has been made, within the provisions of our statute and that it therefore has a right to appeal. It is really the only party which is substantially interested. It appeared upon the original motion, and if the order here made does improperly and unconstitutionally permit the sheriff to break into its safe deposit box we think it quite clear that its rights have been intruded upon in a manner which constituted a substantial grievance and gave it the right to take the appeal.

Coming to the merits, we think that the order complained of was a proper one for the court to make. Under the statute relating to a levy under a warrant of attachment it became the duty of the sheriff to take into

his custody any property capable of manual delivery such as it is claimed that there was in this case. Under this statutory duty that officer was authorized to do anything which might be lawfully incidental to its discharge, and it was the duty of the court where necessary to aid him by a proper order. A safe deposit box does not give property placed therein a status which renders it exempt from levy under a warrant of attachment. It is true that there has been much discussion of the relationship between safe deposit companies and their box customers and of the question whether property thus placed is in the possession and control of the safe deposit company or of the customer (*National Safe Deposit Co. v. Stead*, 292 U. S., 58, 67), and very possibly different answers may be made to this question on a consideration of the circumstances under which it arises and of the purposes for which it is being asked. We do not deem it necessary to determine it with exactness in this case. There is no doubt that the safe deposit company has a general and surrounding control and possession of the box. It owns the building and the vault in which the box is located and makes rules for the customer's access to the box, which generally require the assistance of the company in opening it. This possession and control, however, is exercised for the purpose of securing a greater safety for the customer rather than of asserting possession as against him of the contents of the box, to which, under proper rules and regulations, he has the unquestioned and unqualified access. While the status of the safe deposit company is, therefore, in some aspects that of a bailee, the customer's control and possession of his box is not much different than would be the control and possession by a tenant of property in an office which he had rented from the owner of the building (*Nat. Safe Deposit Co. v. Stead*, *supra*; *Moller v. Lincoln Safe Deposit Co.*, 174 App. Div., 458; *People v. Mercantile Safe Deposit Co.*, 159 App. Div., 98, 101, 102).

But however we may estimate the relative rights and possession of safe deposit company and customer as between themselves it was perfectly proper for the court so far as this aspect is concerned to make the order in question. If the property in the box is to be regarded as in the possession of the customer the order was perfectly right. And if, on the other hand, we

regard the safe deposit company as in some respects a bailee and having possession of the box it was still proper for the court to make the order which it did and which, with the levy of the sheriff thereunder, will be ample protection to the company as against the defendant (*Bliven v. Hudson River RR.*, 36 N. Y., 403; *Scranton v. Farmers & M. Bank of Rochester*, 24 N. Y., 424, 427; *MacDonnell v. Buffalo, L., T. & Safe Deposit Co.*, 193 N. Y., 92, 106; *Roberts v. Stuyvesant S. D. Co.*, 123 N. Y., 57; *Stief v. Hart*, 1 N. Y., 20; *United States v. Graff*, 67 Barb., 304; *Burton v. Wilkinson*, 18 Vt., 186).

Finally, it is urged that the order authorizes an unconstitutional and unwarranted "search and seizure" and in amplification of this contention appellant seeks to draw some analogy between a man's house and a safe deposit box. We are unable to see any pertinent analogy between a man's home, which is protected by constitution and decisions from invasion for the purpose of serving civil process, and a disconnected depository in which he has stored his property, whether a barn, a warehouse or a safe deposit box. Furthermore, the order complained of does not provide for any such exploration and search as were condemned in the cases cited by appellant. As we have stated, the affidavits justified the court in finding that there was in this box property which was subject to levy and the defendant

not enlightening the court as to what these articles of property were, the order was made permitting the sheriff to take and keep such property as was subject to levy under attachment and to return all papers and correspondence to the defendant. The provisions of the statute specify the property which is subject to levy and the order did not authorize the sheriff even to keep such papers as might relate to such leviable property. With the least intrusion possible a levy was authorized and it was not an authorization of an unreasonable search that the sheriff was incidentally permitted or required to make such examination of the contents of the box as would enable him to separate leviable property from the remaining contents. It would be unfortunate if a court could not authorize and the sheriff perform such acts as these. If a debtor could withdraw his property from the reach of creditors by simply placing it in a safe deposit vault, avoidance of responsibility for obligations would be made easy, and a broad and easily accessible highway opened for escape from an effective administration of the law (*Burton v. Wilkinson*, *supra*; *United States v. Graff*, *supra*).

We think that the order should be affirmed, with costs, and of the questions certified the first one should be answered in the affirmative and the second one in the negative.



IN the past, great wars have usually been followed by increased production and by the accumulation of wealth. Therefore, it seems entirely reasonable to expect this increase in goods and this continued reliance upon gold to be followed by a downward trend in prices during the next decade. This decline will probably be gradual, inasmuch as the rehabilitation of our world economy must be a slow process under present political conditions.—*Walter S. Case.*

Banking Publicity

Special Section of The Bankers Magazine

JULY 1925

Direct Mail as Part of the Trust Selling Campaign

Article III of a Series on a Complete Campaign for New Trust Business

By THEODORE TEFFT WELDON

Advertising Manager Northern Trust Company of Chicago

THE average trust company requires in its advertising certain booklets descriptive of its services. These booklets may be few or many in number, and in general should discuss:

1. Trust company service.
2. Duties of an executor.
3. The advertiser's technique in managing property left in trust.
4. Laws of descent.

5. Inheritance taxes.
6. Insurance trusts.
7. Living trusts.
8. Agency and custodian services.
9. Will forms and memoranda.

In the advertising campaign, each of these booklets should have its special place. Although each may present a complete argument, it should at the same time fill a definite niche in the sales plan. The circulation of

the booklets may be through the mail, through mention in general publicity, from letters offering them, by counter distribution, and through officers and salesmen after interviews with prospects.

The most obvious source of new business being the present customers of other departments of the bank, stuffers in the canceled vouchers, bond circulars, vault bills, etc., are a first means of calling attention to the trust services offered. These may be augmented, at will, by specific letters enclosing, or offering to send a booklet on the subject discussed. If the other departments are to be considered feeders for trust business, they must be worked to the limit of

The Vital Matter of Inheritance Taxes

THE prevalent idea that only people of great wealth need bother over the question of inheritance taxes is an erroneous one. The average business man's family pays a heavy price for this mistaken conception.

The tangle of trouble and expense which confronts thousands of families left with modest estates points to the urgent need for a better understanding of the inheritance tax situation.

IT comes as a surprise to most men to learn that no matter in what state of the Union a man may live at the time of his death, his estate may be heavily taxed by a number of different states even though he may own no real property in any of those states.

In addition to this the state of his residence will, in the great majority of cases, levy an inheritance tax against each distributive portion of his estate—allowing for very small exemptions—before it can pass even to members of his immediate family.

And entirely aside from this the Federal Government will collect an estate tax on his entire estate in excess of the exemption of \$50,000.00.

IT is at once obvious that all estates of any size are subject to serious shrinkage as a result of these taxes. But what is not so obvious on first thought is the very great difficulty often encountered in settling these taxes properly and the necessity for making some definite provision in order that funds may be


[3]

Opening paragraphs of a twenty-four page trust booklet on inheritance taxes. Actual size of the booklet is five by eight inches. The booklet is printed in two colors.

ADMINISTERING A WILL under the present dry conditions is no task for an amateur. There are too many complications. Inheritance taxes alone require expert handling to avoid tax payment and embarrassing delays.

You cannot afford to have your executor get his first experience at the expense of your dependents. Your wife, your son, your brother or business associate may have sound financial sense, but that does not fit them to be executor.

Most men underestimate the duties involved. They do not appreciate their nature and extent. There is a real need for full information. You can get it in a little book we have published—"The Duties of an Executor." May we send it to you?



Few individuals act as Executor more than once

which is a good reason why they should never act at all

THE NORTHERN TRUST COMPANY
Capital and Surplus \$5,000,000

NORTHWEST CORNER LAFAYETTE and MONROE STS.

Newspaper trust advertisement seeking requests for booklet "The Duties of An Executor." On the opposite page is reproduced a two page spread from this booklet.

co-operation which their officers will countenance.

Checking Mailing Lists

In going outside the institution for new trust business by direct mail, the lists used are the most important single factor. The system of building them and keeping them up to date deserves more time and study than most banks accord it. In checking over its trust prospect files, an eastern trust company recently found several hundred names which proved, when analyzed, to be obviously unable to employ trust service. Yet these names had been under intensive treatment for a considerable time and some thousands of dollars had been wasted on them. Even after proving the soundness of the lists, the job of sorting them and recording information should continue as time goes on, so that the files may point always to the way of attack.

Many trust advertisers are of the opinion that booklets should not be mailed until requested. They prefer to write their prospects explaining the need for information contained in a booklet and offering to send it only if it is desired. Whether one sides with this view or not, it is good judgment to try the plan occasionally as a check on the interest with which the literature is being received. All booklets do not lend themselves to such a procedure, to be sure, but rather those which dwell informatively on some phase of trusteeship to the exclusion of those of a more sales propaganda type.

Treatment of Copy

Because this is a serious subject, there is perhaps a tendency to couch it in serious garb, even to an extreme. What some of the trust fraternity choose to call "dignity" is in reality a long-faced appearance

and a lack of plain Anglo-Saxon copy. The fine writing which is so much in evidence in present trust literature is deplorable. Brevity, on the other hand, is not necessarily a virtue. A fresh, untechnical discussion of almost any phase of trusteeship is worth reading, and if the textbook idea and the catalogue ideas are kept out of it, the reader may be expected to continue to sell himself through many pages.

The attractiveness of cover and decoration, the crafty handling of layout and titles which make the text look briefer than it is, are decoys whose value should never be overlooked. Richness of effect does delay the trip to the waste basket, and a teasing caption beguiles even the busiest man to read farther than he had intended. The morgue in every advertising office contains specimens of very expensive booklets which fail to show their worth through a lack of artistry, and others, less costly which possess an elegance of taste, compelling to the greatest degree. Illustrations, headings and marginal notes may be the means of carrying the theme along to the man who skims through, his eye catching certain points, getting the message in spite of himself.

A textbook was introduced into a calculus class in an eastern university some years ago, which opened with the statement, "What one fool can do, another can." This subject, so terrifying to most students, was explained in such simple terms as "DX is a little bit of X, and DY is a little bit of Y," with the result that the entire class conquered the subject without a flunk. It was the greatest treatise on calculus ever written for the neophyte, and made one of the driest subjects on earth a refreshing exercise. It should be an inspiration to trust advertisers.

THE DUTIES OF AN EXECUTOR

- 17 Have the inventory and appraisement of goods and chattels filed with and approved by the Court and furnish a copy to the interested heirs. Also inform the beneficiaries of the approximate income from the estate and the dates when they can reasonably expect to receive the same.
- 18 Where a widow's award has been allowed, arrange with her for payments on account thereof in such a way as to provide for her needs during the period of probate.
- 19 Lend assistance in the equitable distribution of household furnishings, personal effects, jewelry and heirlooms. Experience, tact and a genuine desire to serve often mean much for the maintenance of the family happiness in the future. The price is time, zeal and effort.
- 20 Have date set for legal adjudication of all claims against the estate.
- 21 Secure all available evidence or testimony regarding the propriety of each claim not approved by the family.
- 22 Arrange date for determination of taxes by the Illinois State Inheritance Tax Department.
- 23 Furnish Inheritance Tax officials with certified copies of the will, inventory, appraisements, lists of claims and other required documents, and appear with the attorney and members of the family for the hearing with evidence regarding values of all properties belonging to the estate.
- 24 Make comprehensive review of market conditions for each security or other property to determine which should be sold first, when, as, and if necessary.
- 25 Examine the State Inheritance Tax appraisal report and accept or contest same.



Have you ever been the executor of another man's will?

If SO, would you name a friend the executor of your own will? Is it not too burdensome and costly a compliment to pay him? You would know that either his business or your estate would probably suffer.

The duties of an executor are becoming so complex and at the same time so technical that they require the collective knowledge and experience of a trained organization to properly and economically discharge them. The Northern Trust Company has had 36 years' experience.

Two pages from a trust booklet "The Duties of An Executor," around which the newspaper advertisement reproduced on the opposite page is built. The actual size of the booklet, which runs sixteen pages, is 6 1/4 by 7 3/4 inches. Printed in two colors.

Beginning Wrong

The desire to sell sometimes results in the attempt being made at the wrong moment. A booklet on the duties of an executor, for example, commences with the reasons why a trust company should be appointed. Again, a booklet which sets forth some very interesting incidents in which insurance trusts may be the only means of safeguarding a situation, begins with the statement that after you have read these stories you should come into the bank with your insurance agent and talk it over. Do these trust companies feel that the public is gloriously inflammable and that they possess the only torch? Certainly the arrangement gives the feeling of insincerity. The book promises helpful information on a subject where it is needed, and it starts with propaganda for the publisher.

If advertising is but education, then the text of trust booklets should be carefully framed to insinuate the sales propaganda at the opportune time and place. Man's greatest desire is not always to buy, yet to buy may be the means of gratifying that desire.

The style of the booklets of any one bank is apt to follow the personal style of its advertising copywriter. If his mind runs in mathematical channels, his copy may be too consistently graphic, characterized by numbered lists of duties, services and benefits. Or it may be too consistently chatty and informal. It is a salutary practice for the advertising manager to read over all his efforts with this thought in mind and see if he is varied enough in the handling of these different booklets.

The Tie-up

Although every new trust booklet should be part of a coherent advertising plan, it may be given its turn in the spotlight by planning a subordinate campaign for it prior to its publication. In this way, there may be lock and interlock between each booklet and the newspaper advertisements, the envelope stuffers, the letters which offer and explain the need for it, letters accompanying it and following it, and still other material carrying the thought on to other phases of the subject upon which there are other booklets. If the whole project is pointed at bringing the prospect in or getting him to commit himself to the extent where a representative would be warranted in calling on him, the energy expended is in the right direction.



We secured a very substantial sum of money for a business which would seem to have expired with the founder.

TALES of a TRUSTEE

TRUSTEESHIP is ethically and legally a great responsibility. To discharge it properly more thoughtful care is sometimes required than the owner of property himself would exercise. He answers to no one but himself. The trustee is more than an agent. He has the power and discretion of an owner without his freedom of action.

Moreover, the burden of stewardship in these modern days calls for a multiplicity of talents. The ability to invest wisely is but the beginning. Expert knowledge in almost every line of endeavor which our civilization is heir to, must be part of the successful trustee's equipment.

The following actual instances, with only enough alteration to disguise the individual cases, may furnish a conception of the variety of demands which a trust company may expect to have made upon it.

♦ ♦

Recently a commercial artist of some note in the profession died. His business was operating under his name and was not incorporated. Although most of the work of his studios was done by assistant artists, his name, which was well known, was the asset which brought customers and made the business profitable.

It looked as though the business would have to be abandoned and the studios sublet or given up. We decided, however, that there was sufficient work then in progress to keep the assistants

Introductory paragraphs of a booklet on the services of a trust company as trustee, citing actual instances in which the company has rendered unusually helpful services in individual cases in which perplexing problems were faced. The booklet contains twenty pages and the actual size is 5 1/4 by 7 1/8 inches.

What About Results?

The percentage of results to be expected from a trust mail campaign is certainly not large, but it can be very satisfactory. A trust company in the West recently wrote two letters on executorship so well that they pulled over 7 per cent. inquiries—almost all good prospects. A booklet on inheritance taxes pulled many times the inquiries, possibly because the general interest in this subject is keener, but the leads will culminate in a smaller volume of business.

Much excellent syndicated material is to be had on the more or less standard arguments of trusteeship. It is usually, of course, more forceful and better written than the average literature compiled by the trust companies themselves. Frequently, it may be revamped to bring out the individual distinctions of the advertiser and made into a very accurate por-

trayal of a given company's activities. In purchasing syndicated books, it is a good plan to outline in advance the precise type of material needed, with the whole advertising structure well in mind, and then shop around for it. Too often a series of booklets is purchased merely because it appeals to the buyer, little heed being given as to how it fits into his particular scheme and logic of selling. The company which buys a series, uses it, and then buys another series, and so on, without any definite plan of cultivation over the long pull is truly fortunate if it finds its results commensurate with the cost.

Paving the Way

Many financial advertisers like to believe that the newspaper and magazine advertising they do brings them a great deal of business. Probably it

does. They cannot trace it accurately, to be sure, which may be the reason they seldom try—conscientiously. When they do, some of them come to the conclusion that in the trust department at least, these mediums rather create an acquaintanceship with the public and broadcast the name and the outstanding policies. Undoubtedly, they pave the way for a more personal message and give the clues to where business may be developed.

It would be tedious to sell the average prospect the trust idea entirely from newspaper space. It is a long and individual story. It needs letters, booklets, interviews to sell it. On the other hand, there is no doubt that direct mail matter would be less warmly received if interest in and a knowledge of the subject had not been previously worked up through general publicity.

How Banks Are Advertising

THE Guardian Commerce Trust and Savings Bank of Toledo, Ohio, is publishing at four-week intervals a tabloid edition of a newspaper called the *South Side News*. The newspaper is distributed to 3000 residents in the city's South Side section where the bank is shortly to open a new branch.

George M. Ellis, advertising manager of the Guardian Commerce says, regarding this venture of his bank:

"It is our intention to continue issuing this little newspaper, at about four-week intervals, until the new branch is opened. One or two 'follow-up' editions may even appear after the opening.

"A venture of this description is something new in bank publicity here in Toledo, although I believe the general idea has already been used by two or three banks in other cities.

"Possibly I should add that the text matter is the joint effort of myself and the publisher of a regular neighborhood weekly newspaper in that district, called *The South Side News*. I prepared the banking articles, while he gathered the 'Personals' and 'Business Briefs,' thus making the little paper a real newspaper in many respects. Peculiarly enough, the cost of the entire edition is not much more than a series of advertisements in his own publication would have cost—and we have his good will to an even greater extent than would have been the case had we merely handed him a small campaign of ads on the new branch."

THE First National Bank in Detroit has been publishing, in eleven financial publications, a series of advertisements on the resources and industries of

the State of Michigan. The bank is now distributing these advertisements in bound form with a title page reading "Advertising Boosting Michigan Industries" and a few introductory paragraphs by William J. Gray, president of the bank.

THE 1925 edition of the "Manual of General Directions for Employees," published by the Cleveland Trust Company has been received. This manual is published by the personnel department of the company, and every employee is handed a copy of it. It tells employees very clearly and comprehensively what their duties and what their privileges are. It tells them what the bank expects of them and what they may expect of the bank. The manual supplies an answer to almost any question which may normally rise in the mind of any employee.

THE Coal and Iron National Bank of New York has recently published a highly interesting and excellently printed and illustrated pamphlet entitled "Money—The History of Barter and Exchange." The pamphlet discusses the history, development and use of money as a medium of exchange in ancient Egypt and in the Roman Empire. Then follows a discussion of the bank check with particular emphasis upon its present stage of development.

THE Fidelity-International Trust Company of New York is publishing an unusually effective series of four page folders on the trust company as manager and executor of estates. These folders contain a

printed letter signed by the president of the company on the front page, with the name and address of the person addressed printed by a special process in the same type as the letter.

THE Bluefield National Bank of Bluefield, West Virginia, publishes a compact and unusually effective little booklet containing condensed information about the services

(Continued on page 37)

ENERGY

TRANSMITTING is with creating the Electric Energy required by a Nation...
 Through a system of high voltage transmission...
 The benefits of modern high voltage transmission...
 The services of the Detroit Edison Company are now extended to the public as an utility and operating concern.

Detroit	Chicago	New York
First National Bank	First National Bank	First National Bank
First National Trust	First National Trust	First National Trust
First National Savings	First National Savings	First National Savings

FIRST NATIONAL COMPANY OF DETROIT

NEW YORK CHICAGO
 DETROIT

Unusual newspaper advertisement of a Detroit investment banking company, published in behalf of a public utility securities issue which the company is offering. Actual size of the advertisement is three columns wide by 18 1/2 inches.

Banking Publicity

RICHARD F. DURHAM, Editor

Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

JULY 1925

BANK advertising campaigns sometimes fail for the same reason that important military campaigns have failed—the initial advantage gained in an impressive beginning is not followed up.

A bank advertising campaign may be well and carefully planned. The campaign may meet with marked initial success, and then peter out for no readily apparent reason. After the smoke has cleared away, a careful investigation of causes and effects will probably show that something went wrong with the follow-up; that there was a falling-off of the continuity of effort so necessary to the successful completion of any sort of campaign.

The proper sort of follow-up to be done in any advertising campaign which a bank launches involves far more than simply keeping after prospects for whatever types of business the bank is seeking. It involves keeping the interest of the bank's directors, officers, employees, depositors and its friends aroused to the proper pitch, so that they will not only lend their active co-

operation to the bank's publicity endeavors at the beginning of the campaign, but will continue to do so as the campaign progresses. And this is not easy. It is one thing to arouse enthusiasm and a spirit of co-operation—and it is quite another thing to keep it aroused.

The best plan in the world is no good unless it is stuck to. And good plans are so much harder to carry out than to make. The bank that gets somewhere in an organized advertising campaign is the bank that has first of all some coherent plan, and which sees that plan through in spite of the trying difficulties which are bound to arise.

Throughout an advertising campaign it is up to the publicity manager (or, if the bank has no such person, the officer in charge of the campaign, whatever his title) to keep an effective liaison between the bank and that portion of the public which the bank is striving to reach and to influence. It is not enough that the purely mechanical phases of the campaign, such as supervision of copy, layout and illustration, proper insertion, mailing lists, etc., be effectively cared for. Clerks, tellers and officers must be kept informed as to what is going on, and must be kept interested in it—to say nothing of directors and present depositors whose influence, if

properly exerted, could be made to count heavily.

There are a number of rather obvious ways of sustaining interest and co-operation within the bank. To do any good they must be kept at consistently and earnestly. One of the best methods of keeping interest aroused is through holding frequent meetings of employees, and of officers. These meetings should, of course, be supplemented by printed information distributed among officers and employees and posted conspicuously throughout the bank and on departmental bulletin boards. If the bank has a well organized employees' club or an employees' publication, or both—so much the better. Such things can be made particularly helpful assets in connection with a new business campaign.

But advertising alone—no matter how good it is—cannot bear the entire burden. It must be followed up by individual endeavor and backed up by service rendered. Advertising can stimulate the interest of the public. It can give the necessary impetus to a campaign to get it well under way. But it is only by the sustained interest and co-operation of those within the bank, and those interested in the welfare of the bank, that the campaign can be carried to a successful conclusion.

How Banks Are Advertising

(Continued from page 35)

rendered by the bank's various departments. A number of appropriate thumbnail sketches accompany the copy relative to the bank's services, and a statement of condition is included in the booklet. On the back cover is some interesting copy bearing the caption "The Three Dimensions of a Good Bank."

THE Metropolitan Savings Bank of New York is giving motion picture bank advertising a trial. The bank is making use of a motion picture with a plot built around the subject of thrift, and has an arrangement with neighborhood motion picture houses for projecting the picture.

THE Foreman Trust and Savings Bank of Chicago publishes a folder in colors entitled "Expert Guidance for Investors." The copy, which is very brief, stresses the value of the bank's counsel in matters of investment.

THE California Bank of Los Angeles, during the recent large convention of the Shriners in that city, distributed a very striking announcement in the form of a folder entitled "Welcome Shriners!" printed in colors on shaggy paper, welcoming the delegates in the name of the bank, and placing its facilities before them. The bank called attention in the folder to a complete information bureau which it installed at convention headquarters for the use of the delegates. This publicity was supplemented by newspaper advertisements addressed to the Shriners which appeared in Los Angeles papers during the convention.

Who's Who in Bank Advertising



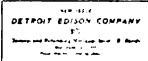
FREDERICK R. KERMAN
Assistant vice-president Bank of Italy
San Francisco, Cal.

MR. KERMAN became publicity manager of the Bank of Italy in 1921. He was made assistant vice-president in charge of advertising and publicity in 1923. Mr. Kerman was born in Macomb, Illinois, and received his education at Western Illinois State Normal and Knox College. During 1914-15 he was sporting editor and city editor of the "Galesburg Mail," Galesburg, Ill. In 1915-16 he was assistant to the advertising manager of the American Tobacco Company, New York, and in 1916 transferred his activities to the Continental Guaranty Corporation of that city. From May 1917, to March 1919 Mr. Kerman saw military service as a major in the United States Infantry. In 1919, he became new business manager of the Guaranty Banking Corporation of Chicago, and in 1920, publicity and new business manager of the Continental Guaranty Corporation of San Francisco, which latter position he left to go with the Bank of Italy.



DAY and NIGHT

DAY and NIGHT three hundred and sixty days in the year, in our power plants of the Detroit Edison Company are producing the electricity of Detroit and surrounding territory. Back to the year 1889 we have produced and sold power in Detroit and the surrounding territory. The first plant was built in 1889 and the first power was sold in 1890. The first plant was built in 1889 and the first power was sold in 1890. The first plant was built in 1889 and the first power was sold in 1890.



FIRST NATIONAL COMPANY OF DETROIT

Another striking public utilities newspaper advertisement published by the First National Company of Detroit. Actual size four columns wide by 14 1/4 inches.

Monkey Business!

THE following letter was received recently by a bank: "Will you please not cash a check which I made out to a local pet store (I forget the name). It is to pay for a monkey. I have got it home and dislike it horribly. I must get them to take it back, and think it will be easier if they cannot get the money. I would appreciate it very much if you will do me this favor, as I simply cannot endure the little beast."

—Old Colony News Letter.

"English As She Is Wrote"

THE following letter was recently forwarded to the editor by the vice-president of a bank in West Virginia, as an example of some of the things that it is possible to do to the English language. The letter reads:

B..... W. Va.
P. O. Box 187
May 12th, 1925

B..... National Bank,
B..... W. Va.
Dear Sir:—

Just a few line's to this Bank with a heart and hope it want be of annoyance to you by this writing you are interruption thereof, as I have been a patron of your saving department of I made my little deposit in last year of 1924 and conditons

made me withdraw same of this year quite recently so the idea for writing you this letter are this I am solliciting the Bank a new patron's in person of a sweetheart friend of mine her name or Mrs. N. C., of B...l, P. O. Box 185,

so she have a nice little sum of money in a nearby Bank and they dont appreciate poor people saving in they Bank very much and I am trying to get her exchange it to another Bank, that will appreciate same and pay her interest on same, so if you will insist me by writing her by return mail the advantage's she will have

in the B..... N..... B....., and the service she will get from that Bank, that be of benefit to her in the furture to come, so so you may mention to her in your letter that I was a patron's of that Bank, until quite recently, she dont think I ever had

any dealing with that Bank, so may tell her I was patron's in the saving department, of which I had little sum there on interest, you need'nt to specified the amount I had or when I withdrew same you may tell quite recently, or something like that

she has about \$2800.00 in a nearby Bank, so you write her by return mail and you can men-

tion my name to her as reference. to your Bank, if it know trouble on your part I would like for you to send me per copy of the letter you are sending her

and I believe we can get her patronage to your Bank, so I Beg to Remain;

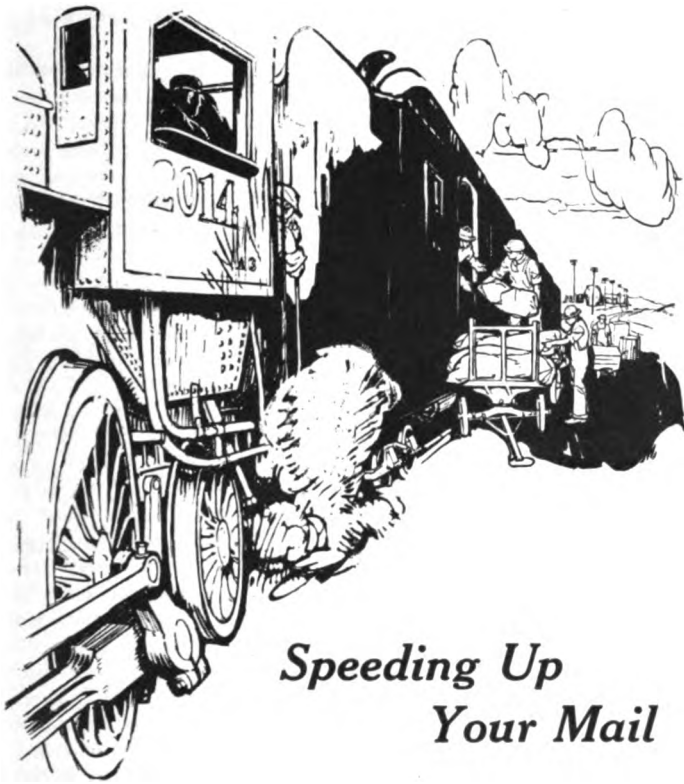
Your very truly,
E. E. P.

THE Guardian Trust Company of Cleveland recently closed a four weeks' employees' new business campaign which brought in a total of 3855 new accounts and new business aggregating \$3,365,400. This amount was more than double the quota set, and included 3400 savings and checking accounts, 211 safe deposit box rentals, the signing up of a large number of trusts and the sale of bonds. The campaign took the form of a "yacht cruise" of the Great Lakes. The quota of each crew was \$72,000, and each boat moved with the main flotilla only if it brought in \$3000 or more each day in new business. More than \$500,000 was secured by the boat which made the best record during the campaign.

THE Atlantic National Bank of Boston publishes a folder "Naming Your Executor" which discusses some of the advantages of the trust company over the individual as executor under wills and in the administration of estates.

BANK ADVERTISING EXCHANGE

IN connection with BANKING PUBLICITY there is conducted a Bank Advertising Exchange, containing a list of names of bank advertisers willing to exchange advertisements, booklets and other publicity matter issued by them. Any subscriber who will agree to exchange advertising matter may be added to this list. A copy of this list may be had by any subscriber upon application.



Speeding Up Your Mail

Every major mail train entering Cleveland carries special pouches for The Union Trust Company. These do not go through the Post Office, but are delivered direct to our mail trucks. Much valuable time is saved for our customers.

The **UNION TRUST Co.**

CLEVELAND, OHIO

Resources over 300 millions

The Annual Convention of the National Association of Credit Men

THE annual convention of the National Association of Credit Men, held in Washington, D. C., June 8 to 13, was very largely attended. The largest portion of the delegates was located at the Mayflower, where the general convention sessions were held.

The opening Robert Morris session, Monday morning, June 8, found about 110 bank men present. The regular business was attended to, progress reported in membership and the general phases of the organization's work. J. N. Eaton, of the Merchants National Bank of Boston, the efficient, able and courteous president of the Robert Morris Associates for the past two years, was succeeded in that office by F. Sibley, of the Rhode Island Trust Company, Providence, Rhode Island. Mr. Eaton left office with the organization in a very healthy state of affairs in all of its various departments.

The dinner and entertainment of the Associates at the Congressional Country Club, a most delightful club fifteen miles out of the City of Washington, in the State of Maryland, on Tuesday, June 9, was a most enjoyable affair.

The second Robert Morris meeting of the convention was held Tuesday afternoon at the Mayflower Hotel, the principal speaker being Honorable Carter Glass, and the meeting was also addressed by Edmund Platt, vice-governor of the Federal Reserve Board, on the subject of branch banking, and by a government representative, on the United States Warehouse Act.

Mr. Platt, speaking on branch banking, expressed the idea that state and national banks should be on a similar basis in this respect, and that larger banks provided a stronger place for the depositing of public funds than smaller banks. In this connection, branch banking within reasonable limits should prove advantageous, for the larger banks are in a better position to stand losses. With scattered branches they would not be in the same position as a small local bank dependent entirely upon conditions in its immediate territory.

The speaker on the United States Warehouse Act stated that it was the purpose of the act, and the intent of the department enforcing it, to make warehouse receipts ab-

solutely "air tight." The department, according to the speaker, has taken steps to accomplish its purpose, and feels that much can be gained by bankers properly co-operating with it. It is glad and ready at all times to take up matters as regards warehouse receipts, and can render very favorable service in this connection.

Thursday morning, at the general convention session, at the Mayflower Hotel, Alexander Wall, secretary of the Robert Morris Associates, addressed the entire group on "Credit Chemistry." This discussion covered the ratio theory of statement analysis, the deducing of the eight ratios from the balance sheet and sales figures, the assigning of weights, and the arrival at an index. The discussion was most interesting and valuable, and the questions following his demonstration indicated that there was a keen interest in this research work so ably conducted by the Robert Morris Associates under the direction of Mr. Wall.

Thursday afternoon found the bank golfers assembled at the Congressional Country Club for the annual tournament, the Hetzler Cup being the prize at stake. This was won by Alfred E. Roberts, of the Calcasieu National Bank of S. W. La., Lake Charles, La.

The convention closed with the election of the following officers:

President, Richard T. Baden, of Holland, Baden & Ramsey, Baltimore, Md.

Vice-presidents: Eastern division, W. H. Pouch, New York; Central division, George J. Gruen, Cincinnati; Western division, Frank D. Rock, Denver.

Executive manager, secretary and treasurer (one office), J. Harry Tregoe, of New York City.

The following directors were elected for one year: E. J. McManus, Omaha; H. C. Burke, Jr., Fort Worth, Texas; Maurice T. Fleisher, Philadelphia.

The following directors were elected for two years: Wm. Fraser, New York; W. W. Edwards, Oklahoma City; J. W. Meriam, Cleveland; A. H. Harris, Louisville, Ky.; R. T. Graham, Pittsburgh; R. N. Carson, San Francisco; J. H. Patrick, Salt Lake City; E. R. Ailes, Detroit; W. E. Tarlton, St. Louis; S. C. Grusel, Milwaukee; C. D. Maclaren, St. Paul; F. B. Ramey, Atlanta.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
Boston

Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

**PARIS CLEARING HOUSE
RETURNS FOR FEBRUARY**

The following table gives the Paris Clearing House returns of the general movement of funds of the principal banks during the month of February, 1925.

	Accumulated Debits and Credits
Comptoir d'Escompte de Paris	4,412,605,226.00
Crédit Lyonnais	4,020,030,801.14
Crédit Commercial Français	3,407,941,630.00
Crédit Industriel et Commercial	3,036,364,568.20
Crédit Algérien	2,479,240,827.00
Crédit de l'Industrie et du Commerce	2,383,328,728.24
Crédit de l'Industrie et du Commerce	2,352,271,461.00
Crédit Lyonnais	2,165,195,226.81
Crédit Industriel et Commercial	1,448,171,364.30
Crédit Algérien	1,402,351,004.83
Crédit de l'Industrie et du Commerce	1,290,205,483.50
Crédit Commercial Français	1,226,811,650.00
Crédit de l'Industrie et du Commerce	1,177,119,431.77
Crédit Algérien	1,090,113,860.00
Crédit de l'Industrie et du Commerce	1,065,364,014.66
Crédit Commercial Français	945,971,089.33
Crédit de l'Industrie et du Commerce	917,002,316.31
Crédit Industriel et Commercial	870,587,417.43
Crédit de l'Industrie et du Commerce	756,928,841.90
Crédit de l'Industrie et du Commerce	744,028,872.34
Crédit de l'Industrie et du Commerce	649,761,079.00
Crédit de l'Industrie et du Commerce	610,437,404.14
Crédit de l'Industrie et du Commerce	531,164,065.45
Crédit de l'Industrie et du Commerce	504,870,560.41
Crédit de l'Industrie et du Commerce	498,972,511.06
Crédit de l'Industrie et du Commerce	481,295,227.00
Crédit de l'Industrie et du Commerce	472,171,972.00
Crédit de l'Industrie et du Commerce	408,333,683.74
Crédit de l'Industrie et du Commerce	397,802,057.20
Crédit de l'Industrie et du Commerce	299,920,132.60
Crédit de l'Industrie et du Commerce	260,102,011.70
Crédit de l'Industrie et du Commerce	265,712,490.00
Crédit de l'Industrie et du Commerce	254,009,408.00
Crédit de l'Industrie et du Commerce	245,216,227.71
Crédit de l'Industrie et du Commerce	220,172,893.01
Crédit de l'Industrie et du Commerce	226,496,171.62
Crédit de l'Industrie et du Commerce	225,001,118.74
Crédit de l'Industrie et du Commerce	218,906,081.00
Crédit de l'Industrie et du Commerce	200,078,368.07
Crédit de l'Industrie et du Commerce	181,160,931.00
Crédit de l'Industrie et du Commerce	107,080,029.71
Crédit de l'Industrie et du Commerce	88,115,886.31
Crédit de l'Industrie et du Commerce	72,773,843.38
Crédit de l'Industrie et du Commerce	68,680,136.00
Total 24 days	12,380,000,000.00
Bills presented to Clearing House (24)	24,840,000,000.00
Average per day	1,022,075,000.00

From the Paris edition of the New York Herald

One of the largest banks in Paris, too

AMONG the forty-six principal banks in the Paris clearing house, the Paris Office of The Equitable has ranked from twelfth to fourth in clearings during the past eighteen months.

By using the foreign banking services of The Equitable you benefit by the prestige and good will it enjoys to an unusual degree among foreign banks and business men.

THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

UPTOWN OFFICE
Madison Ave. at 45th St.

IMPORTERS AND TRADERS OFFICE
247 Broadway

FOREIGN OFFICES

DISTRICT REPRESENTATIVES

LONDON: 10 Moorgate, E.C. 2
Bush House, Aldwych, W.C. 2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

PHILADELPHIA: Packard Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

America in the Far East

By G. A. O'Reilly

This article is taken from an address delivered before the Second Central Mississippi Valley Foreign Trade Conference at St. Louis, May 21, 1925. The author is vice-president of the Irving Bank-Columbia Trust Company of New York.—THE EDITOR.

Must Face the Plain Facts

IN the Far East, things are not as they seem. Appearances are deceptive and must be discounted freely. Surface indications cannot be taken for anything like face value. Definite conclusions are dangerous. The Occidental measures of value in things and men sometimes apply, but usually not. Fact and fiction seem to meet each other in a relationship which, to the outsider, is amusing if he can afford to be amused, but exasperating if he is engaged in some serious enterprise. Truthfulness, frankness, consistency—to all of which this outsider probably has learned to concede a definite position—take on entirely new values or else lose much of the value to which they have established a claim in his world. Indirection, misdirection, evasion—which, in Occidental life, are known but not highly respected—in the Orient are given definite institutional places in life and in business.

This may seem like a severe arraignment of our Far Eastern friends but it is inspired by no such intention. The Oriental is not inscrutable and difficult to understand to Occidentals because he enjoys it, but because he is built that way. He is not trying to be anything. He's just being what he is. That is his particular style and if it is different from ours, it may be our mutual misfortune without being the fault of either. It's the best he has, and if it fails to serve our purpose, that is just another fact of the case. The explanation may be that he is better at analysis than we. He got our measure right at the start. We have not yet succeeded in getting his, and worse than this, we may never get it.

We cannot afford to disregard the plain facts about the Far East. If the Occidental, or for immediate purposes, more particularly the American, can safely assume that his chances of sizing up Oriental business men accurately are fairly good, he should know it. If, on the other hand, the American in the Orient, upon a serious mission, must exercise precaution in his operations beyond that which has been found necessary in other parts of the world, he should know that. The best I can do is to draw conclusions based upon seventeen years of observation and experience, and ten years of thinking it over. And from it all I find that just one fact stands out clear and distinct—things over there are not as they seem. Nearly everything else seems hazy.

A story may serve to impress this fact more definitely. In Manila, in the early days of the Spanish-American War, the Spaniards told of an old Spanish monk who had spent many years, fifty or sixty perhaps, among the Filipinos—principally Malays with a strong Chinese admixture. He was a great student, a keen observer, a profound philosopher. It was said that he knew more about the essentials of the Filipino than did any other living man. He promised his friends that during his life he would write down in a large book the things he knew about the people of the country, this book to remain closed until after his death when it was to become the property of his friends who might benefit from the information it would contain.

He died at a ripe old age and the book was opened, with proper ceremony, and the long expected message sought. Then, to the astonishment of all, there appeared blank page after blank page—not a word about the Filipino. The

BREAKFAST FOODS

IN MICHIGAN FACTORIES are produced delicious, healthgiving cereal foods that are daily served on breakfast tables in all parts of the universe.

465,982,580 packages of breakfast foods were last year manufactured in Michigan. They were marketed world wide for a total of \$39,095,500.

This bank is an important link in the marketing of Michigan food products. It offers unequalled facilities for serving those having banking business in the Great Lakes Region.

FIRST NATIONAL BANK DETROIT MICHIGAN

The First National Bank, the Central Savings Bank and the First National Company of Detroit, are under one ownership.



Spaniards who told this story and who themselves had enjoyed an excellent opportunity to study the Filipino, told it in no facetious spirit but seriously and for the purpose of illustrating a fact which men who live among these Orientals long enough must come to accept. And the Filipino, in this respect is just typically Oriental. The Chinaman is no easier to understand or the East Indian, or even the Japanese with whom we have been so closely associated since Perry opened that country to us and about whose essentials we know so little. If I were discussing the Orient with readers about to visit it as tourists, I would still say that things are not as they seem, but without any suggestion of seriousness or difficulty for them during their journey. They need not mind. The Orient as it seems will serve every proper tourist purpose. Surface indications in that part of the world rarely fail to be interesting to the stranger. He will find delightful local color everywhere. The basis provided for interesting things with which to regale his friends after returning to his own country is ideal. Going back of the Oriental returns, searching keenly for facts, applying his cold Occidental discounting process to what he sees, would only spoil the picture and deprive his trip of much of the pleasure for which he is paying perfectly good money.

The Occidental writer visiting the Orient is in the same delightful position. Ordinarily his job is to be interesting. If the Oriental does not scale up to the mark indicated by appearances, that is not the writer's affair. He naturally makes the most of what he sees, and then sells it to a public which is only indifferently interested in cold fact. Therefore, straining his faculties in the search for cold facts in the Orient will serve no profitable purpose when, lying all around and easily available, is such a richness of interesting fiction. Lafcadio Hearn, Sir Edwin Arnold, Fred O'Brien, and others, fascinating writers upon the Orient, in their writings may

Banks

—find our special facilities
useful when buying or selling
Bonds, Short Term
Notes or Acceptances.



NEW YORK NEW ORLEANS
CHICAGO SAN FRANCISCO
BOSTON PHILADELPHIA
LONDON MONTREAL
 TOKIO

have disregarded what seemed to be facts but they certainly were skilful in the art of glorifying. And in any event—and of this I am positive—they did not have in mind when writing, the serious business purposes with which readers might be concerned.

Should See Facts From Business Point of View

My purpose in treating so fully the various classes of Occidental viewpoint upon the Orient is to suggest that the business man who would enter that field for business purposes should seriously strive for the facts of the case as seen from the business point of view. It is unfortunate that in the past, business men, in their Oriental research, have yielded an altogether too friendly ear to conclusions and observations based upon the tourist point of view



THE really exceptional trans-Atlantic steamship service offered by the French Line embraces the following admirable points of merit.

¶ **COVERED PIER TO COVERED PIER**

French Line steamers debark their passengers for the Continent directly onto a covered pier at Havre, instead of transferring them from steamer to tender and from tender to pier.

¶ **FRENCH CUISINE**

A French chef is an artist, who takes in his product the same prideful care as a sculptor or painter. And all French Line chefs are French.

¶ **PERSONAL SERVICE**

The quintessence of courteous personal service is achieved in French maids and men-servants. They dignify service and raise it to the Nth power.

¶ **ATMOSPHERE**

The intangible something known as atmosphere, upon which one cannot put a finger, but which is none the less real, is a powerful force which draws back to French Line steamers those who once cross on them.

¶ **SPEED**

The giant PARIS and FRANCE maintain a consistent service of less than six days to England—and the run to France consumes but a few hours additional.

¶ **ONE CLASS CABIN FLEET**

The French Line originated the One Class Cabin liner and today has nine of these popular ships in its trans-Atlantic service, the flagship of which is the new oil-burner DE GRASSE.

¶ **AUTOMOBILE—SHIPPING SERVICE**

On the PARIS and DE GRASSE, automobiles, when accompanied by owners, are accepted, unboxed, for shipment to France—and at small expense.

¶ **WORLD—WIDE SCOPE**

The French Line's more than 100 passenger and cargo vessels sail the Seven Seas, and its North African Motor Tours—including a chain of twenty-six excellent hotels—have developed Morocco, Algeria and Tunisia into a favorite winter vacation land for the world's elite.

To the experienced traveler, these distinctive features spell thorough satisfaction. To the uninitiated, they assure it.

French Line

Offices and Agents
Everywhere



The Utmost in
Travel Comfort

EXPERT SERVICE

in handling the business of correspondent banks

CORRESPONDENTS of the Irving-Columbia are served by men who are thoroughly familiar with both ends of correspondent transactions. Some of them have been bank executives in other cities; some have been representatives in the field.

Concentrated in the Out-of-Town Office, handling only the business of out-of-town customers, the service of these specialists is more than a con-

venience. It is a practical assurance that every out-of-town transaction will be handled with understanding, accuracy and maximum speed.

Through an Advisory Board whose members are representative of important industries of the Nation, the Out-of-Town Office is kept constantly in touch with the requirements of banks in different parts of the country.

IRVING BANK-COLUMBIA TRUST COMPANY
New York City

and upon that of the writer, neither of whom need recognize any serious obligation to be consistent, but only interesting.

Are we then to consider the Far East as impossible from a business point of view, and more particularly for our business purposes? Decidedly not. Great American fortunes have been built upon Far Eastern values and present American business relations with the Orient are most satisfactory. And in all probability, this is only a forerunner of what the future holds. The great commercial battle of the years to come will be fought in the Orient. Japan is the only Oriental country in which the surface of business possibilities has been more than lightly scratched. China, with its 400,000,000 humans, each potentially a good worker, with its immense area, with natural resources almost incredibly great—China, when considered in terms of the possibility of future business development, may be considered as virgin territory, and this in spite of the fact of its great age and of a development during comparatively recent years which has resulted in the establishment in China of a number of the great industrial and commercial centers of the world.

India, too, although much more highly developed than China in some re-

spects, still offers unlimited possibilities of business to Occidental enterprise.

Farther south, Java, Sumatra, Borneo, the Celebes, and the Philippine Islands, are rich fields for the future. The Philippine Archipelago alone, now supporting a population of approximately 11,000,000 could, with even a fair development of natural resources, easily support a population of forty or fifty million. And other island groups are equally rich in possibilities and even less fully developed.

Orient Constantly Developing

We shall be able to get the true picture of Oriental business possibilities only when we realize that the movement is onward. There is only one Chinese Wall in the Orient, and even that has lost its obstructive significance and now serves principally as an attraction for tourists who visit it usually in modern American automobiles. The East is not standing still but moving toward higher standards of development at as rapid a rate as is consistent with any reasonable theory of growth and progress. The millions of acres of agricultural land are becoming more productive yearly. Fisheries are being developed and mines opened and factories built, and methods of distribution improved, and best of all, an active spread of information concerning western tastes and standards



DARMSTÄDTER UND NATIONALBANK

KOMMANDITGESELLSCHAFT AUF AKTIEN

Capital and Reserves 100 Million Reichsmark

BERLIN - Telegraphic Address: Danatbank

Numerous Branches in Germany / Correspondents all over the world

Balance Sheet per December 31st 1924

Assets	Reichsmark Pf	Liabilities	Reichsmark Pf
Cash in Hand, foreign Currency and Balances with Note-issuing and Clearing Banks . . .	49 274 000 18	Share Capital	60 000 000 -
Bills Receivable and non-interest bearing Treasury Bills	195 765 392 61	Reserves	40 000 000 -
Credit Balances with Joint-Stock and Private Banks	118 548 604 13	Creditors	699 138 509 02
Contingencies and Advances on Securities quoted on the Stock Exchange	9 864 329 06	Acceptances	5 945 940 45
Advances on Goods in Stock and in Shipment	41 916 414 39	Pension-Fund for Employees	1 000 000 -
Own Securities	17 891 343 80	Profit and Loss Balance	9 110 074 04
Syndicate Participations	14 035 861 78		
Permanent investments in other Joint Stock and Private Banks	20 815 644 39		
Debitors on Current Account	291 482 933 01		
Bank Buildings	25 000 000 -		
	784 594 323 49		784 594 323 49

Dividend for the year 1924: 10 per cent

Commonwealth Bank

Spring Street and Bowery

First Avenue Office

77th Street and First Ave.

Bronx Office

155th Street and Third Ave.

Lexington Office

Lexington Ave. at 57th Street

New York

Resources over \$19,000,000.00

Member New York Clearing House

Member Federal Reserve System

New York State Depository

Complete Foreign Banking Facilities

Correspondents in All Parts of the World

and methods is taking place. Areas of Occidental influence are being created everywhere and as time goes on and the limits of these areas approach each other, the problems of life and business in the Orient will become simpler and easier.

The hundreds of millions of Orientals who now mean so little to the world and to each other, all are potential consumers of American products. I can recall easily the time when, in Manila, the Filipino wearing white man's shoes was considered an object of suspicion. And I have a very distinct recollection of the time—it seems only a few years later—when some of the Filipino school boys wore gold tipped shoe laces costing a dollar a pair and more. In China, only a few years ago, watches and clocks were evidences of wealth and refinement. Now we are told that yearly thousands of American wrist watches are sold to Chinese of the coolie class.

Once, when stationed with the head hunters in the north country of the

Philippines, I rolled up in a comfortable blanket and spent the night out under the stars at an elevation of five thousand-odd feet. It was cold, and in the morning I noticed that the savages, lying all around me wrapped in the thinnest of cotton blankets, were shivering and shaking at a terrific rate. I commented upon the fact to the headman of the village, who had a working acquaintance with a tongue in which I could get along. Said he, "But sir, does not one always shake in one's sleep?" I am glad to add that before I left that section, the introduction among the head hunters generally of warm woolen blankets had operated to deprive shaking in sleep of most of its traditional standing in the economy of life.

Increased Demand for Western Products

And so it is throughout the Orient generally. The products of western civilization are increasingly demanding

BANK OF ATHENS

Established in 1893

Capital and Surplus : : Dr. 95,000,000
 Resources more than : : Dr. 1,306,000,000

Head Office : ATHENS, GREECE

NEW YORK AGENCY: 25, Pine Street

LONDON OFFICE: 22, Fenchurch Street

BRANCHES

<u>GREECE</u>	Castoria	Gythion	Nafpactos	Tripolitza
Aegion	Castro	Hydra	Patras	Tsotyliou
Agrinion	Cavalla	Ithaca	Piraeus	Volo
Amalias	Chalcis	Jannina	Potamos	Xanthi
Amphissa	Chio	Kiato	Preveza	Xilocastron
Argos	Corfu	Kozani	Pyrgos	Zante
Argostoli	Corinth	Kyparissia	Rethymo	<u>EGYPT</u>
Calamata	Cozani	Lamia	Salonica	Alexandria
Calavryta	Dedeagatch	Larissa	Samos Vathy	Cairo
Candia	Dimitsana	Levadia	Sorovitch	Port Said
Canea	Drama	Limni	Sparta	<u>CYPRUS</u>
Carlovassi	Florina	Megalopolis	Syra	Limassol
Carpenissi	Gargaliani	Mitylene	Trikkala	Nicosia

OVER 80 CORRESPONDENTS THROUGHOUT GREECE

The Bank transacts every description of Banking business in Greece, Egypt and Cyprus.

Special facilities granted to American Banks for their drawings in Drachmae and U. S. Dollars on the Head Office, Branches and Correspondents in Greece.

a place. It may be that the housewife on the banks of the Ganges or up in the Cagyan valley in the Philippines or on some bamboo sheltered stream in Sarawak, instead of using a modern American electric washer still whales the household linen against a partly submerged rock at the water's edge with one hand, and shoos away too enterprising crocodiles with the other. But even she has learned in recent years that there is in the world such a thing as soap, and in her home, simple and impoverished thought it may be, we probably could find a dozen articles suggesting the movement into even the out-of-the-way corners of the Orient of the products of western civilization.

So let us not underestimate the business possibilities of the Orient or the rate at which they are being developed. But also let us not delude ourselves with any comfortable theory as to the ease with which results can be accomplished in that part of the world. We Americans, in our general make-up, are

well suited to the purposes of commercial conquest in the East. We have the imagination, the resourcefulness, the tenacity, the adaptability, the skill in production and in distribution, peculiarly suited to that task; and above all, we have a sense of humor which mercifully serves to deaden the shocks which the white man must expect to encounter if he is to take the Oriental at all seriously.

And it is a great mistake for us to talk as we so frequently do about our "national limitations" in foreign trade and particularly in Oriental trade. Over-confidence is dangerous, but the unmistakable facts of the case run directly contrary to most of our theories concerning defects in our commercial representatives and methods when compared with those of other countries.

We have been told in our foreign trade conventions and meetings time and again that the great difficulty with our foreign trade is that we do not send abroad sufficiently skilled sales represen-



Foreign Banking

Complete facilities for financing all types of international transactions in dollars or foreign currencies. ∴ ∴

INTERNATIONAL ACCEPTANCE BANK, INC.

PAUL M. WARBURG
Chairman

F. ABBOT GOODHUE
President

52 Cedar Street, New York

tatives. It happens that I have had opportunity to observe sales methods in most of the greater foreign markets in which American goods have been established. And I am convinced that the American salesman is able to run circles around the best of his foreign competitors. It may be that he is not fully appreciated at home and not properly backed in his efforts, but he is the real salesman of them all. We have been told, too that our American banking facilities in foreign trade fall far short of those provided by the banks of other countries. And still, we find great foreign bankers of England, of France, of Germany, of Italy, frequently warning their people of the danger represented to their interests by the clever and audacious banking methods of the United States.

Doing Business With the Oriental

But to get back to our starting point, things in the Far East are not as they

seem. Appearances are deceptive and surface indications of doubtful value. What practical use can we make of this in our business? What is to be its place in our plans for Oriental trade extension? If we cannot understand the Oriental, if we cannot solve the problem he represents, how then shall we do business with him? What is to be our guide? What assurance of safety shall we enjoy?

It seems to me that the answer is to be found in this suggestion—play safe, leave mysteries alone, and stick to facts. In our American words, get down to the brass tacks of the situation. Take the Oriental as he is, not as we would have him. If, in our business dealings with him, we encounter difficulties which refuse to yield, go around them instead of driving into them uselessly. If we cannot meet him upon his own ground, let us try to make him meet us upon ours. Or perhaps there may be some mutually agreeable middle ground which will

NEW YORK AGENCY

THE BANK OF CANTON^{LD}

200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK

Correspondents in Important Centers of the World

serve all necessary purposes of a meeting place and a working basis. Being Americans and constructed as we are, we naturally will take a sporting chance once in a while, but essentially we must play safe.

We must always remember that in business, it is the net which counts, and

this whether in Calcutta or St. Louis. If this net represents profit, and upon a fairly liberal basis, it is good business. If it represents loss, and upon any imaginable basis, it is bad business. And bad business, as a continuing thing, occupies the front rank among means whereby the joy can be taken out of life. And this is particularly true of a bad business enterprise in some foreign land. It is hard enough to go broke around home where people will understand, but business disaster in some one else's country where people do not understand and have no desire to understand, carries with it a quality of terribleness known only to him who has taken business chances away from home.

Choosing Between Two Methods

The American business man in approaching the Oriental problem can choose between two methods of procedure. He can endeavor to secure a sufficient understanding of the Orient and the Oriental and of Oriental methods and processes of thought to form the basis of safe and successful business operation. Or, he can bring with him into the Orient, sufficient of methods and safety devices from his own country and business practice to form the basis of a safe and continuing business success. In other words, he can attempt the practical impossibility of solving the Oriental and beating him at his own game, or he may insure success by basing his operations upon fundamentals which can be applied to business in the

Kjöbenhavns Handelsbank

Established 1873

Copenhagen, Denmark

Telegraphic address: Handelbank

Capital fully paid up:

Kroner 50,000,000

Reserve Funds: " **29,865,988**

Branches:

Aabenraa	Odense
Aarhus	Randers
Esbjerg	Rønne
Graasten	Sønderborg
Haderslev	Toftlund
Horsens	Tønder
Kalundborg	Viborg



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5=£1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C.2

Occident or the Orient, or I imagine, on Mars or Jupiter.

This point is of such importance in my discussion that I am particularly anxious to emphasize it. Let me use an extreme and somewhat crude illustration. The position of the Occidental business man, when engaging in Oriental enterprise, bears some resemblance to that of the peaceful, law abiding member of society who, for one reason or another, finds it necessary or desirable to enter a place in which serious danger is to be encountered. He has a choice between two methods. He can go in and base his success in coming out entirely upon his cleverness and powers of persuasion; or, he may carry a six-gun or a large, healthy club. Both methods have been tried, with results which, I am convinced, are decidedly in favor of the latter.

I have no intention of reflecting upon the Oriental or referring to him as a bad or dangerous person. As a matter

of fact, he is neither, but essentially an observer of law and of the conventions. Even the head hunter, apart from his little affairs with members of neighboring but not neighborly tribes, is a very decent sort. Rarely have I felt as safe in highly civilized New York as when traveling in the mountains among these tribes. I suppose the real point is that they had no particular use for my head in detached form, while in New York, I have never been altogether clear on this point.

But the Oriental is difficult to understand and at times trying. Human nature is not "the same the world over"—at least, not in its outward manifestations. The Oriental, in his essential processes, begins at a point well removed from the point at which we begin. He proceeds through channels frequently entirely unfamiliar to us and the conclusions he reaches are often incomprehensible, according to our standards. If, in particular cases, we suc-

BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited **Bombay (India)**

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

ceed in understanding him, that is just so much to be credited to our account as "velvet." But in all other cases, and they will be in the overwhelming majority, we must depend for our success upon something, some method, some system, some expedient more soundly based, more carefully attuned to the needs and principles of successful business than anything we may hope to find in the inscrutable East.

Credit Practice in Far Eastern Trade

This idea is not new in business dealings with the Orient, but old, very old. For years it has found definite expression in the added precautions employed by Occidental countries in their Far Eastern trade. These precautions naturally are most noticeable in credit practice. For practical purposes, we may

say that the open account is unknown. In the main, and this covers Japan, China, India, the Dutch East Indies, the Philippines—indeed practically the entire Orient—the risk assumed by the foreign shipper is confined to delivery of the goods in the Oriental port, to be released upon payment—in trade terms the D. P. method.

In certain cases, the goods are released upon acceptance of the draft by the consignee—D. A. terms—but the employment of these terms suggests a departure and a somewhat unusual concession to the particular Oriental concern. It means that this concern is so powerful and so well established and so thoroughly versed in Occidental business methods and standards as to represent safety and understandableness in a general business atmosphere neither safe nor understandable. And if at any time bankers should notice any unusual increase in the volume of these D. A. Far Eastern bills presented for discount, they may consistently assume that new people are going in to export or that some of the old timers are developing poor memories.

And these extra precautions constitute no necessary reflection upon the honesty of the Oriental business man—he is honest or otherwise like other people, but rather an institutionalized recognition of the fact that in the Far East, things are not as they seem. And the Oriental business man does not mind. He is not overly credulous himself and respects safe business methods in those with whom he deals. He is not

Niederösterreichische Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve

220 Billiards of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE

The Yokohama Specie Bank, Ltd.

[Yokohama Shokin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed  . . Yen 100,000,000
 Capital paid up  . . Yen 100,000,000
 Reserve Fund  . . Yen 80,500,000

(\$0.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Fengtien	Honolulu	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hankow	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tsinan
Calcutta	Harbin	Kebe	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton		London	Newchwang	Saigon	Sydney	Vladivostok
Changchun				Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

nearly so sensitive as the tourist and writer would make him out to be.

He objects to roughneck tactics but not to plain talk. He knows that we Americans are a plain speaking lot and

expects nothing else from us. He likes our goods, and likes our business methods. He may even like us ourselves, but you never can tell—because in the Far East, things are not as they seem.

Review of Countries

Great Britain

AT the annual dinner of the British Bankers' Association, held in London in May, Sir Felix Schuster, Bart., president of the association, in the course of an address which he delivered, said:

In these days economic questions all over the world seem so largely to overshadow all others that the opinions and acts of the Government of Great Britain must absorb the attention of bankers more than ever. It is their duty to study these problems and to form their own views upon them quite irrespective of any party labels bankers as

individuals may choose to wear, and it appears to me that bankers have a special duty imposed upon them, for the grave difficulties that are waiting for solution at the hands of the Government are intimately connected with their daily tasks. Bankers are in close touch with the trade of the country, and in consequence have opportunities of judging for themselves the circumstances by which they are surrounded. It cannot be denied that at the present time some of Great Britain's greatest staple industries are not in the condition in which bankers would like to see them. Unemployment still prevails, and production is hampered by many causes. The purchasing power of the world remains impaired, and the grave questions

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	. . . . .	\$15,000,000	(£3,000,000)
Capital Subscribed	. . . . .	9,000,000	(£1,800,000)
Capital Paid-up	. . . . .	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits	. . . . .		£1,407,811

BANKERS:—Bank of England; Midland Bank Limited

*Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan
Mauritius and Dutch East Indies*

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit rates quoted on application.
On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

of reparations and international debts are unsolved; until they are solved, progress seems difficult to attain. These are questions which it is for the Government to determine, but every banker ought to study them to the best of his ability, and it is up to bankers and to everyone engaged in trade and desirous of promoting the prosperity of the country to endeavor to support and assist the Government to the utmost of their power, to conduct their businesses in such a way as to conduce to that prosperity, and to endeavor to further that co-operation and understanding and good will between all classes, which the Prime Minister is doing his utmost to promote.

There is no royal road to prosperity. Perseverance and hard work on the part of everyone, employer and employed, and mutual good-will will help us through our difficulties.

The Chancellor has presented a budget, which has provided ample scope for serious reflection. Important events strangely enough very often seem at the first moment not to receive that attention or that recognition which later history accords to them. This was seen often enough during the war, when decisive battles were not immediately recognized as such, and so the return to the gold standard has hardly been appreciated by the public at its true value. It is an event of most momentous importance, which will affect the welfare of every one. It required a man of vision and of courage, such as the Chancellor is known to be, to take the responsibility, and to say that the moment had arrived, when once more the policy which had so largely contributed to the country's prosperity for a century could be resumed, and when the currency could again be based, not on paper and promises, or management, but on something real and of value recognized throughout the world.

For generations the pound sterling has, all over the globe, wherever trade is carried on, stood first as a medium of exchange beyond all suspicion. The British Empire has kept faith with the world, and those

who trusted the pound sterling during and after the war have not been deceived. The international value of the pound sterling has been restored, and all international transactions will be made easier in consequence, and particularly the trade of our own people. There may be temporary drawbacks, which will not count in the long run; the benefit of stability and security will outweigh them all, and the example set has already had its effect on other nations, and a great obstacle to the trade of the world has been removed. This is not merely a bankers' question, as is sometimes alleged; in fact, were bankers to take a short-sighted and merely selfish view, it would be quite possible to believe that their immediate profits might be larger, and their deposits increased in times of currency inflation, but it is owing to a profound conviction that the step will promote the trade, the commerce and the industry of the country that bankers are giving it their unhesitating support.

It cannot be too often reasserted that there can be no bankers' interests separate from that of the trade of the country. If trade and commerce do not prosper, bankers must inevitably suffer. Nor are high rates for money welcome to them; the banking business is more easily and smoothly carried on when money is not dear.

One strange assertion has been made, that by this action England has become a satellite of the great nation across the Atlantic. How such an assertion could be sustained I fail to see. Until the gold standard was restored, this might have been the case. Now England has regained her freedom, and takes her rank alongside her neighbors. Nor need there be any question of rivalry or jealousy between nations. It is through co-operation, such as that provided for in the arrangements that have been made, by co-operation among all nations for the common good and facility of intercourse, that the difficulties facing the world have to be overcome. I am old enough to remember the time when America adopted the gold stand-

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:

HELSINKI

(Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk.	-	-	-	150,000,000
Reserve Fund and Profits Fmk.				115,000,000
Deposits etc. (31/12 '24) Fmk.	-			1,704,000,000

All descriptions of banking business transacted

Telegraphic address: KANSALLISPANKKI

ard. That step was welcomed and supported in England; it contributed largely to the constant increase of intercourse between the two nations. Similarly, when later Italy adopted the gold standard, all encouragement was given from England, and the result was mutually satisfactory. In recent years England has established the currencies of some of the Central Powers on a more stable basis greatly to their benefit. It was time that such a basis should be secured at home, and I trust that in accordance with the recommendations of the committee on the currency and Bank of England note issues the transfer of the currency issue to the Bank of England may take place within, or before, the period—two years—mentioned in that report.

So far the effect as regards gold withdrawals seems to me far less marked than might have been anticipated, and there certainly seems no cause for alarm in what has taken place—rather the reverse. In course of time the current may flow in the opposite direction. Notwithstanding present appearances and certain fears that have been expressed and possible temporary setbacks, I remain convinced that ultimately this measure will not raise, but lower, the value of money in the market; that it will lessen the cost of living and the cost of production; that in course of time England will again

become the principal lender to foreign countries greatly to the advantage of her industries.

Perhaps I may be called an optimist for expressing these views. The trade returns certainly do not appear encouraging for the moment, but I adhere to my opinion, and if I am called an optimist, so much the better. In the time of a boom, excessive optimism is a danger, but a greater danger is, in serious and difficult times, excessive pessimism. Pessimism has never yet cured an evil. Recognize the evil, and set about removing it. There is plenty of backbone left in the old country still.

But no one measure alone, however important, can produce the results we all desire. We must look facts in the face and clearly examine the causes which underlie present difficulties and hamper productive power. The greatest effort on the part of producers of all classes is needed to overcome the powerful competition, which has to be met owing to changed circumstances all over the world.

The State of British Trade

Regarding the present state of British trade, the monthly supplement for May of the *London Economist* says:

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kreditkassen

First established
private bank in
Norway

BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company

Though present trade conditions do not call for quite so much pessimism as some people have made out, they are certainly not calculated to arouse much enthusiasm. Seasonal changes at this time of the year affect some industries favorably and others unfavorably, but the situation as a whole has shown very little change during the past month. While there is no evidence that ground is being lost, industry shows little ability to make definite headway.

The coal, iron, and steel group continues to be the most depressed section of British industry. Apart from movements which from time to time cause a slight increase in business in isolated sections, the coal industry has still to find a solution of its most formidable difficulties, some of which are not peculiar to this country. In the iron and steel trades the most significant feature of the month has been the abandonment of attempts by representative producing bodies to "stabilize" prices in the domestic steel and the tinsplate markets. The result has been a fall in prices, and it is not without the bounds of possibility that British steel quotations may shortly reach a level competitive with those of foreign producers. Of the textile trades, cotton is irregular, but is, on the whole, making a little headway, and if the present hopes of another plentiful American crop are realized, conditions may be favorable to an eventual recovery of prosperity. The woolen industry has been disorganized by an abrupt fall in its raw material from the unhealthy speculative heights previously reached—an unpleasant but salutary process. A slight check to the decline has, however, been the signal for a partial return of confidence. The engineering trade shows very little change, on the whole, some sections being slightly more and others slightly less active. The building trade is experiencing its usual seasonal expansion. The outlook for British shipping is possibly a little brighter, though definite improvement is difficult to discover.

Railway receipts last month were affected by the Easter holidays, and showed an in-

crease over those of the previous month while remaining appreciably below last year's figures. Security values showed a very slight decline before the publication of the budget, but subsequent dullness in the gilt-edged market has not been compensated by any market upward movement in industrials. The London clearing banks' figures for April show a further increase in advances, which are £57,000,000 higher than in the corresponding month last year. Stringency in the money market has been evidenced by an upward swing in rates.

Germany

THE May report of the Direction der Disconto-Gesellschaft, Berlin, on economic conditions in Germany, says in part:

The official reports of the Prussian chambers of commerce on the state of industry again lay stress on the necessity of reducing taxes in order to enable Germany to compete in the world markets. It has been said often enough that the taxation policy must take more into consideration the impoverishment of individual capital and the need of cheapening production; the question has also been often raised whether the amount of money needed by the state, provinces and municipalities might not be considerably lowered and a reduction of the taxes be thus made possible.

It is hard to believe that the present heavy taxation would be necessary to meet current public expenses, if the state, provinces and municipalities practised economy as every business house must. How greatly the total burden of taxation has risen may be seen from the banks. In the balance sheet of the seven big Berlin banks, taxes were RM 12,258,000 for 1923, and RM 31,455,000 for 1924.

After stabilization the first duty of the financial policy was to ensure a sufficiently high income to the Reich, and the strictest

administration was therefore essential. Fortunately, however, Germany has long passed the stage where financial policy has to be determined only by questions of the currency. As far as the technical side is concerned, the stability of the currency is assured. Any infringement of the strict provisions with regard to backing in the new bank law is impossible. But in addition to the technical basis there must, of course, be economic and industrial foundations. One of these necessary conditions is certainly the balancing of the budget. It is, however, a question whether the budget would not be balanced, if the state, which today has substantial reserves at its disposal, so reduced taxation that the amounts to be paid in taxes were considerably lessened. This result is not to be expected to any great extent from the reductions proposed in the drafts of the new taxation laws.

It is, in any case, a fact that by the end of the financial year 1923-24, the state was no longer being run at a loss; there would indeed have been a surplus of RM 240,000,000, if a heavy expense had not been incurred in retiring the gold loan. The development in the course of the first eleven months of the financial year 1924-25, which has just ended, is shown in the following figures. It must be observed that for the month of February the revenue from the pledged duties is not included:

(In millions of marks)

Financial year 1924-25	Revenue	Expenditure
First quarter	1,675.9	1,710.8
Second quarter	1,906.0	1,721.7
Third quarter	2,119.6	1,880.2
January	792.0	635.9
February	693.9	582.3

The surplus gained in eleven months thus amounts to RM 655,000,000. Strictly speaking, there should be added to this figure another RM 231,000,000 spent since April 1, 1924, in retiring the gold loan. Finally there was an additional revenue of RM 325,000,000 derived from minting the Renten coins and silver coins. Even though the accumulation of a reserve fund of several hundred million rentenmarks is regarded as justifiable, indeed very much to be desired, one cannot help asking when one looks at these figures, whether such great surpluses, which would only be obtained by overtaxing industry, were indispensable.

Some Phases of Germany's Foreign Trade Situation

Rudolf Clemen, economist of the Illinois Merchants Trust Company of Chicago, in an article entitled "Germany's New Financial System," appearing in the June number of the *Illinois Merchants Review*, makes the following observations on the German foreign trade situation:

The Punjab National Bank, Ltd.

Established 1895

Head Office: 23, The Mall,

LAHORE, INDIA

Tel. Addresses: "Stability" for head office and branches; "Clearance" for Bombay, Lahore City, Amballa Cantonment and Peshawar Cantonment only.

Capital (Issued)	Rs. 1,00,00,000
Capital (subscribed)	50,00,000
Capital (paid-up)	30,65,568
Reserves (Dec. 31, 1924)....	25,70,000
Deposits	6,26,04,510
Total Resources	7,18,66,097

LONDON AGENTS—Midland Bank Limited, 5, Threadneedle St., London E. C. 2.

BRANCHES—Amballa City, Amballa Cantonment, Amritsar, Bombay, Calcutta, Cawnpore, Delhi, Dera Ismail Khan, Ferozepore City, Gojra, Gujranwala, Hoshiarpur, Hyderabad, Hafizabad, Jammu, Jhelum, Jullundur City, Karachi, Kasur, Lahore City, Ludhiana, Lyalpur, Meerut City, Multan City, Montgomery, Okara, Patiala, Peshawar City, Peshawar Cantonment, Quetta, Rawalpindi City, Sargodha, Sialkot City, Simla, Srinagar.

Banking Business of every description transacted.

GOVIND DASS, BHAGAT, M.A., LL.B., Secretary

The German foreign trade in 1924 totalled 9,316,800,000 marks of imports, and 6,566,900,000 marks of exports. Of the imports 18.83 per cent. went from the United States, which was first, Great Britain being second and Alsace-Lorraine third. Of the exports 611,500,000 were sent to Great Britain and 509,400,000 to the United States.

While this indicates a large volume of trade, there is one feature that must be noted because it is vital. The export trade is not developing in such a way as to result in an excess balance of exports over imports which will enable the large sums accumulated in Germany for reparations to be actually transferred to the Allied countries. One writer says, "Eighteen months have passed since the mark was stabilized and export business shows no signs of getting under way with the necessary intensity." The volume of orders in various industries has been coming mostly from domestic sources. A stimulation of exports in general has not been attained. The Association of German Machinery Building Plants reports that prices are weak due to the effort of manufacturers to keep their plants in operation even at the cost of severe sacrifices. Particularly in the export trade, there appears

BANQUE CHRISSOVELONI

Head Office: BUCHAREST, ROUMANIA

New York Agency, 115 BROADWAY

Capital Lei 200,000,000 Resources Lei 1,200,000,000

Established 1848

Affiliated Banking Houses in PARIS and VIENNA

Branches in CONSTANTINOPLE and all over Roumania

COMPLETE FOREIGN BANKING SERVICE

Correspondence invited from those interested in Central Europe and the Near East
RADU IRIMESCU, New York Agent

no prospect of a price advance, and foreign contracts are often lost through the stringent terms which the German merchant must demand.

This situation has two interesting phases for American business men. On the one hand, it indicates that perhaps American business has had too much fear of the competitive position of German industry up to the present, and that the nature of German rivalry in foreign markets may be over-estimated. On the other hand, it shows that the matter of transferring reparations from Germany is as much a problem as ever. The reparation money paid by Germany is in Berlin, to the credit of the agent general, but cash cannot be transferred with an excess of imports. It may be that as a solution, a large part of this sum of money will be made available to German industry at low rates. This in turn might enable Germans to compete on equal terms in world markets and eventually increase exports to such an extent that the German Government could pay the reparation debt abroad in the way intended by the Dawes Plan. In any case, the situation will require very careful and skilful handling.

France

THAT French revenues are trending upward despite a tendency of business to slow down is shown in a recent article from its Paris office which appeared in the *New York Wall Street Journal*. The article says that:

Despite tendency of business to slow down, French revenue returns for April indicate a yield from normal and permanent sources that exceeds all previous monthly records except that for October. This is the more satisfactory in that the collections in February and March were about level with those for the same months of 1924 and that despite the 20 per cent. increase in the bulk

of the taxes. The figures, in millions of francs, for total revenue and revenue from permanent and normal sources alone during the last seven months are as follows:

	Total	Normal and permanent
April	2,977	2,842
March	2,034	1,950
February	1,953	1,870
January	2,750	2,676
December	2,853	2,729
November	2,473	2,377
October	3,047	2,947

For the first four months of the year and of 1924 the comparison, in millions of francs, is as follows:

	Total	Normal and permanent
1925	9,712	9,368
1924	8,787	8,058
Increase	925	1,310

Direct income taxes, including the levy on coupons, account for 795,000,000 francs in the total increase in normal revenues.

The foreign trade figures for April are not so favorable as the revenue returns. There is still an excess of exports over imports, of 500,000,000 francs, making a total for the first four months of the year of 1,600,000,000, or 100,000,000 more than the excess for the same period of 1924, but this is mainly due to a reduction in imports. Values of both imports and exports are below what they were in April a year ago and imports are lower than for any month in this or last year, both in value and weight. The figures, in millions of francs, and hundreds of metric tons for the past six months are as follows:

	—Imports—		—Exports—	
	Francs	Tons	Francs	Tons
April	3,051	3,658	3,556	2,297
March	3,307	3,947	3,762	2,708
February	3,346	3,972	3,595	2,843
January	3,173	3,521	3,563	2,232
December	4,118	4,731	4,042	2,512
November	3,415	4,359	3,433	2,949

Comparison between the past four months and the first four months of 1924 shows a

A/B Nordiska Föreningsbanken

(in Finnish: O/Y Pohjoismaiden Yhdyspankki)

The Greatest Private Bank in Finland, formed from the Amalgamation in 1919 of Föreningsbanken i Finland and Nordiska Aktiebanken för Handel och Industri

PAID-UP CAPITAL and RESERVES: Fmk. 320,000,000

Head Office:

HELSINGFORS

52 Branches all over the country

Telegraphic Address: **UNITAS**

PRINCIPAL NEW YORK CORRESPONDENTS

The National City Bank

Chase National Bank

Irving Bank-Columbia Trust Company

Guaranty Trust Company

reduction in imports of 614,000,000 francs and 2,951,000 tons and 512,000,000 francs in exports, which, however, have increased in weight by over 1,000,000 tons. Trade in the first four months of 1924 was stimulated by the slump in the exchanges, but the striking feature of the present trade movement, which has been emphasized by each successive month, is the contraction of inward shipments of raw materials. Figures for the past six months will show this, again in millions of francs and hundreds of tons:

	Francs	Tons
April	2,000	3,198
March	2,234	3,490
February	2,267	3,503
January	2,236	3,137
December	2,811	4,122
November	2,210	3,776

It is noteworthy also that exports of manufactured goods in April were below those for each of the six preceding months in value and both the two preceding months in weight. Here are the figures:

	Francs	Tons
April	2,139	276
March	2,231	353
February	2,317	416
January	2,187	270
December	2,215	326
November	1,985	266

Detailed statistics for imports for the first quarter of this year and last bear out the above particularly as regards textiles. A table given by the Banque Francaise et Italienne pour l'Amerique du Sud shows, in tons:

	Three months	
	1925	1924
Exports	1925	1924
Cotton yarn	2,600	3,418
Woolen yarn	3,463	4,308
Cotton tissues	14,277	17,666
Woolen tissues	7,928	9,840
Silk tissues	2,169	2,192

	Three months	
	1925	1924
Imports	1925	1924
Cotton	109,777	84,701
Wool	59,427	75,773
Silk	4,217	3,393
Flax	13,076	13,852
Hemp	5,834	9,631

Similarly imports of copper have fallen from 38,285 tons to 34,361, of lead from 22,890 to 16,891, and of zinc from 16,682 to 12,419. There are also heavy reductions in the imports of cereals.

Caillaux Budget Receives Full Approval

After Finance Minister Caillaux had placed his plans before the Finance Commission of the French Chamber of Deputies,

Telegraphic Address: "Compdebary, Amsterdam"

Handel-Maatschappij

H. Albert de Bary & Co.

AMSTERDAM

Merchant Bankers

Capital Fl. 6,000,000

(Fully Paid)

he received a promise of support from all parties. A special cable to the *New York Times*, under date of June 10, says:

Finance Minister Caillaux obtained today full approval of his budget plans from the Finance Commission of the Chamber of Deputies.

At the end of his long explanation all parties agreed to give him support, pushing through within the next month his proposals for increasing the revenue during the present year by 1,500,000,000 francs for this year's budget and increasing the next year's revenue by 3,000,000,000 francs. The whole scheme for the 1926 budget will be submitted by the Finance Minister during the summer so as to provide ample time for its passage before the end of this year.

M. Caillaux is seeking not only to balance his budget but is also trying to obtain a surplus, especially on next year's workings. With that view, he succeeded today in obtaining the consent of the Finance Commission to practically the whole of the reductions of expenditures in the 1925 budget made by the Senate, which made cuts amounting to nearly 2,000,000,000 francs.

This success in itself is remarkable, for it means that the Socialists, especially, will have to abandon some of their favorite social improvement schemes, which the senators somewhat ruthlessly cut out in an effort first of all to secure financial stability. Only a few of the Senate cuts have been re-established, and then only at the demand of the ministries concerned and with M. Caillaux's own approval.

The Finance Minister's strongest argument today was that nothing could be done to save the franc unless the budget was placed in such an absolutely sound position as to re-establish the fullest confidence abroad. He did not want it merely balanced. He demanded that there should be a working margin for all calls on the Treasury.

Every item of expenditure, he insisted, must be fully covered by taxation, and there must be something over for emergencies. Repeatedly he instanced England as an example of sound budgeting which France must follow if she was to be saved from disaster.

His plans dealing with the floating debt problem he revealed to the commission only under the pledge of secrecy, but it is under-

BANQUE NATIONALE DE CREDIT

Head Office: 16, Boulevard des Italiens, Paris

Capital Paid-up	. . . . .	Frs. 250,000,000
Reserve Fund	. . . . .	" 102,760,000
Deposits	. . . . .	" 2,607,751,000

512 Branches in France

GENERAL BANKING BUSINESS

Ernesto Tornquist & Co.

Limited

Buenos Aires

Oldest and Largest Financial House in South America

Established in 1830

Fully paid up Capital, Reserves and Surplus

\$16,809,980.00 Argentine Gold

Specialize in the Investment of Foreign Capital in State,
Mortgage, Industrial and Public Utility Bonds and Shares

Money on Mortgages Placed Direct

BANKING TRANSACTIONS OF ALL KINDS

Handle Foreign Exchange and Give Prompt and Careful Attention
to the Collection of Drafts

Administration of Real and Personal Property

This Bank will be Pleased to Serve You in All Business Relations
with the Argentine and Contiguous Countries

CORRESPONDENCE IN ALL LANGUAGES INVITED

stood that the outlines he gave closely corresponded to those given in recent dispatches. In the same way his plans for ultimate stabilization of the franc at a quarter of its nominal value were indicated under a secrecy pledge.

Both of these operations, he insisted, depended for their success on the measure of confidence which could be inspired in the money markets of New York and London, and that confidence could be obtained only by the most unimpeachable honesty and soundness in balancing the budget.

Caillaux Planning a Loan From America

Regarding the plans of Finance Minister Caillaux to float a loan in the United States, a recent *Associated Press* cable says:

The necessity of settling the problem of interallied debts was a point on which M. Caillaux, Minister of Finance, insisted when he appeared before the Finance Committee of the Chamber of Deputies on June 10.

Specific engagements with the interested powers ought to be entered into, he declared, and among the eventual measures which he was considering, when once France's financial situation had been brought back to a healthy condition, was the issue

of a foreign loan, particularly in the United States.

With regard to Treasury payments maturing this year, M. Caillaux repeated that arrangements have been made to meet them without involving an increase in paper circulation. He was convinced that public opinion, conscious of the effort demanded to assure equilibrium of the budget by taxation alone, would show its confidence in the state's credit.

The gist of M. Caillaux's two-hour explanation of his finance policy before the committee was: "All state expenditures shown in the budget must be covered by receipts from taxation, without recourse to loans."

"Nations, like individuals," he added, "must live within their means or otherwise they, like private citizens, must go bankrupt."

His goal in 1926 was not only a balanced budget, but a budget in which receipts exceeded expenditures. This he expects to have outlined in the next few weeks.

"Then," he continued, "we can undertake the enormous task of amortization of our foreign debt, which will be made easier when the two great Anglo-Saxon creditor countries realize that France has put her financial house in order."

INCASSO-BANK

AMSTERDAM

ROTTERDAM-THE HAGUE

36 other Branches throughout HOLLAND

Established 1891

Paid-up Capital	-	-	-	-	Fl. 25,000,000
Reserve Fund	-	-	-	-	Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: INCASSOBANK

Replying to reports that the Treasury would be obliged to resort to another increase in circulation from the limit of 45,000,000,000 francs to 50,000,000,000, M. Caillaux said:

"I am earnestly studying every possible means to avoid such further inflation."

If further advances to the state were necessary, he went on, they would be accompanied by a new system of guarantees.

Italy

ANNOUNCEMENT was made on June 2 that J. P. Morgan & Co., had arranged a \$50,000,000 revolving credit for one year to three Italian banks of issue. These banks are the Bank of Italy, the Bank of Naples and the Bank of Sicily. The credit has the guaranty of the Italian Government and will be used if needed to stabilize exchange. A statement of Thomas W. Lamont of J. P. Morgan & Co. regarding the credit, follows:

J. P. Morgan & Co. have arranged a revolving credit of \$50,000,000 for one year to a group headed by the Bank of Italy and consisting of the three Italian banks of issue, the Bank of Italy, the Bank of Naples and the Bank of Sicily. The credit, which has the guaranty of the Italian Government, is to be utilized if occasion arises for exchange stabilization purposes. Messrs. Morgan have associated various banks and banking institutions with them in this credit.

The following comment regarding the loan is made by the *New York Journal of Commerce*:

In banking circles the opinion prevailed that this move foreshadowed the devaluation of the lira and the early return of Italy to a gold basis.

The lira which on June 2 had dropped

to .396 marking a new low for 1925, jumped over ten points on the announcement of the granting of financial aid to the Italian banks and closed 10½ points above the day's low level.

The Bank of Italy raised its discount rate from 6 to 6½ per cent. on June 1.

The credit, which according to some bankers may be followed by others and later taken up by a long term loan, is expected to prove a great stimulus to trade between this country and Italy. It will serve to check any violent fluctuations in the lira, which, according to trade authorities, should stimulate commerce between the two nations.

This is the third large credit granted by J. P. Morgan & Co. to a foreign nation for the stabilization of its exchange in the last fourteen months. The first was the \$100,000,000 credit to aid in the stabilization of the franc, and which was taken up by a long term loan in November of last year.

Then the largest and probably the most important of the foreign government credits was established in April, when J. P. Morgan & Co., heading a banking syndicate, and the Federal Reserve Bank arranged credits amounting to \$300,000,000 with the British Government and the Bank of England.

The Italian Government budget for the fiscal year of 1925 and 1926 will, according to the Government, show a surplus of receipts of approximately 180,000,000 lire. The internal public debt, which totaled 95,500,000,000 on June 30, 1923, by December 31, 1924, had been reduced to 92,000,000,000 lire.

An index to the financial recovery of Italy since the close of the war, it is said, is offered by a comparison of the total deposits of the Postal Savings Bank and the ordinary savings banks of Italy, which totaled 17,900,000,000 lire on December 31, 1922, and 21,600,000,000 lire on December 31, 1924.

The banking situation is described as essentially sound. On April 30, 1925, the gold reserves at home and abroad of the three

great Italian banks of issue—the Bank of Italy, the Bank of Naples and the Bank of Sicily—aggregated the approximate equivalent of \$355,000,000.

Stefani Promises Balanced Budget

A cable from Italian Finance Minister de Stefani to R. Angelone, commercial attache of the Italian Embassy in America states that the budget for the current year will balance, and that during the first ten months of the year actual revenues exceeded estimates by 943,000,000 lire.

Balancing will be accomplished by carrying out of a policy of reduction in governmental expenditures. Total expenditure, which, during the year 1921-22, amounted to 24,851,000,000 lire has been reduced to 17,217,000,000 lire for present fiscal year. This reduction was general, being distributed in every department and ministry; for example, the special budget of the state railways, which, during 1921-22 shared a deficit of 1,258,000,000 lire, will close this year with a surplus of 98,000,000 lire; the special budget of the postal, telegraph and telephone administration has turned a deficit of 464,000,000 lire, in 1922-23, into a surplus of 5,000,000 lire this year.

Internal debt was reduced by 2,155,000,000 lire from July 1, 1924, to May 31, 1925, and floating debt, representing 38.84 per cent. of the total in 1922, has been reduced this year to 30.58 per cent.

Paper circulation which amounted on December 31 last to 20,514,000,000 lire was reduced at the end of April to 19,745,000,000 lire. Per capita circulation on October 31, 1922, stood at 544 lire, while on April 30, 1925, it was 496 lire.

"The financial and banking situation is satisfactory from every viewpoint," said Finance Minister de Stefani. He stated the credit of \$50,000,000 granted by J. P. Morgan & Co. to the three Italian banks of issue was "at the most favorable terms; as a matter of fact no real guarantee was required. This clearly confirms the high rating of the Italian credit, among foreign bankers and investors.

"The credit will be only utilized if necessary," continued the Minister, "to moderate the fluctuations in lire exchange. Such credit is temporary in character, and shall not be construed as a preliminary obligation to be substituted, later on, by a loan of long term security to be floated in this money market."

The Netherlands

THE Rotterdamsche Bankvereeniging, Rotterdam, immediately before the resumption of gold payments by both Holland

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Sacrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

and England made the following statement with regard to the situation at Amsterdam as bearing on the possibility of an early return to the gold standard:

During recent weeks the abundance of funds has brought about a considerable tension between the rates of the open money market and those of the Netherlands Bank, which signified that an increase of discount which might seem necessary to the bank for maintaining the level of the guilder, would have no effect upon the actual rates of interest, and thereby also upon the rate of the guilder or the dollar. But as the influence of the more liberal tendency of the bank is making itself gradually felt upon the money market, the number of the bills of exchange offered for discount will increase, the rates of the discount market will probably improve, the tension between them and the official bank rates will diminish, and the influence of the bank upon the conditions of the money market will become stronger again. This is, however, most desirable for the stability of the guilder if not for other reasons; for failing these conditions the bank could only stabilize the rate of cur-

LAST but not LEAST

We are the youngest of the three largest banks in Ecuador. But—

We are not the weakest in point of strength and activity.

BANCO DE DESCUENTO

Guayaquil

Ecuador

Established
1920

rency by gold shipments and sales of foreign exchange.

Holland Building Gold Reserve in U. S.

Holland is steadily building up her reserve in the United States by the shipment of gold to the New York Federal Reserve Bank, according to a statement in the *New York Times* of May 6, which says that:

A total of \$10,000,000 has been received from the Netherlands Bank, the central bank of Holland, in the last ten days, \$5,000,000 having arrived last Saturday and \$5,000,000 the preceding Saturday.

Among bankers there was little inclination to connect the gold shipments with the recent return of Holland to the gold standard. For many months the Netherlands Bank has been shipping gold here from time to time to build up balances or to purchase securities, such as bankers' bills. The shipments just announced, however, were the first to arrive for more than a month, and were larger than the total receipts from Holland in January and February combined.

Sweden

THE quarterly review of the Skandinaviska Kreditaktiebolaget of Gothenburg, Stockholm and Malmo, says regarding the economic situation of Sweden for the first quarter of 1925:

The situation in the labor market engrossed attention during the whole of the past quarter, and the announcement on March 27 that a settlement had been reached was hailed with general relief. This relief was occasioned not merely by the intimation that the big lockout had been withdrawn after a fortnight, but also by the reassuring conviction that the state of uncertainty and unsettlement which had long

had a damping effect on commercial enterprise had come to an end.

The company reports for 1924 which have hitherto been published, give the impression, as last year, of increased returns on the whole, and especially as regards a number of firms in the machine branch, which have been able to resume or raise their dividends. This has naturally affected the stock exchange, where the tone has been more hopeful.

Monetary Policy

Since Sweden's return to a gold standard on April 1, 1924, the Riksbank's stock of gold and foreign currency reserves have undergone the following changes:

	Gold	Foreign currency reserves
Millions of kroner		
March 31, 1924	271.2	99.1
June 30, 1924	247.3	77.8
Sept. 30, 1924	246.7	93.8
Dec. 31, 1924	237.0	136.3
Jan. 31, 1925	234.5	149.9
Feb. 28, 1925	234.1	147.9
March 31, 1925	233.7	136.5

Ever since the beginning of December, 1924, the Riksbank has maintained the rate of exchange for the dollar unaltered at kr. 3.71, that is, $\frac{1}{2}$ per cent. below par. As is shown by the above table, the stock of gold has thus been preserved from further diminution. On the other hand the foreign currency reserves have been considerably increased during the last months. This seems to indicate that the \$15,000,000, out of the last dollar loan to the Swedish State, which some time ago were deposited with the National City Bank of New York must have been placed at the disposal of the Riksbank during these months. At the beginning and end of the period of one year covered by the above table, the Riksbank's stock of gold and foreign currency reserves was, practically speaking, unchanged, while the note circulation had been diminished from 557,200,-

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

000 to 520,800,000 kronor. The Riksbank notes are thus covered by gold and foreign currency reserves to a greater extent than when a gold standard was reintroduced a year ago.

In the banking world there are signs of an increase in business. Thus, the clearings of the Riksbank in 1924, for the first time in four years, showed an increase. The statistics for bank drafts (*postremissv  klar*) in circulation and the figures for discounted commercial bills point in the same direction.

Poland

AT a recent luncheon given at the Bankers' Club in New York by M. C. Brush, president of the American International Corporation to Jean Casimir Adamski, vice-chairman of the financial and economic council, National Economic Bank of Poland, and Budgetary Commissioner to the Finance Minister, Mr. Adamski said regarding the rehabilitation of Polish finances:

On February 2, 1924, a law was published prohibiting the printing of money for government purposes. Then immediately a special law introduced a new gold currency—the Polish zloty which is the same as a gold franc in the Latin countries. An organizing committee was formed and the same committee was entrusted to run the Polish Country Loan Bank as long as the new bank had not been formed. The subscription, to our great astonishment, reached 100,000,000 zloty, from gold found in the country, thus the share capital of the new bank was covered by the Poles themselves. Practically the whole capital was covered by

the public, and the government has only 5 per cent. of it. As soon as the public realized that the conditions were better the whole amount of foreign currency which was held by the Polish people came to the surface and the organizing committee could buy on the market 200,000,000 zloty of the foreign currency. When the day of opening came on the 10th of May the government was able to turn to the bank of issue about 200,000,000 zloty in foreign exchange.

At the same time the government delivered to the bank about 80,000,000 francs in gold in the national treasury which was collected by gifts from the Poles and also came from the former Austrian State Bank. So the new bank started with 200,000,000 zloty of foreign exchange and about 80,000,000 zloty in gold. This without any foreign help. Since this time the Polish bank keeps the exchange at a gold level and already for more than a year we have had practically a gold level. The improvement at the same time of the liquid currency is evident. During the inflation period in December, 1923, the total value of currency was about \$20,000,000 for a country which before the war had about \$250,000,000 currency. Now it is \$130,000,000, so we have half of the currency needed. This year we think the budget, which is proposed to the amount of about 2,000,000,000 gold francs—\$400,000,000—will be covered by our revenues. For the first three months receipts were 102 per cent. of the total expenditure.

Russia

THE *Chicago Tribune* published in the latter part of April a confidential bankers' report which presumes to trace the

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed . . Frs. 60,000,000

Capital Paid Up . . Frs. 30,000,000

Reserve Frs. 10,000,000

Branches:

BRUSSELS — OSTEND

**CORRESPONDENTS
AT ALL BANKING POINTS**

history of the \$847,500,000 in gold lost to Russia since 1918.

The report says that at the beginning of the war Russia possessed a gold deposit of 1,695,000,000 rubles (\$847,500,000). A war agreement with Britain provided for the transfer of 600,000,000 rubles (\$300,000,000) to London in 1914. Some were returned. At the time of the Bolshevist coup there was on deposit in Moscow 1,164,000,000 rubles (\$582,000,000), of which 700,000,000 rubles (\$350,000,000) was transferred to Kazan.

Admiral Kolchak in May, 1919, seized 680,000,000 rubles (\$340,000,000) of the Kazan deposit and sent it to the East. A part was deposited in the State Bank at Vladivostok and 160,000,000 rubles (\$80,000,000) was turned over to the Cossack General, Semenoff, at Chika. Documents prove that although Admiral Kolchak attempted to obtain this, General Semenoff refused to return it and sent it to Shanghai, where it was deposited with the Russo-Asiatic Bank. The purchase of war supplies cost Admiral Kolchak in May, 1919, at Vladivostok 11,000,000 rubles (\$5,500,000) to England and 13,000,000 rubles (\$6,500,000) to France, and in July and August to Japan 27,000,000 rubles (\$13,500,000), and to France 16,500,000 rubles (\$8,250,000).

Of the remainder Japan extended a loan of 30,000,000 yen (\$15,000,000); \$40,000,000 passed through American interests, while \$4,500,000 was expended on war supplies in the United States.

When the Bolsheviki attacked Omsk in November, 1919, Admiral Kolchak left with 400,000,000 rubles (\$200,000,000), but his train was wrecked at Tartarskays and the gold was sprinkled on the railway tracks. In December the Kolchak Government and Chief of Staff split with its convoy, consisting in half of Czechoslovak troops who

requisitioned their railway stock. Kolchak was finally allowed two locomotives.

The Czechoslovak troops under General Sirovoy confiscated the gold which was sent to Harbin. Kolchak's supporters charge that most of this gold found its way to Prague banks.

The Bolshevist victories brought the treasury 640,000,000 rubles (\$320,000,000). One hundred and twenty million rubles (\$60,000,000) which the Bolshevists, in conformity with the Brest-Litovsk victory, turned over to Berlin were re-transferred by the Spa agreement to the Bank of Europe.

Japan

IN a review of economic and financial developments in Japan for the year 1924, Kenji Kodama, president and chairman of the Yokohama Specie Bank, in a recent address before the stockholders at the bank's annual meeting, said:

In the period under review our economic world was still in what has become known as the "readjustment stage" and was unable to free itself completely from depression. Moreover, an adverse trade balance was reflected in foreign exchange, which recorded an unprecedented fall, and this fall, high prices and the embargo on the export of gold were the subjects of nationwide discussion during the half-year. It was ultimately decided that the restoration of economic power by the co-operation of the whole nation was of fundamental importance if adverse factors were to be eliminated, and the Government set an example by carrying out in earnest plans for readjustment and retrenchment in connection with administration and finance. Some public work was suspended or postponed, while a non-borrowing policy and enhanced import duties



ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	-	-	-	-	-	\$2,000,000
Surplus and Profits	-	-				5,900,000

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revoluble Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.
55 Maiden Lane New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	

UNION BANK OF SWITZERLAND

(UNION DE BANQUES SUISSES)

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - -	Swiss Francs	16,500,000
DEPOSITS - -	Swiss Francs	438,103,000
TOTAL ASSETS -	Swiss Francs	586,297,000

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano,
Locarno, Vevey, Chaux-de-Fonds, etc., etc.

The Bank will be pleased to act as *paying agents for
Letters of Credit, Travellers' Checks, etc.*

Well equipped to handle your
Swiss banking business

on luxurious goods were determined upon, and by these means the restoration of the nation's confidence was greatly assisted. The general public followed the Government's example, and the spirit of thrift and of hard work became increasingly noticeable, which is a good augury for the recovery of the country's economic position.

Turning our attention to foreign trade, exports and imports for the half-year amounted to yen 999,000,000 and yen 981,000,000, respectively, showing only the small excess of yen 18,000,000 of exports over imports for a period when a much more favorable trade balance is usually expected. If the trade figures of Chosen and Taiwan be added to those of Japan proper, an adverse balance of yen 722,000,000 for the whole of 1924 is shown, or an increase of yen 115,000,000 over the previous highest adverse balance of yen 607,000,000, which occurred in 1923. Let us now examine more particularly trade conditions.

By the beginning of the period, imports of emergency goods had almost ended, while exports of raw silk and cotton goods, encouraged by the fall of the yen, had become active. August witnessed a steady improvement in trade conditions, and the excess of exports over imports gradually increased.

In September, however, a sudden setback occurred, due to the disturbance which abruptly broke out in China and which greatly interfered with our trade with that country, and although our exports of raw silk increased in volume the amount realized on them did not increase in proportion, owing to low prices. On the other hand, imports of cotton from America were of quite good amount, despite the unfavorable exchange position, and as a consequence the favorable state of trade terminated in October, and in November an adverse balance was again in evidence and remained so to the end. Our trade position was unfavorable as regards twenty-four foreign countries and favorable as against sixteen, Great Britain occupying the premier position among the former, our excess of imports from her amounting to yen 110,000,000. Then follow Germany, British India, Kwangtung Province, Dutch East Indies and Switzerland with yen 62,000,000, yen 42,000,000, yen 22,000,000, yen 22,000,000 and yen 11,000,000, respectively. America heads the list of the countries with whom we had an excess of exports, in her case to the extent of yen 218,000,000, while Hongkong, China and France follow with yen 41,000,000, yen 31,000,000 and yen 26,000,000, respectively.

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)
Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: MANILA, P. I.

BRANCHES: ILOILO, CEBU, ZAMBOANGA



William T. Nolting President
Joseph F. Marias Vice-President
Fulgencio Borromeo Vice-President
R. Moreno Secretary
D. Garcia Cashier
E. Byron Ford Chief, Foreign Department
S. Freixas Chief Accountant
P. J. Campos Manager Iloilo Branch
J. M. Browne Manager Cebu Branch
J. M. Garcia Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

International Banking Notes

At the annual general meeting of the Union Bank of Scotland, Limited, held in Glasgow on April 29, the Duke of Atholl, chairman of the bank, who presided, commented as follows on the bank's affairs for the year 1924.

"The year's results are very much like those of its predecessor, and the bank has taken the step of further strengthening reserves, which now stand in the balance-sheet at £1,300,000. During the last twelve months the bank has done a limited amount of branch expansion, opening at important points or where there is the possibility of future development. Three branches and four sub-branches have been opened.

"At the previous annual meeting the stockholders had agreed to the scheme for splitting the bank's shares, and it is interesting to find that this has been successful beyond expectations. There has been during the year an addition of no less than 17½ per cent. in the number of shareholders. In view of the important letter sent to the press recently, pointing out, in reply to the Socialist campaign for the nationalization of

banks, the large number of shareholders and the comparatively small amount of average holdings in the English 'Big Five,' it is interesting to note that the average holding in the Union Bank is 245 shares of £5 each £1 paid; that is £245 nominal capital with a present market value of approximately £1000."



The statement of the Mitsubishi Bank, Limited, Tokio, for the year ended December 31, 1924, shows total resources of yen 396,208,022, total deposits yen 303,004,620, loans and bills discounted yen 222,787,321, capital yen 50,000,000 and reserve fund yen 21,608,770.

The net profit for the year ended December 31, 1924, was yen 4,138,179, added to which the balance brought forward from last account, yen 920,484, made a total of yen 5,058,664. This amount has been disposed of as follows:

	Yen
To legal reserve fund	500,000
To special reserve fund	1,500,000
To pension reserve fund	200,000
To bonus	200,000
To dividend at 10 per cent. per annum.....	1,500,000
Balance carried forward to the next account	1,158,664

We are pleased to announce that
we have moved to our new building where it will be our
privilege to continue serving our many friends

BANCO DE PONCE

PONCE, PORTO RICO

Capital	-	-	-	-	-	\$ 750,000.00
Surplus	-	-	-	-	-	\$ 175,000.00
Assets	-	-	-	-	-	\$5,000,000.00

We solicit your collections.

Correspondence invited.

Manzo Kushida is chairman of the board of the Mitsubishi Bank and Kiyoshi Sejimo, Takeo Kato and Toru Otobe are managing directors.

The New York office of the Mitsubishi Bank is at 120 Broadway. K. Yamaguchi is agent.



The Equitable Eastern Banking Corporation of New York has announced the opening of a new office in Queens Road, Hongkong, under the management of David M. Biggar. Mr. Biggar has had a long banking experience and has a wide familiarity with banking methods of the Far East.



The thirty-sixth half-yearly report of the Sumitomo Bank, Limited, Osaka, Japan, shows net profits for the half-year ended December 31, 1924, of yen 4,092,266, added to which the balance brought forward from the previous half-year, yen 1,985,939, made a total available for distribution of yen 6,078,206. This sum was distributed as follows:

	Yen
To reserve fund	1,500,000
To dividend	2,500,000
To pension reserve	150,000
To bonus	140,000
Balance carried forward to next half-year	1,788,206

The balance sheet at the end of the year 1924, showed total resources of yen 513,995,580. Total deposits are yen 376,589,924, paid-up capital yen 50,000,000 and reserve fund yen 19,000,000. The sum of yen

1,500,000 has subsequently been added to the reserve fund bringing it to yen 20,500,000.

Baron K. Sumitomo is president of the Sumitomo Bank and K. Yukawa, S. Yoshida and N. Yatsushiro are managing directors.

The New York office of the Sumitomo Bank is at 149 Broadway. G. Higashi is agent.



The statement of condition of the Dai-ichi Ginko, Limited, Tokio, as of December 31, 1924 shows total assets of yen 569,910,620, total deposits yen 346,478,715, capital yen 50,000,000 and reserve fund yen 41,000,000. Net profits of the bank for the half-year ended December 31, 1924, after providing for all expenses, were yen 5,975,462, added to which the balance brought forward from previous account, yen 1,246,548 made a total available for distribution of yen 7,222,010. This sum has been disposed of as follows:

	Yen
To bonus for directors, auditors and chief officers	298,770
To pension fund for officers and staffs	119,500
To reserve fund, thus raising that account to yen 44,800,000	2,300,000
To dividends at the rate of 13 per cent. per annum, on 454,000 old shares at yen 3.25 per share and on 546,000 new shares at yen 3.1145 per share	3,176,062
Balance to be carried forward to next account	1,327,678



The thirtieth annual report of the Credito Italiano, Milan, shows that savings deposits rose from lire 918,288,190 on December 31, 1923, to lire 1,059,467,148 on December 31, 1924, and current accounts rose during the corresponding period from lire 3,213,735,288

FRANK

The Antiquarian

18 Trinità dei Monti ROME

Appraisals and Valuations of Antiquities and objects of Art. Through Knowledge of Languages and Procedure is qualified to Conduct Auction Sales in Italy, France, England, Germany and Spain. Twenty Years' European and American Experience.

to lire 3,751,864,534, so that total deposits at the end of 1924 stood at lire 4,811,331,682.

Net profit for the year stood at lire 53,469,236. This amount was disposed of as follows:

	Lire
To reserve fund	20,000,000
To directors	1,881,019
To shareholders 9 per cent. dividend.....	27,450,000
Balance carried forward	4,138,217

During the year the Credito Italiano increased its capital from lire 300,000,000 to lire 400,000,000. The sum of lire 20,000,000 was added to the reserve fund at the end of the year so that the fund now stands at lire 130,000,000.

Federico Ettore Balzarotti is chairman of the board of the Credito Italiano, Senator G. B. Pirelli is vice-chairman and Carlo Orsi and Alberto Lodolo are managing directors. The New York office of the bank is at 63 Wall street. Felice Bava is representative.

◎

The statement of the Credit Suisse, Zurich, for the year ended December 31, 1924 shows total resources of frs. 882,521,169, capital frs. 100,000,000 and reserve fund frs. 30,000,000. The net profit of the bank for the year was frs. 10,440,551.

◎

The seventh edition of "International Investments," a booklet published by the statistical department of Brown Brothers & Co. of New York, has been received. This new and enlarged edition of the booklet presents in a comprehensive and convenient form, for purposes of ready reference, the salient points of practically all the foreign

external bond issues dealt in on the New York market.

◎

The balance sheet of the Bank of Scotland, Limited, Edinburgh, as of February 28, 1925 shows total resources of £38,829,327, total deposits £31,429,270, paid-up capital £1,325,000 and reserve fund £1,050,000.

The net profit of the bank for the year, after providing for all bad and doubtful debts, etc., amounted to £365,974, added to which the balance from the previous year, £102,149, made available for distribution £468,124. This sum has been disposed of as follows:

	£
To reserve fund	125,000
To reduction of bank premises account...	25,000
To reduction of heritable properties account	25,000
To payment of half-yearly dividend in October 1924 at the rate of 16 per cent. per annum, less income tax	82,150
To further dividend of the last half-year at the same rate (making 16 per cent. for one year) less income tax	82,150
Carried forward to next account.....	128,824

The bank's reserve fund and the balance carried forward on profit and loss account amounted together to £1,178,824.

Lord Elphinstone is governor of the Bank of Scotland. Sir Arthur Anstruther is deputy governor, and George J. Scott is treasurer.

◎

The statement of the Darmstadter und Nationalbank, Berlin, as of December 31, 1924, showed total resources of marks 784,594,523, capital of marks 60,000,000 and reserve fund marks 40,000,000. The net profit of the bank for the year, after providing for all expenses, etc., amounted to marks 9,110,074. This sum has been distributed as follows:

	Marks
To payment of a 10 per cent. dividend.....	6,000,000
To share of profit for the board of directors	630,000
To employees' pension fund.....	500,000
Carried forward to next account.....	2,250,074

The report to the shareholders of the Darmstadter und Nationalbank presented at the general meeting on April 22, 1925 remarks that:

"The year 1924 through the complete change which it brought in our economic life, marks one of the historical turning points of the age. It led us by way of the Dawes Plan as laid down in the Pact of London from the artificial conception of the Rentenmark to a new currency resting on a sound and secure basis. It is true that we were brought in some degree to the edge

Rotterdamsche Bankvereeniging

Rotterdam Amsterdam

The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States

J. Enderman, 14 Wall Street, New York

of a fresh inflation, but it was found possible to avoid this danger in time through the carefully planned and strictly carried out credit restriction of the Reichsbank, which by the foundation of the Gold Discount Bank succeeded at the same time in relieving to some extent the unavoidable economic crisis.

"One of the measures directed in 1924 to securing a stable financial and economic basis was the preparation of gold balance-sheets which have once again created a reliable standard for the measurement of wealth, and which have in general been prepared on the principle that value depends on productivity. Thus one of the most catastrophic inflationary ideas was eradicated. The amassing of substance cannot be the aim of an economy based on capitalistic principles. Capital and property must bring fruit by being directed into the channels of economic life as a whole and it is necessary that they should aim at obtaining a maximum yield through the highest possible degree of movability and productivity. Only by closely following this principle, which means the greatest possible production by men and machines, can we succeed in restoring our trade and industry and in re-

constructing our ruined edifice of accumulated capital."

©

The statement of the Hungarian Commercial Bank of Pest, Budapest, for the year ended December 31, 1924, submitted at the eighty-third general meeting of the shareholders on March 31, 1925, shows total resources of kronen 480,734,585,875. Total deposits stand at kronen 427,325,748,797 and paid-up capital and reserve fund amount to kronen 20,950,000,000. The bank made a net profit for the year of kronen 17,140,851,794.

©

The statement of the Export Bank of Finland, Helsingfors, for the year ended December 31, 1924 shows total resources of fmk. 21,947,540, capital fmk. 12,000,000, and reserve fund fmk. 2,500,000.

©

The statement of condition of the Agricultural Bank of Egypt, Cairo, as of January 31, 1925, shows total resources of £10,390,747. The capital of the bank stands at £3,740,000 and the reserve fund is £1,086,-

499. The Agricultural Bank of Egypt was created by Khedivial Decree in 1902 under a concession granted by the Egyptian Government. The authorized share capital, all of which is issued, constitutes 496,000 ordinary shares of £5 each, 125,000 cumula-

tive 4 per cent. preferred shares at £10 each and 2000 preferred shares of £5 each.

Colonel, The Honorable S. Peel, D. S. O., is chairman of the Agricultural Bank of Egypt and B. Hornsby, C. B. E. is president.



Book Reviews

Centenary Volume of an Old Irish Bank

THE Northern Banking Company, Limited, Belfast, has published a resumé of its history in celebration of its hundredth birthday, reached in 1924.

The book is handsomely bound, and contains a great number of very beautiful prints, showing various scenes connected with the bank's development, as well as many pictures of historic bank notes.

The editing of the work has been very well done, by E. D. Hill, a director, who has been with the bank during half of its existence.

The bank is really more than 100 years old, for it existed from 1809 to 1824 as the Northern Bank, a partnership. In 1824 a law was passed permitting the incorporation of joint stock banks, and the Northern Bank was the first bank in Ireland to take advantage of the new law.

At the very beginning the bank had to face, in 1826 the difficulties incident to the assimilation of the currency of Ireland with that of Great Britain. The same year, competition began to creep in, with the establishment of the Bank of Ireland and the Provincial Bank of Ireland, and in 1827 the competition was accentuated by the establishment of the Belfast Bank. In 1833 the bank decided to begin the establishment of branches throughout the Ireland instead of being represented by agents, and by 1835 it had branches in Downpatrick, Lurgan, Lisburn, Ballymena, Coleraine, Newtownlimavady, Londonderry, and Magherafelt. From this time on, though expansion continued, it was restricted carefully by an agreement between the Northern, Belfast and Ulster Banks. This agreement was finally canceled in 1918, the immediate result being the establishment of twelve branches in one year. In 1888 the bank

established itself in Dublin, by purchasing the private bank of Ball and Company, which had been established in 1815. During the Irish rebellion, the branches of the bank in Dublin were the center of hostilities, the rebels seizing the branch in Sackville street and using it as a fort, until finally driven out. However, no attempt at robbery was made. Many of the other branches suffered in a similar manner prior to the setting up of the Irish Free State and afterward.

But the volume does not confine itself alone to a history of the Northern Banking Company, Limited. It is, rather, a history of a hundred years of banking progress in Ireland. There is a discussion of the private banks before the passage of the joint stock act, and then in addition to the general history of the Northern Banking Company, there is a chapter on "Our Joint Stock Contemporaries in Ireland" and one on the "Agricultural and Commercial Bank of Ireland."

The book contains also an almost complete set of pictures of the directors of the bank, with biographical notes of each, an account of a murder of one of the bank managers which caused much comment at the time, a description of how the bank's note paper is made and how the notes are printed, various anecdotes about the bank and its founders, and a brief industrial history of Belfast during the period of the bank's existence, as well as the bank's war record, and roll of honor.

The year 1924 was the hundredth anniversary also for the *Northern Whig* newspaper and for the Belfast Steamship Company, and two chapters are devoted to briefly telling the story of these organizations.

New York State Bankers Meet

Irish Made New President—Loasby and Alexander Among Speakers

ABOUT 600 delegates from all parts of the state assembled at Cornell University, Ithaca, N. Y., June 22-24 for the thirty-second annual convention of the New York State Bankers Association.

Charles E. Treman, president of the association, in his address at the opening session remarked on the present tendency toward too liberal credit and said that the time had come for a check to be put on this tendency, as well as expenditure on unnecessary articles and luxuries. He added, however, that the last year was one of encouragement, and that only a pessimist would fail to see steps of progress made during the year.

Loasby Speaks on Bank Cost Accounting

Arthur W. Loasby, president of the Equitable Trust Company of New York, speaking at the first day's session on the subject of "Cost Accounting as Applied to Banking," said in part:

"Depositors invariably feel that any account is profitable to a bank, and I think that it is more than 50 per cent. the banker's fault that they do. Many experienced bank executives themselves believe that a fair average balance invariably signifies a profitable account, yet the reverse is often the case. Bank officials have a weakness for judging deposit accounts by their size rather than by the sum transferred to profit or loss as a result of carrying the account in the bank. I venture to say that many of your large deposit accounts ultimately do not prove as profitable as some of the smaller ones, because of the higher rates of interest paid, the activity of the accounts, and the special service rendered.

"In analyzing our accounts, I do not think we need have misgivings regarding the possible antagonism of our depositors. We are simply allowing ourselves the same privilege accorded the manufacturer who figures his cost of production as a part of his selling expense. However, we must convince our customers of our fairness and sincerity in conducting our account analysis.

"The analysis or cost accounting department in my bank operates on the recognized principle that each item entered on our books entails additional expense. The size of a man's average balance in relation to the number of items handled for him, while very important, is only one of a number of factors which govern our final decision



WILLIAM S. IRISH

Vice-president First National Bank, Brooklyn, N. Y.,
recently elected president of the New York
State Bankers Association

regarding the status of his business. For example, there are to be considered also the profits on other accounts carried by the depositor in his name, the profit on business carried in other departments, the profit on accounts introduced or controlled by the depositor and the profit on business carried in our branch offices. On the other side of

the ledger we scrutinize carefully such items as the expense of work done at a loss in other departments, expense of printing checks, or work done at a loss in any of our branches.

"When an otherwise desirable account is showing our bank a loss, we generally try



ARTHUR W. LOASBY

President Equitable Trust Company, New York, who spoke on "Bank Cost Accounting" at the recent convention of the New York State Bankers Association

to place the account on a profitable basis by one of the following means—by requesting the depositor to increase his average balance, or if this plan is not feasible, to decrease the activity in the account. In many instances a lessening of the activity in an account is not possible because most business men draw checks and deposit items as their own business activity dictates. In instances of this kind, our final resort is to suggest a reduction or discontinuance of interest and generally speaking this plan is acceptable when the others are not considered practicable. Our borrowing accounts are analyzed every month and ordinary balances at least twice a year and con-

trary to the popular opinion that the work is conducted by a corps of high priced experts, it is really accomplished by a comparatively small group of employees who have been specially trained for the work."

Alexander Warns Against Criticism of Federal Reserve System

James S. Alexander, chairman of the National Bank of Commerce in New York, addressing the delegates at the second day's general session on the subject of "Our Increasing Financial Power—Some Problems and Responsibilities Arising Therefrom," said in part:

"In recent months the volume of criticism directed toward the Federal Reserve System has been growing, and today it has attained a magnitude that raises, in the minds of some students of banking, fears of legislation that may impair the efficiency and strength of the system.

"An important part of the criticism comes from within the banking system itself. The existence of this criticism is, I believe, a serious matter because many of those making such criticism are in a position to be informed and therefore necessarily exercise a considerable influence upon the thinking of the business community.

"I do not suggest that the Federal Reserve System should be freed of constructive criticism, nor that changes in the system may not prove beneficial. In considering possible changes in our reserve system we should recognize the dangers always possible when a great financial institution becomes a matter of legislative alteration. Banking organization is an intricate mechanism, which, because of its intricacy cannot be fully grasped by the great mass of the people. The very impossibility of a wide understanding of the banking system leaves it open to more or less unsuccessful attacks. Moreover, the fact that banking stands in the popular mind as one of the principal elements in large wealth makes it a favorite source of political capital. Once the institution is under fire the consideration of real merits may be lost in the cloud of political controversy.

"The Federal Reserve System has been soundly organized and for the most part ably managed. Without the added strength which this system has given to our banking power it would be impossible to meet the

vastly enlarged responsibilities that are placed upon American banking today.

"If the system needs important changes, let these proposals receive the careful consideration that they require. Let us remember, however, that we are dealing with a very intricate institution and one whose full efficiency and power are absolutely essential to the development and protection of American industry."

Moore Talks on "Money"

At the meeting of the State Bank Section of the association, Justin H. Moore, head of the department of statistics and research of the Irving, Bank-Columbia Trust Company of New York, speaking on the subject of "Money" said in part:

"We are told that the country is 'going to the dogs' because, forsooth, the Federal Reserve Banks in 1917 were given the right to issue notes against gold. This amendment, we now hear, has led to a most frightful saturation of the currency. All business, we are told, is in the doldrums because there is altogether too much money around. And furthermore, the low rates of interest now prevailing are attributable to this same diabolical scheme to flood us with paper money.

"The fact that Federal Reserve Notes remain in circulation as they do now to the extent of \$1,660,000,000, simply proves that our growing population and trade requires that addition to its other forms of currency, as long as the average of wages and of prices are at present levels.

The other assertion, alluded to above, is that the low rates of interest now prevailing are attributable to a billion dollars in Federal Reserve Notes now circulating in excess of the 'free gold' whatever this phrase may mean. There seems little use of dignifying such an opinion by taking the trouble to refute it, for it assumes the quantity theory of money in its crudest and most naive aspect. If anybody believes that the rate of interest moves inversely to the amount of money in circulation, I would simply ask him why it was that the rates of interest steadily rose between 1914 and 1919 precisely in a period when money circulation, too, was steadily increasing? In other words, I would stress the point here that the rate of interest does not particularly depend upon the amount of money in circulation, but chiefly upon the intensity of the demand for borrowed funds. Isn't it time

to call a halt upon this tinkering with our Federal Reserve System, particularly when so many of the critics are evidently unacquainted with the fundamental principles of monetary science?"

Among other speakers at the convention were Joseph N. Babcock, vice-president of



JAMES S. ALEXANDER

Chairman of the board National Bank of Commerce in New York, who spoke on "Problems Arising From Our Increasing Financial Power" at the recent convention of the New York State Bankers Association, at Ithaca, N. Y.

the Equitable Trust Company of New York and Harley F. Drollinger, vice-president of the Fidelity Trust Company of Buffalo, both of whom addressed the Trust Company Section of the association. The subject of Mr. Babcock's address was "Investments for Trustees" while Mr. Drollinger spoke on the subject of "Solicitation of Personal Trust Business." Further speakers before the convention were Edmund Platt, vice-governor of the Federal Reserve Board, who spoke on "Branch Banking Before the Civil War," George B. McLaughlin, state superintendent of banks, who spoke on "Bank Supervision," Francis H. Sisson, vice-president of the Guaranty Trust Company of

New York, who spoke on "Bank Advertising," Laurence H. Hendricks, controller fiscal agency function, Federal Reserve Bank of New York, who spoke on "Banking, a Job or a Career," and Stephen I. Miller, educational director of the American Institute of Banking, who spoke on "The Progress of the Institute."

Election of Officers

The association at its closing session elected William S. Irish, vice-president of the First National Bank of Brooklyn, president of the association for the ensuing year. Mr. Irish, who has been vice-president of the association, succeeds Charles E. Treman of Ithaca.

Carlton A. Chase, president of the First Trust and Deposit Company, Syracuse, was chosen vice-president and F. E. Storms, president of the Citizens' National Bank, Hornell, treasurer.

The association adopted a resolution disapproving of the recommendations of the American Bankers Association that the Federal Reserve Board discontinue its service in the collection of notes and drafts for member banks. The state bankers desire that this service be maintained.

The officers elected by the various sections of the association are:

State Bank Section—President, Lucien J. Warren, vice-president Bank of Jamestown; secretary, C. J. Field, cashier Peoples Bank, Buffalo.

Trust Company Section—President, Irving H. Meehan, vice-president Farmers' Loan and Trust Company, New York; vice-president, Elmer T. Eshelman, president City Bank and Trust Company, Syracuse; secretary, Harold Hoyt, vice-president Title Guarantee and Trust Company, New York.

National Bank Section—President, M. M. Holmes, president Exchange National Bank, Olean; vice-president, C. H. Marfield, vice-president and cashier Seaboard National Bank, New York; secretary, Arthur S. O'Neill, vice-president National Bank of Ogdensburg; state vice-president of American Bankers Association, A. C. Kilmer, cashier First National Bank of Cobleskill.

Savings Bank Section—President, R. G. Brewer, president Union Savings Bank, Mamaroneck; secretary, G. Louis Cook, secretary and treasurer the Ithaca Savings Bank; state vice-president American Bankers Association, Charles M. Baxter, secretary Union Savings Bank, Mamaroneck.

Private Investment Section—President, George W. Hodges of Remick, Hodges & Co., New York; secretary, J. Stanley Davis of Hemphill, Noyes & Co., Albany.



Weighing the Federal Reserve System in the Balance

By L. E. Pierson

The following article is composed of extracts from an address delivered by Mr. Pierson, who is chairman of the Irving Bank-Columbia Trust Company, at the recent thirteenth annual convention of the National Association of Credit Men, held at Washington, D. C.—THE EDITOR.

DURING the last few years we have been able to observe the workings of the Federal Reserve Banks under conditions approaching normal. Out of that observation have come several suggestions as to ways in which the benefits of the Federal Reserve Banks may be increased. The country knows from experience that the Federal Reserve System has been effective in an emergency. It knows that at bot-

tom the scientific banking principles which have been incorporated in the Reserve System are practical and sound. Yet the fact that there have been amendments to the act creating the Federal Reserve System in the first ten years of its existence shows that the nation believes that, while the system as a whole is of immense value, it is perhaps capable of refinement in some of its details.

It might be interesting to draw up a balance sheet showing on one side the undoubted benefits which have followed the creation of the Federal Reserve System, and on the other the suggestions which have been

made for its improvement. On the credit side we would have a summary of the nation's experience with the Reserve System during the past decade. That summary would show:

1. That the Federal Reserve System has brought American business safely through the war and post-war crises of inflation and deflation.

2. That it has given the United States a method of increasing the amount of credit and of currency when business is active and of decreasing the amount when business is dull.

3. That it has removed from the mind of the average American business man the fear of money panics.

4. That it has greatly reduced the seasonal fluctuations in the rates of interest.

5. That it has saved millions of dollars to American business through its par payment system for the clearance of checks.

6. That it has proved a powerful instrument for assisting American banks in financing America's foreign trade.

7. That it has brought to American business a confidence in its financial machinery which it never had before.

8. That it has given to the United States the means of marshaling its entire financial resources in time of need and a method of formulating and pursuing a banking policy which is national in scope.

On the debit side of this balance should be listed the suggestions that have been made from time to time upon the operations of the system. Some of these suggestions come from sources which are not qualified to pass upon scientific banking questions. Some of them, however, come from men who are competent and friendly to the system as a whole and who seek to improve an admittedly valuable banking instrument. The principal suggestions might be summarized as follows:

1. While it is true that the Federal Reserve System has proved its ability to inflate the currency, has it shown an equal facility to deflate with scientific rapidity?

2. In order to free the Reserve System from any possible chance of political pressure, would it not be better to select its governing board by an election in which all member banks would participate, rather than by Presidential appointment?

3. Would it not be better to leave part of their gold reserves with the individual member banks rather than to pool their entire reserves in the Federal Reserve Bank as at present?

4. Is it wise to permit the Federal Reserve Banks to issue reserve notes against gold as well as against commercial paper?

5. Are there not possibilities of needless inflation in the practice of the Federal Reserve Banks in making their rediscount rates lower than the current market rates?

6. Is it wise to permit the Federal Reserve Banks to engage in open market operations and in the purchase of government obligations since both practices might have a tendency to create a larger volume of currency than may be required by the country's commercial transactions?

A comparison of the credits and debits of this imaginary balance sheet reveals at once that the improvements suggested in the Federal Reserve System are improvements in detail rather than changes in principle. This is in itself an encouraging fact. It shows that, while there may be possibility of improving the methods of the Federal Reserve System, the nation has definitely convinced itself of the essential soundness of the system as a whole. When the Federal Reserve System was created, it was generally understood that the debatable points would become clearer after the system began to function and that time would show how the original act might be polished and perfected. No set of men is wise enough or farsighted enough to determine the exact effect of a law or an institution before actual experience has demonstrated the uses to which that instrument or institution may be put. The very framework of our national government went through the process of detailed change and adjustment during the first twenty years of its existence. Twelve amendments were added to the Constitution between 1787 and 1804, as time disclosed the possibility of improvement.

On the other hand, nothing is so damaging to an institution or to a law as to discuss and possibly criticize its detailed workings without proper consideration of the law as a whole. Nothing could be better calculated to weaken public confidence in the Federal Reserve System than to point out its possible imperfections without reference to its essential values.



AN interior view of the altered quarters of the Industrial Trust Company's Slater Branch at Pawtucket, R. I., altered by Thomas M. James Co., architects of Boston and New York. The alterations were made while the bank was occupying the building with practically no inconvenience to the bank's customers.

The floor is of Travertine marble, and the counter of golden veined St. Genevieve marble. The columns and the ornamented ceiling are particularly beautiful.

Thomas M. James Company

3 Park Street, Boston

342 Madison Ave., New York

Architects and Engineers

**We would be glad to help you solve your
bank building problem**

Write us for booklet

Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, THE BANKERS MAGAZINE, 71-78 Murray Street, New York.—EDITOR.

Balance Sheet Items

THE accompanying article is the fourth of a series by the Credit Editor on credit and credit department methods. In the April issue there was a discussion of two of the usual types of business organizations, i. e., the proprietorship and the partnership, along the line of the division of ownership. It was pointed out that the incidents entering into business are ordinarily management, capital and risk. There was a discussion as to how these incidents enter into the proprietorship and partnership, and how they are divisible. In the May issue, the corporate form of business organization was covered. It was shown that the incidents of management, capital and risk permitted of wide division. The various types of corporate securities were taken up—bonds, preferred stock and common stock, as regards their place in the financial structure of the corporation, and the division of the incidents of business. The various types of these securities were taken up individually, and their salient features pointed out. In the June issue there was a discussion of the trial balance, the balance sheet, and profit and loss figures. The difference between each was shown, and the manner of arriving at the balance sheet and the operating statement from the trial balance was also indicated.—THE EDITOR.

FROM a review of the trial balance and the balance sheet in the previous article, we got an idea of what trial balance items were balance sheet items, and which ones were profit and loss items. It was evident therefrom that all items entering into finances of the business either belonged to the balance sheet or the operating statement, and from this we can quite naturally infer that the nature of the items would be peculiar to the line of business in which the subject was engaged. While this is true, the balance sheet for most lines of business will contain many items of a very similar character, and we will, therefore, consider as usual the balance sheet approved by the Federal Reserve Board. A copy of the balance sheet approved by the Federal Reserve Board taken from their pamphlet entitled "Uniform Accounting" is shown as follows:

ASSETS

Cash:		
Cash on hand—currency and coin		
Cash in bank		
Notes and accounts receivable:		
Notes receivable of customers on hand (and past due)		
Notes receivable discounted or sold with indorsement or guaranty.....		
Accounts receivable, customers' (not past due).....		
Notes receivable, customers', past due (cash value, \$.....)		
Accounts receivable customers', past due (cash value, \$.....)		
Less:		
Provision for bad debts		
Provision for discounts, freights, allowances, etc.....		
Inventories:		
Raw material on hand		
Goods in process		
Uncompleted contracts		
Less payments on account thereof		
Finished goods on hand		

The **FIRST**
NATIONAL BANK of
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New England business, send it to us. With ten offices covering the city and direct collection facilities throughout this section, we afford quickest and best service. Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

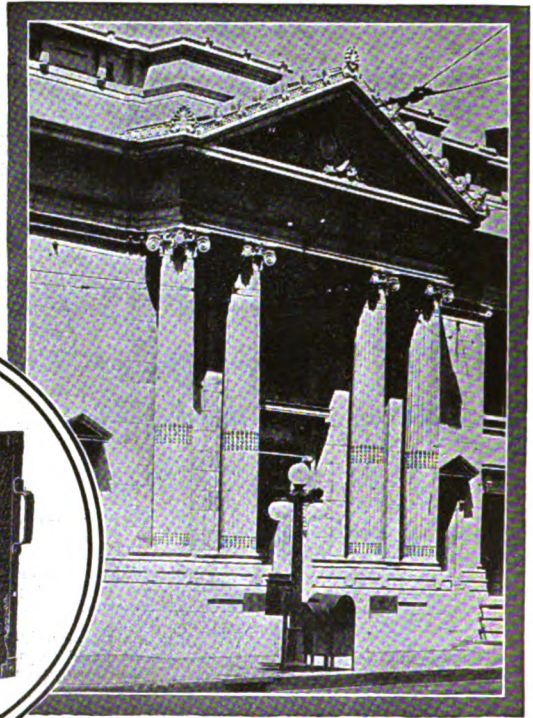
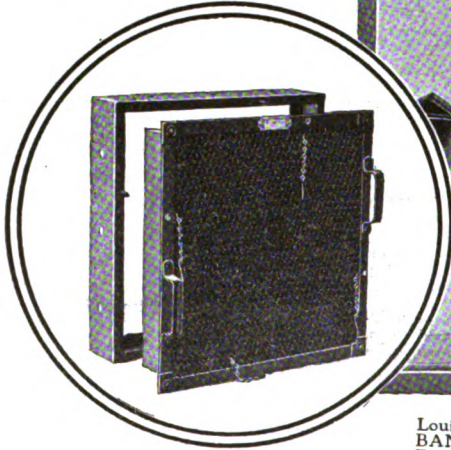
Other quick assets: (describe fully) .....	.....
Total quick assets: (excluding all investments) .....	.....
Securities:	
Securities readily marketable and salable without impairing the business.....	.....
Notes given by officers, stockholders, or employees .....	.....
Accounts due from officers, stockholders, or employees .....	.....
Total current assets .....	.....
Fixed assets:	
Land used for plant .....	.....
Buildings used for plant .....	.....
Machinery .....	.....
Tools and plant equipment .....	.....
Patterns and drawings .....	.....
Office furniture and fixtures .....	.....
Other fixed assets, if any (describe fully) .....	.....
Less:	
Reserve for depreciation .....	.....
Total fixed assets .....	.....
Deferred charges:	
Prepaid expenses, interest, insurance, taxes, etc. ....	.....
Other assets .....	.....
Total assets .....	.....

LIABILITIES

Bills, notes, and accounts payable:	
Unsecured bills and notes—	
Acceptances made for merchandise or raw material purchased.....	.....
Notes given for merchandise or raw material purchased.....	.....
Notes given to banks for money borrowed.....	.....
Notes sold through brokers .....	.....
Notes given for machinery, additions to plants, etc. ....	.....
Notes due to stockholders, officers, or employees .....	.....
Unsecured accounts:	
Accounts payable for purchases (not yet due) .....	.....
Accounts payable for purchases (past due) .....	.....
Accounts payable to stockholders, officers, or employees .....	.....
Secured liabilities:	
Notes receivable discounted or sold with indorsement or guaranty (contra) .....	.....
Customers' accounts discounted or assigned (contra) .....	.....
Obligations secured by liens on inventories .....	.....
Obligations secured by securities deposited as collateral.....	.....
Accrued liabilities (interest, taxes, wages, etc.).....	.....
Other current liabilities (describe fully) .....	.....
Total current liabilities .....	.....
Fixed liabilities:	
Mortgage on plant (due date.....) .....	.....
Mortgage on other real estate (due date.....) .....	.....
Chattel mortgage on machinery or equipment (due date.....).....	.....
Bonded debt (due date) .....	.....
Other fixed liabilities: (describe fully) .....	.....
Total current and fixed liabilities .....	.....
Net Worth:	
If a corporation—	
(a) Preferred stock (less stock in treasury) .....	.....
(b) Common stock (less stock in treasury) .....	.....
(c) Surplus and undivided profits .....	.....
Less:	
(d) Book value of good-will .....	.....
(e) Deficit .....	.....
If an individual or partnership—	
(a) Capital .....	.....
(b) Undistributed profits .....	.....
Total Liabilities .....	.....

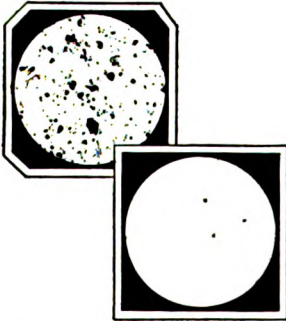
REED AIR IS CLEAN AIR

Below: A Reed Air Filter Unit. Each unit is a complete filter with a capacity of 800 C. F. M. Installations consist of as many units as needed to filter the volume of air required for ventilation. (*REED AIR FILTERS—Patents, May 16, 1922, Feb. 12, 1924, Nov. 18, 1924. Other patents pending.*)



Louisville Branch of FEDERAL RESERVE BANK. D. X. Murphy & Brother, Architects; F. A. Clegg & Company, Ventilation Contractors.

FEDERAL RESERVE BANKS Use Reed Air Filters, Too



The illustration above was made from microscopic photographs of ordinary city air before and after cleaning with Reed Air Filters. Reed Filters remove 97% of all dust, soot and bacteria from the air.

Officials of the Federal Reserve Bank, Louisville Branch, are convinced that clean air pays. Since installing their ventilating system equipped with Reed Air Filters a marked freshness and cleanliness of the air are noticeable—particularly in the vaults. Reed Air Filters will pay you, too, by improving health and efficiency of employes and in the preservation of building interiors. *Reed Filters are also to be used in new Omaha Branch, Federal Reserve Bank.*

REED AIR FILTER CO., *Incorporated*
 225 Central Ave., Louisville, Ky. 50 Church St., New York
Offices in Principal Cities

Reed Air
 TRADE MARK
filters ALL METAL



THIS new building of the Riverhead Savings Bank, Riverhead, L. I. is entirely detached, permitting light on four sides through windows of special solid bronze construction. The building is of modified Italian Renaissance design and is faced on all sides with handsome Dover white marble, with a base of Bethel white granite.

HOLMES & WINSLOW

Specialists in Bank Architecture

134 East 44th Street - - - - New York

Cash

This item in the above balance sheet is divided into two items; i. e., cash on hand, representing currency and coin, and cash in bank. It is presumed to represent actual cash available for the use of the business on demand, and where it is subject to notice on account of withdrawal, proper indication should be given. Should the cash be represented by a certificate of deposit, it should be so indicated, and bankers should be assured that the certificate is not pledged. Overdrafts should be set up as current liabilities, and the cash item should not include any I. O. U.'s, drafts for collection, expense slips, etc., but strictly cash available for immediate use.

Notes and Trade Acceptances (Customers')

Under this caption should simply be included notes and acceptances receivable from trade creditors, such notes and acceptances having arisen out of the regular sale of merchandise in the usual course of business. The account should not include any amounts due from officers, directors, or

in connection with accommodation extended to any individual, firm or company. Any sales to subsidiary or affiliated companies, even though sales of regular merchandise, should not be included under this heading but should be properly indicated on the balance sheet. It is presumed that all notes and trade acceptances included under this heading are short term obligations, maturing within a year, and therefore, rightfully due to be classified as current assets. No notes or trade acceptances which have been pledged or discounted should be included therein. In connection with this item, it is always well for the banker to receive a classification of the receivables as to their age and maturity, and it is presumed that all should represent notes and trade acceptances given in strict conformity with the original terms of sale, unless otherwise indicated. It will be noted in the form that separation is made between notes receivable not past due and notes receivable past due. While this division is naturally most interesting, it does not always follow that all past notes should be charged off to bad debts. However, in a number of cases, it is probably

THE FARMERS' LOAN AND TRUST COMPANY

22 WILLIAM STREET

FIFTH AVE. OFFICE, *Temporarily at 9-11 E. 38th ST., 16 E. 39th ST.*
MADISON AVE. OFFICE, 901 MADISON AVE. AT 72nd ST.

LONDON

15 Cockspur Street, S. W. 1

PARIS

70 Rue des Petits Champs

FOREIGN DEPARTMENT

Issues Travellers' Letters of Credit payable throughout the world. Commercial Letters of Credit for Importations and Exportations of Merchandise.

*Buys and Sells Bills of Exchange
Cable Transfers to all Countries*

THROUGH its office in London, working in close touch with correspondents all over Europe, The Farmers' Loan and Trust Company is in position to be of exceptional service to banks in the transaction of foreign business for themselves or their customers.

In Paris, The Farmers' Loan and Trust Company maintains a representative who can receive your clients' mail and cables and give personal attention to your banking interests through our Paris correspondent, the Banque de Paris et des Pays-Bas.

Modern Banks with Modern Vaults



The First National Bank, Blairsville, Pa.



The Essex County Trust Co., East Orange, N. J.

DENNISON and HIRONS, Architects

IN banks designed by the country's foremost bank architects, the beautiful structures house vaults in which are combined the most formidable methods of protection known. The massive door on vault walls of indifferent strength is not sufficient — walls, floor and roof must be equally as strong as the door. There must be no weak spots.

The Rivet-Grip System of Bank Vault Reinforcement has been proved by the Federal Reserve Tests at Sandy Hook to be the most effective vault protection known to science. It is so flexible of design that it is adapted to the smallest as well as the largest vaults—giving greater protection per dollar of cost than any other type of reinforcement.

Our authoritative handbook on modern bank vault design gladly sent for the asking. Write for it.

The Rivet-Grip Steel Co.,
Representatives in all principal cities
2741 Prospect Ave., Cleveland, Ohio

desirable to receive new notes rather than carry the old in the portfolio. The form above provides a place for any reserve set up for bad debts and also any reserve for discount, freight, allowances, etc. Such provision should be made for all notes and trade acceptances believed doubtful, and due allowance also made for discount and allowances, so that the current amount will be carried net.

Accounts Receivable (Customers')

The above form provides a place for accounts receivable (customers') not past due, and accounts receivable (customers') past due. Although past due, the accounts may not rightfully belong in the category of bad accounts for it may be felt their ultimate payment is secure. It is presumed that these accounts receivable represent strictly amounts due from customers in the usual course of business for merchandise sold, and not in connection with any advances of funds to customers. The form above provides a place for the charging off of bad debts, and also allowances for discounts, freight, etc., and proper provision should be made

here for all accounts where effort has been made to collect and the ultimate collection seems improbable. All accounts receivable owing from companies in bankruptcy should be charged off in accordance with what may appear to be a fair amount, in view of the prospective dividends to be received from the bankrupt.

Merchandise

This item is usually divided into raw material, finished goods, and work in process. It is presumed to be taken and valued in the balance sheet on the basis of cost or market whichever is lower at the time of statement. As regards raw material, this naturally still retains its original cost or its present market value, whichever is lower, while in the case of finished goods and work in process, the item naturally includes not only the actual cost of the raw material but these items of expense incident thereto. However, the inventory should not include any item of profit, for that should be left to be taken into the balance sheet when actual sale of the article is made and it is transferred on the book from merchandise to receivables. All merchandise should be free

"11 RUE SCRIBE"

The best known street number in the world

From all over the world travelers come in person to "*11 Rue Scribe*"; and, finding there what they especially want, never forget the number or the street.

From all over the world letters addressed to these travelers come first to "*11 Rue Scribe*." Cables, messages, packages of all kinds, personal baggage—most of the things that people everywhere desire to have delivered to their friends traveling in Europe—go through "*11 Rue Scribe*."

To Americans abroad "*11 Rue Scribe*" is a mental haven. Whatever their needs, whatever their desires, "*11 Rue Scribe*" knows all about it—where, and when, and how, to the finest detail.

There is a kind of magic atmosphere about the place—an air of something desired about to be realized—for international travelers have long been giving out the impression that "*11 Rue Scribe*" can "fix" or "do" anything for anybody.

The business of "*11 Rue Scribe*" is Endless Service. It's a very busy business; for everybody, not altogether at home in Europe, wants something; but the service is given with such authority, such courtesy and dispatch, that it all seems more or less of a pleasant game.

As many as 4,000 people a day come here to ask or get something; and seldom, if ever, has one left unsatisfied. 380 employees answer and give.

The American flag flies over the door. Page after page in the human history of American Service was written here in the Summer and Fall of 1914, and every day's work now adds another page—

For "*11 Rue Scribe*" is the great international office of the American Express Company in Paris.

In London, Rome, Cairo, Calcutta, Hongkong, and all other cosmopolitan cities all the way around the world, international offices of the American Express Company, similar to "*11 Rue Scribe*," render a similar service.

American Express Co.
65 Broadway, New York

OFFICES IN ALL THE PRINCIPAL CITIES

and clear of all liens and entirely unpledged in every respect. Great care should be taken to determine salability, marketability and the newness of the merchandise included in the inventory. All slow moving merchandise should be properly pointed out, and all obsolete merchandise should be "junked."

A great deal of trouble can occur in connection with improper inventory in the balance sheet. The banker should fully satisfy himself in all respects as to its goodness, basis of valuation, etc., so that he can feel assured that it represents real value for the amount stated.

(The remainder of the balance sheet items will be taken up in the next article.)

Questions and answers on bank credit problems follow as usual and will continue each month.

QUESTION: In looking over the balance sheet of a company, I notice that the fixed assets remain practically unchanged from one year to the other, that net worth shows a reduction of about \$20,000., but that the net working capital shows an increase during the same period of about \$40,000. How would you account for this substantial increase in working capital?—J. L. M.

ANSWER: Working capital may be increased in several cases; i. e., new money, profits, decrease in slow assets due to their liquidation and the transfer of funds to current assets. In the above, you mention that the company shows a decrease in its net worth, and it is, therefore, natural to assume that the working capital increase is not due to any new money or profits. You also mention that the fixed assets remain practically unchanged, and it is, therefore, right to assume that no funds were received from this source to contribute to working capital. You do not make any

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
500 Fifth Avenue
New York

Booklet on Planning & Equippping of Banks will be sent on request



mention as to whether there has been any increase in the fixed indebtedness of the company, which would naturally contribute to the net working capital. However, if there is no increase from this source, it would appear that there was a write-up in one of the current asset items, probably merchandise, or full indebtedness was not shown. It would be very interesting to receive complete profit and loss figures for a period of two or three years, to compare the company's purchases, sales, cost of doing business, etc., for each year, and to also apply the gross profit test.

Employees of Pittsburgh Bank Stage Successful Musical Comedy

THE Pennsylvania Trust Club, an organization comprising the employees of the Pennsylvania Trust Company of Pittsburgh, recently produced "Auntie, Be Good!" a musical comedy in two acts at the Carnegie Music Hall in that city. The plan was a novel and heretofore untried method in Pittsburgh of affording entertainment to the bank's customers and

their opinion that it was the best amateur show they had ever seen. The Pittsburgh Sun commented as follows: "Although classed as an amateur production, the play had a professional flavor. It had a plot which centered around the kittenish activities of an aunt who insisted on following the lead of the frivolous younger set. It had a bevy of chorus girls who surpassed



Principals of the cast of "Auntie, Be Good!" staged by the employees of the Pennsylvania Trust Company of Pittsburgh

friends, yet one which proved highly successful.

About forty people appeared on the stage and practically every employee of the bank took part in the production. No admission was charged, applications being filed for tickets as they were received. The performers played to packed houses both nights and it was regretted that the Carnegie Music Hall could not be secured for additional performances.

The show was a complete success from every point of view, and all those who attended were well pleased. Many expressed

in beauty and dancing ability many regular entertainers who come to local theaters. Gay costumes, arranged by Mary Cronin, lent the proper colorful atmosphere." One of the best known local critics said of the production: "Indeed, the whole performance was far above the average amateur show and if comparisons were not odious, I might mention some which perhaps would surprise you. There was evidence all along the line of painstaking hard work—I was particularly attracted by the amount of native talent the bank seems to have."

But perhaps the greatest benefit derived



The Service Song ensemble of the Cabaret Scene in the show "Aunty, Be Good!" staged by the employees of the Pennsylvania Trust Company of Pittsburgh

from the work was the helpful effect it had on the bank's own employees, all of whom entered so enthusiastically and conscientiously into the work of rehearsals and preparations, that they all regret now that their show is over. It is to them that the entire credit for the production's success goes. They entered into the spirit of the

play to a wonderful extent, and, thoroughly enjoying the rehearsals, attended them regularly and promptly.

F. LeMoynes Page directed the show, C. F. Steen was in charge of the coaching, Mary Cronin the costumes, Dorothy McKay, the properties, F. E. Clinton was stage manager and Paul Yeager had the tickets and seating.



AS soon as we definitely convince ourselves that business is a form of public service and that the community is as much entitled to the results of experience and investigation in the field of business administration as it is in the realms of science, we shall have a new public regard for business activity and a notable strengthening in the business structure now too subject to the devastations of ignorance of progress in what is less an art than science.—*Henry Bruere.*



**St. Louis'
Largest Bank**

Serving more than 2000 banks
throughout the United States.

Make us
YOUR
Correspondent

Write us



Broadway-Locust-Olive

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

CONVENTION DATES

American Bankers Association—at Atlantic City, September 28,-October 1.

Association of Bank Women—at Atlantic City, September 28-October 1.

PROMOTIONS AT GARFIELD NATIONAL

Ruel W. Poor, formerly president of the Garfield National Bank, New York, has



RUEL W. POOR

Recently advanced from president to chairman of the board, Garfield National Bank, New York

been elected chairman of the board, Horace F. Poor has been advanced from vice-president to president, and Edward E. Watts, who has been president of the Fifth National Bank, New York since 1918 was elected first vice-president, and a director.

Horace F. Poor, mentioned in these columns last month as having been elected



HORACE F. POOR

New president of the Garfield National Bank, New York

president of the Uptown Bankers Association, is the son of Edward E. Poor, formerly president of the National Park Bank, New York. He was born in 1878, was graduated from Berkley School, New York, in 1898 and began his banking career the same year

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

as an office boy and runner for the Colonial Trust Company, New York. In 1907 he moved to the Lincoln Trust Company, be-

000 and a surplus of \$1,000,000 to handle fire and theft insurance on cars sold at retail and financed through the General Motors Acceptance Corporation.



EDWARD E. WATTS

Recently elected first vice-president of the Garfield National Bank, New York

came treasurer in 1908, and a vice-president and trust officer in 1912. In 1917 he left the Lincoln Trust to become vice-president of the Garfield National, which he now heads.

GENERAL MOTORS ORGANIZING INSURANCE COMPANY

The General Motors Corporation has decided to organize the General Exchange Insurance Company, with a capital of \$500,-

JOHNSTON GETS LL.D.

Percy H. Johnston, president Chemical National Bank, New York, received the honorary degree of LL.D. from the Uni-



PERCY H. JOHNSTON

President Chemical National Bank, New York, who recently received an LL.D. from the University of Kentucky



*Pride Mark
of a
Real Bank*

Big Enough—to handle any financial transaction, national or regional, in an efficient manner.

Small Enough—to consider every account as deserving our best efforts, knowing that our growth depends on our customers' success.

Old Enough—to apply to your bank-building problems 67 years of practical banking experience.

Young Enough—in spirit to bring the enthusiasm of aggressive officers and a progressive board of business men into action in behalf of our patrons.

Strong Enough—to offer the basis of absolute confidence in our resources of more than \$100,000,000.00.

The National Bank of Commerce
which is affiliated with the Federal Commerce Trust Company
in St. Louis



versity of Kentucky at its annual commencement exercises at Lexington.

BROOKLYN TRUST PROMOTION

Gilbert E. Thirkield, assistant secretary of the Brooklyn Trust Company, New York, since 1916, has been elected a vice-president.

CHELSEA EXCHANGE OPENS BRANCH

The Chelsea Exchange Bank, New York, recently opened a branch at 109th street and Madison avenue, New York.

POWELL TENDERED GOLDEN ANNIVERSARY DINNER

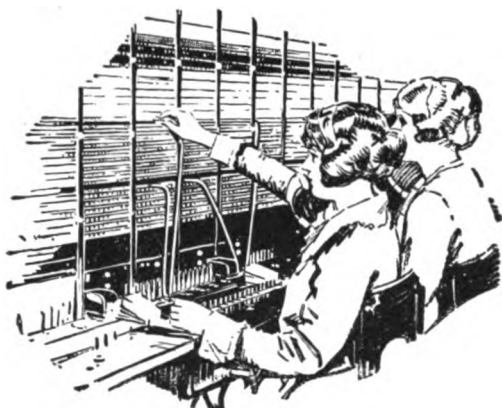
To commemorate the golden anniversary of the banking service of H. H. Powell, vice-president of the Equitable Trust Company, a group of senior officers of the organization recently tendered him a surprise dinner at the University Club.

Mr. Powell began his banking career fifty years ago as a junior clerk in the old Importers and Traders National Bank. In 1893 he became assistant cashier of the Importers and Traders and nine years later was named cashier. As president in 1923,



H. H. POWELL

Vice-president Equitable Trust Company, New York, who recently celebrated the completion of fifty years of banking service



In The Central Offices

THE Bell System—the A. T. & T. and Associated Companies—with its 16,000,000 telephones, requires the use of 6,000 central offices.

More than switchboards alone are needed for their functioning. In the larger offices especially, the visitor sees other equipment of great magnitude and complexity—huge frames which distribute the incoming wires to their switchboard terminals, testing apparatus, power plants, and much more.

Over one-fifth (\$509,000,000) of the Bell System's physical property consists of this operating equipment. Each central office unit is a component part of a nationwide mechanism which each day transmits 46,000,000 telephone calls.

This plant is part of the property underlying Bell System securities.



The dividend rate of the stock of the A. T. & T., parent company of the Bell System, is 9%. This investment stock can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."

BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK



"The People's
Messenger"

Mr. Powell was active in the negotiations incident to the successful merger of his bank with the Equitable. Since then he has been a vice-president of the combination.

The dinner was enlivened by anecdotes and memories of bygone days called to mind by Mr. Powell's associates. Lantern slides were used to portray the struggles of Mr. Powell to get a footing in the banking fraternity and the guest of honor enjoyed the cartoons as much as his hosts.

James A. Goldsmith, a trustee, was the toastmaster, and he turned the meeting over to A. W. Loasby, president, before the evening ended. A. W. Krech, chairman of the board, spoke. Other speakers were James W. Lane, Charles A. Wimpfheimer, E. P. Townsend, H. E. Cooper and J. M. Kirkwood.

EMIGRANT INDUSTRIAL OPENS FIRST BRANCH

The Emigrant Industrial Savings Bank, New York, opened an uptown branch at Forty-third street and Lexington avenue on June 1, the seventy-fifth anniversary of the founding of the bank. Over 1500 new accounts were opened before noon of the first day.

DISTRIBUTION OF OWNERSHIP OF BANKS

The number of stockholders of the large city banks is growing steadily, in spite of the high prices of the stock. National City Bank, New York now has over 8000 stockholders, the National Bank of Commerce in New York has 6400, and the Chase National Bank, New York has 4100.

WOMAN BANKER ATTENDS CONVENTION

Miss Anne Seward of the Empire Trust Company, New York, was the only woman delegate present at the convention of the New York State Bankers Association held in Ithaca, N. Y. June 22-24.

APPOINTMENTS OF FRANKLIN SOCIETY

The Franklin Society for Home Building and Savings, New York, has filled vacancies on its board of directors by the election of Fred M. Feiker, and James H. Collins. Mr. Feiker is the operating vice-president of the Society for Electrical Development, and a director of the Ward Electrical Vehicle Company. Mr. Collins is a well known writer for magazines and newspapers.



An advantageous connection affording close contact with industrial and financial conditions in Buffalo.

Your correspondence is invited

**THE PEOPLES BANK
OF BUFFALO**

U. S. MORTGAGE AND TRUST REDEEMS BONDS

On June 1 the United States Mortgage and Trust Company, New York, retired the total of its outstanding first mortgage trust bonds. These were secured by a pledge of mortgages with a trustee. The company has discontinued issuing mortgage trust bonds, selling instead specific mortgages or mortgage participation certificates.

GEHLE ON ALLIED DEBTS

Frederick W. Gehle, vice-president Mechanics and Metal National Bank, New York, at a recent dinner of the Staten Island, N. Y. Chapter of the American Institute of Banking expressed the opinion that the average American thinks the foreign nations are trying to avoid repayment of their debts to the United States. The situation would be considerably bettered, he said, if some of the foreign nations, particularly France, would frankly acknowledge

MOSLER

BANK & SAFE DEPOSIT

VAULTS

WE are the sole manufacturers
licensed to use DONSTEEL in
Bank Vault construction.

DONSTEEL

is the *ONLY* metal that

1. Cannot be penetrated by
OXY-ACETYLENE TORCHES
2. Cannot be penetrated by
DRILLS s s s
3. Cannot be shattered by
EXPLOSIVES s s

IN A BURGLARIOUS MANNER

THE MOSLER SAFE CO.

375 BROADWAY, NEW YORK, N. Y.

Factories Hamilton, Ohio.

Largest Safe Works in the World



Coming to Buffalo ?

Are any of your customers coming to Buffalo or to Niagara Falls this year? If they are, send them to the Marine Trust Company. We shall be glad to serve them and show them every courtesy on your behalf.

MARINE TRUST COMPANY of Buffalo

*Resources over
One Hundred Sixty Millions of Dollars*

their intention to pay the debts, and then consider means of paying them. In such a case, it is not at all unlikely that the American people would consider reducing the amount, but first some definite move must be made by the debtor.

MURPHEY LEAVES CHATHAM PHENIX

Chauncey H. Murphey has resigned as vice-president of the Chatham Phenix National Bank and Trust Company, New York, and will enter the firm of Davies, Thomas and Company, New York, as a general partner. Mr. Murphey was formerly a vice-president of the United States Mortgage and Trust Company, and later vice-president of the Metropolitan Trust Company which was recently absorbed by the Chatham Phenix National Bank and Trust Company.

BUFFALO OFFICE FOR HALSEY, STUART & CO.

Halsey, Stuart & Co., Inc., investment bankers, have opened an office in Buffalo. It is in charge of L. S. Sproul, who has been

their Buffalo representative, and who will continue to supervise the Buffalo and Binghamton territory.

IRVING BANK-COLUMBIA TRUST COMPANY PROMOTIONS

George S. Mills has been promoted from assistant secretary to assistant vice-president of the Irving Bank-Columbia Trust Company, New York, and Carl A. Miller and Stanley T. Wratten have been elected assistant secretaries.

WESTINGHOUSE EARNINGS

Gross earnings of the Westinghouse Electric & Manufacturing Company for the year ended March 31, 1925 were \$157,880,292, as compared with \$154,413,000 for last year. After deducting cost of sales \$144,242,065, interest charges, etc. of \$2,517,042, and adding other income of \$4,203,179, the net income available for dividends was \$15,324,364. Of this \$9,468,221 was paid out in dividends and \$5,612,606 was carried to surplus.

Guy E. Tripp, chairman of the board an-

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

nounced that the manufacture of certain lines of products had been transferred to Sharon, Pa., South Philadelphia Pa., and other places, from East Pittsburgh. It is planned to retain there mainly the manufacture of heavy electrical machinery. This is following the plan of decentralization decided upon by the company.

WESTCHESTER BANK CELEBRATES 92D ANNIVERSARY

The Westchester County National Bank, Peekskill, N. Y., the oldest bank in the county, and for many years the only financial institution in Westchester, recently celebrated its ninety-second anniversary. General Pierre Van Cortlandt was the first president of the bank. Cornelius A. Pugsley is the present president.

CHANGES IN GENERAL MOTORS ACCEPTANCE BOARD

Inrenee du Pont has resigned as a director of the General Motors Acceptance Corporation, New York, and Alfred P. Sloan, Jr., has been elected to fill the vacancy.

BUFFALO TRUST INCREASES CAPITAL

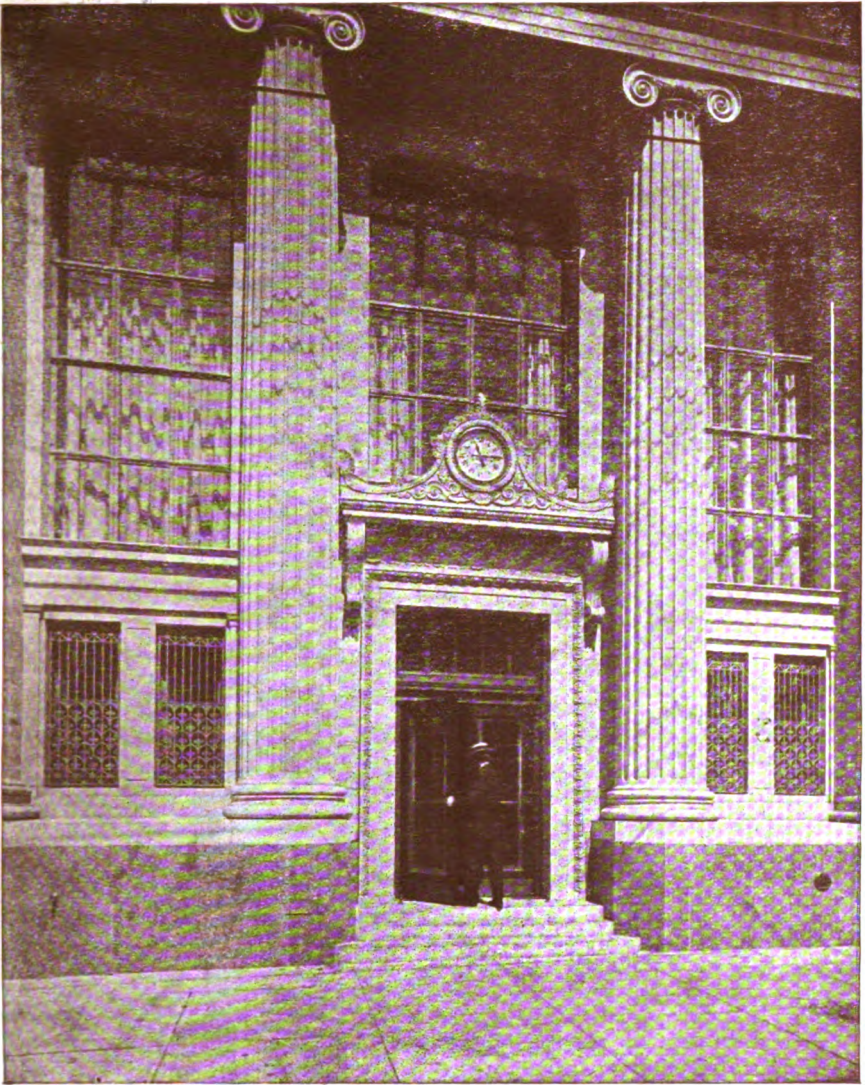
The Buffalo Trust Company, Buffalo, New York, will increase its capital from \$2,000,000 to \$2,500,000 through the issuance of 5000 shares of new stock, which will be offered to present stockholders at \$250 a share. Each present stockholder will have the right to purchase one share of the new stock for each four shares of the old stock held. This increase will give the company a combined capital and surplus of \$5,000,000.

The company has applied to the state banking department for permission to establish a branch at Seneca and Stevenson streets, Buffalo.

METROPOLITAN LIFE STATEMENT

The annual business statement of the Metropolitan Life Insurance Company, New York, recently issued shows earnings for the year ending December 31, 1924 of \$457,173,167, a gain of \$60,861,502, over 1923. Total assets now amount to \$1,628,174,348.

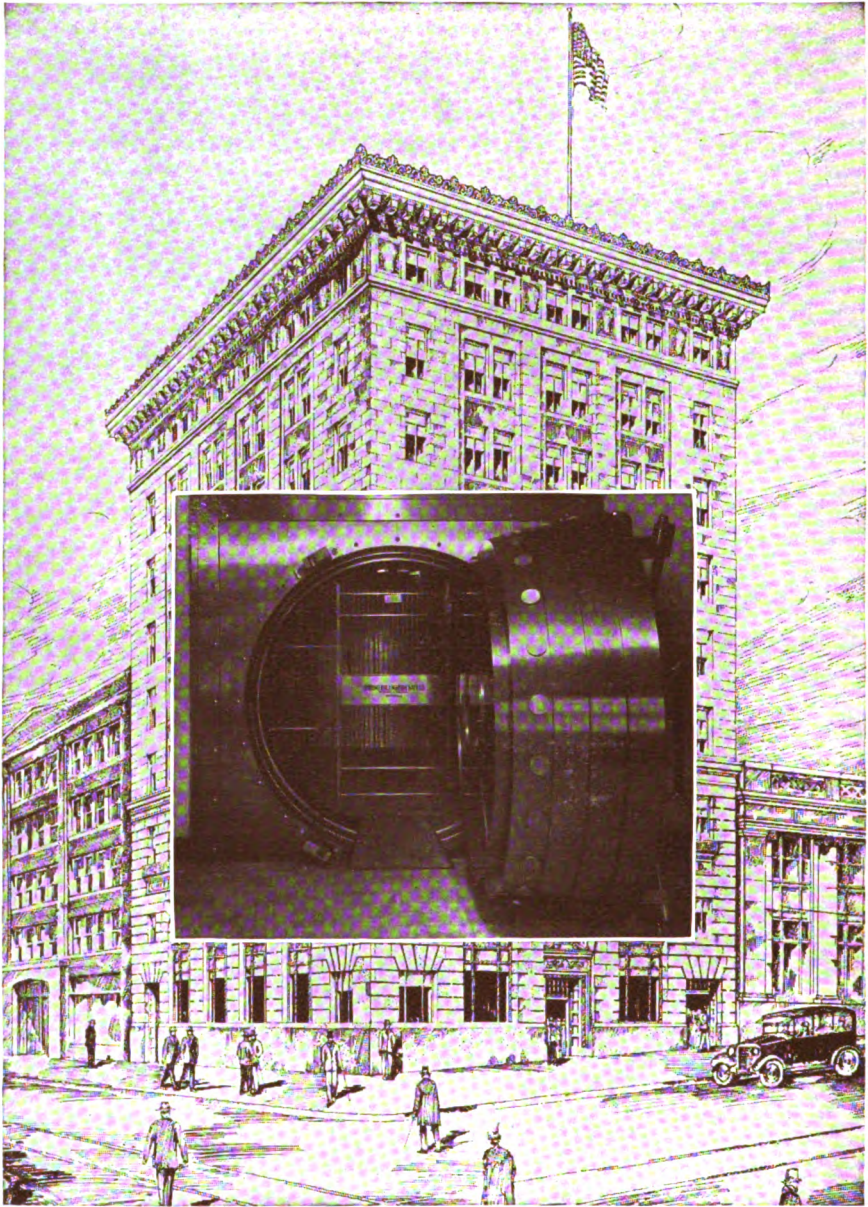
The statement contains a list of the



Entrance to Greenville Banking & Trust Co., Jersey City, N. J.

IF the first impression given by a bank is pleasing and inviting the banker has gone a long way toward accomplishing what he desired to achieve when he decided to erect a new building.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
660 FIFTH AVENUE, NEW YORK



New building of the United States Mortgage Bond Co., Detroit, Mich., designed by Harry S. Angell, Architect of Detroit. All vault work was installed by

Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

Principal Offices: New York, Boston, Chicago, San Francisco, Birmingham, Pittsburgh

Agents in Shanghai, Manila, Tokio, Havana

Cable Address "Fireproof" New York

The Herring-Hall-Marvin Safe Co. for nearly a century, has built and will always continue to build the same undeviating quality into its product.

Electrical Refrigeration

The opportunities in this rapidly growing industry, with special relation to

Kelvinator Corporation

are discussed in a pamphlet report which we will send to investors upon written application.

NOYES & JACKSON

Members New York Stock Exchange

42 Broadway
New York

208 So. LaSalle St.
Chicago

stocks and bonds owned by the company on December 31, 1924.

SYNDICATE TO FINANCE COTTON MARKETING

The Seaboard National Bank, New York, has almost completed the formation of a nation-wide group of banks to finance the marketing of cotton through a revolving fund, in the same manner as last year. The banks who will participate are located in New York, Chicago, Denver, San Francisco and other cities in the East and South. The credits will be extended to the cotton growers through co-operative marketing organizations, of which the Texas Farm Bureau Cotton Association will be the head, in the form of bank acceptances drawn against the members of the banking group and secured by documents of title for cotton.

BANKERS GOING TO EUROPE

E. C. Swenson, chairman of the board National City Bank, New York; James H. Perkins, president Farmers' Loan and Trust Company, New York; John S. Daly, vice-president and comptroller Emigrant Indus-

trial Savings Bank, New York; F. C. Wagner, president Discount Corporation of New York; Frank Hilton, vice-president Bank of the Manhattan Company, New York; James Heckscher, vice-president of the Irving Bank-Columbia Trust Company, New York; Raffaele Prisco, president of the Prisco State Bank; and Paul M. Warburg, chairman of the board International Accep-

NEW YORK CORPORATION LAWS Including Amendments, 1925

Contents

Full Text of the Business Corporations Law General Corporation Law, Stock Corporation Law, Sections of the Tax Law Applicable Thereto, Stock Transfer Tax Act, Uniform Stock Transfer Act, Blue Sky Laws, Articles of general application of the Membership Corporations Law, Legal Recording and Filing Fees, A Synoptic Analysis and Complete Index.

PRICE \$2.00

United States Corporation Company

150 Broadway, New York
Telephone Rector 4460

About the Japan Advertiser

The Only American Daily in Japan



- It has the largest circulation of any English language daily in the Far East.**
- It has more than double the combined paid circulation of all the other English language dailies in Japan.**
- It has its own exclusive correspondents at all important centers in the Far East.**
- It has its own direct cable news service from the United States and Europe, and also receives every reliable news service available in the Far East.**
- It carries the largest volume of paid advertising of any daily, vernacular or foreign, in Japan.**
- It is read by the most influential people in Japan, Korea, North China and Siberia.**
- It is edited and published by B. W. Fleisher, who also publishes The Trans-Pacific Weekly.**

American Office
342 Madison Avenue
New York
JOSEPH P. BARRY, General Manager

“Trust Companies of the United States”

23rd Annual Edition

All trust companies will shortly receive our requests for statements and other data to be published in the 1925 edition of “Trust Companies of the United States.”

Prompt compliance on the part of executives will facilitate the distribution of the book to the trust companies and will be deeply appreciated by us.

UNITED STATES MORTGAGE & TRUST COMPANY

55 Cedar Street, New York

tance Bank, New York have recently sailed for Europe.

THIRD BRANCH FOR NATIONAL CITY

The National City Bank, New York, recently opened its third local branch, at Ninety-sixth street and Broadway, New York.

MULHAUSEN'S LOYALTY REWARDED

Charles W. Mulhausen who has been with the Central Savings Bank of Manhattan, New York for fifty years, was promoted on the anniversary of the fiftieth year of service from the position of comptroller to vice-president. The promotion was announced at a gathering of the employees, when Mr. Mulhausen was presented with a grandfather's clock and an engrossed testimonial to his faithfulness and loyalty to the bank. He was 71 years old on June 21.

BANK CHANGES NAME

The Bank of Nassau County, Great Neck Station, New York, has applied to the state

banking department for ratification of the change of its name to the Great Neck Trust Company.

TELEPHOTO NOW USED BY BANKS

The Bank of the Manhattan Company, New York, the Irving Bank-Columbia Trust Company, New York, and the Federal Reserve Bank of New York are experimenting in transmitting photographs of checks by telegraph. Such telegraphing of photos of checks has already been very successful between New York and Chicago. The actual transmission covers about seven minutes, but the photographic work necessary thereto makes the operation cover about an hour and a half.

In the checks so far transmitted, the signatures have come out very distinctly, as well as figures and all other marks on the paper.

AGNES REPLIER ON BANKS AND BANKING

The May number of the *Corn Exchange* monthly publication of the Corn Exchange National Bank of Philadelphia, includes sev-



A view of the interior of the new branch of the U. S. Mortgage and Trust Co., New York, recently opened at Lexington avenue and Forty-seventh street, and noted in these columns in May

eral articles of unusual interest. Prominent among these is "Banks and Banking" by Agnes Repplier, one of America's most accomplished essayists. Miss Repplier traces, in most readable fashion the development of banks and banking through the past generation up to the present. She recalls the incident from the old melodrama "Cheer! Boys, Cheer!" where the rich Australian lady determined: "To withdraw her account from the Bank of England because it was so dirty. She argued that an institution which would not clean itself up was no fit place for a woman's money; whereas the English felt that dinginess was the hallmark of conservatism. Every inch of grime on the face of a national bank was an added guarantee of security.

"This is a familiar note in the literature of England. When Trollope wants to emphasize the authority of a very learned counsel, like Mr. Dover in 'The Eustace Diamonds,' he takes pains to lodge him in dim and dusty chambers. When Dickens wants to satirize the gullibility of the British

public he paints in fantastic phrases the splendors which deceive them. The massive marbles and shimmering plate glass of the Anglo-Bengalee Loan and Life Insurance Company in 'Martin Chuzzlewit' stand for bankruptcy. The very clock and coal scuttles, the lettering of the circulars, and the buttons on the porters' waistcoats shriek their warnings to the wise."

NEW HEAD OF CENTRAL TRUST, HARRISBURG

William M. Donaldson has resigned as president of the Central Trust Company, Harrisburg, Pa., and John F. Dapp has been elected to succeed him. H. O. Miller was elected vice-president, to succeed Mr. Dapp.

BOOKLET ON ELECTRICAL REFRIGERATION

Noyes and Jackson, New York, have published an interesting booklet on the opportunities for investment offered by the

rapidly growing electrical refrigeration industry, with special reference to the Kelvinator Corporation.

**SAFE DEPOSIT ASSOCIATION
CONVENTION**

At the recent convention of the National Safe Deposit Association, held in Atlantic City, Miss Marjorie E. Schoeffel, of the Plainfield Trust Company, Plainfield, N. J., urged widespread and consistent advertising through human interest stories to teach the public the value of safe deposit boxes. H. T. Magruder of New York City discussed the unjustness of the present inheritance tax laws. An advisory council of the association was formed to consolidate the various state associations.

COUSE RETURNS FROM EUROPE

William J. Couse, president of the Asbury Park Trust Company, Asbury Park, N. J., has returned from a trip through Scotland, England, France, Switzerland. During his absence, Mr. Couse was elected a member of the executive committee of the New Jersey Bankers Association.



New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island.

**MANUFACTURERS NATIONAL BANK
ISSUES MONTHLY LETTER**

The Manufacturers National Bank, Boston, Mass., has begun the publication of a monthly survey of economic conditions called "Business and Banking." The first issue contains a review of New England business activity, including money and banking, wholesale and retail trade, commodity prices, and employment conditions; a summary of national business conditions; and, on the final page, a letter from the president of the bank, Walter M. Van Sant.

WHIPPLE RESIGNS

Harry W. Whipple, for twelve years president of the New Haven Merchants

***A Specialized
Service***

for Banks and Bankers which is the result of more than sixty years of experience is offered by

**The First National
Bank of Chicago
and the First Trust
and Savings Bank**

Complete facilities are provided for active and inactive accounts, collections, bills of lading, investments and foreign exchange transactions.



FRANK O. WETMORE,
Chairman

MELVIN A. TAYLOR,
President

***Combined Resources
Exceed \$350,000,000***



National Bank of Girard
Girard, Pa.

NOW being erected of Indiana limestone, of strictly fireproof construction, as fine a structure as can be found anywhere.

Equipped with Imported Marble counter, Bronze screen, Mahogany furniture and round door to vault.

Further particulars if you will write us.

Morgan, French & Co., Inc.

Architects and Bank Engineers

19 West 44th Street . New York

Bank, New Haven, Connecticut, has resigned. The directors accepted his resignation with a resolution of regret.

Samuel A. York has been elected president as successor to Mr. Whipple.

PROUTY HEADS BOSTON CASHIERS

At the annual meeting of the Boston National Bank Cashiers' Association, held on June 2, the following officers were elected: president, John E. Prouty, assistant cashier of the Atlantic National Bank; vice-president, Herbert E. Stone, assistant cashier of the Second National Bank; secretary, Ernest H. Moore, assistant vice-president of the National Shawmut Bank; treasurer, Walter M. Kingman, of the Merchants National Bank.

NATIONAL ROCKLAND MOVES

The National Rockland Bank of Roxbury, Mass., has changed its name to the National Rockland Bank of Boston, due to moving its main office from Roxbury street to the State Mutual building on Congress street.

The stockholders have ratified an increase in the capital stock from \$300,000 to \$1,000,000 through the issuance of 7000 shares of stock at \$350 a share. The number of directors has been increased from fifteen to twenty.

Robert G. Rugg, formerly with the National Shawmut Bank, has been elected a vice-president of the National Rockland Bank.

NEW ENGLAND BANKERS CONVENTION

The annual convention of the New England Bankers Association was held at Swampscott, Conn., on June 5 and 6. The several state associations held their annual meetings, and a joint banquet was held with an attendance of several hundred. William E. Knox, president of the American Bankers Association delivered an address on "Effect of Coolidge Economy."

Governor W. P. G. Harding of the Boston Federal Reserve Bank presided at the joint sessions of the convention, and there were addresses by Senator Carter Glass of Virginia, and Director of the National Bureau of the Budget H. M. Lord.

**NEW SAVINGS BANKS ASSOCIATION
OFFICERS**

At the convention of the National Association of Mutual Savings Banks, held at Poland Spring, Me., June 17-19, the following officers were elected: president, E. A. Richards, president East New York Savings Bank, Brooklyn, N. Y.; executive vice-president, Milton W. Harrison, trustee Bowery Savings Bank, New York; vice-president, Harry P. Gifford, vice-president and treasurer Salem Five Cent Savings Bank, Salem, Mass.; executive secretary, F. L. Rimbach, New York; treasurer, John H. Dexter, Society for Savings, Cleveland, O.

**CHAMBERS HEADS CONNECTICUT
BANKERS**

R. E. Chambers, cashier of the Ansonia National Bank, Ansonia, Conn., was elected president of the Connecticut Bankers Association at their recent convention.

HAROLD A. DANNE
ELECTRIC
LIGHT — POWER

41 Park Row, New York, N Y.

Mr. Chambers was born in 1884, in Toms River, New Jersey, and educated in the Dwight Grammar School, New Haven, Conn. He is also a graduate of the American Institute of Banking. He began his banking career with the City Bank of New



R. E. CHAMBERS
Cashier Ansonia National Bank, Ansonia, Conn., recently elected president of the Connecticut Bankers Association

Hare & Chase, Inc.
Automobile Finance
300 Walnut Street
Philadelphia



The name Hare & Chase has
fifty-eight years of business
prestige behind it

Haven, Conn., in 1904 as a junior clerk, advanced steadily to assistant cashier in 1915, when the City Bank became the New Haven Bank, N. B. A. In 1918, he left the New Haven Bank, N. B. A., to become cashier of the Ansonia National Bank, Ansonia, Conn., which position he now holds. He was elected a director this year.

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1863

with

EXPERIENCE — Over fifty-nine
years

STRENGTH — Capital and Surplus
\$4,000,000.00

OFFICERS — Experienced, capable and
well versed on conditions
and credits throught this
territory :

invites your business

JOHN M. MILLER, JR.
President

Resources over \$33,000,000

Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATES

Kentucky—at Louisville, September 15-16.
Investment Bankers Association—at St. Petersburg, Florida, December 2-5.

NEW MORRIS PLAN BANK

The Morris Plan Bank of Washington, D. C., organized with a capital of \$200,000 and surplus of \$50,000, has succeeded the Fidelity Savings Company, which has operated in Washington on the Morris Plan since 1912.

LARGE INCREASE IN FLORIDA CLEARINGS

Some idea of the rapid growth of Florida is gained from the bank clearings for

Miami, which amounted to \$301,331,236 for the first five months of 1925 as compared with \$86,452,110 for the corresponding period of 1924 and \$212,353,780 for the entire twelve months of 1924.

FITZGERALD SUCCEEDS TALBOTT

W. R. Fitzgerald has been elected president of the American National Bank, Danville, Va., to succeed Frank Talbott, who resigned on account of impaired health.

ROANOKE A. I. B. ELECTIONS

The following officers have been elected for the ensuing year for the Roanoke, Va., Chapter of the American Institute of Banking: president, D. P. Hylton of the American National Bank; vice-president, Homer Peck of the Colonial National Bank; secretary, L. M. Peery of the National Exchange Bank; treasurer, E. Airheart of the First National Bank.

WELCH HEADS TEXAS BANKERS

Francis H. Welch, president of the First National Bank, Traylor, Texas, was elected

Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

president of the Texas Bankers Association at the close of the annual convention in Houston. Other officers elected were treasurer, Owens W. Sherill of Georgetown, and secretary, J. W. Philpott, Jr., of Dallas.

The convention next year will be held in Galveston.

NEW PRESIDENT OF ROME BANK

S. H. Smith has been elected president of the Exchange National Bank, Rome, Ga., to succeed the late O. Willingham.

BALTIMORE A. I. B. OFFICERS

New officers of the Baltimore Chapter of the American Institute of Banking recently elected are: president, John H. Horst, assistant treasurer of the Central Savings Bank; vice-president, John R. Crunkleton; secretary, William M. Farley; and treasurer, John W. Backer.

MERCANTILE NATIONAL, DALLAS, ABSORBS COMMERCIAL STATE

The Commercial State Bank of Dallas, Texas, with a capital stock of \$200,000 has been merged into the Mercantile National Bank. The Mercantile National increased its capital stock from \$750,000 to \$1,000,000 to complete the merger. R. L. Thornton is president of the Mercantile National, which was organized only a few years ago, and has had a very rapid growth, from an original capital of \$50,000.

DALLAS RESERVE BANK OFFICERS

Lynn P. Talley, formerly Federal Reserve Agent at Dallas, has been elected governor

of the Dallas Federal Reserve Bank, to succeed B. A. McKinney. Mr. McKinney resigned in order to return to the American Exchange National Bank, Dallas.

R. B. Coleman has been promoted from cashier to deputy governor, to succeed Val J. Grund, who recently resigned to become vice-president of the Citizens Banks, Los Angeles, Calif.

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djörup & McArdle**

42 Broadway, New York

Middle States

Comprising Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa and Missouri.

CONVENTION DATES

American Institute of Banking—at Kansas City, Mo., July 14-17.

National Association of Superintendents of State Banks—at St. Paul, Minn., July 21-23.

Indiana—at West Baden, Sept. 16-17.

Financial Advertisers' Association—at Columbus, O., October 14-16.

O'LEARY HEADS CHAMBER OF COMMERCE

John W. O'Leary, vice-president of the Chicago Trust Company was recently elected president of the United States Chamber of Commerce for the ensuing year. Mr. O'Leary was born in Chicago in 1875, educated in the Chicago public schools, Armour Institute of Technology and Cornell Univer-



© HARRIS & EWING

JOHN W. O'LEARY

Vice-president Chicago Trust Company, recently elected president of the U. S. Chamber of Commerce

sity. He began his business career in 1899 as a mechanical engineer with Arthur J. O'Leary, which later became Arthur J. O'Leary & Son Co., with Mr. O'Leary as president. He has been a vice-president of the Chicago Trust Company since 1919. One of his first duties in the new office will be to attend the meeting of the International Chamber of Commerce in Brussels.

OHIO BANKERS ASSOCIATION OFFICERS

At the annual convention of the Ohio Bankers Association held in Columbus, Ohio, recently the following officers were elected:



W. R. GREEN

Vice-president Guardian Trust Company, Cleveland, O., recently elected president of the Ohio Bankers Association

president, W. R. Green, vice-president of the Guardian Trust Company, Cleveland; vice-president, W. A. Ackerman cashier of the Knox County National Bank, Mt. Vernon; treasurer, H. M. Davies, vice-president and cashier of the Commercial Bank, Delphos.

NEW OFFICERS DETROIT A. I. B.

The following officers of the Detroit Chapter of the American Institute of Banking

"Cooked" Air

"Cooked" air is the term used by scientists for the devitalized product of ventilating systems of the usual type.

The Smithsonian Institution at Washington, the Government Scientific Bureau, has stated that one-third the deaths in the United States are caused by respiratory diseases due to bad heating and ventilation; or, in other words, due to "cooked" air in one form or another.

Nevertheless, "cooked" air is the fashion; monumental buildings are evidently not considered in good taste unless the air in them is thoroughly devitalized, and even the humble home has its pipeless furnace.

By the Gerdes Method of Ventilation healthful and invigorating *unheated* fresh air is diffused without causing draft or chill. The cost of a Gerdes System or of an Electric Window Ventilator is repaid many times in increased efficiency and better health.

Results are unequivocally guaranteed. Reports and proposals made without obligation or charge. Booklet containing references of the highest character sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

GERDES
METHOD

have been elected for the ensuing year: president, Cecil Hunt, Detroit Savings Bank; vice-president, Samuel Rubiner, First National Company; secretary, George Cilley, Dime Savings Bank; treasurer, Earl Failor, Peoples State Bank.

NEW FEDERAL RESERVE BANK BUILDING IN ST. LOUIS

On June 18, its tenth anniversary, the Federal Reserve Bank of St. Louis formally opened its new building. The guests of honor included D. R. Crissinger, governor of the Federal Reserve Board; John Perrin, chairman of the Federal Reserve Bank of San Francisco; and William A. Heath, chairman of the Federal Reserve Bank of Chicago. Over 300 bankers attended the ceremonies. The program consisted of an informal reception and trip through the building, a boat trip on the steamer J. S., and a horse show and military exhibition at Jefferson Barracks.

John G. Lonsdale, president of the National Bank of Commerce in St. Louis, was chairman of the special committee in charge of the arrangements. The committee also included R. S. Hawes, vice-president of the

First National Bank in St. Louis; George W. Wilson, vice-president of the Mercantile Trust Company; J. Sheppard Smith, president of the Mississippi Valley Trust Company; and W. B. Weisenburger, vice-president of the National Bank of Commerce in St. Louis.

ILLINOIS MERCHANTS TRUST NEW DIVISION

The Illinois Merchants Trust Company, Chicago, Ill., has established a government securities division in their bond department. The new division is in charge of J. H. Rumbaugh, who was formerly in charge of the government bond department of the Federal Reserve Bank of Chicago.

NEW PRESIDENT FOR LIBERTY CENTRAL

F. E. Gunter has been elected president of the Liberty Central Trust Company, St. Louis, to succeed W. N. Bemis. Mr. Gunter was born near Europa, Mississippi in 1879, and is a graduate of Millsaps College. He served as vice-president of the Merchants Bank and Trust Company, Jackson, Miss.,

BUILDS Permanent Savings Accounts!
Outcault's CHRISTMAS CLUB

*Gets the largest membership and holds the most
money after maturity*

Let Us Show YOU

OUTCAULT ADVERTISING COMPANY
221 EAST 20th STREET, CHICAGO, ILL.

and as chairman of the board of bank commissioners of Mississippi. In 1918 he became executive vice-president of the Canal-Commercial Trust and Savings Bank of New Orleans, La., the largest bank in the South, and held that position when elected president of the Liberty Central.

DAYTON BANK MERGER

The merger of the Dayton National Bank, Dayton, Ohio, with the City National Bank, gives the City National total resources of over \$19,000,000. The merger was effective July 1 but the actual consolidation will not take place until July 15.

The City National Bank was organized in 1814 under the name of the Dayton Manufacturing Company. In 1831 the name was changed to the Dayton Bank. In 1834, it became a branch of the Ohio State Bank, and in 1865 it became the Dayton National Bank under the national bank act. The

name was changed again in 1883 to the City National Bank, as it now stands.

WATTS RETURNS FROM EUROPE

F. O. Watts, president of the First National Bank in St. Louis has recently returned from a trip to Europe, where he visited France, Palestine, and Egypt.

CHICAGO A. I. B. ELECTIONS

The Chicago Chapter of the American Institution of Banking has elected the following officers, to serve for the coming year: president, William B. Applegate of the Illinois Merchants Trust Company; vice-president, Frank R. Surda of the Pioneer Trust and Savings Bank; and treasurer, William H. A. Johnson of the Continental and Commercial Trust and Savings Bank.

NEW OFFICE FOR UNION TRUST

On July 1, the Union Trust Company, Cleveland, opened its eleventh office, at Euclid avenue and Taylor road. W. L. Armstrong, who has been with the Union Trust Company since 1902, has been promoted from the real estate loan department to assistant treasurer in charge of the new office.

COMMUNITY TRUST IN CLEVELAND

The Cleveland Welfare Federation has petitioned the Cleveland Trust Company to amend the constitution of the Cleveland Foundation, so as to permit the participation of other banks and trust companies of trustees. The Cleveland Trust Company created the Cleveland Foundation, which was the first of the community trusts, in 1914, and has since been its sole trustee. The

Bank of Charleston

National Banking Association

Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . \$1,500,000.00
Resources . . . \$12,500,000.00



THE extensive alterations and additions to the interior and exterior of the Bristol Trust Company, Bristol, Conn., have provided this bank with the most modern banking facilities.

The attractive exterior design has been carried out in white marble while the interior combines that expression of welcome and refinement necessary for a banking home.

The Griswold Building Company, Inc.

*SPECIALISTS IN
Designing—Building—Equipping
BANKS*

101 Park Avenue, New York, N. Y.

idea of multiple trustees for a community trust is a fairly recent development.

DEFICIT IN MISSISSIPPI GUARANTY FUND

A recent statement issued by the superintendent of banks of Mississippi shows an apparent deficit in the deposit guaranty fund of \$1,337,623. F. T. Ransom, president of the First National Bank of Greenwood, Miss., cites this as an example of the effect of placing a premium on unsound banking, as is done when a guarantee of bank deposits is established.

FOREMAN BANK BUYS SITE FOR FUTURE HOME

The Foreman National Bank has purchased the fourteen-story Chamber of Commerce building at the southeast corner of Washington and La Salle streets as the site of its future home.

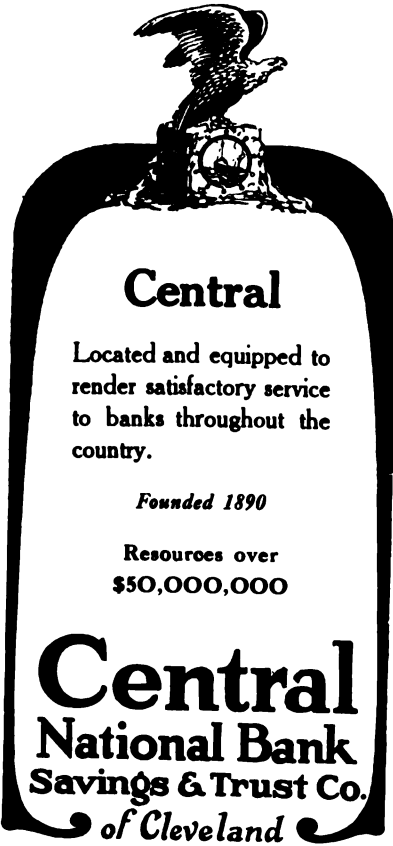
Although the consideration is not dis-

closed, the property was recently on the market at a price of \$3,500,000.

The purchase is an index of the remarkable development of the Foreman banks to a combined capital, surplus and undivided profits in excess of \$10,000,000 and deposits over \$75,000,000 which have been acquired without consolidations.

"We feel," said Oscar G. Foreman, chairman of the board of the Foreman banks, "That because our institution is making such rapid strides and because it is constantly becoming more difficult to obtain a suitable banking location, we could no longer postpone the selection of a site to which we could move, or upon which we could erect a structure for our purposes, should it become necessary.

"However, in all likelihood, we will remain where we are as long as it is feasible. Our purchase is really made solely as an insurance policy, so to speak, to protect ourselves against an impossible situation, should we be compelled to vacate our present quarters. It is our purpose to continue to rent the space in the Chamber of Commerce McLaughlin and Oscar G. Mayer, in addi-



Central

Located and equipped to
render satisfactory service
to banks throughout the
country.

Founded 1890

Resources over
\$50,000,000

**Central
National Bank
Savings & Trust Co.
of Cleveland**

building to the tenants now in possession, just as has been done by the former owners."

Gerhard Foreman founded the business now conducted by the Foreman Banks over sixty years ago and in 1885 turned over the business to his sons. In 1897 a state bank named the Foreman Brothers Banking Company was incorporated with the late Edwin G. Foreman as president. Deposits were less than one million dollars. In 1923, the Foreman National Bank and the Foreman Trust and Savings Bank were formed to increase the bank's facilities and broaden the scope of work.

Among the bank's directors are many of Chicago's most prominent citizens: William H. Finley, Albert D. Lasker, William C. Cummings, Delos W. Cooke, John Hertz, Charles A. McCulloch, Emil Seip, Joseph W. Cremin, John R. Thompson, Jr., Samuel Phillipson, L. B. Patterson, George D.

tion to Oscar G. Foreman, Harold E. Foreman, George N. Neise, Alfred Foreman, Gerhard Foreman, and Edwin G. Foreman, Jr., who are active in the conduct of the bank's affairs. The stock of the Foreman banks is owned by more than 850 persons. The personnel of the bank consists of thirty-

Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona and Alaska.

CONVENTION DATES

Montana—at Glacier Park, July 11-13.

New Mexico—at Las Cruces, September 21-22.

DEPOSIT GUARANTY PLAN IN NEBRASKA

Thirty-three state banks are now being operated by the Nebraska state guaranty fund commission, and the commission plans to take over twenty-five more.

HUNTOON PRESIDENT CALIFORNIA BANKERS ASSOCIATION

Joseph E. Huntoon, president of the Peoples Bank, Sacramento, Calif., was elected president of the California Bankers Association at its recent convention at Santa Barbara.

LOS ANGELES A. I. B. ELECTION

The Los Angeles Chapter of the American Institute of Banking has elected the follow-

STEEL-STRONG
COIN COUNTING MACHINES
COIN WRAPPERS AND BILL STRAPS

USED FROM COAST TO COAST
 ASK YOUR STATIONER OR WRITE US
THE C. L. DOWNEY CO.
 943 CLARK ST. CINCINNATI, O.

ing officers to serve during the ensuing year: president, C. L. Hogan of the Farmers and Merchants National Bank, Los Angeles; vice-president, D. M. Tussing; and second vice-president, R. L. Odhner.

**INDEPENDENT BANKERS ELECT
SEGERSTROM**

Charles H. Segerstrom, cashier of the First National Bank, Sonora, Calif., has been elected president of the California League of Independent Bankers, which was originally organized to oppose branch banking.

**TWO NEW BRANCHES FOR
BANK OF ITALY**

The Bank of Italy, San Francisco, Cal., has purchased control of the First National Bank and the Central Savings Bank, both of Lodi, Cal.

GRUND JOINS CITIZENS BANKS

Val J. Grund, formerly deputy governor of the Federal Reserve Bank of Dallas, Tex., has been elected vice-president and controller of the Citizens National Bank, Citizens Trust and Savings Bank and the Citizens National Company, Los Angeles, Cal., which have combined resources of over \$110,000,000.

Mr. Grund was born in St. Louis, Mo., and educated in the public schools of that city. He was with the Merchants Laclede National Bank for about thirteen years, when he became chief clerk and examiner for the chief national bank examiner of the eighth district. In 1919 he became a member of the examining staff of the Federal Reserve Board, serving there until elected general auditor of the Federal Reserve Bank of Dallas in January, 1922. In March of the same year, he was promoted to second deputy governor, which position he held until elected vice-president of the Citizens banks.

**LINCOLN TRUST, SPOKANE,
CHANGES HANDS**

The Guarantee and Loan Company, Portland, Ore., has purchased control of the Lincoln Trust Company, Spokane, Wash.

**Use these
tested plans
to increase your
bank's deposits**

BECAUSE we serve over one-third of the banks in America, we have come to act as a clearing house for new ways of increasing deposits. Today we are making it an important part of our service.



It was to help build business that we first offered banks the plan of providing their customers with checks protected against fraud—Super-Safety Bank Checks.

Now to bring banks new business, a nation-wide program reaching 20,000,000 people is appearing in leading national magazines. It is showing in a powerful way how banks help men and women become independent. How a checking account makes money go farther. Why a service charge is justified. How one's bank is his strongest business connection.

Then, so that you may take full advantage of this national campaign in your own community, advertisements have been prepared for you to use in your local newspapers. This advertising is the work of one of the largest advertising organizations in America, whose services would not be available to you in any other way.

These local advertisements have already been tested and proved successful. Now you may use them without charge to increase your business. With them will come tested business building plans which you can also adapt to your own locality. Write now for detailed information.



**BANKERS SUPPLY COMPANY, Division
THE TODD COMPANY**

591 So. State Street, Chicago

Business-Building Merchandise for Banks

**NEW YORK CHICAGO DENVER
ROCHESTER DALLAS**

Canadian Cruises

12 Days
NEW YORK
HALIFAX
QUEBEC



The Palatial Twin Screw S.S. "Fort Hamilton" will make 4 unusually attractive yachting cruises (no freight). Sailing from New York
JULY 11-25
AUGUST 8-22



Stopping One day each way at Halifax. Two days at Quebec.

Sailing through the Northumberland Straits, Gut of Canso, the Saguenay River, thence on to Quebec. Magnificent scenery, smooth water, cool weather. The ship has spacious promenade decks and all deck games, many rooms with bath, finest cuisine, etc. Orchestra for dancing.



No passports required. The round trip occupies 12 days, rate \$150 and up, or one way to Quebec, 5 days, \$80 and up.

For illustrated literature address

FURNESS-BERMUDA LINE

34 Whitehall St., N. Y., or any Tourist Agent

business situation. The outlook too, from the Canadian standpoint, is improved by the unsatisfactory reports coming from the wheat growing States. Also it is being pointed out that the wheat surplus is materially smaller than was the case last year at this time, at least in so far as the North American continent is concerned. On the basis of comparative exports it is estimated that Canada's customers are short nearly 70,000,000 bushels in so far as Canadian wheat is concerned compared with a year ago. Agricultural prospects in eastern Canada are also satisfactory.

However, it is evident that the improved position of the farmer, so far, has been reflected in the discharge of obligations rather than in new buying. Both wholesale and retail trade are being conducted on a conservative scale, and only some of the manufacturing industries are benefitting in a substantial way. However, there is a growing conviction that conditions industrially are perhaps closer to normal than those who are looking for a return of the boom times of a few years ago are ready to admit. There can be no doubt but that the agricultural industry is on a sounder basis than for some years, and that is a great fundamental factor.

So far as industrial operations are concerned, most manufacturing plants are somewhat busier than they have been and there is improvement in the employment situation. The index figure, as compiled by the Bureau of Statistics, Ottawa, during May improved to 90.3 per cent. as compared with 87.2 per cent. in April. The change is in keeping with the regular seasonal opening up of outdoor activities but it indicates that conditions are fairly normal. The general state of employment, however, is not at as high a level as it was at this time last year, although the ratio of improvement is greater as compared with winter months. The chief contributors to the May improvement were manufacturing and construction, and some slight expansion took place in transportation and mining. Mining operations are in full swing all over the country and, with the exception that there are bad conditions in the coal fields in Nova Scotia where there has been a serious tie-up through strikes, the mining situation as a whole is quite prosperous. The pulp and paper industry continues active. The lumbering situation is, however, very unsatisfactory and operators report that prices are so low that most contracts are carried out at a loss.

Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince, Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. TYSON

With generally encouraging conditions as regards the 1925 crop outlook, particularly in Western Canada, confidence in the agricultural situation is maintained. There has been an unusual amount of moisture and the wheat crop went in under favorable conditions. Growth is a couple of weeks ahead of last year and has been aided by favorable rains. Acreage shows little change. Of course a number of things may happen to the growing crop and a great deal depends on the level which the fluctuating price finally assumes, but at this stage it looks like a profitable year for the farmer and this is a highly important factor in the

The following are indicators of current Canadian conditions: car loadings this year are showing a decline of something over 3 per cent., which is explained in the fact that grain receipts for the season from August 1924 to May 1925 are down about 35 per cent. on account of the smaller crops; building, as reflected by building permits, is showing an increase of about 10 per cent.; bank clearings are about 10 per cent. higher, despite the mergers which have taken place and which have a tendency to cut into the clearing figures; savings deposits are more than 6 per cent. higher than a year ago; current loans by the banks show a reduction of about 9 per cent.; the net Dominion debt shows a reduction of about 2 per cent. compared with a year ago; as the result of the reduced grain movement and car loadings, earnings of the railroads show considerable reduction; balance of trade for the twelve months ending with April showed a marked improvement being more than 75 per cent. higher than for the year ending with April 1924.

Not only have the unsettled prices in the grain markets shown a tendency to become firmer but commodity values generally are strengthening after the declines of recent months. In this respect the Canadian market is generally a reflection of the situation in the United States. The fact that the price movement in Canada is led by grain and live stock is regarded as a favorable factor. The restoration of the pound sterling to par should help export business in grain and other farm products with England, while at the same time the general improvement in European currencies should facilitate business with those countries desirous of supplementing their own food supplies with Canadian wheat. Another factor for improvement in export business is the re-establishment of the McKenna duties which should mean a resumption of the important export business in automobiles which was being developed when these duties were suspended by the labor government.

The marked improvement in Canada's balance of trade referred to above is in a large degree accounted for in increased exports which, during the last fiscal year, expanded from \$1,045,000,000 to \$1,069,000,000, largely accounted for by farm products. Despite the decline in the grain yield, agriculture and vegetable products exported rose from \$431,000,000 to \$443,000,000, and animal products from \$140,000,000 to \$163,000,000. In fact, farm products increased



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000
Surplus and Profits - 9,000,000

E. F. SHANBACKER
President

The
**FOURTH STREET
NATIONAL BANK**
Philadelphia

ONE BANK COVERS THE LOS ANGELES METROPOLITAN DISTRICT



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest per capita wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

SECURITY TRUST & SAVINGS BANK

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$100,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

by \$35,000,000, while the total net increase was less than \$24,000,000. Imports into Canada during the year dropped by \$96,000,000, being chiefly accounted for by iron and iron products, which declined nearly \$40,000,000. Purchases from the United States declined by about \$90,000,000. From the industrial standpoint, it is being pointed out, however, that the improvement in the balance of trade may not be so favorable as it seems at first glance because, owing to industrial conditions in this country, imports of raw materials are being greatly curtailed. Analysis of the figures to distinguish between imports of raw materials and completely and partly manufactured products is difficult, but there has been a considerable cut in imports in the steel industry.

While it is recognized that the return of England to a gold basis will help British purchasers in Canada, there are differences of opinion in financial circles as to whether Canada should return to the gold standard immediately. Sir Vincent Meredith, president of the Bank of Montreal in an interview on his return from Great Britain recently, stated that he is strongly convinced that Canada should await the evolution of the true gold basis, namely, a less unfavorable balance of trade with the United States "or some other at present undisclosed condition which would render it safe and desirable for Canada to take the risk." On the other hand the heads of the Royal Bank, following a careful analysis of the probable consequences of Great Britain's return to the gold standard, take the stand that it would be to Canada's advantage for this country to return to the gold standard, because resumption could be adjusted without any difficulty, since Canadian currency has been close to par for some time.

Sir John Aird, president of the Canadian Bank of Commerce, and president of the Canadian Bankers' Association, in addressing the convention of the Canadian Manufacturers' Association at Hamilton, recently, expressed doubt as to whether it would be advisable to return to the gold standard at an early date. Sir John also took occasion to very strongly endorse the war finance act which was passed in Canada shortly after the outbreak of the war and which is still in effect. Under this act, the bank has had a rediscounting privilege with the Government. Sir John made the point that not only were the Canadian banks able, during the period of the war, to continue to grant industrial and commercial credits without increasing

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department

Standard Bank of Canada
TORONTO

Capital Paid Up - - - - - \$4,823,400
Reserve Fund and Undivided Profits 3,051,110

their rates to any appreciable extent, but also that, as the result of the act, the banks had paid into the Government a total of \$15,000,000, without any cost whatever to the people of Canada. He strongly urged that the war finance act should, in the national interest, be continued.

Just as the chain stores have successfully developed as competitors of the mail order houses, so now individual retailers are combining to lump their buying power in order to compete with the chain stores. One project for co-operative buying embraces 500 Quebec and Ontario grocery stores. Already there is one organization of retail grocery establishments embracing 192 stores. The retail druggists already have a strong organization, and the movement is being actively taken up in the hardware field. The department stores have formed an organization called the Associated Department Stores of Canada, which is expected to embrace some fifty stores; the smaller department stores are already organized for buying purposes and the new organization is on an extended scale.

NO STAMP TAX ON SMALL CHECKS

Amendments to the Special War Revenue Act respecting stamp taxes in effect July 1, provide for a definition of a check which will require the issuer of "wheat tickets" or "cream tickets" or other documents issued by a company to a farmer, negotiable at a bank, to affix on them a stamp. There will be a minimum stamp tax on foreign bills of \$1.00.

Under the amendment, a person can transfer an amount to his credit from one branch to another branch of the same bank. Money orders or travelers' checks issued by "banks or any person" will, under the amendments, be subject to stamp tax. Checks not exceeding \$5 will not require the stamp.

GOVERNMENT AIDS DEPOSITORS

The grant of the Dominion Government of \$5,450,000 for the relief of Home Bank depositors will mean a distribution of approximately 35 per cent. of the total sum involved. Depositors have already received 25 per cent. of the total sum which was advanced by the Canadian Bankers' Association and most of which has been repaid through realization of assets. It is anticipated that from the assets there will be an additional 5 per cent. to 10 per cent. for the shareholders, making a total of 60 per cent. to 65 per cent. total realization.

HOW BANKS SERVE PUBLIC

Referring to the public services rendered by the banks, Sir John Aird, president of the Canadian Bankers' Association, in an interview during his recent visit to Western Canada, said:

"The banks are long-suffering institutions and have not received as much credit as they have deserved for the service they have rendered the country, both in times of peace and in war time. For instance, during the war Canada was the only country in the world which did not raise its interest rate. Man-

ufacturers, retailers, farmers—in fact, the entire commercial population—continued to obtain bank credit at the same rate of interest as had previously obtained. There was no signed agreement on the part of the banks that this should be so, but there was a verbal agreement, and it was rigidly carried out. The raising of the vast war loans was done through and by the aid of the banks, for which they received not even enough to pay their actual expenses. In fact, the entire financial arrangements the Dominion made, the war munitions board and all the various other operations, were carried out through the Canadian bankers and generally speaking, without profit to themselves."

AMALGAMATIONS WILL REDUCE CLEARINGS

The bank debits to individual accounts, as reported to the Canadian Government Bureau of Statistics by the Canadian Bankers' Association, in April, were \$2,229,135,033, which represents an increase of 11.2 per cent. over March and 9.8 per cent. over April, 1924. When adjustment is made for seasonal variation according to experience with bank clearings during the last ten years, the increase over the bank debits of March last would still amount to 5.8 per cent.

The clearings in the thirty clearing house centers of Canada during April were \$1,278,773,239, an increase of 7 per cent. over March and 1 per cent. over the clearings of April, 1924. Bank amalgamations, necessarily restricting inter-bank transactions, have in recent years seriously interfered with the comparability of clearing statistics, there being only twelve chartered banks in April, 1925, as against fifteen in April, 1924.

The amalgamation of the Union Bank with the Royal Bank will reduce the number of Canadian chartered banks to eleven. When the more than 300 branches of the Union Bank are merged with the 500 odd branches of the Royal Bank, a further reduction in bank clearings will occur without any corresponding recession in business activity. In other words, a smaller percent-

age of the total banking transactions in Canada will be inter-bank transactions, which alone are taken account of in bank clearings.

BOGERT BECOMES VICE-PRESIDENT OF DOMINION BANK

Clarence A. Bogert has been elected a vice-president of the Dominion Bank. He was born in 1864 in Napanee, educated at



CLARENCE A. BOGERT

Advanced from general manager to vice-president of the Dominion Bank, Toronto, Ontario

Trinity College School, Port Hope, and began his banking career with the Dominion Bank as a clerk in 1881. Since then his progress has been steady through the offices of assistant inspector, assistant manager, general manager of the Toronto office, manager of the Montreal office, general manager of the Dominion Bank, and finally the vice-presidency.





*One of Chicago's Oldest
and Most Vigorously Growing
Commercial Banks*

Offering its Correspond-
ents Complete Facilities
and Exceptional Service

MADISON
and DEARBORN
STREETS
CHICAGO



CAPITAL
and
SURPLUS
\$6,000,000

Safer loans on Celotex Houses

Your building loans are *safer* when the collateral is a Celotex house.

Because houses built with Celotex Insulating Lumber have definite advantages over those of ordinary construction. Advantages that make them sounder investments.

Celotex saves fuel

The tenant of a Celotex house saves enough money on fuel each year to pay a good share of the interest on several thousand dollars. Celotex, providing heat insulation, saves $1\frac{1}{3}$ the heat generated to warm an ordinary house.

Less depreciation

Celotex reduces depreciation, because it makes houses stronger. Used in the place of wood lumber, as sheathing on walls and roof, and where standard gypsum or wood-fibre plaster is applied directly

to its surface, it makes a wall section much stronger than one built with wood lumber itself. No other insulating material has this great strength.

Ready sale value

You will find, too, that Celotex houses sell easier than ordinary ones—and at a better price.

For home owners are realizing more and more the advantages of heat insulation. No home is modern unless properly insulated. Homes built with Celotex have their future sales value insured and protected.

Ask your architect

Your architect or contractor will tell you more about the advantages of house insulation and how their clients are demanding it. Write for our valuable free booklet on the subject, *The Hidden Comfort of Costly Homes*.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

Branch Sales Offices: (See telephone books for addresses)

Boston	Denver	London (Eng.)	Milwaukee	New York	Portland, Ore.	Seattle
Cleveland	Detroit	Los Angeles	Minneapolis	Philadelphia	Salt Lake City	St. Louis
Dallas	Kansas City	Miami	New Orleans	Pittsburgh	San Francisco	St. Paul

Canadian Representatives: Alexander Murray & Company, Limited
Montreal Toronto Halifax Winnipeg Vancouver

CELOTEX

INSULATING LUMBER

"There is a use for Celotex
in every building"

The Celotex Co., Dept. 827
615 N. Michigan Ave., Chicago, Ill.

Please send your booklet, *The Hidden Comfort of Costly Homes*.

Name.....

Bank.....

City..... State



The recently completed Atlantic National Bank building, Post-Office square, Boston

New Building of Atlantic National Bank of Boston

OF the many recent improvements in the business and financial districts of Boston, none has been more marked than the erection of the imposing building in Post-Office square which houses the Atlantic National Bank, now the fourth banking institution in point of size in Boston. Rising to a height of fourteen stories above the level of the square, the building is most impressive in its design and composition. Besides the main entrance in Post-Office square there are others in Milk street and Liberty square.

From the main lobby of the building there are separate entrances to the trust and transfer department and to the safe deposit department, so that access may be had to these departments when the commercial department is closed. The public space, entered from the lobby, is impressive and stately in its dimensions.

The Banking Rooms

The main banking room rises two stories high and occupies practically the entire Post-Office square length of the building. The floors and walls are carried out in simple and impressive design with base course of imported marble. The ceiling is beautiful in its decorative and ornamental plaster work and presents a dignified and impressive background for the handsome bronze electric chandeliers.

Four beautiful bronze and marble check desks are located in the center of this spacious room and one check desk is located against the wall, thus providing admirably for the needs of the bank's customers.

At the right of the entrance is a spacious marble and bronze stairway leading directly to the safe deposit department below and up to the various floors occupied for banking



Main banking room, Atlantic National Bank, Boston

rooms above. Next beyond is the junior officers' space, opening directly from the main public space, and separated by a low marble railing.

The tellers' spaces fill the sides and extend along the public space to the broad corridor leading to the savings department, statement department, and the foreign department. At the left of the main entrance are the quarters of the bank's senior officers. Separated from the public space by a low rail, these officers are readily available to the bank's customers, with sufficient privacy for the transactions of confidential business, when required.

The Safe Deposit Vault

The Mosler vault, protected by Donsteel, is one of the finest in the country and equipped to resist every possible attack. The coupon rooms are spacious and convenient and in various sizes for the accommodation of individuals, committees, boards of directors, etc. The appointments for the convenience of men and women customers have been carefully studied and nothing has been left unprovided.

The savings and foreign departments, as well as the trust and transfer departments, have all been equipped for the convenient

and efficient handling of business and the bookkeeping department has all the newest devices for rapid and accurate work.

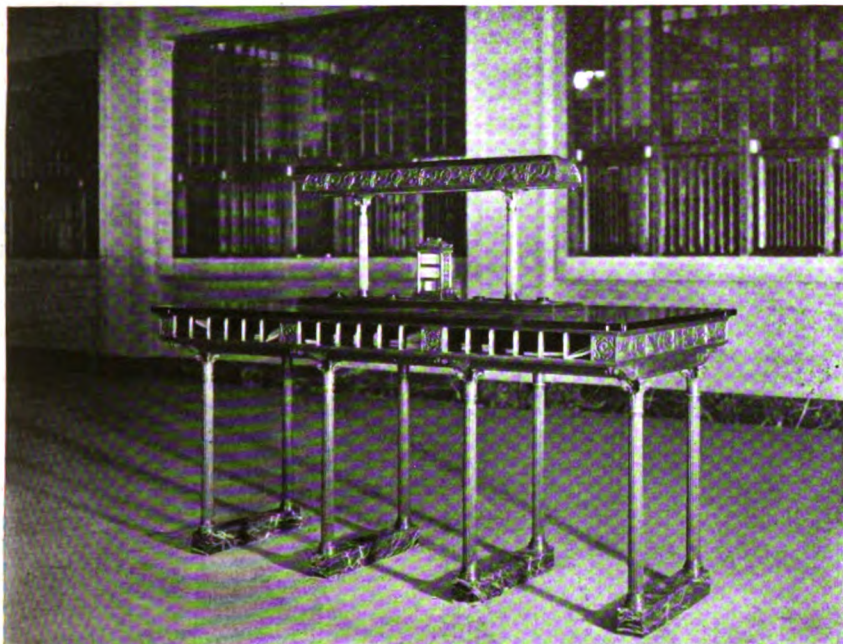
Unique Signalling Devices

A special feature of the equipment is the unique provision for central signalling, which shows at all times conditions in the various parts of the bank and allows, with little or no effort, immediate communication with any particular office or clerk in any department or any part of the banking rooms. There are dials which will indicate clearly the condition of the vault entrances; whether or not the doors are closed; whether or not the available systems are in order and if anyone should ring an alarm at any point in the building, it will register at once in the officers' space so that the proper officers may direct any particular guards to the point where the alarm was sounded.

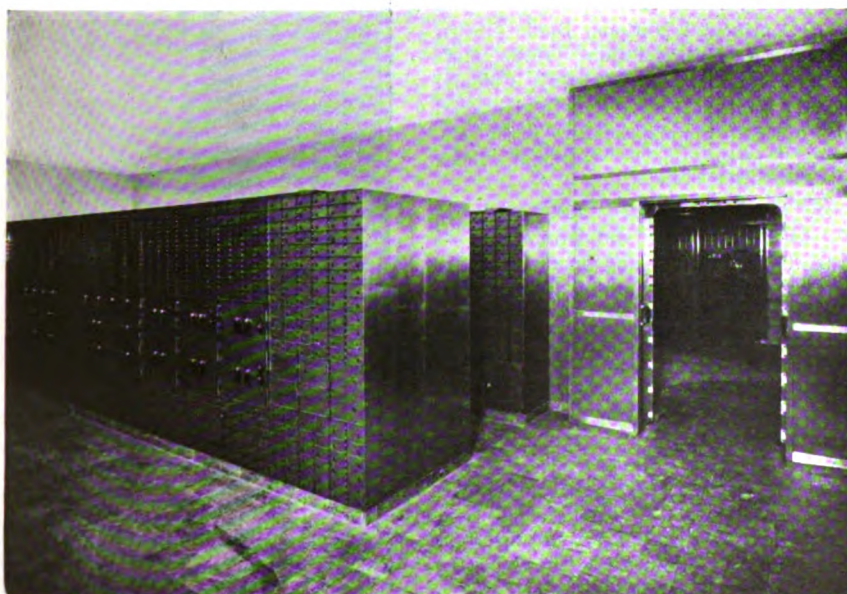
The arrangement and architectural work of the bank quarters were in the hands of the Thomas M. James Co., Boston and New York bank architects.

History of the Bank

In its development to its present size and standing, the Atlantic National Bank has



Detail of writing stand in lobby, Atlantic National Bank, Boston. By the Gorham Company



The spacious safe deposit vaults, Atlantic National Bank, Boston

had a most interesting history. No less than twelve institutions have been merged in the various steps by which the present \$100,000,000 bank has been built up. These banks



Main entrance to banking rooms, Atlantic National Bank, Boston

were: New England National Bank (organized in 1813), Atlantic Bank (1828), Peoples National Bank (1833), Boylston National Bank (1845), South End National Bank (1889), Continental National Bank (1860), Manufacturers National Bank (1873), Metropolitan National Bank (1875), Colonial National Bank (1899), Fourth National Bank (1875), Commonwealth Trust Co. (1904), Fourth-Atlantic National Bank (1912).

These banks specialized individually in shoes, leather, market and produce, wool and textiles, retailing and manufacturing, dry goods, clothing, shipping and foreign trade, besides the usual run of commercial accounts, so that banking practice in all lines has been highly and efficiently developed and the bank's equipment includes every service now offered by the big modern banking institution.

Officers and Directors

The present board of officers and directors is made up as follows: Chairman of the board, Herbert K. Hallett, formerly president of the Fourth-Atlantic and of the

Atlantic; president, George S. Mumford, formerly president of the Commonwealth Trust Co.; vice-presidents, Arthur P. Stone, William N. Homer, cashier, Arthur W. Haines, Waldron H. Rand, Jr., Charles W. Bailey, Stephen W. Holmes, Russell B. Spear, Charles W. Varey, Arthur R. Smith, Charles E. Valentine, George H. Corey, Almon W. Blake.

Manager Washington street office, Josiah H. Goddard; assistant cashiers, Herbert B. Bailey, Ralph I. Benton, Gustave A. Bleyle, Richard F. Churchill, Robert W. Coburn, France Cornell, Frederick A. Cronin, Edgar F. Hanscom, Myron F. Lord, Lee W. Marshall, Irving F. Newcomb, Roger F. Nichols, John E. Prouty, Samuel R. Ruggles, Walter F. Snow, Carlos W. Tyler.

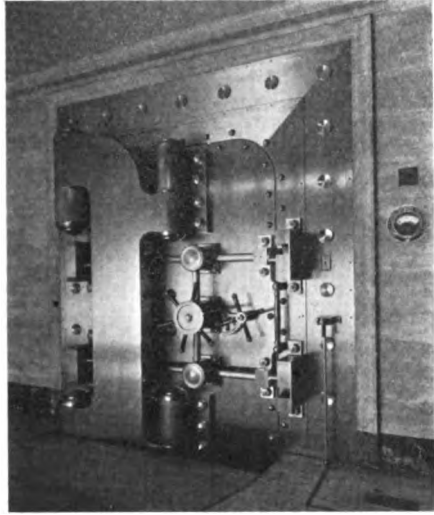
Directors, Herbert K. Hallett, chairman; George Abbot, Brown Bros. & Co.; Charles W. Bailey, vice-president; Hugh Bancroft, Boston News Bureau; George L. Batchelder, Batchelder Bros.; Junius Beebe, Lucius Beebe & Sons; Albert L. Brown, Isaac W. Chick, president John H. Pray & Sons Co.; George H. Corey, vice-president; George L.



Detail of built-in grille, showing bronze work, Atlantic National Bank, Boston. By William H Jackson Company

De Blois, trustee; William J. Fallon, president W. J. Fallon Leather Co.; Charles H. Farnsworth, president Quincy Market Cold Storage & Warehouse Co.; Lee M. Fried-

man, Friedman & Atherton, Attorneys; Arthur W. Haines, vice-president; Samuel R. Haines, Haines, Bloomfield, Kincaid Co.; William N. Homer, vice-president and cashier; George B. Johnson, president R. H. White Co.; Lindsley Loring, treasurer Flintkote Co.; Jesse P. Lyman, president American Glue Co.; George S. Mumford, president; James S. Murphy, president Stickney & Poor Spice Co.; Harry K. Noyes, president Noyes-Buick Co.; Edward H. Osgood, Lee, Higginson & Co.; Rene E. Paine, trustee; Winfield S. Quinby, president W. S. Quinby Co.; Edgar L. Rhodes, treasurer Rhodes Bros. Co.; Fred B. Rice, vice-president Rice & Hutchins, Inc.; John Richardson, Ropes, Gray, Boyden & Perkins, Attorneys; Walter H. Roberts, Attorney-at-Law; Horace B. Shepard, president Shepard & Morse Lumber Co.; Charles G. Smith, president Institution for Savings, Roxbury; George S. Smith, vice-president New England Power Co.; Arthur P. Stone, vice-president; Thomas C. Thacher, trustee; Lester Watson, Hayden, Stone & Co.; Edwin S. Webster, president Stone & Webster, Inc.; Arthur W. Wellington, president United States Leather Co.; Edward F. Woods,



The great door to the safe deposit vaults, Atlantic National Bank, Boston. Vault built by the Mosler Safe Company

Hinckley & Woods; George S. Wright, president Dwinell-Wright Co.; Edgar N. Wrightington, treasurer Massachusetts Gas Companies.



The Question of the Inheritance Tax

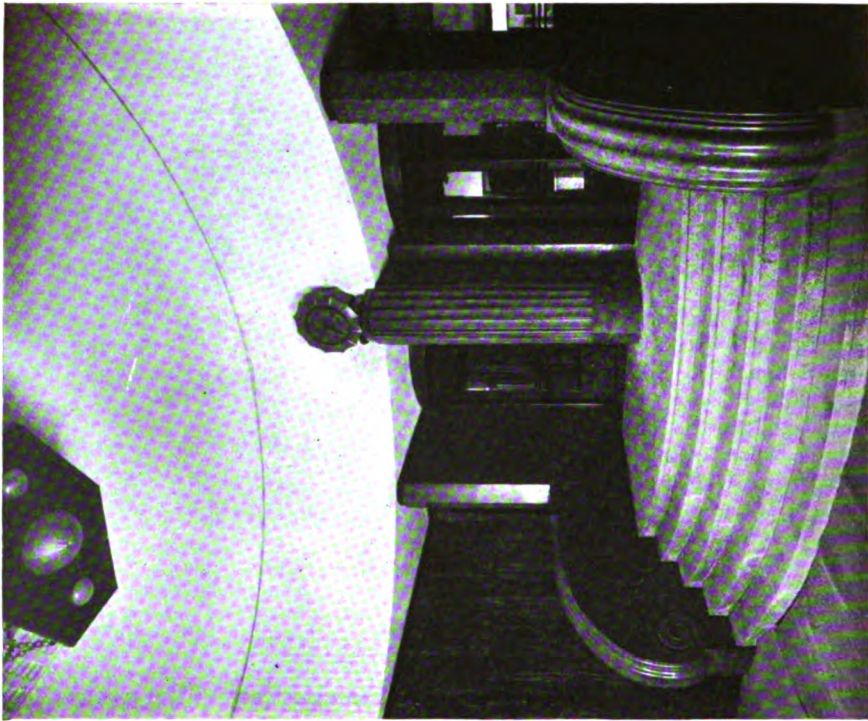
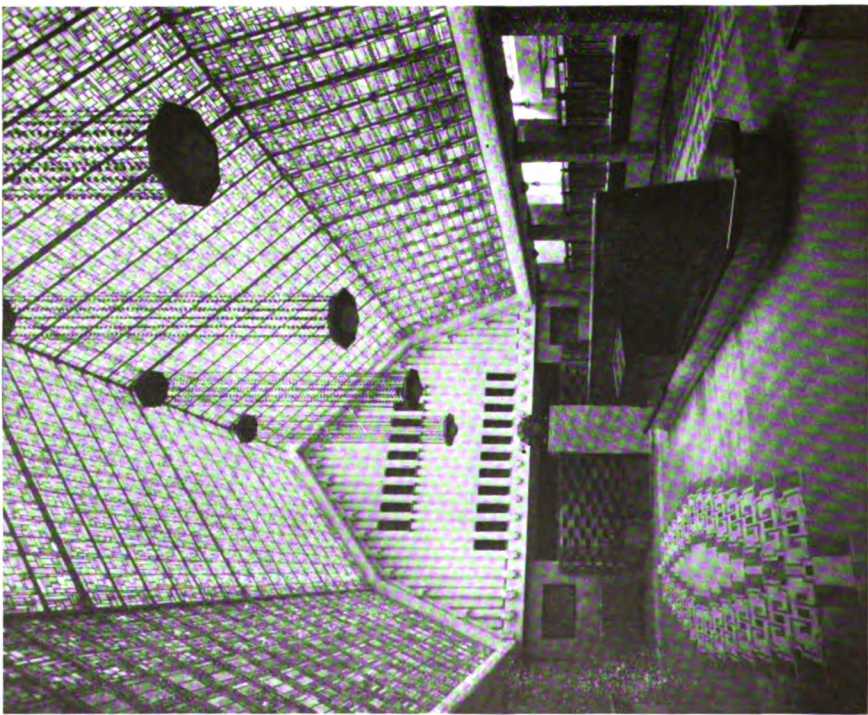
By Thomas R. Preston

Extracts from an address delivered before the North Carolina Bankers Association at the twenty-ninth annual convention at Pinehurst, N. C. on May 8, 1925. Mr. Preston is president of the Hamilton National Bank, Chattanooga, Tenn.—THE EDITOR.

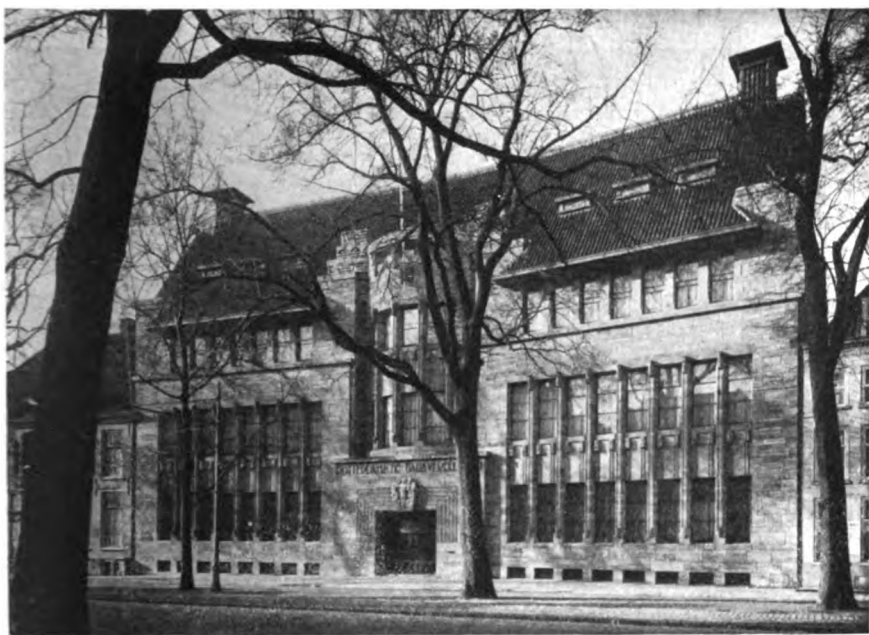
THERE has been a nation-wide search to find new avenues of taxation. Inheritance taxes have never before been resorted to except as a war measure and when the war expenditures were over, they have always been repealed, but the tendency now is to make them higher and permanent. Not only have we the Federal inheritance tax, but every state in the Union except three has resorted to this means of taxation, and in every instance the tax is levied upon the total estate. As an evidence of the hardships of the inheritance tax, a single instance will illustrate: A man lived in Kentucky, had a manufacturing plant in Ohio, and a sales office in New York City. His net estate was approximately one million

dollars, mostly in his plant. After paying all the inheritance taxes levied by the State of Kentucky, State of Ohio and State of New York, and the Federal inheritance tax, including the sacrifice the estate had to make in order to secure the cash, there was left only one-third of the estate; the remaining two-thirds went for inheritance taxes. It is possible for an entire estate to be consumed in taxes. Hypothetical cases have been cited whereby an entire estate would be consumed in inheritance taxes and a deficit left. Under such circumstances no doubt an arrangement could be made for the heirs to have time to work out the difference.

Men labor and achieve in this country to leave a competency to those dependent upon them. They do not do so for the purpose of leaving the bulk of their estate to the tax gatherers.



At left: Interior of the main banking room; at right, entrance hall in the new building of The Hague branch of The Rotterdamse Bankvereniging



Exterior of the new building of the Rotterdamsche Bankvereniging at The Hague, Holland

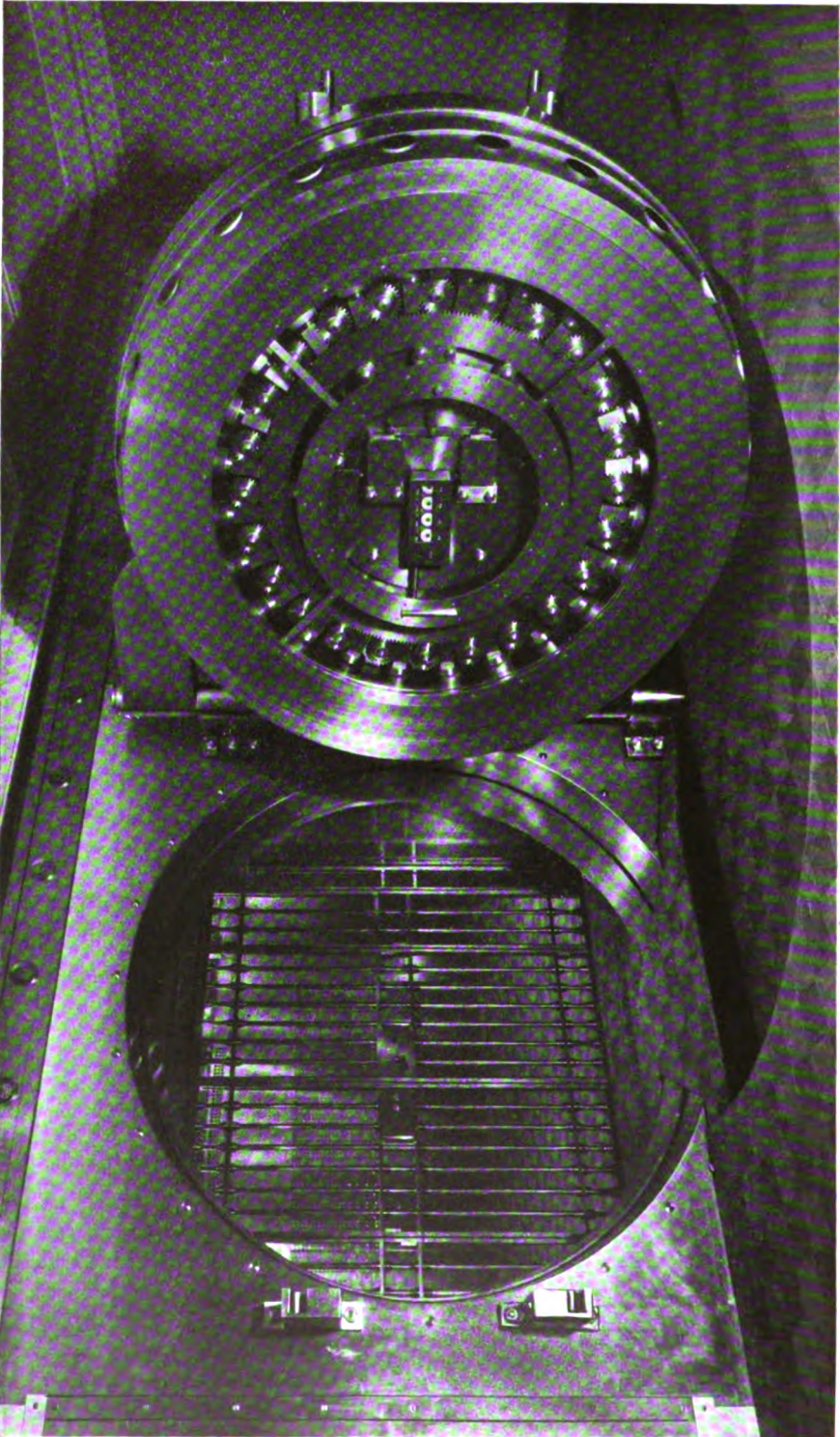
New Building of Rotterdamsche Bankvereniging at the Hague

THE Rotterdamsche Bankvereniging has recently completed a new building to house its branch office at the Hague. It is located in the center of the city, and although it is surrounded on all sides by old mansions, which were formerly hunting palaces for the earls of Holland, the architects have chosen to construct the building according to distinctly modern architectural ideas. It is equipped with a spacious modern safe deposit vault. W. Westerman is the manager of the office at the Hague.

The Rotterdamsche Bankvereniging was originally formed as the Rotterdamsche Bank, in 1868. It was the first bank in The Netherlands to realize the field for a bank with an organization equipped to handle international banking business. It took the first step toward building up such an organization when, in 1900, it absorbed the *Deposito-en Administratiebank*, which had been closely associated with American financial interests.

In 1911 the name was changed from the Rotterdamsche Bank to the Rotterdamsche Bankvereniging. At that time it had only one office, in Rotterdam. In 1913 it absorbed a small private bank and the *Labouchere, Oyens & Co. Bank* at Amsterdam. Shortly thereafter, the branch at The Hague was opened. In addition to these three offices, however, the bank controls the *Nationale Bankvereniging*, which is an organization for domestic banking, as contrasted with international banking which is the chief business of the Rotterdamsche Bankvereniging. The *Nationale Bankvereniging* has its head office at Utrecht and has about a hundred branches throughout The Netherlands.

The annual report of the Rotterdamsche Bankvereniging for the year ending December 31, 1924, shows net profit of fl. 5,578,179, all of which was carried forward to a reserve account to provide for obligations of more than usual risk.



**Main entrance door to safe deposit vault. Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, Ohio
Vaults were furnished and installed by the Herring-Hall-Marvin Safe Company, Hamilton, Ohio**

A Notable Vault Installation

Brotherhood of Locomotive Engineers Co-operative National Bank Instals Safe Deposit and Security Vaults Containing Some Unusual Features

ON the following three pages are shown some views of the safe deposit and security vaults recently installed in the Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, Ohio. In addition to being very modern, they contain several unique features which are worth mentioning.

For example, the doors to both the safe deposit vault and the security vault contain two layers of flame resisting metal, carefully selected to resist the action of an oxy-acetylene burner. They are 18 inches in net thickness—and over 26 inches thick at the edge, including the bolt work. Level walkways are provided through the entrances, by means of movable platforms which are lowered when the doors are swung open or closed.

Both vaults have emergency doors the same thickness as the main door, with locking mechanisms checked by two combination locks and a time-lock. Both are ventilated by a blower system, which takes in the air at the emergency entrance and distributes it through the vault in ducts, by motor driven fans. Both the main and emergency doors are protected with burglar alarm wiring and a complete burglar alarm system is also embedded in the concrete walls of the vaults.

The concrete walls of both vaults are 24 inches thick, and are lined with steel. Interlocking "H" beams, tied together with heavy steel rods, from a secure reinforcement. Around the "H" beams on both sides are placed grilles of square steel rods.

The safe deposit vault, which is located on the street level is entered from either side of the main stairway leading to the main banking room, which is on the second floor. The facade of the vault is paneled in grained and polished steel, and is ornamented at either end by two bronze torches 5 feet high, with a single globe at the top of each. Particularly appropriate are the bronze medallions bearing the relief im-

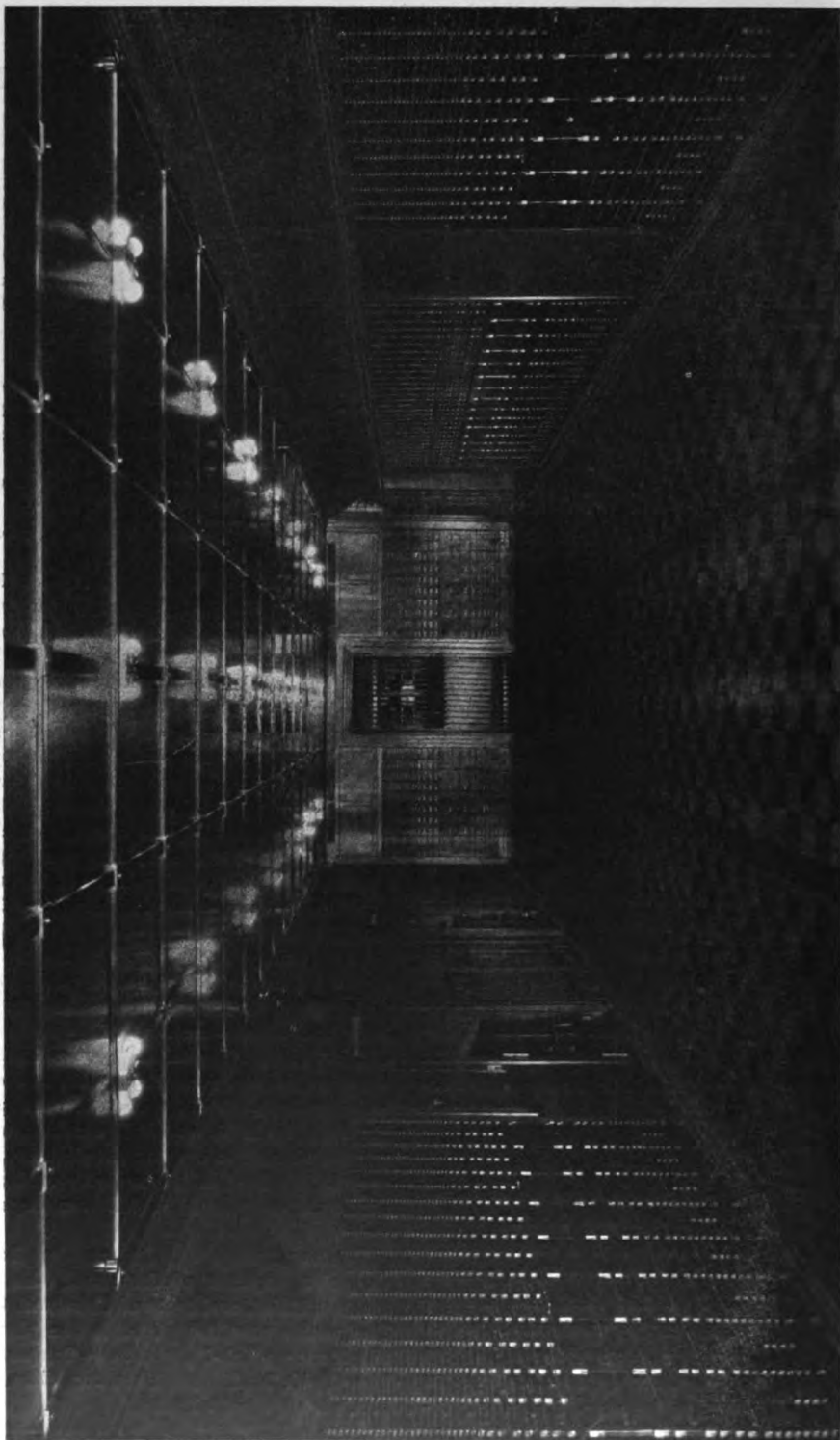
pression of a locomotive located on the architrave at the entrance.

The vault has a total width of 66 feet and is 19 feet deep inside of its steel lining. The surfaces of walls and ceiling are paneled with steel, grained and polished to a soft finish. It is lighted by means of thirty-six fixtures having 40 candle power globes each. An elastic and noiseless floor covering is made of interlocking rubber tile in an appropriate design.

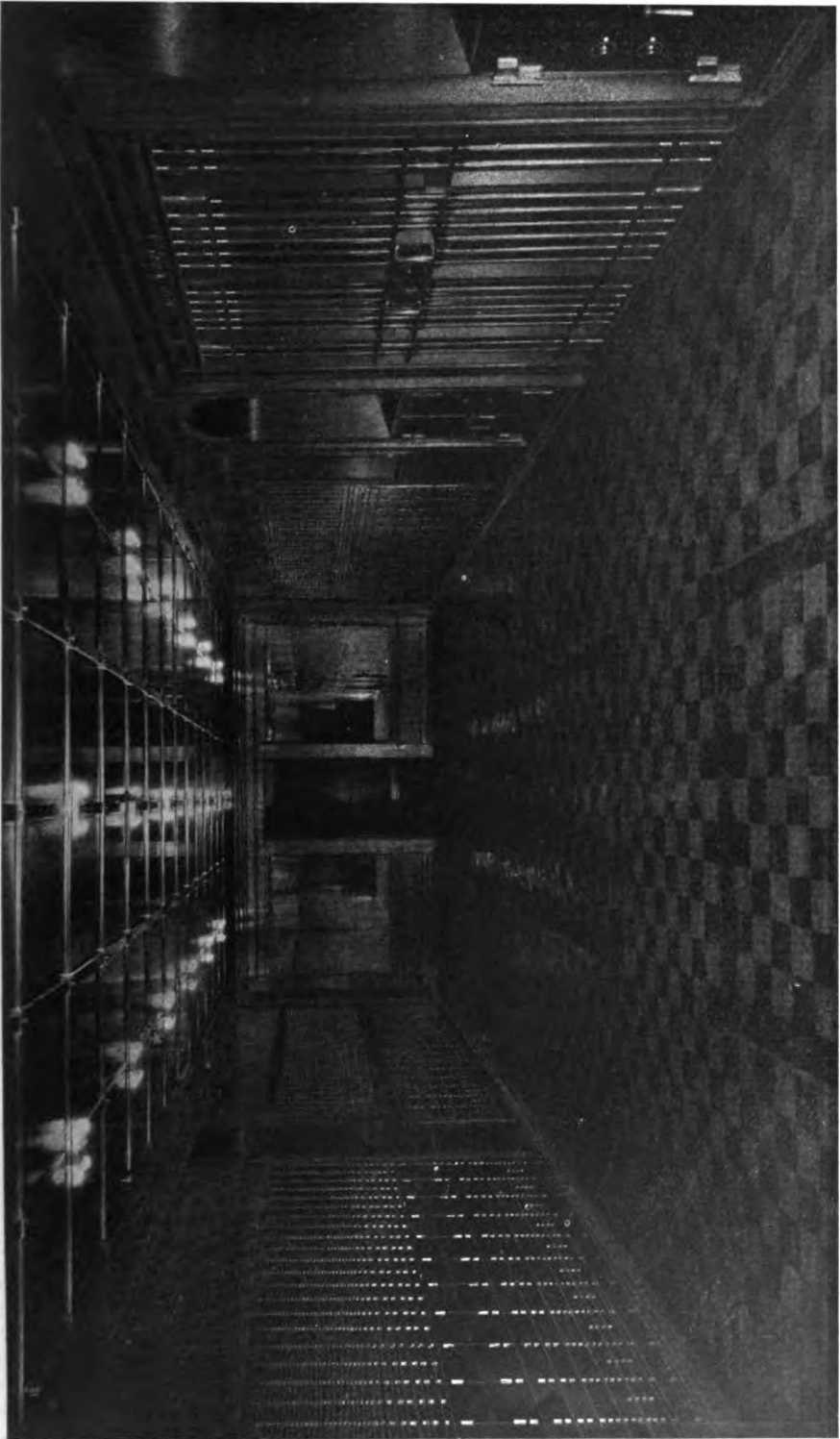
The safe deposit vault will contain, when filled, over 17,000 safe deposit boxes. The door of each safe deposit box is covered with a removable bronze plate, which can be taken off and refinished, and so kept permanently new in appearance. The vault contains a special feature in the separate committee room which is built into the vault, and which is separated from the main space of the vault by a heavy steel wall and door. The room is designed for the use of committees of corporations or other groups of customers who may find it necessary to meet for the examination of securities that are being kept in the safe deposit boxes. Thus securities can be examined by a number of persons at the same time, without removing the securities from the vault itself.

The security vault, which is located directly below the safe deposit vault, is divided into three compartments—security, trust and tellers—each with its own system of steel safes. The tellers' section contains fourteen lockers, each fitted with two combination locks. Thus, each teller will place his securities in his own steel omnibus, which will be wheeled to a protected elevator, lowered to the level of the security vault, and the omnibus placed in his own separate locker.

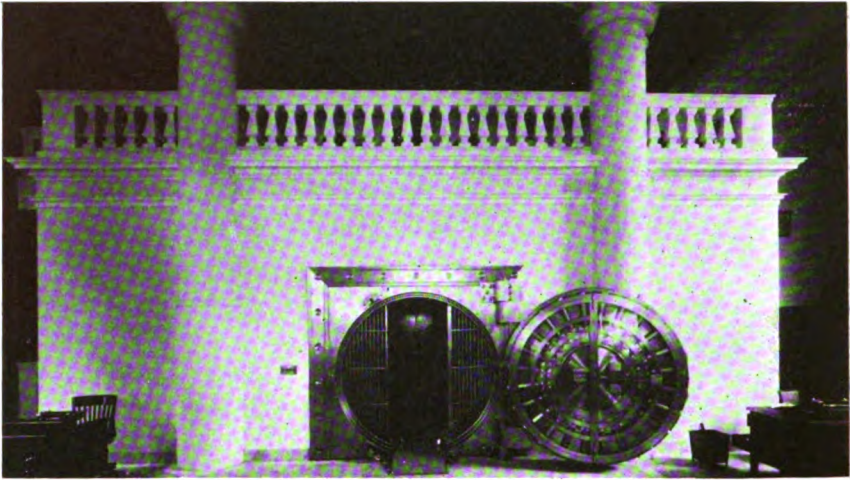
The vault work was designed by Robert G. Nairn, engineer of Cleveland, Ohio, and Knox & Elliot, architects of Cleveland, Ohio. The vaults were fabricated in the plant of the Herring-Hall-Marvin Safe Company of New York, N. Y., and Hamilton, Ohio, who also made the installation.



Interior view of safe deposit vault looking toward emergency door opening. Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, Ohio
Vaults were furnished and installed by Herring-Hall-Marvin Safe Company, Hamilton, Ohio



Interior view of safe deposit vault looking toward corporation room. Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, Ohio



Top, view of entrance to vault; middle, directors' room; bottom, tellers' cages, Banco de Ponce, Porto Rico
Equipment supplied by the General Fireproofing Company, Youngstown, Ohio



New building of the Banco de Ponce, Porto Rico, recently completed

New Building of the Banco de Ponce

ABOVE, and on some of the following pages are shown views of the new building of the Banco de Ponce, Ponce, Porto Rico which is architecturally a very handsome piece of work. The bank occupies the first floor of the building, and the second and third floors are occupied by the Spanish Casino. The equipment of the new building, such as desks, files, directors' room equipment, etc., was supplied by the General Fireproofing Company of Youngstown, Ohio.

Ponce is a city of about 45,000 population, located on the center of the southern coast

of Porto Rico. It is the second largest city on the island, the first being San Juan. Between the two cities runs the famous military road which is as old as the city itself—and Ponce was founded about 1600. It is famous for its parks, which are said to be the most beautiful in Porto Rico. Ponce also contains a cathedral which is also almost as old as the city.

Though the city is very old, it is equipped with most of the modern conveniences, such as fine trolley and electric light systems, telephone and telegraph service, gas works,



ARTURO LLUBERAS
President Banco de Ponce, Porto Rico

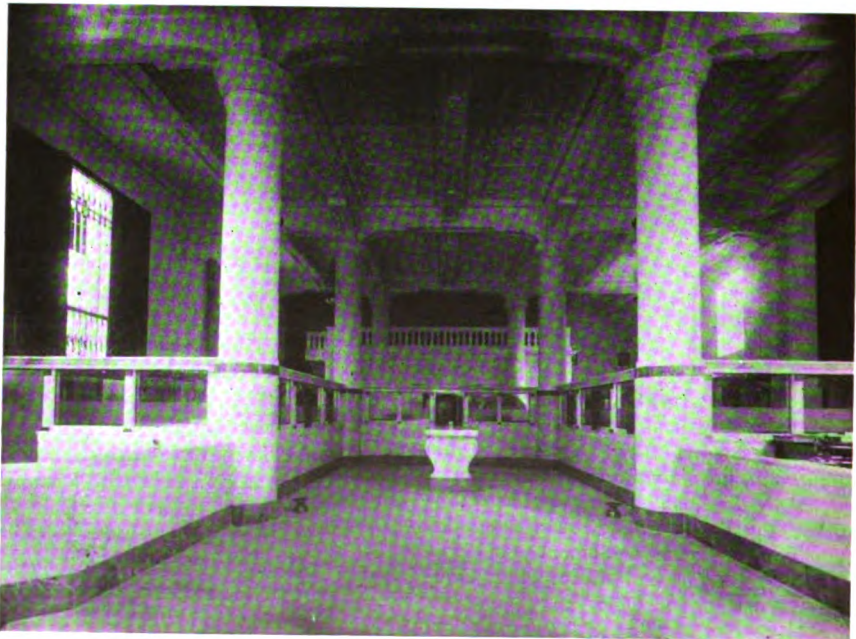
etc. It is the center of the best sugar producing section in the world.

The Banco de Ponce was organized and began business in August, 1917, with an

authorized capital of \$2,000,000, of which but \$250,000 was issued. At that time the banking business in Porto Rico was largely controlled by foreign banks, the Royal Bank of Canada alone having three branches in the island. Under the stimulus of the war and post-war boom, banking of all kinds in Porto Rico showed an appreciable increase. The growth of local banks in comparison with the branches of foreign banks was particularly notable—chiefly as a result of the introduction of modern banking methods. In spite of this, the foreign banks still retain the large accounts of the sugar mills which the smaller local banks could not handle.

The bank operates under articles of incorporation very similar to those of a national bank in the United States, with the exception that it may make loans to an individual borrower to the extent of 20 per cent. of its paid-up capital instead of 10 per cent. The people of Porto Rico have not yet acquired the habit of depositing their money in the banks, as is indicated by the low ratio of deposits to capital of about three to one.

With all these adverse conditions, the Banco de Ponce has made steady progress. Its assets have grown from \$1,000,000 in 1918 to \$5,000,000 in 1924. Surplus has



Interior of the main banking room, Banco de Ponce, Porto Rico



Manager's office, Banco de Ponce, Porto Rico

grown from \$28,000 to \$175,000 during the same period. In 1919 the capital stock was increased from \$250,000 to \$500,000, the stock being offered to subscribers at par and the usual premium being furnished by the bank, from surplus. In 1922, when the capital was again increased from \$500,000 to \$750,000, the stock was offered at par (it is very hard to sell stock at a premium in Porto Rico), but the surplus was not drawn on.

The bank paid yearly dividends of 8 per cent. during the first three years of its operation. Since that time, the rate has

been 10 per cent. per annum. This is paid in quarterly dividends of 2 per cent. and the dividend for the last quarter of the fiscal year is voted by the stockholders at the annual meeting. It has been 4 per cent. since 1920 thus bringing the annual rate up to 10 per cent.

The earning capacity of the bank averages about 20 per cent. on its capital so a substantial amount is added to the surplus each year.

Arturo Lluberas is president of the bank, and the board of directors is made up of well-known business men of Ponce.





The new building of the Russell National Bank, Lewistown, Pa., now under construction. It was designed by and is being erected under the supervision of Morgan, French & Co., Inc., architects and bank engineers, New York



The recently completed building of the First National Bank, Nutley, N. J. The building was constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York

Some Recent Bank Building Operations

The First National Bank, Nutley, N. J.

THE First National Bank of Nutley, New Jersey, has recently moved into its new building, an exterior view of which is shown above. The building is 40 by 72 feet, detached, and receives plenty of light through large windows on all sides similar to those in the front of the building. The front facade is built of Indiana limestone with a cast granite base.

The interior of the bank, shown in the illustration on the following page, has a center public space, with the massive rectangular door of the vault visible at the rear. The vault is easily accessible to the public, but well protected.

The directors' room and a special work room are located on the completely enclosed mezzanine floor at the rear. A special ladies' room is also provided.

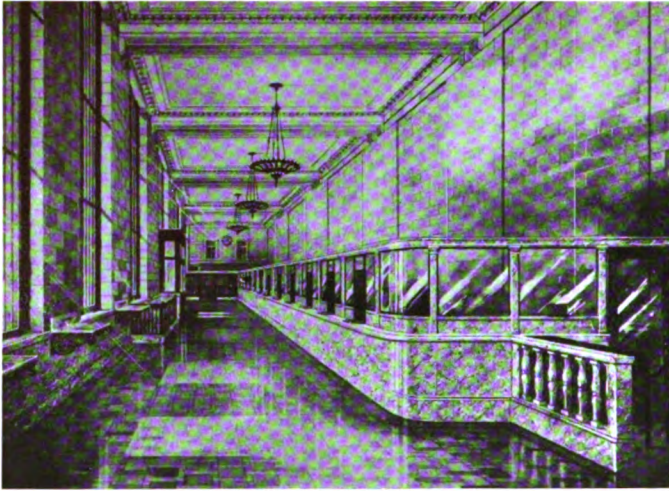
The building was constructed and equipped under the supervision of Holmes and Winslow, bank architects, New York.

• Russell National Bank, Lewiston, Pa.

ON the accompanying pages are shown pictures of the architects' sketches of the new building now being built for the Russell National Bank, Lewistown, Pa. The building is being constructed while occupied by the bank, the bank remaining in its present quarters on the front of the lot while the rear section is being completed. Then they will move into the rear section where all the vaults and half of the tellers' equipment will be available for use, while the front is being constructed.

The building will be of Colonial design on a corner having a frontage of 31 feet and a depth of 133 feet. The interior has twelve tellers' wickets in a counter screen of rose Tavernelle marble with bronze top. The directors' room is located on a mezzanine floor at the rear, directly over the vault. Additional work space is provided on a second mezzanine floor.

The building was planned and will be



Interior view of the Russell National Bank, Lewis-town, Pa. The building was designed and will be constructed under the supervision of Morgan, French & Co., Inc., architects and bank engineers, New York

erected under the supervision of Morgan, French & Co., Inc., architects and bank engineers, New York.

Service Trust Company, Passaic, New Jersey

PLANS have been completed for the new building of the Service Trust Company of Passaic, New Jersey, and a picture of the architect's sketch of the new building is shown on the following page. The building will be 50 feet high, and the floor dimensions

will be 33 feet by 103 feet. It will be of limestone, the architecture being Italian Renaissance. The entrance will be centered between four fluted pilasters—a distinct departure from the old monumental type of architecture once so popular for bank buildings. Five large windows on one side of the building in addition to the smaller windows in the front will furnish abundant light.

The main banking room will be floored with Travertine marble. On the left of the entrance will be the officers' quarters and a large conference room, both furnished

Interior view of the First National Bank, Nutley, N. J. The building was constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York



with mahogany furniture and wainscoting. Directly across the public lobby will be the ladies' retiring and rest rooms, also furnished in mahogany.

The counter screen will be of imported Botticino marble, surmounted by ornamented bronze glass frames, trim, and bronze wickets. Concealed reflector lights will be located along the top of the counter screen to furnish the correct line of light along the counters. The flooring behind the cages and in the other work space is to be of battleship linoleum and the equipment of olive painted steel.

In the rear of the main banking room will be located the posting machine room, the book vault, the safe deposit and security vault, coupon booths, and a committee room.

The safe deposit and security vault will be constructed of 18 inch reinforced concrete, with a laminated armored steel lining. Entrance to the vault will be gained through a 10 inch solid steel rectangular door. The vault will be safeguarded by an electric burglar proof protection and a daylight hold-up alarm system.

Additional work space will be furnished on the rear mezzanine floor. The front mezzanine will contain the directors' room.

The second floor will be devoted to offices, for rental, served by an elevator located in the entrance lobby.

A stairway leads down from the rear of the main banking room to the basement, where another storage vault, similar to the safe deposit and security vault will be located, as well as stationery rooms, storage space, and the heating plant of the bank.

The building will be constructed and equipped by the Griswold Building Company, Inc., New York, who are specialists in designing and building banks.

165,000 Cubic Feet of Fresh Air Per Minute

BANKERS are fast realizing the importance of plenty of fresh air and a reasonable temperature in their buildings to secure the most efficient work from their employees. The Union Trust Company, Cleveland, Ohio, has installed a ventilating system which is calculated to supply these needs. The accompanying picture of one of the huge ducts of the sys-



New building of the Service Trust Company, Passaic, N. J. The building will be constructed and equipped by the Griswold Building Company, Inc., New York, who are specialists in designing and building banks

tem gives an idea of the system which supplies to the bank 165,000 cubic feet of fresh air a minute.

The air enters the building through a screen duct about fifteen feet square, located on the right hand wall of the building. It travels about 200 feet to the washers, where it goes through what might be called a "laundrying" process, with water, to take out the dust and dirt. In winter the air must be warmed before being washed, so that the water in the sprays will not freeze. In summer, of course, the air is cooled off to a comfortable degree and the humidity removed. Six complete units of air washers and heating coils are used in this process.

Eight large exhaust fans and three smaller ones are constantly engaged in drawing out the used air and the cooking odors from the bank's cafeteria, which is also located in the building. The fresh air is not forced in, but flows in naturally upon the drawing out of the used. Thus, regardless



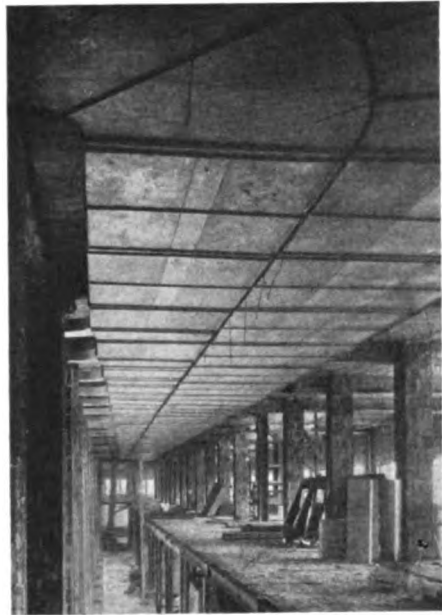
English Renaissance mantel of limestone in the board room of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia

of the temperature outside, the employees and customers of the bank are kept comfortable.



London in 1950

UNDER this heading Alfred C. Bosom, formerly in the Architect's Department of the London County Council, and now a well known New York bank architect, contributed an interesting article to a recent number of the *London Spectator* in which he discussed probable changes in that city in the next quarter century. He foresees co-operative flats with centralized heat, light and cleaning, double-decked streets, underground garages, suburban cottages with flat tops for airplane landings, and central broadcasting stations for electrical energy. In summing it up, he concludes that: "An Americanization of the old world seems to be taking place. This is felt not only in London, but in Paris and Madrid; all the great cities of Europe seem to be adopting ideas from across the Atlantic, but if the older countries are going to change with the speed and frequency so common in the States, one wonders how these improvements are to be paid for. Loans floated for civic condemnation schemes or developments must be repaid over a long time, and if before this period expires more changes become essential there will be a tremendous problem of unpaid debt. In looking to the future, and in preparation for it, does it not behoove us to hesitate before jumping into huge expensive improvements which may be a burden on the next generation, when the present moment's vital need may have passed? Regulation in all departments is the most economic way of providing for the future. London is a Gothic city of



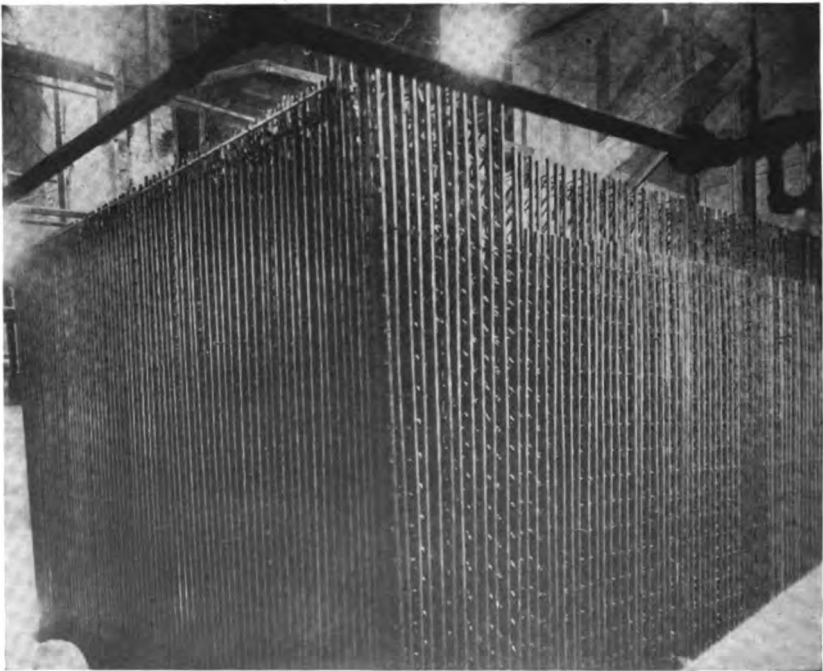
One of the huge ventilating ducts in the building of the Union Trust Company of Cleveland, O.

small units, built by independent people along narrow streets, and although the next twenty-five years may compel changes and the opening up of many new thoroughfares (and incidentally, the loss of much charm thereby), it does seem vital that beforehand a fair balance should be struck between the possible benefits to be gained and the expense involved. Experience in the United States shows that many of these modern methods do not give enduring benefits commensurate with the burden on the community. It is to be hoped that London will not become too much affected by the rush of the times, and that 1950 may find her as free to meet new conditions as the past has always found her."





The Citizens State Bank of Chicago installed this gallery of nine copper Radiotone portraits of their directors, to serve as a permanent historical record. They are mounted on bevel-edged walnut plaques, which are given a conspicuous location in the directors' room



A close-up view of the steel reinforcing during construction of the lower vaults of the Federal Reserve Bank of Pittsburgh, Pa. The work was installed by the Rivet-Grip Steel Company, Cleveland, Ohio

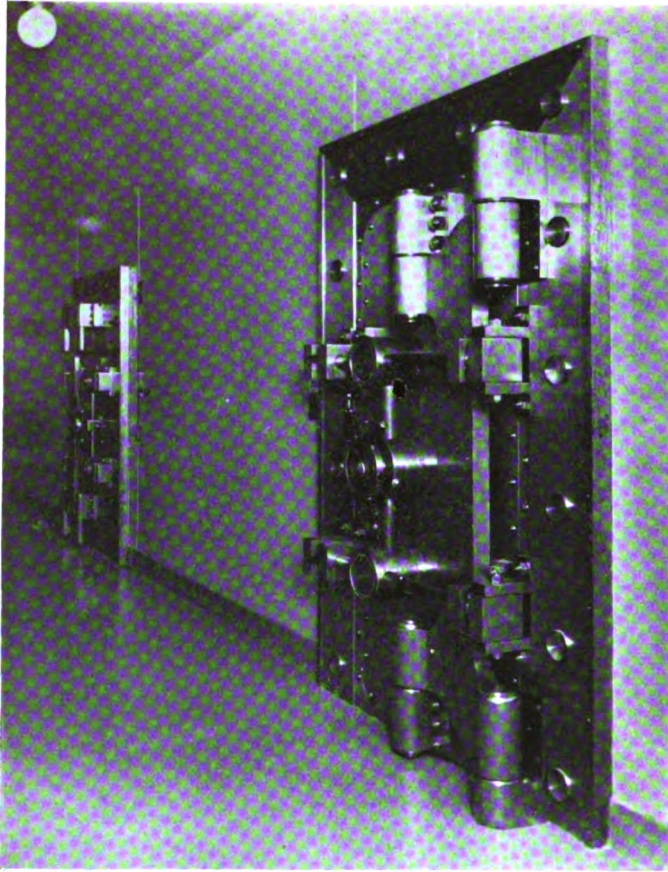


The Middletown Savings Bank, Middletown, N. Y., wrongly referred to in this section last month as located in Middletown, Conn. The building was constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York

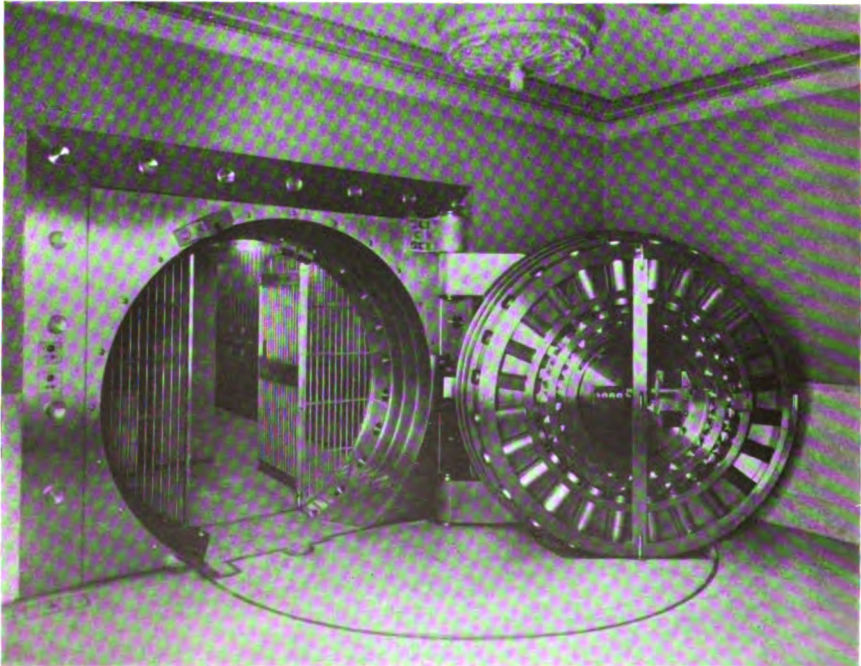
View of the main banking room of Federal Trust and Savings Bank, Hollywood, Calif. The decorative ceiling is of a special insulating lumber, made by the Celotex Company, Chicago. It absorbs surplus noises caused by typewriters and machines and reduces reverberation.



Interior of the Middletown Savings Bank, Middletown, N. Y., wrongly referred to in this section last month as located in Middletown, Conn.



At left, rectangular vault door of the Bank of California, Seattle, Wash.; below, circular vault door of Meyer-Kiser Bank, Indianapolis, Ind. These two vault doors were built by the Mosler Safe Company embodying their new metal Donsteel, which is claimed to be proof against burglarious attack by oxy-acetylene torch, drill or explosives



BOOK TALKS

Special Section of The Bankers Magazine

JULY 1925

The Importance Of The Bank Credit Man

Thomas J. Kavanaugh, vice-president of the Mississippi Valley Trust Company, St. Louis, in his "Bank Credit Methods" (Bankers Publishing Company, \$2.50) points out the importance of the credit department in a modern bank and tells of some of the qualifications which it is necessary for the manager of that department to possess. He says:

Departmental organization for bank credit work was made imperative by the growth of banking and mercantile business. And as banks grew and credit departments became larger, the employees assigned to the task of managing those departments became more expert. It was slow growth, however, and for a great many years banks failed to properly recognize the real value of the work of such employees, and relegated them to more or less insignificant and unimportant positions in their staffs. In the decade 1910 to 1920 rapid strides were made in the elevation of the bank credit department to its proper plane. This was brought about by the development not only of those charged with the responsibility of running the departments, but also of changes peculiar to the extraordinary conditions under which banks were operating. These changed conditions called for more highly specialized organization in banks, and each employee and official of the banking institution was called upon for the best there was in him and gave it ungrudgingly.

While the credit department of the bank is a service department, and not a department for profit, its peculiar position in connection with the loaning facilities of the bank makes it responsible to a certain extent for the losses suffered by the bank in the extension of credit. This is quite natural, for there is no one in so strategic a position to safeguard the bank's credits as the credit man. The busy executive has a thousand other things to which to attend in connection with the running of the bank; he has to oversee other departments; to settle internal disputes; to handle large propositions that come up as a daily routine. The credit man's duties are circumscribed by the limits of the credit department. With him lies the responsibility for its proper conduct, for the safeguarding of the credits extended. If he purposely falls

down in the execution of his work, he is recreant to his trust—he is unworthy of the confidence placed in him. If he lives up to his trust, there is no limit to his value as an asset to the bank.

For this, and for other reasons, it is highly important that the credit man be a man of faithful application to his duties; that he be exact in his habits and systematic in his methods. He should not be a clock-watcher, for in the intensity with which he applies himself to his duties and faithfully performs them lies his chief value to the bank and his future success.

To go a little further as to the qualifications of the bank credit man: We are not trying to paint the picture of a demi-god; but if there is one position in the bank in which tact is necessary, it is his. And the reason is simple. Credit is the most delicate subject in the field of human psychology. It embraces character, morality, wealth, poverty, ability, and all the disabilities about which a human being is sensitive. If you tell a man his credit is not good, you may be striking at any of the qualities he values most highly—his purity, his veracity, his worldly possessions, his antecedents—about which he may be most sensitive. Place yourself in the other man's shoes and suppose you had spent years endeavoring to build up your credit standing, and then have it cast aside with one fell swoop by the unthinking credit man—how would you feel?

The author of this work has found his greatest success in handling credits by practicing the art of placing one foot in the other man's shoes. Only by this method can the bank credit man successfully handle his client and retain the client's friendship for the bank, even though he turns down his proposition. This should be the one and only aim of the bank credit man—to conserve the bank's interests even at the sacrifice of his own.

BOOK TALKS

Monthly Book Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

JULY 1925

Shop Talk

WE learn from Roy F. Ebbs, assistant cashier of the Wachovia Bank and Trust Company of Asheville, N. C., that twelve bankers of that city have organized a Banker's Reading Club for the co-operative purchase and circulation of books. Mr. Ebbs describes the plan of operation as follows:



"The club is composed of twelve members each of whom agrees to purchase a book and as soon as he has read it to pass it on to some other member until it has made the rounds and returned to the original purchaser. Each one purchasing a book places his autograph in it and at the end this book becomes his property to be added to his library. The only requirement is that each member must read one book a month."



This plan appeals to us as an excellent idea and we can see no reason why similar clubs should not be organized in other cities.



We learn from the secretary of the Financial Advertisers' Association that bankers throughout the country are taking an increasing interest in the organization of women's departments. The standard book on the subject is "The Women's Department" by Anne Sew-

ard, with an introduction by Frederick W. Gehle, vice-president of the Mechanics and Metals National Bank, New York. (Bankers Publishing Company—\$1.25) In this book, Miss Seward, who is one of the most prominent women bankers in the country, describes the organization and operation of a women's department and gives many helpful ideas—how to secure the proper manager and how to make such a department a profitable source of business.



Managers of women's departments come into contact with all sorts of people and have many strange experiences. Here is a letter which was received by a woman banker and reproduced in Miss Seward's book:

kind Belovd sistr

i guess you think it Strange to rite But Being as you a woman i knew you understand Sister would you give me vincent Aster Privat Address So he git it himSelf i am a Poor woman just and up and ant got long for this world with a plage of a disease that Cant Be cured i know he Help me a littil if i could only git his Privat Address.....and do just send me a check i Pray to god till I here from you from a lownly Sistr

Mrs X



Are you interested in
banking books?

If so send us your name
and address and we will
send you announcements of
new books as usual.

The Bankers Publishing Co.
71 Murray St., New York

How Does Your Bank Compare with the Average?

In analyzing the statement of your bank it is important to know how your ratios compare with the average ratios of other banks. If your investments, for example, are 20 per cent. of your loans and discounts it is important to know whether this ratio is above or below the average ratio of other banks. It is only by checking your statement with the average statements of other banks that you can determine exactly how your bank stands.

What are the strong and weak points to look for in analyzing the financial

statement of a banking institution? What methods should be used in determining the strength or weakness of any bank's statement? Much has been written on the analysis of statements of commercial companies but little information is available on bank statements.

In order to analyze the condition of any bank thoroughly it is necessary to know certain facts regarding the bank's management and policies. Do you know how to determine these facts? You will find a fund of information on these subjects in

How to Analyze a Bank's Statement

This valuable pamphlet was prepared by the Credit Editor of *THE BANKERS MAGAZINE* in response to a wide-spread demand for accurate information on this subject.

The author begins by giving a typical bank statement and reviewing it item by item explaining in detail what is meant by each. The items considered are those which usually appear on any bank's statement such as loans and discounts, overdrafts, United States securities, other bonds and securities, stock of Federal Reserve Bank, due from banks and bankers, etc.

After explaining in detail all of these items, the author proceeds to his analysis and shows how to pick out quickly and accurately the strong and weak points of the statement. He gives a list of ratios found in every bank statement and by means of a carefully worked out table shows what these should be for various classes of banks such as country banks, city banks, trust companies, state banks, etc. This table is not based on theory but on actual statistics obtained through the analysis of many different statements.

Every bank should have copies of this pamphlet for the use of officers and directors. If you will fill out the coupon below and mail to us with a dollar bill we will send you five copies by return mail as long as our supply lasts.

Do You Know What These Ratios Should Be?

1. Quick Assets to Demand Deposits
2. Cash to Deposits
3. Loans and Discounts to Deposits
4. Capital and Surplus to Deposits
5. Capital and Surplus to Fixed Assets
6. Investments to Capital and Surplus
7. Investments to Loans and Discounts
8. Capital to Surplus
9. Bills Payable to Rediscounts
10. Losses : Dividends to Earnings

Bankers Publishing Company,
71 Murray St., New York.

Enclosed find \$1 for which please
send me 5 copies of "How to Analyze
a Bank's Statement."

Name

Bank

Address

How to Build a Banking Library

WITH a very small investment it is possible for any bank or banker to accumulate a useful and practical library of books pertaining to the immediate problems of bank administration.

For the individual banker such a library means the increased efficiency which comes from keeping well informed. For the bank as an institution the maintenance of such a library means giving to members of the staff the means of increasing their usefulness through increased knowledge. Every bank, no matter how small, should have a library of banking books.

It is not necessary to purchase a complete library at one time. Books can be accumulated gradually, a few each month. In a surprisingly short time a well-rounded library can be built up.

The books described in these pages were all written to be of practical value to the banker in the solution of his every-day problems. They contain no theory or guess work but the tried-out

conclusions of writers who have learned from actual experience.

Realizing that it is difficult to decide on the suitability of a banking book without an actual examination of the book itself, the Bankers Publishing Company has adopted an approval system which enables any bank or banker to send for any of its publications on five days' examination, at the expiration of which time the books may be returned or a remittance sent if they are satisfactory.

These terms apply only on orders from points within the United States. Orders from outside the United States must be accompanied by cash (New York Exchange). A refund will be made on all foreign orders if books are not satisfactory, provided they are returned to us within five days of receipt.

The approval privilege is extended only to banks or bankers who should state their banking connections when ordering. Orders from customers who are not bankers should be accompanied by cash, which will be refunded if the books are not satisfactory and are returned within five days.

BANKERS PUBLISHING COMPANY—71 Murray Street, New York

You may send me on approval the books checked below. At the end of five days I will pay you the amount indicated or return to you.

- | | |
|---|--|
| <input type="checkbox"/>] Bank Credit Investigator.....\$1.50 | <input type="checkbox"/>] The Agricultural Department.....\$1.25 |
| <input type="checkbox"/>] Bank Credit Methods and Practice .....\$2.50 | <input type="checkbox"/>] Commercial Paper and Analysis of Credit Statements.....\$2.50 |
| <input type="checkbox"/>] Recollections of a Busy Life.....\$6.00 | <input type="checkbox"/>] New Business Department.....\$1.25 |
| <input type="checkbox"/>] The Women's Department.....\$1.25 | <input type="checkbox"/>] Romance and Tragedy of Banking .....\$5.00 |
| <input type="checkbox"/>] Elements of Foreign Exchange.....\$1.60 | <input type="checkbox"/>] Paying Teller's Department.....\$1.25 |
| <input type="checkbox"/>] Encyclopedia of Banking and Finance .....\$10.00 | |

Name

(Please print)

Bank

Address

N. B.—This approval privilege is restricted to banks and bankers. State your banking connections.

PAPER

An important part of your service

Furnishing safe checks
is an important part of
a bank's service.

It is so important
that many banks have
standardized *all* their
checks on National
Safety Paper, giving
uniform protection to
all their depositors.

Ask your printer,
lithographer, or station-
er to furnish you with
checks on National
Safety Paper.

George La Monte & Son


FOUNDED 1871

61 Broadway, New York

*National Safety Paper is also made in Canada
by George La Monte & Son, Ltd., Toronto*

NATIONAL
SAFETY
PAPER

BANK of the MANHATTAN COMPANY

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.* RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, Toronto, Canada

A. W. AUSTIN, President

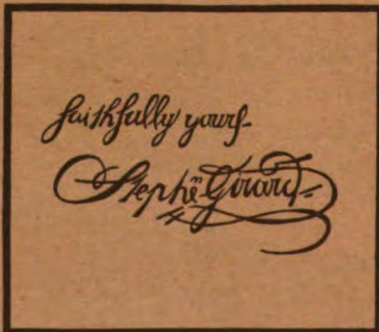
CLARENCE A. BOGERT, V. P. & Genl. Mgr.

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

“ Faithfully yours, STEPHEN GIRARD ”



THE signature of the master merchant of his time was as a seal which inspired confidence wherever it appeared.

It stood for integrity, for a promise of performance that was as good as done when it was given, for a faithfulness that was a point of honor in carrying out a trust.

The name of The Girard National Bank today is as valued as that of its founder. Since the day it began business it has guaranteed its signature with high aims and ideals, and by sound banking practices.

THE GIRARD NATIONAL BANK

PHILADELPHIA

AUG 18 1925

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

AUGUST 1925

No. 2



The Proposed Amendments to the
Federal Reserve Act

The Financial Situation of Poland

Better Credit Letters

Country Banks Should Loan on Facts—
not Optimism

Financial Windows of the Mid-West

American Banking and World
Rehabilitation

The A. I. B. Convention at Kansas City

FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y.
UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U. S. A.

PUBLISHED MONTHLY BY
THE BANKERS PUBLISHING CO.

W. C. WARREN, PRES.

W. H. BUTT, VICE-PRES.

K. F. WARREN, TREAS.

J. R. CUFFIELD, SEC.

BOSTON

NEW YORK

CHICAGO

EDWARDS

LONDON: EFFINGHAM WILSON, 16 COPTHALL AVE., E. C. 2



J. P. MORGAN & CO.

Wall Street, Corner of Broad

NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.

Foreign Exchange, Commercial Credits,

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

*Offers these
Services to
Banks,
Corporations
and
Individuals*



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$28,500,000

100 Broadway

57th St. & Fifth Ave.

40th St. & Madison Ave.

SEEKING NEW BUSINESS
ON OUR RECORD

STATEMENT OF CONDITION

At the close of business, June 30, 1925

ASSETS

Loans and Discounts	\$107,352,985.07	
U. S. Bonds and Certificates	6,020,000.00	
Other Bonds and Investments	9,469,024.89	
Banking House	1,500,000.00	
Acceptances	6,388,330.61	
Cash due from Banks and U. S. Treasurer	46,260,338.98	
Other Assets	592,377.47	
		<u>\$177,583,057.02</u>

LIABILITIES

Capital Stock	\$4,500,000.00	
Surplus	15,500,000.00	
Undivided Profits	<u>1,666,658.52</u>	21,666,658.52
Reserved: Taxes, Interest, etc.		661,330.34
Circulation		345,797.50
Acceptances		9,404,924.43
Other Liabilities		824,159.74
Deposits:		
Individuals	\$103,588,937.38	
Banks	<u>41,091,249.11</u>	144,680,186.49
		<u>\$177,583,057.02</u>

THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE and 46th STREET

SEVENTH AVENUE and 32nd STREET

DIRECTORS

Charles Scribner	Joseph D. Oliver
Richard Delafield	Lewis Cass Ledyard, Jr.
Francis R. Appleton	David M. Goodrich
Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus and Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by
THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAQ," NEW YORK

Volume CXI

AUGUST 1925

No. 2

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	145
The President on Banking—Real Estate Mortgage Bonds—Protecting the Banks—Battle Against Extravagance and Waste—Learning To Be a Banker—Are There Too Many Banks?—The Automobile and Wealth—Europe Paying Up—High Receipts from Income Taxes.	
The Proposed Amendments to the Federal Reserve Act	151
Chairman L. T. McFadden proposes, in the McFadden Bill, to repeal the "War Amendments" to the Federal Reserve Act. This bill is reprinted in full, and a discussion of its probable effects is given by a financial expert, who points out that it is an inflationary measure, that it would thus make the repayment of the excess gold which we now hold more difficult when the time comes to return this gold to the other countries, and finally that the amendments were not in their origin "War Amendments," but were the result of experience.	
A Bounty for Bank Robbers	158
The Chicago and Cook County Bankers Association offers a reward for bank robbers killed by bank employees or policemen.	
The Financial Situation of Poland By Wladyslaw Grabski	159
The Prime Minister and Minister of Finance of Poland describes how that country has recovered from the state of financial disorder which existed at the beginning of 1924. He tells how the legislature gave almost dictatorial power to the Government to accomplish this reform, and how the new gold zloty was introduced. He discusses the establishment and rapid success of the Bank of Poland, the reduction of the number of government employees and balancing the budget, and the funding of Poland's debt to America. He adds that Poland is determined to keep its finances on the sound basis it has now attained.	
Wealth or Income? By Richard W. Saunders	166
Better Credit Letters By Mahlon D. Miller	167
This article gives examples of credit letters which have been successful in getting information concerning the credit standing of a corporation, following up the initial letter, checking an individual's financial standing, checking trade acceptances left for discount, and revising the credit file.	
Country Banks Should Loan on Facts—Not Optimism	
	By Frank S. Wettack 171
The third article of a series on country bank credits by the cashier of the First National Bank of Coffeyville, Kansas. The banker must beware of being too ready to extend credit in his anxiety to please	

(Contents continued on page vii)

The Age of a Bank

TO be distinguished for age alone is, in a man, a distinction of doubtful value. But age by itself confers eminence upon a Bank, for it implies not only the experience that comes with years, but survival amid competition, and is a guarantee of permanence.

To the Bank of New York and Trust Company belongs the honor of being the oldest Bank in the City. Its Banking Department, founded in 1784, antedates even the Constitution of the United States itself. Its Trust Department was established in 1830, at a time when the wealth of the City was only beginning to be great enough to justify an organization devoted principally to the care of Estates.

In addition to a thorough familiarity with the banking and fiduciary business of the present day, the Bank possesses the honorable tradition and the sum of the experience of one hundred and forty-one years of service.

May it not serve you?



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office
149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited.

RESOURCES OVER QUARTER BILLION DOLLARS

1864

*Comprehensive
Foreign
Banking
Service*



1925

*Traveler's
Checks
Foreign
Currency*

61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafield
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY

NEW YORK

PLAZA OFFICE
5th Ave. & 60th St.

42ND STREET OFFICE
Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER

NATIONAL
BANK
OF THE CITY OF NEW YORK
Established 1851
OFFICERS

WILLIAM WOODWARD
PRESIDENT

E. HAYWARD FERRY
VICE PRESIDENT

HENRY P. TURNBULL
VICE PRESIDENT

WILLIAM E. CABLE, JR.
CASHIER

SAMUEL WOOLVERTON
VICE PRESIDENT

J. NIEMANN
ASST. CASHIER

JOSEPH BYRNE
VICE PRESIDENT

WILLIAM DONALD
ASST. CASHIER

CHAS. H. HAMPTON
VICE PRESIDENT

GEORGE E. LEWIS
ASST. CASHIER

JOSEPH S. LOVERING
VICE PRESIDENT

FREDERICK A. THOMAS
ASST. CASHIER

JAMES P. GARDNER
VICE PRESIDENT

WALTER G. NELSON
ASST. CASHIER

FOREIGN DEPARTMENT

WILLIAM B. SMITH
ASST. CASHIER

WILLIAM H. SUYDAM
VICE PRESIDENT
AND MANAGER

WILLIAM H. ALLEN
ASST. CASHIER

Capital \$5,000,000
Surplus and Profits 24,000,000

The "Hanover," is New York Correspondent of over 4000 Banks

CONTENTS—*Continued*

	Page
<p>a borrower. He must not be too optimistic. He should scrutinize loans made to pay debts very carefully. He must beware of taking too many "slow" loans, though he may have a reasonable quantity of them. And he must remember that competition causes business to change constantly—the large profits of today may not exist tomorrow—hence the loan must be watched, even after it has been made with the exercise of due care.</p>	
The Career of William Kidd.....	By Withers Woolford 175
<p>Part I of the real story of Captain Kidd, which differs in many points from the legendary Kidd. History shows that Kidd became a pirate more by accident and force of circumstances than by deliberate intention. With illustrations by Burris Jenkins, Jr.</p>	
Banking and Commercial Law.....	183
<p>Important decisions of current interest handed down by state and Federal courts upon questions of the law regarding banking and negotiable instruments—Bank Allowed to Recover Money Paid on Check After Payment Stopped—Liability of National Bank Stockholder—Bank Liable to Depositor in Paying Fraudulent Checks—Bank Held Liable on Guaranty.</p>	
Banking Publicity.....	191
<p>"Financial Windows of the Mid-West" by M. E. Chase—Editorial Column—Who's Who in Bank Advertising—How Banks are Advertising.</p>	
International Banking and Finance.....	203
<p>"American Banking and World Rehabilitation" by Henry M. Robinson—National Foreign Trade Convention—Review of Countries—International Banking Notes.</p>	
Some Bank Credit Problems.....	237
<p>Part II of the article by the Credit Editor on "Balance Sheet Items," the fourth of a series on basic business and credit principles; also the usual questions and answers.</p>	
Valuation of Public Utilities From a Banking Standpoint.....	By Harold A. Danne 247
A. I. B. Convention in Kansas City Has Record Attendance.....	By D. Richard Young 249
<p>A very complete account of the proceedings by a special correspondent. The most valuable part of the convention was the departmental conferences, which included Audits and Examinations, Bank Administration, Bonds and Investments, Business Development and Advertising, Checks and Collections, Foreign Trade and Foreign Exchange, Savings Banking and Trust Functions. Bruce Baird, manager foreign department New Orleans Bank and Trust Company was elected president of the institute.</p>	
How Bank Employees Can Gain Business and Good Will.....	By Alfred C. Bossom 260
Banking and Financial Notes.....	263
<p>Items of current interest to bankers about banks and banking in every section of the country are contained in this department each month.</p>	



Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

HOME ATMOSPHERE

The cordiality you will receive in The Coal and Iron National Bank will remind you of your home town. Our correspondents transact their business with us with ease and dispatch because of the cordial relationship existing. Pay us a visit when in New York.

The
COAL & IRON
NATIONAL
BANK

OF THE CITY OF NEW YORK

Personal Service Headquarters

Unexpected Discoveries



DR. RUSSELL H. CONWELL tells an interesting story of an ancient Persian, Al Hafed, whose life was spent in a vain, world-wide search for diamonds. When he was dead and buried, it was found that the search should have commenced and ended on Al Hafed's farm. For, as the story tells, this spot became the location of the famous Golconda diamond mine, from which came the marvelous Kohinoor and other diamonds which have decorated the crowns of Europe and have been sold for fabulous sums.

This story is told in the sincere belief that many easily-overlooked discoveries can be made in the familiar things that appear commonplace or humdrum. Particularly, we believe that most people do not realize how many kinds of valuable assistance they can secure from a bank that is geared to meet the modern requirements of business and individuals, and banks.

The Seaboard has developed a reputation as a veritable mine for service, and we believe that you, too, would find here the service you hope to secure from your New York correspondent.

THE SEABOARD NATIONAL BANK

of the City of New York

24 EAST 45th ST.

BROAD AND BEAVER

115 BROADWAY

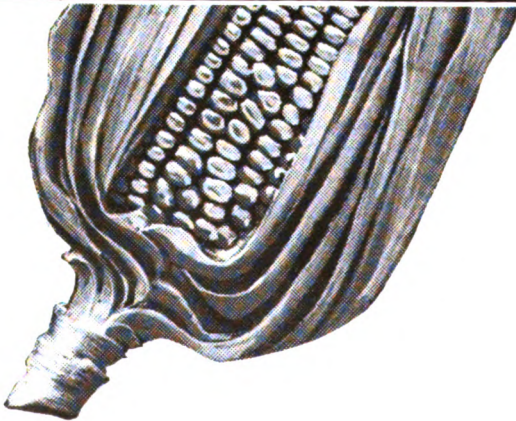


Convenient for all

CORN EXCHANGE NATIONAL BANK
PHILADELPHIA

MAIN OFFICE
Chestnut Street at Second

CENTRAL CITY OFFICE
1510-12 Chestnut Street



The Publisher's Page

IS the national bank, as the dominant factor in American banking, threatened with extinction? Are the restrictions which are thrown around the national banks serving to make the state banks stronger and more powerful? George E. Roberts, vice-president of the National City Bank of New York, and one of the country's leading economists, holds some very decided opinions on this subject. Mr. Roberts' views, as given out in an interview with J. M. Head, will appear in the September number of **THE BANKERS MAGAZINE** in an article entitled "Are National Banks Doomed?"



THE year 1925 marked the advent of a new factor in thrift, the "Save-To-Travel Club." This club originated with and is promoted by the Save-To-Travel Association, a new national body organized to "co-ordinate the forces of money saving and traveling to encourage a broader minded and happier people." In the same manner that the Christmas Club has proved an abundant source for savings by providing a fund to defray the expenses of the holiday season, so will the Save-To-Travel Club provide a basis for American banks to develop a broader field of savings effort along a different line; that of saving to travel. This new movement had, on the first of the present year, an active membership of 349 savings banks, national banks and trust companies. Allan F. Wright, in an article "Save-To-Travel—The New Banking Program," which will appear in the September number, tells how the plan operates, what it has accomplished and what the experience of several banks which have been using the plan has been.



FRANK S. Wettack, author of the series of articles now appearing in **THE BANKERS MAGAZINE** on "Some Phases of Country Bank Credits," and cashier of the First National Bank of Coffeyville, Kansas, recently received from

the genial E. W. Howe of Atkinson, Kansas, nationally known as the editor-publisher of the highly original and ever interesting "E. W. Howe's Monthly" the following letter regarding one of the articles of Mr. Wettack's series: "I have read the article, not as a critic but as an interested reader. I am a bank director, and you have taught me much. I venture the opinion that the head men of country banks everywhere will be much interested and benefited by your writing. By the way, what a wonderful publication **THE BANKERS MAGAZINE** is."



PROMINENT bankers and other men from various parts of the country who have looked into the work being done by the Boston Better Business Commission to checkmate fraudulent promotion schemes characterize it as the most comprehensive method yet launched to save the uninformed investor from throwing his money away in wildcat speculations. Starting on a small scale three years ago, this movement today, headed by George S. Mumford, president of the Atlantic National Bank of Boston and having as its treasurer Thomas P. Beal, president of the Second National Bank of that city, is thoroughly organized and has the support not only of practically all the banks in Greater Boston and eastern Massachusetts but of a great many other interests as well. The story of the workings of this organization will be told by Bernard G. Priestley in his article "Checkmating the Get-Rich-Quick Promoters" which will appear in the September number.



THE fourth article of Theodore Tefft Weldon's series on "A Complete Campaign for New Trust Business" will appear in the October number, and not in the September number as was announced last month on this page. The title of Mr. Weldon's fourth article is: "Personal Solicitation as a Part of the Trust Selling Campaign."

—At the New York End

Whether the activities of a business are of national or international proportions, the services of THE BANK OF AMERICA operate with effectiveness. These services are based upon 113 years of business banking in the nation's metropolis.



Capital, Surplus and Undivided Profits over \$11,000,000



Main Office
Fifth Ave. at 32nd Street

The Bank of United States

Member Federal Reserve System

Resources Over
\$65,000,000.00

DEPOSITORY FOR
United States Postal Savings Funds
State of New York City of New York

Foreign Exchange

Domestic and Foreign Letters of Credit Issued

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

Accounts of Banks and Bankers Invited

STOPOVER PRIVILEGES

To the summer tourist the attractive feature of his "Circle Tour" is the time he may spend at each point of interest on the way.

But why send your collection items on vacation?—a day in one bank, a night in another, with innumerable side trips into Post Office boxes at your expense.

Take advantage of our continuously operating direct collection service.

All items received at par.

THE PHILADELPHIA NATIONAL BANK

Capital, Surplus and Profits \$17,000,000



CAPITAL and SURPLUS
\$9,000,000.00

YOU WILL FIND THIS BANK an active, well-managed institution. Your financial requirements, whether large or small, will receive the benefits of a strong organization, ready to cultivate an interest in the affairs of its customers and friends.

CENTRAL TRUST
COMPANY OF ILLINOIS
CHICAGO

FINANCIAL EYES AND EARS
(for your Investments)

Even after money is invested in good bonds it is well to keep informed about each security. Doing this work is one phase of the service we afford our correspondents.

When it is desired, our Bond Analytical Division will follow up your securities, advising you from time to time of any changes which seem important. It is a satisfaction to know that your bonds are receiving the attention of a conservative organization.

Bond Department

THE NORTHERN
TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$7,000,000



Northwest Corner La Salle and Monroe Streets, Chicago



Investment Service for Banks

THE Bond Department of the Illinois Merchants Trust Company is organized to give trained counsel and complete service in all matters pertaining to bonds. Banks and Investment Houses located anywhere in the country may, without obligation, look to us for suggestions as to the most desirable current investments, for the disposal of bonds they now own, for information relative to issues in which they are interested, or for any other service which our long experience and complete facilities enable us to render.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

**GARFIELD
NATIONAL BANK**
NEW YORK

44 Years on 23rd Street

Directors

JOSEPH H. EMERY
Pres. Onyx Hosiery, Inc.
GEORGE R. FOGARTY
Pres. Mills & Gibb Corp.
CHARLES H. MacDOWELL
Pres. Armour Fertilizer Works
WILLIAM N. McILRAVY
Chairman of the Board, Barrett Co.
ESMOND P. O'BRIEN
Vice-Pres. Credit Alliance Corp.
ALBRECHT PAGENSTECHEK, JR.
Pres. Manufacturers' Paper Co.
HORACE F. POOR, President
RUEL W. POOR, Chairman
G. ELLIS REED
Pres. J. W. Goddard Sons, Inc.
JULIUS SIEGBERT
Louis Siegbert & Brother
ARTHUR W. SNOW
Vice-President
EDWARD E. WATTS
First Vice-President
CHARLES S. WILLS
Pres. Chas. T. Wills, Inc.

THE bank of yesterday was a simple concern compared with the complex organization of today. To retain *yesterday's* personal co-operation between banker and business man, and at the same time afford our customers the full departmentalized service of *today*, is the ambition of the management of this bank.

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

Pine Street, Corner William
NEW YORK

BONDS FOR INVESTMENT

Harris, Forbes & Company
Incorporated
Boston

Harris Trust & Savings Bank
Bond Department
Chicago

The CONTINENTAL and COMMERCIAL BANKS

CHICAGO

Statements of Condition June 30, 1925

CONTINENTAL and COMMERCIAL NATIONAL BANK of CHICAGO

Resources

Time Loans	\$127,645,493.42	
Demand Loans	129,986,972.97	
Acceptances	4,961,574.57	
Bonds, Securities, etc.	23,401,866.25	\$285,995,907.21
U. S. Bonds and Treasury Notes		39,698,474.53
Stock of Federal Reserve Bank		1,200,000.00
Bank Premises (Equity)		7,900,000.00
Customers' Liability on Letters of Credit		6,806,991.61
Customers' Liability on Acceptances		1,445,583.78
Overdrafts		54,957.77
Cash and Due from Banks		128,787,434.13
		<u>\$471,889,349.03</u>

Liabilities

Capital		\$ 25,000,000.00
Surplus		15,000,000.00
Undivided Profits		6,065,643.10
Reserved for Taxes		1,685,452.99
Circulation		50,000.00
Liability on Letters of Credit		8,117,120.51
Liability on Acceptances		1,600,156.11
Deposits { Individual	\$252,321,249.67	
{ Banks	162,049,726.65	414,370,976.32
		<u>\$471,889,349.03</u>

CONTINENTAL and COMMERCIAL TRUST and SAVINGS BANK

Resources

Demand Loans	\$26,866,174.73	
*U. S. Gov't Bonds and Treasury Notes	29,428,202.41	
*Bonds due in 1925 to 1927 inclusive	7,997,317.84	
*Other Bonds	9,542,435.41	
Cash and Due from Banks	36,650,331.30	\$110,484,461.69
Time Loans		20,477,340.04
		<u>\$130,961,801.73</u>

*Adjusted to cost or market price, whichever is lower

Liabilities

Capital	\$ 5,000,000.00	
Surplus	10,000,000.00	
Undivided Profits	1,601,066.31	
Reserved for Taxes, Interest and Dividends	1,055,729.06	\$ 17,656,795.37
Demand Deposits	\$32,081,479.26	
Time Deposits	55,742,340.17	
Special Deposits	25,481,186.93	113,305,006.36
		<u>\$130,961,801.73</u>

Total Deposits \$527,675,982

Total Resources 602,851,150

Invested Capital over 62,000,000

RESOURCES of the Buffalo Trust Company have increased from \$20,000,000 to more than \$60,000,000 in the last four years.

The Buffalo Trust Company now is one of the nation's larger banks.

BUFFALO TRUST COMPANY

Named for the City it Serves

Resources more than \$60,000,000

**OLDEST TRUST COMPANY
IN WESTERN NEW YORK**

Justifying Our Slogan, "The Bankers' Service Station"

—has never been an easy task. In fact it has kept us busy for thirty-four years. But, the pleasure of rendering "unusual" services in "unusual" ways has more than justified



our efforts. Some of these special services are mentioned below and we shall welcome an opportunity of laying complete details before you on receipt of your inquiry.



"The Business Indicator"

"The Business Indicator" is a special service originated to help our Correspondents get more business. It is a service that actually pictures the "signs of the times" by means of a series of graphic charts. It will be imprinted under your name for distribution among your commercial customers. The "Indicator" brings business to our bank and we know it will bring business to your bank. We shall be glad to forward full details upon receipt of your request.

Your Chicago "Headquarters"

Whenever you come to Chicago we invite you to make your "headquarters" at the "Republic's" Customers' Club Room, where you will find the atmosphere of a personal club and the convenience of a private office on La Salle Street — with stenographic, notarial and travel service, a private desk, a telephone and stationery as well as facilities for obtaining theater tickets and hotel or Pullman reservations. All are provided for your convenience and we invite you to make full use of them.



**The National Bank of the
REPUBLIC
OF CHICAGO**



JOHN A. LYNCH, *Chairman of the Board*
DAVID B. FORBMAN, *Vice-Chairman* GEORGE WOODRUFF, *Vice-Chairman*
HUGO E. OTTE, *President*



Meeting the Needs of a Greater Philadelphia

Capital and Surplus \$3,500,000.00
Resources over . \$30,000,000.00

FRANKLIN TRUST COMPANY

Southwest Corner Fifteenth and Chestnut Streets

West Phila. Office
Fifty-second and Market Sts.

Front Street Office
Front and Market Sts.

Germantown Office
5708 Germantown Ave.

Frankford Office
Frankford Ave. and Paul St.

PHILADELPHIA PA.

America's Largest Exclusively



Day - and - NIGHT Bank



PRESENTED TO THE CORPORATION OF
NORFOLK BY L^d GOV. ROBERT DINWIDDIE
MAY 1793

Organised 1885

UNITED STATES DEPOSITORY

Capital \$1,000,000
Surplus and Profits \$1,310,000

- W. A. GODWIN President
- A. B. SCHWARZKOPF Vice-President
- J. B. DEY, Jr. Vice-President and Cashier
- C. S. WHITEHURST Vice-President
- L. T. VAN PATTEN Asst. Cashier
- E. D. DENBY Asst. Cashier
- R. H. MOORE Asst. Cashier
- H. B. REARDON Auditor

*The Oldest National Bank
in Eastern Virginia*

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds \$370,000,000
Corporate Trusts - \$1,500,000,000

GIRARD TRUST COMPANY
BROAD AND CHESTNUT STREETS • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street



IN deposits and resources the Peoples State Bank has more than kept pace with the growth of Detroit.

During the last year our resources have increased over twenty per cent.

This development we believe is an indication of the confidence that the Detroit public has in this institution.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

Detroit, Michigan

RESOURCES OVER \$150,000,000



The A B C

of international banking is provided through our 60 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France and Spain

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America

and

Commercial Bank of Spanish America

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

Incorporated under the laws of the State of New York

49 Broadway, New York

When You Need A Massachusetts Fiduciary

Individuals and corporations having fiduciary business in Massachusetts are invited to correspond with the President or other officers of this Company.

We are prepared to serve in any fiduciary capacity in the State of Massachusetts. We have had 47 years' active experience in this field and render expert service as Executor and Trustee under Will and under Trust agreement, acting as Guardian or Conservator of property, and also as Custodian.

CHARLES E. ROGERSON, *President*

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At ARCH and DEVONSHIRE STREETS

Room 6

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System

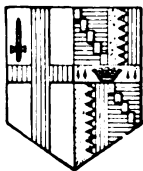


Capital	- - -	\$1,000,000.00
Surplus	- - -	300,000.00

DR. L. A. BIZE	_____	President
W. W. TRICE	_____	Vice-President
ISAAC MAAS	_____	Vice-President
L. L. BUCHANAN	_____	Vice-President
D. H. LANEY	_____	Cashier
W. W. BLOUNT	_____	Assistant Cashier
EUGENE KNIGHT	_____	Assistant Cashier
C. E. HESTER	_____	Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berençaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2

Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland.

Glyn, Mills & Co.

(Established 1753)
Registered with unlimited liability, 1885

Incorporating

CHILD & CO. and HOLT & CO.
(Established before 1800) (Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents

Head Office - 67, Lombard St. London, E. C. 3

Childs Branch - - - 1, FLEET STREET, LONDON, E. C. 4

Holts Branch - - - 3 & 4, WHITEHALL PLACE, LONDON, S. W. 1

Current and Deposit Accounts opened on the usual terms.

The Bank has Agents or Correspondents in all the principal cities or towns throughout the World, and can provide Banking facilities for its customers wherever desired. Letters of Credit and Circular Notes issued on our Foreign Correspondents and Agents throughout the World.

Currency Drafts obtained; Remittances mailed and Telegraphic Transfers made to all parts of the World.

Foreign Currency Accounts opened.

Purchase and Sale of Stocks, Bonds and Shares effected and custody of securities undertaken.

Dividends, Annuities, etc., received; forms authorising their receipt supplied, and coupons collected for customers.

Recovery of Income Tax and Preparation of Income and Super-tax Statements undertaken. The Bank has a special department to advise and assist customers on questions relating to Income and Super-tax.

The duties of Executors and Trustees undertaken.

Navy and Prize Agents. Salvage claims preferred.

DRESDNER BANK



Head Office:

BERLIN W 8

Behrenstrasse 35-39



*Branches in about 100 towns,
including*

**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:

PROEHL & GUTMANN

Telegrams: Dresdagent



Head Office:

LONDON, E.C. 3.

Over 1,650 Offices in
England and Wales, and
several in India, Burmah
and Egypt.

(31st December, 1924.) (\$5=£1.)
DEPOSITS, &c. \$1,707,171,660
ADVANCES, &c. \$823,571,655

The Bank has Agents
and Correspondents
throughout the British
Empire and in all parts
of the World, and is
closely associated with the
following Banks:—

The National Bank of Scotland Limited.
Bank of London & South America Limited.
Lloyds & National Provincial Foreign Bank Ltd.
The National Bank of New Zealand, Limited.
Bank of British West Africa, Limited.
The British Italian Banking Corporation, Ltd

Facilitate Your Canadian Collections

THE BANK OF TORONTO

Incorporated 1855

Banks and business houses in the United States and Foreign countries are assured of prompt, accurate, satisfactory service through our branches at
Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000

JOHN R. LAMB
General
Manager



Reserves
\$7,000,000

Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000

Surplus and Profits \$726,000

Resources \$8,622,663

WM. H. FOLTS, President
 JOHN H. CHILES, Vice-President MORRIS HIRSHFELD, Vice-President
 T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
 S. B. ROBERDEAU, Asst. Cashier LEFFLER CORBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

H. A. WROE, President
 R. C. ROBERDEAU, Vice-Pres. L. J. SCHNEIDER, Vice-Pres.
 A. D. THOMPSON, Vice-Pres. L. D. WILLIAMS, Cashier
 H. PFAEFFLIN, Asst. Cashier D. H. HART, Jr., Asst. Cashier

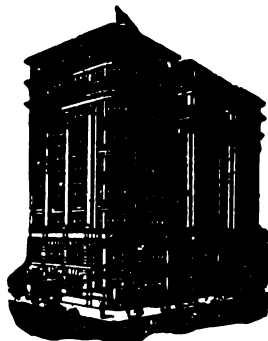
For Prompt and Best Service Send Your
Texas Items Direct to the

American National Bank

AUSTIN, TEXAS

Capital, \$300,000 Surplus, \$800,000

Directors' Responsibility Over \$8,000,000 United States Government Depository
 Will remit in New York, Boston, Chicago, St. Louis, Kansas City
 or New Orleans Exchange when requested. We have unsurpassed
 facilities for collecting on all banking points in Texas.





ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

GENERAL MANAGER'S OFFICE: TORONTO, ONT.
 J. A. McLEOD, General Manager

NEW YORK AGENCY - - - - 49 WALL STREET
 P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E. C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
 Royal Bank of Scotland**
**NEW YORK—Bank of New York & Trust Co.
 National Bank of Commerce in New York**



New York Office

*One
of the
World's
Largest
Banks*

THE resources of this Bank exceed Six Hundred Million Dollars. 544 Branches cover Can-

ada from coast to coast and over 112 Royal Bank offices serve Cuba, the West Indies, Central and South America. Branches are also operated in New York, London, Paris and Barcelona.

We can be of material assistance to those who do business with Canada or with any of the countries in which we are represented.

Our New York Office at 68 William Street, will be pleased to obtain data regarding markets and tariffs, for all those who are seeking to extend the scope of their markets.

**The Royal Bank
of Canada**

HEAD OFFICE—MONTREAL

Capital and Reserves 41 Million Dollars

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) \$7,000,000
Reserve Fund 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE-PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER

H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents

UNITED STATES

New York—Bank of the Manhattan Co.
Boston—National Shawmut Bank.
Philadelphia—Fourth St. National Bank
Buffalo—Marine Trust Co.
Chicago—First National Bank.
San Francisco—Wells Fargo Bank &
Union Trust Co.
Seattle—Seattle National Bank.
Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
Scotland—The Commercial Bank of Scot-
land.
Ireland—Northern Banking Co., Limited,
Belfast, and Branches.
FRANCE, BELGIUM and
SWITZERLAND
Lloyds & National Provincial Foreign
Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

	\$5=£1
Capital Subscribed	\$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 30th June, 1925.....	290,254,305

375 BRANCHES AND SUB-BRANCHES.

*All descriptions of Banking, Trustee and Foreign
Exchange Business Transacted.*

The Bank is prepared to act as Agents for Foreign Banks
on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

Over 60 Branches and Agencies Throughout Italy

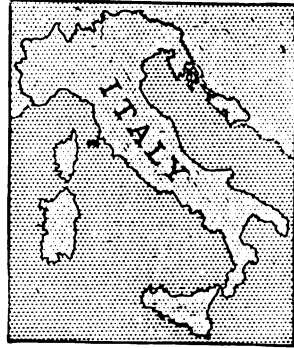


NAPLES OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.

The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.



Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 468,462,200 Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO

LIMA, PERU

Established 1889

Capital Fully Paid Lp. 500,000,000
 Surplus . . . Lp. 589,553,670

BRANCHES

Callao—Arequipa—Chincha Alta—Mollendo—Trujillo

Representatives for the U. S. A.

Banca Commerciale Italiana

Agency in New York - - 62-64 William Street

Phone: John 1000



BANKER & TRADESMAN

New England's Leading Business Weekly—Covers
 the Business, Financial and Real Estate News of
 the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.

Commerz-und Privat-Bank
Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R.M. 63,000,000

All Banking Transactions

Extensive Trade Information Service

Cable address for main offices and branches

"HANSEATIC"

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000

Head Office

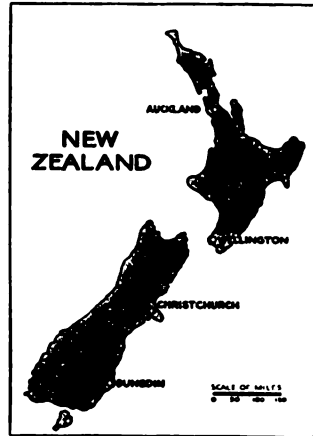
8 Moorgate Street, London, E.C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY



80 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

(Affiliated with Barclays Bank, Ltd.)

Subscribed Capital	. . .	£1,800,000
CAPITAL PAID-UP	. . .	£ 600,000
Reserve Fund	. . .	£ 720,000

Head Office : 37 to 39 King William Street
 London, E.C. 4

BRANCHES

EGYPT. Alexandria, Cairo, Port-Said, Suez, Tantah,
 Zagazig, Mansourah, Assiut, Beni-Suef, Minieh,
 Musky.

SUDAN. Omdurman, Khartoum, Port Sudan, Makwar,
 Wad Medani.

PALESTINE. Haifa, Jaffa, Jerusalem, Nazareth.

MEDITERRANEAN. Malta, Gibraltar.

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed.....Yen 60,000,000
Capital Paid Up.....Yen 52,500,000
Reserve Funds.....Yen 14,180,000

KOJURO NAKAGAWA, Esq.
 President

HIROZO MORI, Esq.
 Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.
TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyen.
CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.
OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

K. YAMAMOTO, Agent

London Office: 25 Old Broad Street

Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

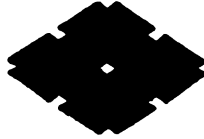
The Sumitomo Bank, Limited

Cable address: "Sumitbank"

ESTABLISHED 1912

(Successors to The Sumitomo Bank)

Capital Subscribed Yen 70,000,000
 Capital paid up " 50,000,000



Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President

K. YUKAWA, Esq., Managing Director S. YOSHIDA, Esq., Managing Director
 N. YATSUSHIRO, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (2)	Kyoto (2)	Nagoya
Shimonoseki	Moji	Hiroshima (2)	Hakata	Hyogo	Niijima
Kurume	Kure	Wakamatsu	Kokura	Yanai	Onomichi

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay
 Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo
 Bank of Seattle, Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues
 Commercial and Travellers Letters of Credit available in all important parts of the
 world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed Yen 100,000,000.00
 Capital Paid-Up Yen 60,000,000.00
 Reserve Funds (June 1924). Yen 47,100,000.00



Head Office : TOKYO, JAPAN

(No. 1 Suruga-cho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq. N. KIKUMOTO, Esq.

H. KAMESHIMA, Esq. R. IMAI, Esq.

New York Agency, 61 Broadway, New York City

Home Branches :

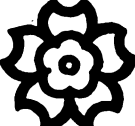
Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji,
 Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru,
 Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches :

Bombay London New York Shanghai

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		Yen 80,000,000
Capital Paid-Up . . .		Yen 50,000,000
Total Resources . . .		Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUK'

Directors

Y. KATAYAMA

I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

CHOSŌN: (Korea) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.
MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.
JAPAN: Tokyo, Osaka, Kobe, Shimonoseki.
CHINA: Shanghai, Tsingtao, Tientsin, Tsinan
SIBERIA: Vladivostok.

New York Agency, 165 Broadway

H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,600,000.00
DEPOSITS (Dec. 31, 1924)		168,531,134.00

Keizo Hirooka, Esq., President
 Chusuke Yoshii, Esq., Managing Director
 Seijiro Gion, Esq., Director
 Tadanosuke Emura, Esq., Director
 Manroku Matsui, Esq., Auditor

Yukinori Hoshino, Esq., Managing Director
 Seishichi Kawakami, Esq., Managing Director
 Hikotaro Ohmura, Esq., Director
 Kyuemon Hirooka, Esq., Auditor
 Kin-ichiro Hoshijima, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

**General Banking, Foreign Exchange and Trust
 Business Transacted**

New York Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 American Express Co.

London Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 London & Brazilian Bank, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office : Athens

*Branches : Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Tricala, Mytilene, Canea, Zante, Plomari and Tripolitza*

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

*Correspondents in the principal towns of Greece and in foreign countries
throughout the world*

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East, on the Continent, on Great Britain, Africa, America and Australia, and transact Banking Business of every description.

LONDON CORRESPONDENTS:

The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office:

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's, Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

NATIONAL PROVINCIAL BANK

LIMITED

Established 1833

(\$5=£1)

Subscribed Capital	- - -	\$218,085,400
Paid-Up Capital	- - - -	47,897,080
Reserve Fund	- - - -	47,897,080

Head Office: 15, BISHOPSGATE, LONDON, E. C. 2

UNION BANK OFFICE: 2 Princes Street, London, E. C. 2

OVER 1,100 OFFICES in ENGLAND and WALES

The Bank offers special facilities for the conduct of accounts of
Colonial and Foreign Banks

AFFILIATED BANKS

COUTTS & CO., GRINDLAY & CO., LTD.

ASSOCIATED BANKS:

Bank of British West Africa, Ltd.
Lloyds & National Provincial Foreign Bank Ltd.

P. & O. Banking Corporation, Ltd.
The British Italian Banking Corporation, Ltd.

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ESSAME Assistant Manager—W. A. LAING
Secretary—F. H. McINTYRE

193 Branches throughout Australia and New Zealand, viz.:—

*In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western
Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.*

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of
Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits
issued available throughout the World.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth, United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			<u>\$675,606,797.21</u>

Cable Remittances made to, and drafts drawn on United States, Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE NATIONAL BANK OF AUSTRALASIA

LIMITED

ESTABLISHED . . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)	\$50,000,000
Capital Paid Up	\$20,000,000
Reserve Fund	\$11,500,000
Total Assets March, 1925	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager E. H. WREFORD	Deputy Chief Manager JAMES WILSON	Chief Inspector J. A. G. HADLEY
Inspector and Manager, Foreign Department: E. J. OSBORNE		

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank, Limited

Authorized Capital	\$15,000,000
Paid-up Capital	\$7,500,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,100,000

**HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
and 370 Branches and Agencies in Australia**

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. **BILLS NEGOTIATED** or sent for **COLLECTION**. **REMITTANCES** made by **TELEGRAPHIC TRANSFER**. **WOOL** and **PRODUCE CREDITS** arranged. **LETTERS of CREDIT** and **DRAFTS** issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.
CHICAGO—First National Bank.
SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital £4,000,000
Reserve Fund £3,700,000
Reserve Liability of Proprietors
under the Charter £4,000,000
£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2

EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

VICTORIA

Melbourne: 394 &
 396 Collins St.; 384
 Elizabeth St.; 71
 Collins St. East
 Brunswick
 Burnley
 Coburg
 Collingwood
 Elsternwick
 Footscray
 Malvern
 Middle Brighton
 Port Melbourne
 Prahran
 St. Kilda
 Williamstown
 Bairnsdale
 Ballarat
 Benalla
 Bendigo
 Bright
 Castlemaine
 Charlton
 Chiltern
 Cobram
 Corryong
 Drouin
 Eureka
 Fish Creek
 Foster
 Geelong
 Katamatite
 Kingston
 Korat
 Korong Vale
 Korumburra
 Leongatha
 Mirboo North
 Mooroonna
 Morwell
 Nathalia
 Numurkah
 Port Fairy (Belfast)
 Rutherglen

Victoria, Contd.

St. James
 Sale
 Shepparton
 Stawell
 Strathmerton
 Tallangatta
 Terang
 Traralgon
 Tungsamah
 Walwa
 Warragul
 Warrambool
 Wedderburn
 Welshpool
 Wycheproof
 Yackandandah
 Yarram
 Yarrawonga

NEW SOUTH

WALES
 Sydney; Martin
 Place; 85 Pitt St.;
 555 George St. So.;
 Wentworth Ave.;
 236 William Street
 Bondi Junction
 Hurstville
 Kogarah
 Leichhardt
 Marrickville
 Newtown
 North Sydney
 (84 Mount St.)
 Petersham
 Albury
 Ballina
 Bathurst
 Bega
 Bellingen
 Berrigan
 Blayney
 Broken Hill
 Cessnock
 Cootamundra

N. S. Wales, Contd.

Corowa
 Crook well
 Dorrigo
 Dubbo
 Forbes
 Glen Innes
 Goulburn
 Grafton
 Grenfell
 Hamilton
 Howlong
 Jerilderie
 Kempsey
 Kyogle
 Lismore
 Maitland (West)
 Maitland (East)
 Moree
 Murwillumbah
 Muswellbrook
 Narrabri
 Narromine
 Newcastle
 Nowra
 Orange
 Parkes
 Peak Hill
 South Grafton
 Stroud
 Tamworth
 Tullamore
 Wagga, Wagga
 Waa Waa
 Young

QUEENSLAND

Brisbane
 Cairns
 Charters Towers
 Chillagoe
 Cooyar
 Crow's Nest
 Herberton
 Hughenden
 Ipswich

Queensland, Contd.

Kingaroy
 Longreach
 Maryborough
 Oaky
 Richmond
 Rockhampton
 Roma
 Toogoolawah
 Toowoomba
 Townsville

SOUTH AUSTRALIA

Adelaide
 Koorina
 Mount Barker
 Port Lincoln
 Port Pirie
 Wirrabara

WESTERN AUSTRALIA

Perth
 Albany
 Beverley
 Bunbury
 Fremantle
 Gnowangerup
 Kalgoorlie
 Moora
 Northam
 Wagin
 Wickepin
TASMANIA
 Hobart
 Burnie
 Deloraine
 Devonport
 Launceston
 Sheffield
 Stanley
 Ulverston
 Wynyard

Branches in New Zealand

Wellington
 Ashburton
 Auckland
 Christchurch
 Dannevirke
 Dunedin
 Eltham
 Featherston
 Feilding
 Gisborne
 Gore
 Hamilton

Hastings
 Hawera
 Invercargill
 Kaiaia
 Levin
 Mania
 Mangonui
 Marton
 Masterton
 Matamata
 Morrinsville
 Napier

New Plymouth
 Otaki
 Palmerston Nth.
 Patea
 Raetihi
 Rotorua
 Stratford
 Taihape
 Taumarunui
 Tauranga
 Te Aroha
 Te Kuiti

Temuka
 Te Puke
 Timaru
 Waipawa
 Waipukurau
 Waiporo
 Wangarua
 Waverley
 Whakatane
 Whangarei

Principal Correspondents in North America

CANADA :

Bank of Montreal
 Canadian Bank of Commerce

UNITED STATES:

Bank of New York & Trust Co., New York
 Hanover National Bank, New York
 National Bank of Commerce, New York

UNITED STATES, Contd.:

National City Bank of New York
 Continental & Commercial Nat. Bk. of Chicago
 Illinois Merchants Trust Co., Chicago
 National Bank of the Republic, Chicago
 Fourth Street National Bank, Philadelphia
 Wells Fargo Bank & Union Trust Co., San Francisco

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers, Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorised Capital - - - - -	<u>£10,000,000</u>
Subscribed Capital - - - - -	<u>£8,916,660</u>
Paid-Up Capital - - - - -	£2,229,165
Reserve Fund - - - - -	£2,893,335
Uncalled Capital - - - - -	£6,687,495
	<u>£11,809,995</u>

**BANKING BUSINESS TRANSACTED
IN ALL PARTS OF THE WORLD**

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch: 9 Northumberland Avenue, W. C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolsingel

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

Branches and Agencies Throughout
SOUTH and EAST AFRICA

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in { Bank of British West Africa, Ltd.
New York { Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

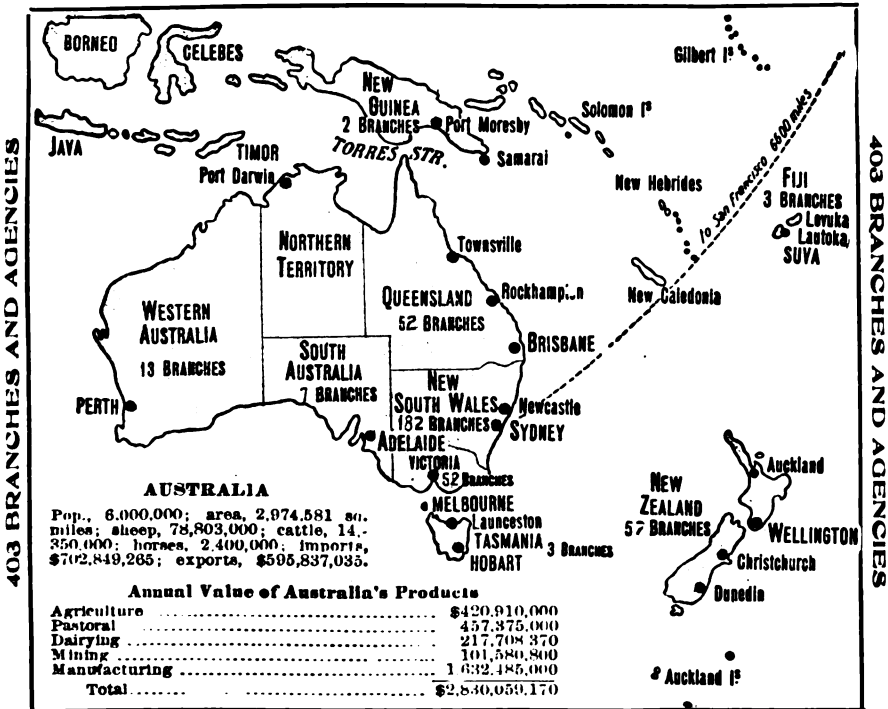
AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		<u>\$80,750,000</u>



Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager



Head Office—George St., Sydney London Office—29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London

Cable remittances made to and drafts drawn on Foreign Places DIRECT

Foreign Bills Negotiated and Collected.

Letters of Credit Issued.

NEGOTIABLE THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York :

Standard Bank of South Africa, Ltd.
 National City Bank of New York
 National Bank of Commerce in New York

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Guaranty Trust Company of New York

NEW YORK LONDON PARIS BRUSSELS
LIVERPOOL HAVRE ANTWERP

Condensed Statement, June 30, 1925

RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers.....	\$175,342,760.18
U. S. Government Bonds and Certificates	38,403,613.69
Public Securities	21,522,331.92
Other Securities	23,498,801.54
Loans and Bills Purchased	394,639,638.30
Real Estate Bonds and Mortgages	2,081,800.00
Items in Transit with Foreign Branches	5,356,638.39
Credits Granted on Acceptances	39,290,565.39
Real Estate	8,032,848.04
Accrued Interest and Accounts Receivable	8,512,184.33
	<u><u>\$716,681,181.78</u></u>

LIABILITIES

Capital	\$25,000,000.00
Surplus Fund	15,000,000.00
Undivided Profits	5,369,140.95
	<u>\$45,369,140.95</u>
Accrued Interest, Reserve for Taxes, etc.	3,775,262.96
Acceptances	39,290,565.39
Outstanding Dividend Checks	677,523.00
Outstanding Treasurer's Checks	50,347,224.18
Deposits	577,221,465.30
	<u><u>\$716,681,181.78</u></u>

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

AUGUST 1925

VOLUME CXI, NO. 2

Editorial Comment

The President on Banking

PRESIDENT COOLIDGE, in writing to a labor bank on the occasion of its second anniversary, took advantage of the opportunity to state some very simple truths about banking, which are too often forgotten. The president said:

"Banking in a great city is a highly specialized and difficult operation. I notice that you put some emphasis on the amount of your deposits. They are important, for they indicate the growth and size of your institution. But the main emphasis in banking is to be put on investments. Your deposits represent the amount that you owe. Your investments represent the value of your assets.

"You are peculiarly well equipped to secure deposits. I trust it may not seem presumptuous if I dwell upon the necessity of securing sound financial experience to take charge of your investments. It may seem easy to borrow money, for that is what your deposits represent, but all experience shows that it is very far from easy to invest money in such a way that you will be prepared at all times to meet the necessary requirements of those who have put their money in your keeping."

These homely truths are not merely applicable to the labor banks, but to all banks, and are to be constantly kept in mind. With the confidence justly reposed by our people in the banks of the country, and with the strenuous methods of business-getting now in

vogue, the piling up of deposits is a comparatively easy matter. The employment of deposits with safety and profit requires greater care and skill.



Real Estate Mortgage Bonds

SOME criticism was made lately by a New York banker of the real estate mortgage bond business. For several years the country has been experiencing a shortage of houses and apartments, and this has resulted in high rents. With high rental returns it has become comparatively easy to procure fresh funds with which to put up more houses, although building materials and wages have been high. Where the bond issues have been on a high valuation basis of the property covered, the danger is, as the New York banker pointed out, that "the nominal owners of these properties will find themselves merely unpaid collection agents for the lender and, with little at stake, will be certain, in large numbers, to turn over the property to the actual owners, the bondholders." This is not likely to happen so long as prices and rents are maintained, but is a contingency to be reckoned with if prices and rents have a marked fall.

The number of companies engaged in selling real estate mortgage bonds has greatly increased, and judged by their liberal advertising expenditures, and the magnificence of their buildings, they must be highly prosperous. Un-

doubtedly, in the main, these organizations are conducted with integrity and ability and perform a useful service. It will be unfortunate if a few of them should be permitted to operate in a way that will prove disastrous and tend to discredit the business as a whole.

Unfortunately, the fact that a company of this sort has been long in the field without loss does not afford a guaranty for the future. Unless the organization is carefully managed, a severe drop in real estate values and in rents will prove a test beyond its strength to resist.

When buying these bonds it is important to scrutinize the management, to be familiar with the methods of appraising property, and above all to be sure whether one is really buying a bond actually secured by adequate real estate liens, or merely a credit obligation or debenture of the issuing company.

The financing of real estate construction along proper lines is vital to the stable prosperity of the country, and it should be kept on a conservative basis.

Probably the sound and well-conducted companies engaged in this business would welcome an investigation and supervision of their operations with this end in view.



Protecting the Banks

IN some of the states depredations against banks have reached such serious proportions that the bankers have been compelled to take action, independently of authorities, to protect their institutions from assaults by robbers and bandits. They have found it necessary to organize special armed guards to deal with these depredations, which have alarmingly increased of late. The banks are acting in a commendable spirit in seeking to safeguard their

funds and securities, and if the local authorities do not or can not afford the requisite protection, the banks must provide it themselves.

While banks have always been favorite objects of the bandit's raids, this form of depredation has not for a long time reached anything like the proportions it has now assumed.

It is an essential element of banking that it be made as safe as possible. For many years the banks have counted on their superior safety as one of the strongest arguments for putting money or securities in their custody. It was rightly held that money and valuables of all sorts were safer in a bank than elsewhere. This is still true, though it will not be so if raids on the banks are permitted to go on unchecked.

Nearly every kind of mechanical device has been employed in the effort to protect the banks; and while many of these devices have undoubtedly afforded a high degree of protection to the banks, they have not entirely stopped the raids of the bandit and burglar.

That the banks must themselves supply armed defenders of their valuables implies a lamentable weakness on the part of the authorities. Perhaps better protection would be afforded if the banks and mercantile establishments would more vigorously insist that officials elected or appointed to protect the public show a higher degree of vigilance and efficiency. Banks and business interests of all kinds are heavily taxed, and they have a right to expect that officials who are paid to checkmate the burglar and bandit should get on the job. That they are lax in the performance of their duties indisputably appears from the growth of these depredations. People who pay taxes in order to have their property safeguarded ought not themselves have to supply the protection for which they are paying but fail to get.

Battle Against Extravagance and Waste

BANKERS and other business men do well in keeping up a vigorous fight against public and private extravagance and waste. Despite their utmost efforts, there is a tendency in many quarters for taxes to increase and waste to persist. Figures evidencing this tendency have become so familiar as to have lost much of their original force.

Opinions will differ as to what constitutes extravagance, but surely that may be regarded as an extravagant expenditure which one can not afford. Measured by this test, it will be found that many nations and individuals may be justly charged with extravagance. They are spending more than their incomes justify. And the result can not be otherwise than disastrous. With nations this fact is perhaps more clearly disclosed than in the case of individuals; or probably it is more apparent on account of the magnitude of the ill effects.

Extravagance not only impairs national and individual credit, but in the case of nations it greatly reduces their ability to hold their own in the sharp industrial contests of modern times. Distanced in this struggle, they are apt to try to shift the blame over from their own shoulders to those of their competitors. They complain of tariffs and other trade discriminations, and otherwise betray the querulous disposition of the loser in the game.

President Coolidge has been criticised for preaching economy; but surely the American people do not need to be lectured for their want of liberality in the expenditure of money. As a matter of fact, those who practice economy are precisely the ones who can be relied on at all seasons, year in and year out, to maintain a reasonable scale of expenditure and thus provide a dependable sustaining power for industry and trade.

The battle against extravagance and

waste is one that should be relentlessly waged in behalf of public and private welfare.



Learning To Be a Banker

OWING to the numerous bank failures in the last year, chiefly the smaller institutions, there has been a revival of discussion of the comparative strength of large and small banks. Manifestly, the strength of a bank is not in proportion to its bulk. Here the determining factor is not magnitude, but quality. Probably the superiority of the big bank may be ascribed less to its size than to its ability to command the best banking talent; for, after all, this is what really counts in the conduct of a bank as in other businesses. Generally the tendency among the larger banks is for the management to be vested in competent and experienced hands. Perhaps this is less true among the smaller banks, control of which is more easily secured, and often by men who have made money in other lines of business and who have banking ambitions without banking experience.

Of course, there are other considerations which add to the hazards of the small bank. Its loans can hardly be so well distributed as those of its larger rivals, and are often chiefly confined to a single industry like farming. Crop failures will, in such cases, severely strain the bank; and the wonder is not that so many fail, but that so many survive.

No doubt the safety of the country bank would be greatly increased if those who are to engage in this particular field would more thoroughly qualify themselves by preliminary study and experience for the very serious obligations they are to undertake. The principles upon which a bank should extend credit are to be thoroughly mastered and steadily observed; otherwise

the bank will either fail to make a profit or will come to grief. The examples of successful country banking are so numerous as to establish the fact that the manager of a small bank who has learned his business can always keep his institution safe and sound.



Are There Too Many Banks?

A NEW JERSEY state official, in a recent address, complained of what he styled a lack of co-operation between state authorities and the Comptroller of the Currency at Washington in the granting of bank charters. In the opinion of this gentleman the state authorities were in a better position than the Comptroller to judge of the need for a new bank in any given locality. He went on to say that frequently the states had refused to grant charters on the ground that more banks were not needed, only to find their action practically nullified by the Comptroller's Bureau in granting charters to national banks in the same places. He also declared:

"There is a banking saturation point. The state and country can accommodate just so many banks and no more. The number must be restricted to the actual need, or injury will be done to the banking system."

Undoubtedly there is a limit to the number of banks that can profitably operate in any given community, just as there are limits to other kinds of business. But it is not always safe to rely on the opinion of existing banks as to just when this limit has been reached. A bank that is taking the cream of the business at a round profit quite naturally takes the view that a rival or competitor is not needed, although substantial business interests in the community may take quite a different view. It is to the latter, rather than to the opinion of the existing banks, that the Comp-

troller must pay the most attention. While he should not, either in the interest of the banks or of the community, stimulate or countenance the establishment of so many banks as would cause them to operate without sufficient desirable business to earn a fair profit, it is equally his duty not to foster a banking monopoly. Banking in the United States is not the privilege of a favored few. It is open to all who have the necessary capital, character and skill, though no good purpose is served either by the Comptroller or by state authorities in permitting the establishment of more banks than are needed.

Taking the country as a whole, and without regard to the special needs of certain localities, it would seem that for some years we might slow down on the multiplication of banks, thus giving many small existing institutions a chance to grow up with the country.



The Automobile and Wealth

FROM a recent report on the automobile industry it appears that our expenditure on cars and trucks mounts up to \$8,000,000,000 annually, and that there are now in use some 17,500,000 of these vehicles, or about one to every seven inhabitants. This vast outlay does not take into account the money spent in the construction and maintenance of highways rendered necessary largely through the growth of automobile traffic.

The report mentioned above points out that during the period of the motor car's advance in America, deposits in savings and commercial banks, assets of building and loan associations, and life insurance have largely increased. Without claiming too much, it must be admitted that the automobile industry has contributed materially to these gains. It could hardly be otherwise, since the industry is responsible for fairly steady

employment of large numbers of workers at good wages. This must have an effect in adding to savings deposits, building and loan assets and life insurance. The purchase of materials employed in the industry, and the sale of the cars, tend to increase the volume of deposits in the commercial banks. Much has been heard about people drawing out their money from banks to buy automobiles, but it can hardly be possible that the owners of cars, as a whole, have a less sum deposited in the banks than they did before becoming the proud possessors of this swift and comfortable means of travel. No doubt the contrary is true.

The real contribution which the passenger cars and trucks have made to the country's wealth consists largely in the economic uses to which they have been put. It is not exaggerating to say that in many respects the results have been revolutionary. Improved means of transportation are essential to the continued growth of production and trade, and in this respect the automobile has fully shown its usefulness. Unfortunately, as in the case of nearly all great improvements, another industry (the railway) has suffered, though the hope is entertained that in time a satisfactory adjustment of the relations between the railways and the automobiles may be reached.



Europe Paying Up

MUCH stress is laid from time to time on the failure of several European governments to take any steps looking to the payment of their debts due to the United States. Perhaps too little attention has been given to the examples of courage and sacrifice on the part of those countries which are paying their debts to us despite the great hardship these payments entail. A recent announcement from the Treasury was to the effect

that \$68,000,000 had just been received from the debtor countries, Great Britain leading with the largest amount, smaller sums coming from Finland, Hungary, Lithuania and Poland. Those familiar with conditions in these countries understand quite well that debt-paying at this time involves serious hardships, and the people of the United States ought to put a high value on the example of honesty and courage which the action of the respective countries implies.

Leaving out all sentimental considerations, it may be said that in meeting their debts the countries mentioned are pursuing a far-sighted policy, and one which will profit them greatly in the long run. Had circumstances permitted, a like policy should have been followed by those countries now in default on their indebtedness to the United States. Indeed, though the sacrifice which such a policy would have entailed might have seemed insupportable, probably it would have turned out in the end to have been less costly than the policy of indifference which some of the countries have pursued. This fact seems now to be rather tardily recognized, but the good effects that earlier would have accrued have been largely nullified on account of belated action.

It is a mere platitude to say that debts ought to be paid, but for several years some of the European nations have lived under the illusion that their war debts to the United States belonged in a category to which this simple rule did not apply. Finding that the United States refused to take this view, some of the countries were quick to understand the wisdom of taking the situation as it was and acting in a way to protect their credit. Others delayed action for so long that their credit suffered, and as time went on the difficulty of meeting the situation has increased. But, tardy as they have been, it is a hopeful sign that they now realize the desirability of taking action that will at least indicate their willingness to pay when circumstances permit.

High Receipts from Income Taxes

ABILITY to pay taxes is considered one of the signs of national wealth. Measured by this standard, the wealth of the United States is now at its highest point, since the reports of income filed in 1924 reached the highest total ever recorded, \$26,336,337,843, or nearly \$3,000,000,000 in excess of 1920, when inflation was rampant and profits high. The number of returns filed last year was 7,698,321, or 910,840 greater than the number filed in 1923. The actual tax payments last year were below those of 1923, due

to the reduction of 25 per cent. in 1924. This would seem to negative the rather popular view that a reduction of rate would tend to increase total receipts.

Another interesting phase of the returns is that the three states of New York, Pennsylvania and Illinois paid 49.34 per cent., or practically one-half the entire income tax.

One object of an income tax is to check the accumulation of wealth in a few hands, and this purpose would seem to be achieved, since no doubt wealth tends to accumulate more in New York, Philadelphia and Chicago than elsewhere in the country. This accounts for the heavy payments in the states named.



The Proposed Amendments to the Federal Reserve Act

A Criticism by a Financial Expert of the McFadden Bill, H. R. 12453 Introduced March 2, and the Text of the Proposed Bill

In an early number there will be published an analysis prepared for THE BANKERS MAGAZINE by Congressman McFadden of his proposed bill, to which this article relates.—THE EDITOR.

HEREWITH is presented a critical analysis by a financial expert of the proposed bill, known as H. R. 12453, introduced in the House of Representatives at Washington on March 2, last, by Congressman L. T. McFadden, chairman of the Committee on Banking and Currency. This analysis is followed by a reproduction of the text of Congressman McFadden's proposed measure, the purpose of which is to repeal the so-called "War Amendments" of June 21, 1917, to the Federal Reserve Act with respect to the requirements regarding the reserves to be deposited with the Federal Reserve Banks by member banks, and the privilege of the issuance of Federal Reserve notes against gold or acceptances purchased in the open market.

The analysis referred to above of the proposed measure follows:

The purpose of the McFadden Bill, H. R. 12453, March 2, 1925, is to revoke amendments of June 21, 1917, to the Federal Reserve Act in the two following respects:

1. It would allow member banks to maintain 40 per cent. of their present legal reserves as cash in their vaults, instead of requiring 100 per cent. of such reserves to be maintained in the Federal Reserve Banks as at present.

2. Its intent is to prevent the issuing of Federal Reserve notes against gold or acceptances purchased in the open market and to permit them to be issued only against

discounts and advances for member banks.

It should be noted that under (1) this bill does not effect a complete return to the status before the amendments of 1917. When these amendments provided that all legal reserves should be maintained at the Federal Reserve Banks instead of partly in member banks' own vaults, they also reduced the reserve requirements for each class of banks as follows, in order to compensate for not counting cash in vault as reserve. This is illustrated by the table at the bottom of the page.

The McFadden Bill would allow banks to count their cash in vault as part of their required reserve to the extent of 40 per cent. of such reserve, but it does not restore the old reserve requirements which were in force prior to 1917, because the latter required a certain percentage of cash to be carried in vault at all times.

Effect on the Credit Situation of Allowing 40 Per Cent. of Reserve to be Maintained as Cash in Vault

The four consolidated statements of the year 1924 show that, on the average, member banks held \$531,000,000 of cash in vault, not counted as reserve. Consequently, it was in addition to the legal reserve maintained with the Federal Reserve Banks. The new bill would allow the banks to count a large part of this \$531,000,000 as reserve. In country banks, the cash in vault tends to average more than 40 per cent. of the total required reserve. In the aggregate, it averages about \$71,000,000, more than 40 per cent. of their total reserve requirements. In the other groups of banks it averages less than 40 per cent. After making various allowances and qualifications, it seems clear that under the proposed bill member banks would immediately find themselves with at least \$400,000,000 of free re-

Reserves Required on	Net Demand Deposits	
	Prior to 1917 amendments	After 1917 amendments
Central reserve city banks	18 of which 6 must be in vault	13
Reserve city banks	15 of which 5 must be in vault	10
Country banks	12 of which 4 must be in vault	7

The required reserve on time deposits was 5 per cent. before 1917 and 3 per cent. after.

serves which they could use as a basis for additional extensions of credit.

An increase in bank reserves always leads to an increase in total bank credit considerably greater than the increase in reserves. For every \$10 of bank credit outstanding about \$2 of currency is required and \$1 of bank reserves; hence for every expansion in reserve money of \$3 there will normally be a \$10 increase in the total amount of bank credit outstanding. Thus, an increase of \$400,000,000 in free bank reserves will normally result in an increase of about \$1,335,000,000 in bank credit outstanding. Any expansion of bank credit of this size would tend to increase commodity prices, wages, and the cost of living.

The bill would reduce the reserve requirements of member banks by about \$400,000,000 and it is approximately the equivalent of importing into the country at one shipment \$400,000,000 gold. It is an inflationary measure.

• *Limiting the Collateral for Which Notes May be Issued*

The amendments to the Federal Reserve Act in 1917 provided that Federal Reserve notes might be issued against

- (a) gold,
- (b) acceptances purchased in the open market,
- (c) notes of member banks with government securities as collateral,
- (d) rediscounts of commercial paper,
- (e) rediscounts of acceptances.

The McFadden Bill prevents the issue of notes against (a) or (b) and permits it only against (c), (d) and (e). It is evidently the intent of this provision to limit the amount of Federal Reserve notes in circulation to the amount of discounts and advances to member banks.

Exclusion of Acceptances Purchased in the Open Market

Presumably the reason acceptances purchased in the open market were not originally made available as collateral for Federal Reserve notes was that at the passage of the act there were no acceptances and it was difficult to foretell how the permission to create them would be used. By 1917, the creation of acceptances on sound lines had been developed. A discount market existed, and still exists, and in this market if it ever seems desirable the Federal Re-

serve Banks can sell the acceptances they have purchased, something they cannot do with the promissory notes member banks rediscount with them. The fact is that, ordinarily, most of the acceptances held by Federal Reserve Banks have been endorsed by member banks. They are purchased rather than rediscounted because the purchase rate for such bills is usually less than the rediscount rate, and banks naturally dispose of them at the cheapest rate. The acceptance of the Tenth National Bank endorsed by the Peoples Trust Company is the same piece of paper whether acquired under Section 13 or Section 14. It represents a movement of goods to market; it bears an additional banking name as compared with the promissory note; and it should be eligible for use as collateral against Federal Reserve notes, whether it be rediscounted or purchased in the open market. The exclusion of acceptances purchased in the open market as collateral would have been serious in 1920 and might at some time be serious again.

Exclusion of Gold

• The provisions of the McFadden Bill would not accomplish with respect to gold, the purpose they are designed to effect. The Federal Reserve Act provides—and the new McFadden Bill does not modify this provision—that “any Federal Reserve Bank, may at any time reduce its liability for outstanding Federal Reserve notes by depositing with the Federal Reserve Agent its reserve notes, gold, gold certificates or lawful money of the United States.” Prior to the passage of the amendments in 1917 it was the practice under this clause of the act for Federal Reserve Banks to issue Federal Reserve notes to a larger amount than the amount of commercial paper rediscounted for member banks. By depositing gold with the Federal Reserve Agent the collateral against which notes were originally issued was withdrawn and used again as collateral for additional issues of notes. By this means notes were, in practice, issued against gold.

But let us assume that the above provision were also to be amended so as to bring about the object the bill has in mind. What would be the effect?

There are now outstanding \$1,731,000,000 of Federal Reserve notes. The amount of paper discounted which would be proper security for Federal Reserve notes under

the McFadden Bill is now \$410,000,000. Thus if the bill were effective in its purpose there would have to be retired \$1,321,000,000 of Federal Reserve notes, and these notes would be replaced in circulation by gold certificates drawn from the gold holdings of the Federal Reserve Banks.

Effect on the Federal Reserve Banks

To the extent that note circulation was replaced by gold certificates, to the amount of about \$1,321,000,000, there would be a net loss of gold to the Federal Reserve system.

As indicated above, the bill would also result in giving the member banks of the country excess reserves of about \$400,000,000. As these reserves were invested, or lent, there would be a withdrawal of currency from the Federal Reserve Banks equivalent to \$2 of currency for every \$10 of credit expansion, with \$1 retained as reserve. As explained above, on a basis of \$400,000,000 reserve, the potential credit expansion is about \$1,335,000,000. If \$2 of currency is withdrawn for circulation for every \$10 of this \$1,335,000,000 expansion, this would mean the withdrawal of gold from the Federal Reserve System for use as currency of about \$267,000,000.

There would probably be some additional withdrawals of gold by member banks wishing to retain larger amounts of their reserves in their own vaults. These amounts are difficult to estimate, but it seems likely that they would total at least \$150,000,000. Banks would no longer feel the same pressure to keep their cash in vault at the lowest possible figure and the added convenience of retaining larger amounts of cash in vault would almost surely lead to some such increase.

This would give us then a total net loss of gold from the Federal Reserve system of about \$1,750,000,000. The net results in the operating statistics of the Federal Reserve system are shown in the following table:

RESERVE POSITION OF FEDERAL RESERVE SYSTEM

(In millions of dollars)

	March 11, 1925	Under McFadden Bill
Total reserves	3,011	1,273
Deposit liability	2,256	1,839
Note liability	1,731	410
Total note and deposit liability	3,987	2,249
Reserve percentage	75.5	56.6
Free gold beyond present reserve requirements	1,529	465



● BACHRACH
CONGRESSMAN L. T. McFADDEN
 Chairman of the Committee on Banking and Currency, House of Representatives, and author of the bill proposing amendments to the Federal Reserve Act

We thus see that the proposed amendment, if adopted, would reduce the reserve percentage of the system from 75 to 57 per cent., and would reduce the amount of free gold from about \$1,529,000,000 to about \$465,000,000. There is also, at present, an additional potential reserve of \$900,000,000 gold certificates in circulation, which if needed for export or any other purpose, can be replaced almost immediately under the present act by Federal Reserve notes. Under the McFadden Bill, the system's power to meet emergencies would be much reduced.

Effect on World Credit and Resumption of Gold Payment

As a result of the economic events of the war and post-war period this country ab-

sorbed \$2,100,000,000 of the world's gold supply. Much of this gold is now urgently needed throughout the world as a basis for restabilization of currency and banking systems. We are the custodians of a gold supply, much of which the world will require again as it gets back to normal condition. Under the Federal Reserve system, as it now exists, this gold is maintained in available form where it may be restored to other nations as rapidly as they are able to reach comparative stabilization, balance their budgets, and pay for the gold.

The proposed McFadden Bill, if effective in achieving its intent, would dissipate these large gold reserves and make us unable to provide gold to meet the needs of the world, without the forced retirement of large amounts of gold from the circulating medium or large decreases in bank deposits releasing bank reserves. Either of these would mean drastic deflation, for the power of expansion of the Federal Reserve system would be too limited to meet any large need for gold. The free gold for export would be under \$500,000,000.

We may summarize by estimating that the first effect of the passage of the McFadden Bill would be a period of inflation as member banks were given large excess reserves, but that in the course of time, as other countries began to draw upon us for gold, the crippled Federal Reserve system would be unable to furnish this gold in any large amounts and it would only be secured by drastic deflation. Inflation would create conditions favorable to the withdrawal of gold by other countries, but the deflation which would arise when the withdrawals began would set up conditions making it almost impossible for them to pay for the gold. The tendency would be to upset the relative stability the United States has recently enjoyed, first in one direction and then in the other, working great hardship in this nation.

It should be borne in mind that in any gold standard country the supply of gold held by the bank of issue is the backlog of the entire credit system. Banks of issue everywhere acquire gold by two methods: first, through issuing notes, and second, through creating deposits. The larger the supply of gold held by the bank of issue and the more nearly covered by gold its notes are, the stronger credit conditions are in the country it serves. In no European country was credit considered sounder than

in England before the war, due largely to the fact that the Bank of England notes were covered almost entirely by gold. The Federal Reserve Banks, between the date they opened and the date America entered the war, accumulated over \$300,000,000 of gold by following the universal practice of banks of issue in accumulating gold by issuing notes against it. The possession of this added amount of gold, which would have been impossible if, during those years, the intent of the McFadden Bill had been carried out, greatly aided the system in financing America's participation in the war. No inflation is created, no elasticity is lost, by issuing Federal Reserve notes against gold. To deprive the Federal Reserve Banks of this privilege would be like cutting off a man's right arm and right leg, and still expecting him to do his day's work.

Misconceptions Involved in the Bill

Mr. McFadden has stated that the bill proposes to revoke amendments of June 21, 1917, on the ground that these were war amendments designed to meet the needs of the war situation. As a matter of fact, the amendment regarding gold simply recognized a practice which had been carried on since the day the system opened, while the amendment reducing reserves and leaving member banks free to carry only such vault cash as they required was conceived prior to the entry of the United States into the World War in April 1917. The latter was recommended to the Federal Reserve Board by the Federal Reserve Agents at their annual meeting in December 1916. The proposal arose as a result of two years' experience in the operation of the Federal Reserve system and its purposes were to strengthen the Federal Reserve system by the greater stabilization of reserves; to simplify reserve calculations, both for the Federal Reserve Banks and member banks; and to place reserve balances in more secure safekeeping than is possible when large amounts of till money are scattered in individual banks. It has had the further important effect of economizing the use of currency.

All of these reasons hold good at the present time, and have been amply justified by experience. While nobody, at that time, realized the strain to which the Federal Reserve system would be subjected in the following few years, the 1917 amendments made

it possible for the system to provide for all credit needs throughout the war and post-war periods. Without them the system would have had difficulty in meeting the emergency. The needs of current operations, as well as the desirability of being in a position to meet future emergencies, indicate the desirability of continuing the 1917 amendments in force.

In his discussion of the bill, Mr. McFadden asserts that the privilege of issuing Federal Reserve notes against gold as collateral is an inflationary measure. This is not the case. For every note so issued there is a corresponding retirement of gold from circulation. If the member bank has \$100 of gold, it may, at any time, exchange that gold for gold certificates which can be used as currency. It makes no difference, from the point of view of the effect on the amount of currency or credit in use, whether a member bank exchanges gold for gold certificates or exchanges gold for Federal Reserve notes. The note issued against gold is really another form of gold certificate. In each case the member bank has to pay for the currency secured. The absorption of gold by the issuance of Federal Reserve notes strengthens the position of the Reserve Banks and makes possible larger advances to member banks. Expansion or inflation does not occur until the member bank borrows from the Reserve Bank. The borrowing is the act that expands or inflates credit, and if the credit thus created is withdrawn in currency, it does not make the slightest difference in effect on credit conditions, whether it is withdrawn in Federal Reserve notes, gold certificates, silver certificates, legal tender or national bank notes. The only place where the effect differs is in the Federal Reserve Bank, where the withdrawal of gold lowers its reserve and reduces its ability to extend further credit, whereas the withdrawal in Federal Reserve notes impairs its ability to do so to a far less degree.

The premises upon which the elimination of the 1917 amendments to the Federal Reserve Act is suggested do not appear to be correct. The only amendment passed at that time which was, strictly speaking, a "war amendment" was the provision that member bank notes secured by government paper, might be accepted as collateral for Federal Reserve Notes. Mr. McFadden's amendment makes no attempt to change this provision. The portions of the amendment

which he proposes changing were not, in their origin, war amendments, but were amendments arising from the experience of two years of operation of the system.

Text of McFadden Bill

Following is the text in full of the McFadden Bill, H. R. 12453:

A BILL

To amend the Federal Reserve Act, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that subdivision (a) of the second paragraph of section 14 of the Federal Reserve Act, as amended, is amended to read as follows:

"(a) To deal in gold coin and bullion at home or abroad, to make loans thereon, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which Federal Reserve Banks are authorized to hold."

SEC. 2. (a) The second, third, and fourth paragraphs of section 16 of the Federal Reserve Act, as amended, are amended to read as follows:

"Any Federal Reserve Bank may make application to the local Federal Reserve Agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve Agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this Act, but in no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve Agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve Bank to which he is accredited. The Federal Reserve Board may at any time call upon a Federal Reserve Bank for additional security to protect the Federal Reserve notes issued to it.

"Every Federal Reserve Bank shall maintain reserves in gold or lawful money of not

less than 35 per cent. against its deposits and reserves in gold of not less than 40 per cent. against its Federal Reserve notes in actual circulation, and not offset by gold or lawful money deposited with the Federal Reserve Agent. Notes so paid shall bear upon their faces a distinctive letter and serial number which shall be assigned by the Federal Reserve Board to each Federal Reserve Bank. Whenever Federal Reserve notes issued through one Federal Reserve Bank shall be received by another Federal Reserve Bank, they shall be promptly returned for credit or redemption to the Federal Reserve Bank through which they were originally issued or, upon direction of such Federal Reserve Bank, they shall be forwarded direct to the Treasurer of the United States to be retired. No Federal Reserve Bank shall pay out notes issued through another under penalty of a tax of 10 per cent. upon the face value of notes so paid out. Notes presented for redemption at the Treasury of the United States shall be paid out of the redemption fund and returned to the Federal Reserve Banks through which they were originally issued, and thereupon such Federal Reserve Bank shall, upon demand of the Secretary of the Treasury, reimburse such redemption fund in lawful money or, if such Federal Reserve notes have been redeemed by the Treasurer in gold or gold certificates, then such funds shall be reimbursed to the extent deemed necessary by the Secretary of the Treasury in gold or gold certificates, and such Federal Reserve Bank shall, so long as any of its Federal Reserve notes remain outstanding, maintain with the Treasurer in gold an amount sufficient in the judgment of the Secretary to provide for all redemptions to be made by the Treasurer. Federal Reserve notes received by the Treasurer otherwise than for redemption may be exchanged for gold out of the redemption fund hereinafter provided and returned to the Reserve Bank through which they were originally issued, or they may be returned to such bank for the credit of the United States. Federal Reserve notes unfit for circulation shall be returned by the Federal Reserve Agents to the Comptroller of the Currency for cancellation and destruction.

"The Federal Reserve Board shall require each Federal Reserve Bank to maintain on deposit in the Treasury of the United States a sum in gold sufficient in the judgment of

the Secretary of the Treasury for the redemption of the Federal Reserve notes issued to such bank, but in no event less than 5 per cent. of the total amount of notes issued; but such deposit of gold shall be counted and included as part of the 40 per cent. reserve hereinbefore required. The board shall have the right, acting through the Federal Reserve Agent, to grant, in whole or in part, or to reject entirely the application of any Federal Reserve Bank for Federal Reserve notes; but to the extent that such application may be granted the Federal Reserve Board shall, through its local Federal Reserve Agent, supply Federal Reserve notes to the banks so applying, and such bank shall be charged with the amount of notes issued to it and shall pay such rate of interest thereon as may be established by the Federal Reserve Board. Federal Reserve notes issued to any such bank shall, upon delivery, together with notes of such Federal Reserve Bank as may be issued under section 18 of the Act upon security of United States 2 per cent. Government bonds, become a first and paramount lien on all the assets of such bank."

(b) The sixth paragraph of section 16 of such Act is amended to read as follows:

"The Federal Reserve Agent shall hold such gold, gold certificates, or lawful money available exclusively for exchange for the outstanding Federal Reserve notes when offered by the reserve bank of which he is a director. Upon the request of the Secretary of the Treasury the Federal Reserve Board shall require the Federal Reserve Agent to transmit to the Treasurer of the United States so much of such gold as may be required for the exclusive purpose of the redemption of such Federal Reserve notes."

SEC. 3. Section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 19. 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, all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment, and all postal savings deposits.

"Every bank, banking association, or trust company which is or which becomes a member of any Federal Reserve Bank shall establish and maintain the following reserves, 60 per cent. of which shall in each case be held as an actual net balance with

the Federal Reserve Bank of its district and the remaining 40 per cent. of which shall be held either in the same manner or in its own vaults in such ratio as it deems expedient:

"(a) If not in a reserve or central reserve city, as now or hereafter defined, reserves equal to not less than 7 per cent. of the aggregate amount of its demand deposits and 3 per cent. of its time deposits;

"(b) If in a reserve city, as now or hereafter defined, reserves equal to not less than 10 per cent. of the aggregate amount of its demand deposits and 3 per cent. of its time deposits, but if located in the outlying districts of a reserve city or in territory added to such a city by the extension of its corporate charter, it may, upon the affirmative vote of five members of the Federal Reserve Board, establish and maintain the reserves specified in paragraph (a) hereof;

"(c) If in a central reserve city, as now or hereafter defined, reserves equal to not less than 13 per cent. of the aggregate amount of its demand deposits and 3 per cent. of its time deposits, but if located in the outlying districts of a central reserve city or in territory added to such city by the extension of its corporate charter, it may, upon the affirmative vote of five members of the Federal Reserve Board, establish and maintain the reserves specified in paragraph (a) or (b) hereof.

"No member bank shall keep on deposit with any state bank or trust company which is not a member bank a sum in excess of 10 per cent. of its own paid-up capital and

surplus. No member bank shall act as the medium or agent of a non-member bank in applying for or receiving discounts from a Federal Reserve Bank under the provisions of this act, except by permission of the Federal Reserve Board.

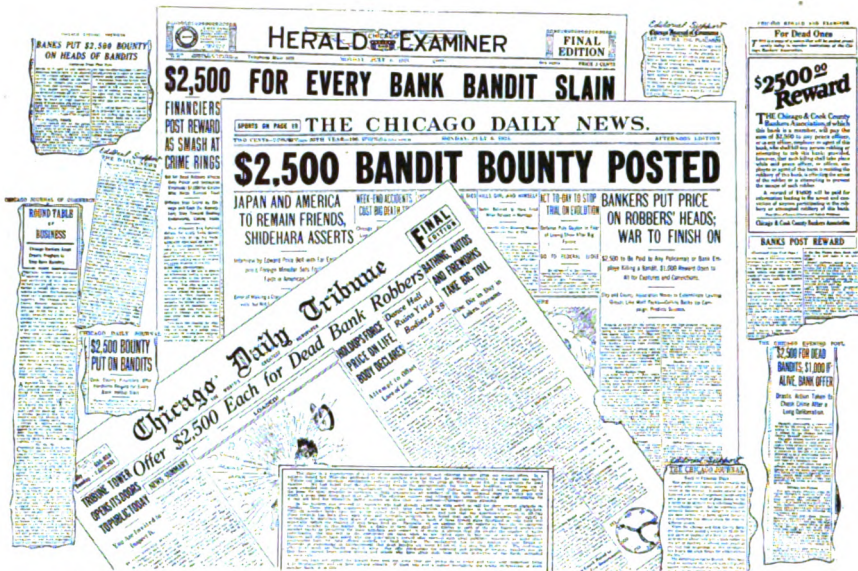
"The reserves required by this act to be established and maintained by a member bank may, under such regulations and subject to such penalties as may be prescribed by the Federal Reserve Board, be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities: *Provided, however,* That no bank shall at any time make new loans or shall pay any dividends unless and until such reserves are fully restored.

"In estimating the reserves required by this Act, the net difference of amounts due to and from other banks shall be taken as the basis for ascertaining the deposits against which reserves shall be determined.

"National banks, or banks organized under local laws, located in Alaska or in a dependency or insular possession or any part of the United States outside the continental United States, may remain non-member banks, and shall in that event maintain reserves and comply with all the conditions now provided by law regulating them; or said banks may, with the consent of the Federal Reserve Board, become member banks of any one of the reserve districts, and shall in that event take stock, maintain reserves, and be subject to all the other provisions of this Act."

THERE is a belief, widely held on both sides of the Atlantic, that good business depends on cheap money, and that even moderate increases in money rates can turn good business into depression. It is a fantastic idea, unsound in theory and repeatedly refuted in economic history. The causal relation between business and money rates is, for the most part, directly the reverse. Good business makes firm money and business depression makes cheap money, other things equal.

—Benjamin M. Anderson, Jr.



Reproductions of the publicity given to the startling offer by the Chicago and Cook County Bankers Association of a \$2,500 reward for every bank robber killed

A Bounty For Bank Robbers

ON July 6 one hundred banks in Chicago and Cook County posted notices offering a reward of \$2500 to any policeman or bank employee killing a bank bandit, and offering \$1000 to anyone giving information leading to the arrest and conviction of such a bandit. This is the culmination of a campaign of over a year to reduce bank robberies, and has been adopted as a last resort, to protect the lives of bank employees and the money of depositors, by making it, in the words of E. N. Baty, executive secretary of the Chicago and Cook County Bankers Association, "As profitable for a policeman to kill a bandit as it is for a bandit to kill a policeman."

During 1924 there were more bank robberies in Chicago than during the three previous years combined. This situation has engaged the careful thought of the members of the association for months. To remedy it, in addition to posting a reward for bandits, they have established seven patrols which visit each member bank seven or eight times each day. Furthermore, the police department has stationed a dead shot within good shooting distance of

\$2500⁰⁰ Reward

THE Chicago & Cook County Bankers Association, of which this bank is a member, will pay the sum of \$2,500 to any peace officer, or to any officer, employee or agent of this bank, who shall kill any person robbing or attempting to rob this bank; provided, however, that such killing shall take place while said peace officer, or officer, employee or agent of this bank is resisting the robbery of this bank, is effecting the arrest of the robber or is attempting to prevent the escape of such robber.

A reward of \$1,000 will be paid for information leading to the arrest and conviction of anyone participating in the robbery or attempted robbery of this bank.

These Offers of Reward Effective until Publicly Withdrawn.

Chicago & Cook County Bankers Association

The notice offering a reward for killing bank robbers, recently posted in Chicago and Cook County Banks

each bank in the outlying districts during banking hours, with orders to shoot to kill where an attempt is made to commit a crime with a gun.



The Bank of Poland

The Financial Situation of Poland

By Wladyslaw Grabski

Prime Minister and Minister of Finance of Poland

(Photographs accompanying this article were supplied by courtesy of the monthly publication "Poland")

I AM glad to have this opportunity to explain to American bankers through the columns of THE BANKERS MAGAZINE some of the recent outstanding achievements of the Polish Treasury. The change from a state of annual deficits and fiscal disorder with a paper currency becoming ever more depreciated and normal commercial operations impossible, to the present state in which Poland finds itself, with sound money, a balanced budget, and confidence in the Government's financial responsibility firmly established at home—this transformation has been effected rapidly but without anything that savored of the spectacular. We realize that it will take time for the outside world, especially distant America, to appreciate fully the results achieved, but unless it does hasten to revamp all of its old conceptions of

Polish finances, it will be in danger of forming judgments on obsolete data.

Let me sketch the financial situation of Poland at the beginning of last year. On January 1, 1924, the Polish mark, an unsecured paper currency inherited from the German occupational regime, was quoted in the world markets at approximately 10,000,000 to the dollar. The expenses of the Government were several times its revenues. No sooner had taxes been assessed than the mark lost half or more of its value so that their yield, when collected, was wholly insufficient to meet the running expenses of the state. The Government railway system, unable to meet its operating expenses by receipts, was a terrific drain on the resources of the Treasury which had to meet the railway deficit. Internal credit was almost non-existent, for who would lend money to be repaid at a



Assembling plant of locomotive works in Warsaw



Interior of tube rolling mill at Sosnowiec

later date in a currency which might have lost nine-tenths of its value? The contraction of foreign loans at that time was practically out of the question, for obvious reasons. This was the picture at the beginning of last year.

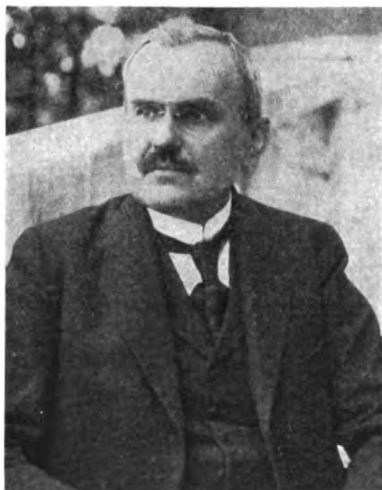
The turning point was at hand. By that time all classes of the population had come to realize that a depreciated currency carried no real benefit for anybody, and that if the Government was to be saved from bankruptcy, the most drastic measures were necessary. It was also apparent that, until Poland had taken its affairs in hand and made a genuine start toward a sound fiscal policy, there was no help to be had from outside the country. The legislature led the way by granting extraordinary powers to the Government to deal with financial problems. This assignment of almost dictatorial powers in matters of finance was first granted for a period of six months, expiring June 30, 1924, and then renewed for another six months. There can be no question that without this complete liberty of action with all that this freedom implied in finding short cuts and eliminating red tape the cabinet over which I had the honor of presiding as Premier and Minister of Finance would have been unable to accomplish in so short a time the series of reforms which I am about to describe briefly.

The Introduction of the Zloty

The first step was to introduce a theoretical gold unit, the zloty, equivalent in value to the gold franc, to keep the accounts of the Government in this unit, and to assess and collect taxes in terms of zlotys and not in terms of Polish marks. This was done by law from January 1, 1924, and the beneficial results were immediately visible. There was no longer any reason for the taxpayer's postponement of his payments in the hope of profiting by a further decline of the mark. As a means of keeping a close tab on the government finances, the Treasury introduced a system of monthly budgets so that we could

know exactly where we stood at any time. This system has proved such a useful device for restraining expenditures that it has been adopted permanently.

The extraordinary fluctuations in the exchange rate of the Polish mark had been influenced by an orgy of private speculation on the part of irresponsible



WLADYSLAW GRABSKI
Prime Minister and Minister of Finance
of Poland

traders in Warsaw. Encouraged by increased revenues which the gold valorization of taxes and the imposition of new taxes were bringing in during January, the Government decided on an attempt to stabilize the mark at approximately its then market rate as a preliminary to its plans for establishing a new currency. To do this, it was necessary to make a very bold attack on the speculators by drawing on almost the last reserves of our slender stock of dollars and throwing them on the market to paralyze the speculators and defeat their game. Fortunately, this daring stroke was completely successful, and the mark was stabilized at about 8,000,000 to the dollar. At the same time a presidential decree announced the stopping of the printing of



Main banking floor of the Bank of Poland

new bank notes to meet the needs of the Treasury.

Establishment of the Bank of Poland

The Government then turned its attention to the introduction of a sound currency which should be really Polish and enable it to rid itself of its unhappy mark heritage. The method adopted was to establish a private bank known as the Bank of Poland and confer on this bank the right to issue bank notes on conditions stipulated by law, which were such as to guarantee that these bank notes would exchange on equal basis with gold. The bank was chartered with a capital of 100,000,000 zlotys, to be paid in foreign moneys of high value and the stock was offered to the public for subscription. An intensive campaign was carried on in Poland for two months and on the outcome rested the whole plan of financial reform. The Government was prepared to subscribe up to 40 per cent. of the capital stock from its own resources in case the public response was not ade-

quate, for it was realized that the bank's success was doubtful if the nation itself did not come forward whole-heartedly to support this cornerstone of our new fiscal policy. Only a pronounced optimist could have foreseen, however, that the nation would rise in support of the Government's program to the extent that it did. Without the aid of foreign capital and without governmental aid the public oversubscribed the bank's capital. For legal purposes the Government acquired 5 per cent. of the stock.

The Bank of Poland began functioning on April 28, 1924. It issued its own bank notes, which were legal tender, against its assets, represented largely by holdings of dollars. The next step was to call in the marks and exchange them for zloty bank notes at the rate of 1,800,000 marks to the zloty, which was the approximate value of the mark at that time, on the exchange. Marks and zlotys were allowed to circulate equally as legal tender for a few weeks, but thereafter the mark was de-



STANISLAW KARPINSKI
President of the Bank of Poland



WLADYSLAW MIECZKOWSKI
General Manager of the Bank of Poland

prived of this privilege and before the end of last year practically all of the amount outstanding had been exchanged for zlotys.

Success of the Bank of Poland

The Bank of Poland has been a success from the start. It has maintained a policy of strict conservatism, so far as its note issuing functions were concerned. The law requires that each zloty note be covered by a reserve of which at least 30 per cent. shall be in gold or gold equivalent and the balance by holdings of commercial paper carefully regulated by law to assure conservative security. It has maintained a free market in foreign exchange so that the holder of its bank notes may exchange them for dollars if he so desires. The exchange of zlotys for dollars is, as everybody knows, practically the equivalent of an exchange for gold, so that the zloty may fairly be said to have a gold basis. The bank's operations expanded normally and, as its holdings in gold and foreign currencies have risen, it has expanded its note issues, always

keeping well within the requirements of the law. Such criticism as has been directed against the bank has been based on the charge that it was over-conservative and was maintaining a gold reserve of approximately twice the minimum required by law. The Treasury has felt that in the beginning of its operations and in view of the history of the mark, it was wiser to err on the side of caution and has, therefore, supported the bank in this policy.

The statement of the bank as of March 31, 1925, shows gold holdings of 116,619,824 zlotys, holdings of foreign moneys amounting to 259,392,901 zlotys, a total of 376,012,725 zlotys, as against bank notes outstanding to the amount of 563,171,945 zlotys, a coverage of more than 60 per cent. or twice the legal minimum. The total assets of the bank were given at 795,375,511 zlotys, or approximately \$130,000,000.

The directors of the Bank of Poland at the January meeting reported that the books for 1924 had been closed with a profit of 11,970,098 zlotys. Ten per cent. of the profits was set aside for a

reserve fund, an 8 per cent. dividend was paid to the stockholders, and the remaining profits were paid into the Government Treasury in accordance with law. The future of the Bank of Poland seems assured, and it is but a matter of time until it wins for itself a reputation in the international banking world commensurate with that which it has already gained in Poland in the first year of its existence.

Reducing the Number of Government Employees

A cardinal point in the Government's reform program has been the reduction of the number of government employees to the lowest point consistent with an efficient administration. In the course of last year the staffs of the various departments were reduced by more than 40,000 and this policy of consolidating bureaus and reducing the personnel, wherever possible, has been permanently adopted.

Prior to 1924, the Government railways had been operated at a tremendous deficit. It was apparent to all that the treasury could not effect a balanced budget if it were obliged to provide huge sums to meet the annual railway deficit. The Government, therefore, separated the railway administration completely from the accounts of the Treasury and made a determined effort to make it self-supporting. Rates were increased, the number of workmen employed reduced, and every possible economy resorted to. The results of the first year of operation under this plan were very satisfying. Operating receipts exceeded operating expenses for the first time since the organization of the Polish railway system. The railways succeeded in raising a loan of about 25,000,000 zlotys on a 10 per cent. basis which was applied, along with the operating surplus, to the capital investments which were essential. The Government felt justified in appropriating a comparatively small sum to the railways to

bring their resources up to the amount of the essential outlay for improvements. The showing of the railways last year, which was a year of general industrial and agricultural depression, was very satisfactory under the circumstances, and in a more normal year, with increased traffic moving, the railway administration should have no difficulty in returning a surplus. It must be borne in mind that the Polish railways have a comparatively slight bonded indebtedness in comparison with their mileage of roughly 14,000 miles. The quality of our railway service has been admitted by impartial observers as comparable with that of any other continental country; in fact, at least one eminent foreign student of Polish conditions expressed the opinion, inconceivable to our business men, that Poland's railway system was more modern and of a higher quality than the needs of the country required.

Thanks to our system of monthly budgets, we knew exactly where the Treasury stood at all times during the year. But nevertheless it was a distinct pleasure when the annual report of the Government's finances for the year 1924 was compiled, soon after the first of 1925, and we were able to announce that the revenues had exceeded its expenses, leaving a small surplus. To appreciate in full the significance of this statement it is only necessary to refer to the annual statement for 1923, which showed that expenses were 230 per cent. of the revenues.

Poland's Debt to America

Poland was indebted to the Government of the United States for a principal sum of about \$160,000,000, representing credits granted by the American Government in 1919 and succeeding years for foodstuffs, medical supplies, railway cars, and surplus army stocks, together with shipping charges thereon. These supplies had played a vital part in Poland's struggle against

famine and epidemics in those early years. It goes without saying that this obligation was universally recognized in Poland and the Government was anxious to regularize this debt at the earliest possible moment. Some interest payments had been made, but the chaotic state of Polish exchange had made it impossible to meet the interest obligations in full. Immediately after successfully establishing the zloty and balancing the Government's budget so that it was possible to look ahead, Poland instructed its Minister at Washington to initiate negotiations looking toward the funding of our American indebtedness. These were pushed to a speedy conclusion and before the end of last year a debt refunding agreement was signed in Washington, by the terms of which Poland will make full payment of its obligations, principal and interest, to the United States in sixty-two years. Likewise the various debts to other European Governments were consolidated so that, at the present time, Poland has no outstanding debt questions.

The total indebtedness of the Government is surprisingly small in comparison with our population and national wealth. Our debt to the American Government is about 925,000,000 zlotys and our indebtedness to all other governments amounts to about 450,000,000 zlotys. Our indebtedness, represented by loans abroad contracted by bond issues, on the first of January, 1925, amounted to 190,000,000 zlotys, and our indebtedness to private creditors abroad, on that date, totaled approximately 28,000,000 zlotys. Our entire external debt, therefore, at the first of this year was approximately 1,600,000,000 zlotys, or in dollars about \$320,000,000. Our internal indebtedness amounted to approximately 128,000,000 zlotys. Domestic and external included, this makes a per capita indebtedness of less than \$15, which is assuredly not a heavy charge on the country.

Determined to Keep Finances on Sound Basis

The firmness and decision with which the Polish people have placed their house in order in the manner which I have outlined should be convincing proof of their loyalty to their Government and their determination to maintain it, at whatever cost, on a solid and stable basis. The first five years of their new national life have offered almost every imaginable test of the vitality of the Polish nation. All these we have met and come through with increased confidence to face the problems of the future.

While we are not relaxing our measures to maintain the finances of the Government on their present solid basis, our efforts are now centered rather on the problems of reorganizing our national life in the spheres of industry and agriculture, with the object of bringing them up to the level of financial stability which the Government has reached in its own sphere. Here the problem is one of obtaining the necessary liquid capital, the present scarcity of which is the chief factor holding back our national prosperity. The increase of the supply of capital at home, dependent, as it is, on the growth of national savings, is, necessarily, a slow process. In the meantime, wise policy dictates that we do everything feasible to make investments in Poland as attractive as possible to foreign capital. Our efforts in this respect are, of late, meeting with increased success and it is to be expected that foreign investments in Polish industry will expand in the measure that foreign capitalists come to appreciate the opportunities which present day Poland offers. The successful flotation of a Republic of Poland loan for \$35,000,000 in New York in February last was a gratifying evidence of confidence on the part of a discriminating American public.

Of one thing we may be certain. Nothing can profoundly disturb Poland except a repetition of the cataclysmic

World War, and risks predicated on that horrible thought would apply almost equally to every large country in Europe. Happily, the outlook is for

a continuation of the present process of peaceable, even if occasionally ill-humored, adjusting of the nations to their post-Versailles status.



Wealth or Income?

By Richard W. Saunders

THE desire to possess a large sum of money is often held out as the theme of the great American anthem, but if the books and literature of our neighbors on this terrestrial globe are to be believed, the desire is a universal one. So far as can be observed, the struggle for wealth is world-wide and is limited only by the opportunities that lie before each individual and his ability to take advantage of them or improve them by going elsewhere.

There is, however, one noticeable difference in the ideal goal. We speak of wealth itself, for example, "I wish I had a million dollars." The Englishman usually speaks of income, "I would like to have an income of ten thousand pounds a year." An analysis of the difference between these two brings out a very interesting discussion.

The possession of wealth brings with it a great many responsibilities, the chief one being to safely reduce the power that wealth possesses to an income basis. One can, of course, sell part of his wealth and live on the proceeds, thus reducing his capital. But the general plan is to find investments that will leave the principal intact or even augment it. And before one realizes it, all kinds of speculative enterprises, as well as those of a safer nature, are dangled invitingly before him. It takes experience of an extensive kind, as well as a full knowledge of the basic facts on each proposition, before a proper decision can be made.

Even then, the investor is not safe and cannot sit idly by with the feeling that, the decision once made, his principal is safe and income assured. With changing conditions each part of his investment is likely to be put in jeopardy. The price of safety is constant vigilance.

The "income" viewpoint has much to commend it, and its use in this country seems to be on the increase. After all, what we want is an income that will enable us to live comfortably. That we should even then find employment for our hands and brains is vital; without such, life becomes meaningless. But to be relieved of the burden of

wealth, and yet to possess its benefits in the form of income, would seem to be a most sensible thing for those who do not play with wealth for the game's sake. The list of people one knows who had a competence which, wisely invested, would have meant a good income for life, but which, unwisely used, has dwindled away into nothingness, is too long to be lightly considered.

When an estate is administered by an individual trustee there is often grave danger of injudicious use, or even misappropriation, of funds. The same human elements enter into the situation that affect the individual, with the added possibility of the trustee trying to make money for himself on the other man's principal. Even today this is a too frequent occurrence, as a brief survey of the newspapers will bear witness.

Now that trust companies and banks endowed with trust powers have brought the management of estates and trust funds to a sane and safe basis, there is little anxiety regarding money left in their care. In such an organization, not the opinion of one man, but of many, guides in the selection of proper investments, while the strength of the institution guarantees the general safety of the funds.

There are other fields in which the owner of wealth may place his funds and secure an income, but the investigation should be exhaustive before the risk is taken. One, however, can be mentioned which, in a company of standing, presents a method both safe and attractive, and that is an insurance company annuity. There was a time when funds placed in this manner would revert to the company at the annuitant's death. Now, however, if the amount paid in is not completely paid back in annuities, the balance goes to a designated beneficiary. And they say annuitants have a habit of living long lives. Freedom from financial anxiety and the receipt of a steady income from safe hands certainly has a tendency to good health and cheerfulness.

Better Credit Letters

By Mahlon D. Miller

March 28, 1925.

WITH the growing realization on the part of the banker that the success of his institution depends, in large measure, upon the degree of efficiency demonstrated by his organization in securing and skilfully using accurate credit information, comes a widespread interest in better credit letters, particularly from the following five angles:

(1) How to secure dependable information concerning the credit standing and financial responsibility of a corporation.

(2) How to follow up the initial letter of inquiry so as to receive a prompt reply.

(3) How to check the financial standing of the individual seeking credit on a personal statement.

(4) How to check trade acceptances and other paper left by depositors.

(5) How to follow up new accounts opened, to establish a financial background concerning new depositors.

All these questions bankers are asking themselves daily; with banking operations becoming more impersonal in their character; with their growing dependence on each other and the merchants for co-operation in the establishment of sound credit relations.

Seeking Facts Regarding Standing of Corporation

Let us consider first the initial letter sent out concerning the financial responsibility of a corporation seeking credit.

The Lake Shore Trust and Savings Bank of Chicago sends out the following letter to the trade with which the subject has transacted business, and to the bankers with whom he has maintained accounts:

John F. Jones & Company,
St. Louis, Missouri.

Gentlemen:

If known to you, will you kindly advise us regarding the credit standing and financial responsibility of Blank Mfg. Company, 1423 Robey street, Chicago, Illinois, and the condition of their business at the present time; also respecting the character and efficiency of the management. Are they honorable, capable, progressive people, whose obligations are regarded a first class banking risk?

Anything you may be pleased to tell us regarding this concern will be very much appreciated and held strictly confidential.

Thanking you for your courtesy, which we shall be only too pleased to reciprocate, we are

Yours very truly,
Assistant Cashier.

The character of this letter is such that the credit department receiving it would reply with such information available in their files, as it does not call for a special inquiry.

It will be noted that the copy includes several pertinent inquiries:

What is the condition of the business at the present time?

What is the character, capacity, and responsibility of the management?

How, frankly, might their obligations be regarded from the bank's standpoint?

This letter has proved helpful in securing valuable information.

Specific Inquiry Insures Definite Response

It is significant that the banker mentions openly a desire to know specifically how the subject's obligations may be regarded. This pointed inquiry insures a definite response in answer to the entire letter.

The attitude of appreciation on the part of the banker inspires, in the credit man receiving it, a willingness to answer in full. In the preceding letter it will be noted that this feeling is sustained

by following through with an assurance of keeping the reply confidential.

If one gets out of life what one puts into it, why, then we must think of the other fellow. It is always worth while to mention, in conclusion of a letter requesting a credit response, a desire to reciprocate; and an enclosed stamped envelope is a small and yet courteous means of obtaining a prompt reply to an inquiry sent out. Experience indicates that an early response to a letter of inquiry is a reflection of the interest we have aroused in the party receiving it.

The story is told of a colored parishioner in a southern city who received an inquiry concerning an application for the position of church sexton.

After some delay the answer came back:

I have your inquiry regarding Jackson Johnson for the position of church sexton, and wish to state that as far as I know he's alright, excepten he was out most all Days to the Races, and spent every nite huntin' Possum.

Getting Well Rounded Picture by Dovetailing Letters

By dovetailing all his credit letters together when they come in, the credit man gets a well rounded picture of his credit risk from which a sound basis for an opinion can be established.

Illustrative of character revelation in a credit letter I quote the following:

They discount all purchases of us. We think highly of them, as they are honorable and clean men.

Here we have, evidently, a high moral risk, and a firm which pays promptly, and the reply is good as far as it goes.

Again, let us consider this response to our letter of inquiry! And this came in from a banker:

Inquiries which we have made indicate that the concern and its management are very highly regarded by those with whom it does business. Trade requirements are extended in a large way and its other bankers grant large lines of accommodation.

Coming from a responsible bank and banker, this letter is helpful by reason

of its frankness and unreserved opinion of the risk, which indicates a strong financial position for the borrower.

Bankers often experience difficulty in establishing the basis for credit from replies which are too brief and incomplete. If too much is left unsaid, then too much must be taken for granted to be safe.

The following reply came into the credit department of a middle western bank some time ago, and is significant for its brevity:

Sold since	1923
High credit	\$180.00
Owing	\$160.00
Due	\$160.00
Payments	60 days

Such a reply as this is of but limited use as a means of establishing credit, and for this reason, bankers find it profitable to encourage more adequate replies wherever possible.

The Follow-up Letter

Having sent out our initial credit letter, and after waiting a reasonable time for a reply, what then?

Following is a well rounded form letter which covers the points brought out in the first letter, refers back to the first request and asks for an early reply. In some instances, where there has been a loss through the mails, the letter has been mislaid or some other inadvertence on the part of the credit department, from whom the answer is expected, has failed to produce a response, a second letter is the only way to accomplish satisfactory results. The second letter reads:

May 1, 1925.

John F. Jones & Company,
St. Louis, Missouri.

Gentlemen:

Under date of March 28, we wrote you requesting an expression of your opinion regarding the credit standing and financial responsibility of Blank Mfg. Company. To date we have not received a reply to our inquiry, and would ask that you kindly favor us with any information you may have and care to give us regarding the above

Company. Your response will be treated as strictly confidential.

Thanking you in advance for your kindness in this matter and with the assurance of our willingness to reciprocate at any time, we remain

Very truly yours,
Assistant Cashier.

Let us now consider how to check the individual's financial standing who seeks credit on a personal statement.

Human psychology, the phenomena of action and reaction, environmental conditions, all play their part in coloring the picture of the individual's standing as a credit risk.

The story is told of a colored preacher who was applying for a similar position in a nearby village pulpit. He made a favorable impression, and an inquiry was sent out to the man's former parish concerning his responsibility and character.. When the response came in it read:

Regarding your inquiry concerning John Brightlight as a preacher, I wish to state that I think he is the greatest preacher I have ever heard, when he is sober.

The parish board drew their own conclusions!

Checking Up on Individual Responsibility

The following has proved helpful as a letter for use in checking the individual's responsibility. This letter reads:

Mr. P. A. Rising,
Chicago, Illinois.

May 1, 1925.

Dear Mr. Rising:

Mr. A. Black has just favored us by opening a personal checking account, and informs us that he has done business with your good bank.

Will you kindly give us, in confidence, such information as you may have regarding his character, financial responsibility, etc?

Anything you tell us will be very much appreciated and we shall be glad of an opportunity to reciprocate at any time.

Very truly yours,
Vice-president.

It will be noted in the first letter shown that the question "If known to you" is asked.

This encourages the person making the response to reply only on such information as is of a personal nature, and excludes the possibility of rumor, hearsay, and discourages valueless information. "Hew to the line, let the chips fall where they may." That should be the slogan of every credit department, and one which is productive of truth as the basic foundation for sound credit commitments.

Another question the banker is continually asking himself is how to check trade acceptances and other paper left for discount which will produce effective bases for credit accommodations? The following letter has been used advantageously in this connection:

May 1, 1925.

Mr. P. A. Rising,
Chicago, Illinois.

Dear Mr. Rising:

One of our depositors has asked us to discount a note for \$700 bearing the endorsement of Mr. A. Blank, 2628 Rokeby street, Chicago, Illinois.

If known to you, will you kindly advise us of his financial responsibility and ability to meet this obligation?

Thanking you for any information you may be able to give us and assuring you of our willingness to reciprocate at any time, we are

Very truly yours,
Vice-president.

It will be noted that the above letter gives the amount of the note in full, the name of the endorser and his address. Then the usual character inquiry is set forth with a view to learning specifically, the financial strength of the endorser. This letter has given efficient results, and is a helpful aid in establishing the value of the paper left for discount and the character of the endorsers.

A Credit File Revision Letter

Annually, or semi-annually, most efficiently managed banking institutions have found it wise to revise their credit files. A credit file revision letter is sent out which states that the files are being brought up to date, and expresses ap-

preciation for an opinion regarding the financial responsibility, and the firm's experience with the subject inquired about.

This form of letter is helpful, and experience indicates that a ready response is available for this worth while purpose. It builds up the bank's files regarding the risk, and often discloses valuable information for the protection of the bank's assets. Following is a sample credit file revision letter:

June 5, 1925.

John F. Jones & Company,
St. Louis, Mo.

Gentlemen:

Some time ago you favored us with an expression of your opinion respecting Blank Mfg. Co., 1423 Robey street, Chicago, Illinois, and as we desire to revise our information at this time, we take the liberty of writing you again. If you know of any changes in condition, management or other essential factors, we would esteem it a favor to receive a word from you.

Nothing unusual or unfavorable is contemplated by this inquiry.

Anything you may be pleased to tell us will be very much appreciated and held strictly confidential. Thanking you for your courtesy, which we shall be only too pleased to reciprocate, we are,

Yours very truly,

Assistant Cashier.

How to form the financial background regarding the character and responsibility of the new depositor is one of the most intricate questions the banker has to answer.

Frequently, when writing to the former banking connection, regarding the subject, keen disappointment at the loss of an account, and consequent embarrassment for the new depositor, who is called upon by the former bank, and prevailed upon to reopen his account, has discouraged bankers from sending out letters of inquiry.

This prevents criminals from operat-

ing inside the bank, and gives the new depositor a financial credit background from which the bank can form an opinion as to what may be expected in the manner the account will be handled. In many cases such letters have given the banker an opportunity to give closer co-operation, and in other cases they have protected the bank's assets from predatory attempts on the part of dishonest depositors to deceive the bank.

Where the Road to Better Letters Lies

The road to better credit letters lies through closer observation of banking ethics concerning credit procedure. I think the best rule to apply to communication between credit departments is found in the old scriptural teaching "Do unto others as you would have others do unto you." If an individual or corporation expects worth while co-operation, he must prove himself worthy of it by his attitude toward others. "Give little, get little," be meager in giving credit information, and in the long run the same treatment will be tendered the man or institution which adopts a selfish policy. Mutual confidence comes through giving as well as getting. The degree of helpfulness a person or corporation renders others, will, in large measure, limit the degree of its service to the public.

Bankers adopting a liberal credit policy, based upon a confidential and common sense basis, gain a large measure of co-operation and prosperity in return. By mutual co-operation and understanding between the bankers and merchants a stronger basis for making credit commitments can be brought about. The attitude of suspicion will give place to a spirit of helpfulness, and the ideals of self preservation will be realized in a fuller, and more far reaching interchange of confidence.



Country Banks Should Loan on Facts— Not Optimism

The Third Article of a Series Outlining Principles Upon
Which Country Bank Credit Should be Based

By Frank S. Wettack

BANKERS seek to please the public. The patronage of borrowers is as essential as the patronage of depositors. The banker tries to build good will for his institution. In his zeal to do this, he may depart from sound principles and endear himself to the public by being too liberal in making loans. Nothing flatters the average borrower as much as to have his banker promptly and cheerfully grant credit. No bank can endure if it adopts the attitude of the bartender—"What'll you have, gentlemen?"—and proceeds to meet the order. Too much emphasis cannot be placed on the principle that a bank must lend on successful ventures. Success can only result in the ventures having sound conditions. A consideration of the purpose to which the borrowed money will be devoted is always in order. The defects and merits of the entire venture can then be classified. The consideration which the borrower has given to the venture can be supplemented by the banker's contact with other similar ventures.

Frequently advantage will accrue to the borrower in subjecting the purpose of the loan to an analysis by the banker. The banker has probably observed the course of many similar ventures. The banking business is in touch with all other lines of business. Successful bankers, in a large measure, owe their success to an analytical temperament whereby they have been able to detect weak points. The borrower is usually convinced of the merits of his proposition. Bankers must scrutinize plans to detect not only the bright spots but also the dark spots. Borrowers seldom approach a banker from the angle of in-

viting an impartial analysis. Every country banker will testify that he is invited twenty times to pull a borrower out of the hole, to once where he is given an opportunity to keep his patrons from getting into one. Few business ventures are all roses, and an experienced banker may be able to direct the attention of the borrower to some of the thorns.

The successful banker will, when in doubt as to a credit, require a full disclosure of all aspects of the loan, including the purpose. He will tactfully secure this information before making the loan. After he has invested his depositors' money in the venture, it is too late to make the inquiry. If a business venture has fundamentally weak points, they are bound in time to come to the surface. The trained mind of an experienced banker will usually be helpful in discovering such weak points before the venture is made. The banker's experience and observation of similar ventures may enable him to forecast frost and ill-wind, likely to blast the fruitage which the optimistic mind of the borrower has pictured.

Optimism versus Pessimism

Ambition coupled with too much optimism has led to the financial distress of many men. The premium which is put on optimism in the literature of the day, has no place in the banker's mind. Optimism, to the extent that it means cheerfulness under distressing conditions, is of value—it eases the rough places; to the extent that it blinds to obstacles, it is a curse. Courage, intelligent thinking, energy and industry are

a thousand times more needed than optimism. Every banker should be more of a pessimist than an optimist, for pessimism is much more likely to be true than optimism. Most successful bankers, in a long banking experience, are made pessimists by meeting so many optimists.

The younger generation is apt to think that optimism and good credit are all that are needed for business success. The ability of the average person to analyze a proposition differing from his usual line of activity, is lamentably weak. The banker's life is given to analyzing the other fellow's proposition. Daily he listens to borrowers' plans, coming from widely different sources and under widely varying conditions. From experience from year to year, in watching these ventures—some to flower and bear fruit and some to wither—he gathers an accumulated fund of experience and an ability to analyze. The mental notes which the banker makes, as to the cause of success and failure, may be helpful to the average borrower.

Loaning to Pay Debts

One of the guide posts erected by credit experience is that careful scrutiny should be given loans, the proceeds of which are to be used in paying existing indebtedness. Such loans do not present the element of strength that the borrower's assets are increased by the amount of the loan. It is merely shifting the borrower's indebtedness. The borrower shows no additional assets from the new credit. If a merchant desires to borrow to pay overdue accounts, or if the proceeds of the loan are to pay another bank or an existing mortgage, or if the loan is to pay overdue instalments of any contract, some weakness may have developed in the applicant's credit position.

An example of the class of loans which are generally to be condemned is where the purpose of the loan is to pay overdue current living expenses. Ap-

licants for such credit usually state as the purpose of the loan, that they desire to have all their indebtedness at one place. This is logical from the applicant's standpoint. It is certainly preferable to be harassed to pay by only one bank, than to be pursued by many collectors. Failure to meet living expenses, unless satisfactorily explained, would indicate that the borrower does not keep his living expenses within his income. If the applicant is unable to meet his current bills from month to month, the outlook for meeting current bills and past living expenses is not attractive.

Loans for Short Periods

Loans for short periods are frequently applied for. Many borrowers believe that their application is strengthened by applying for a short time loan. Will an analysis indicate payment at the note's maturity? The payment of the loan at its due date ordinarily rests upon the borrower's plan bearing fruit at or before the note's maturity. The practice of borrowing at random is not at all uncommon. Borrowers frequently trust to renewal or borrowing elsewhere. The bank credit man must concern himself with the question, "Where will the money come from to pay the note?" even if many borrowers do not. Many borrowers construe a note to read, "I promise to renew" rather than "I promise to pay."

Large eastern banks and brokers of commercial paper regard as first-class credit risks only concerns which go out of debt at some period of each year. Country banks can rarely emphasize this principle, yet it must be borne in mind that unsecured loans of long duration, in any great quantity, are undesirable in a bank. Even the amount of secured loans of long duration is limited.

Every business venture requires capital. The proper sources of the capital may in a very general way, be outlined as follows:

(1) The owner should be financially strong enough to invest out of his own funds — not borrowed money — an amount of capital equal to the cost of the fixed assets such as the factory, farm or plant.

(2) The owner may borrow to furnish a proper part of above capital, but such loans must be secured either by assets outside the venture, or by a long term mortgage on the fixed assets, or both.

(3) The owner should also be in a position to furnish out of his own funds — not borrowed money — a part of the working capital required to purchase merchandise, raw material or live stock necessary to the functioning of the enterprise, but additional working capital can be properly included in current unsecured bank loans.

The above principles will have a general application to all business loans. The choicest unsecured bank loans to business activities are supported:

(1) By the ownership by the borrower of the assets shown in section one.

(2) By the proper security and maturity of the borrower's obligations shown in section two.

(3) By the use to which the borrower devotes the bank's funds and the bumper against loss to the bank, as outlined in section three.

The payment of the bank's short time obligations is assured by the orderly working out of the process of converting the raw material, merchandise or live stock into the salable article. The funds thus derived will not be diverted to the payment of the long time secured obligations. Many of a bank's perplexities arise from a disregard of the above ruling principles of bank credit. Funds which should be supplied from the channels outlined in classes one and two, are furnished by banks on unsecured short time loans. Capital required for purchase of plants, farms or factories, or other fixed assets, and all the working capital, can seldom be furnished on unsecured current bank

loans. Loans to furnish the capital required in sections one and two, are, in addition to other vital objections, always too "slow" for bank purposes. Out of the loans first classed as "slow" come nearly all loans ultimately classed as losses.

When too Many "Slow" Loans are Offered

Where too many "slow" loans are offered, the bank must neutralize this condition by carrying a proper proportion of "quick" assets, such as immediately salable bonds or commercial paper. A loan may afford proper assurance of final payment, but if payment is indefinitely in the future, it may merit the criticism of being, from a bank's viewpoint, "slow." The amount of such "slow" loans which a bank can properly digest is measured largely by its own capital. A bank has a large amount of checking accounts which are "quick" liabilities. It must have assets upon which it can realize just as quickly as depositors can check out their funds. "Quick assets," such as government and municipal bonds, have a low income rate, but are an essential part of every well managed bank's assets. The principle of diversified assets is fundamental in safe banking. The "slow" and "quick" assets must be kept in correct ratio. A bank's assets must also depend upon different commercial, industrial and agricultural activities. A bank should seek to serve the community interest by extending its credit facilities to all legitimate business activities. The diversification lessens the risk. A life insurance company could hardly survive if all its insurance were upon one man's life. Such insurance would be a gamble. No one can tell how long a single man will live. But it is a mathematical certainty how many men of the same age will be alive twenty years later. The same principle holds good in bank credits. By selecting preferred risks, as life insurance companies do, and lending to many in-

dividuals in different lines of business, dependent upon diversified conditions, the credit losses will be small.

A loan to a business where unsatisfactory conditions are present, may give the banker the choice later on of making an additional loan to protect the existing loan, and may result in loss of both loans.

It Takes Money to Lose Money

A common expression is that it takes money to make money. Money may make money—sometimes—but it is absolutely true that it takes money or credit to lose money. The hazardous character of business life is little realized by the uninitiated. There is a high rate of business mortality. Business is a constant battle against competition and changing conditions. Business history shows that, to the multitude engaged in business, the odds are constantly against success for the greater number. Every business is in competition with organizations in the same line that are well officered, well managed and functioning properly. The less efficiently managed must surrender to their superiors.

The successful business man is the one who has been able to avoid the pit-

falls his competitors have dug for him, and who has been able to stem the tide of competition and changing conditions. Every advance in manufacturing, every new modern convenience, every development in transportation and commerce, spells the doom of certain then-established lines. The fight is relentless—no quarter is given.

Most fine homes were erected or purchased by men prosperous in business. In a fifteen year period the ups and downs of business will shift the ownership of many of these homes into other hands. The poison of success is the basic cause of these failures. Men who meet with success expand their own lines of business, or, more frequently, engage in others concerning which they have little knowledge. Their success gives them large lines of credit. Frequently, this hastens their downfall. It is unusual to find a business which has enjoyed good earnings constantly during a ten year period. Where the earnings are satisfactory, others embark in the line and soon it is overdone. This has been the rule in the banking business in the Middle West. Too many have been attracted to the business by reason of supposed large profits, and the result has been too many banks and too few bankers.

NOTHING is so damaging to an institution or to a law as to discuss and possibly criticise its working details without proper consideration of the law as a whole. Nothing could be better calculated to weaken public confidence in the Federal Reserve System than to point out its possible imperfections without reference to its essential values.—*L. E. Pierson.*

The Career of William Kidd

Wealthy New Yorker, Ship Owner, Land Owner, Merchant,
Friend of Governors, Buccaneer, Pirate, Defender of
the Crown, and Highwayman of the Seas

By Withers Woolford

(Illustrations by Burriss Jenkins, Jr.)

“**W**ILLIAM KIDD.” The monotonous drone of the court crier died out. Somewhere in the court room a chair scraped. The crowded court was filled with the strained, oppressive silence of a multitude absorbedly and expectantly waiting. Life was suspended. Every nerve was strained—every eye was turned—every neck was stretched forward in the effort to see the prisoner at the bar.

There, silhouetted against the dreary background of the musty old court room, stood the prisoner. He was not over tall, but his massiveness gave an impression of unusual size. His back was straight and unbending. This man could meet any emergency erect. No one would ever see him cringe or bow before an enemy. His steady, fearless eyes glared from beneath fierce bushy brows; yet in their depths lurked a twinkle, begotten of a sense of humor.

The man seemed to radiate an atmosphere of restrained strength. Never could he mingle, forgotten with the crowd; always people would stare at him, wondering what manner of man this was who seemed to strip one to stand bare before his judgment.

Yet once that high-held chin had been lowered, the stiff back had been bent, and this man had kneeled in the gutter to help a poor woman recover her bundle of fire-wood.

* * * *

William Kidd, the son of a Calvinist clergyman, was born at Grennock, Scotland, in the year 1654. Little is known of his boyhood or education, but his great fondness for literature, in later life, leads to the belief that he enjoyed all the educational advantages usually

accorded the families of the clergy at that time.

When quite young, William Kidd left home to seek his fortune at sea. His early life at sea seems to have been marked by no events of interest, though it is not known exactly where he went or what he did for several years.

When he was 35 years old Kidd's seafaring profession brought him to the American colonies. Here he was employed as skipper of a line of packets plying between New York and London, and established himself as a merchant ship-master.

In 1691 the Provincial Assembly voted a gratuity of £150 to Captain Kidd for his services in suppressing public disturbances. In the same year "William Kidd, gentleman" married Mrs. Sarah Oort, who was considered the richest widow in New York. She had a snug fortune from the estate of her father, Captain Samuel Bradley; and also quite large estates from both of the husbands to whom she had been wed before becoming the wife of Captain Kidd.

Through his marriage Kidd came into enough wealth to have enabled him to live comfortably the rest of his life, in addition to a very enviable share of New York real estate.

His home, on the corner of Pearl and Hanover streets, was one of the most magnificent in New York. An inventory taken during Kidd's occupancy shows its appointments to have been extremely luxurious. Captain and Mrs. Kidd had also a beautiful country seat in Haarlem, near the foot of East Seventy-fourth street. This was called the Saw Kill farm, after the little stream that ran through it.

Kidd owned a fine house and seventy-

five feet of ground on Tienhoven street, now 25, 27, 29 Pine street. On Wall street, Kidd owned the property now known as number 56. He was the owner of 80 to 90 Pearl street; 52-56 Water street; and another plot on the north side of Pearl street extending 150 feet west of Old Slip.

Leaving all this valuable property, a good business, a loving wife and a small daughter, Captain Kidd is supposed to have returned to the sea and embraced the life of a buccaneer. He had no apparent reason for this, save establishing the legendary Kidd . . . a character continually at war for the spoils of war, leaving behind him a crimson path across the sea until at last he met his well-deserved end on the gallows.

His fabulous wealth is supposed to be hidden in iron-bound casks and cases along the entire Atlantic coast from New Jersey to Maine. For centuries people with divining rods and money-compasses, acting on the advice of soothsayers and fools, have dug over this entire coast in search of Captain Kidd's fortune.

An attempt to rob the world of the mythical Kidd would be a more dastardly crime than any committed by Kidd in his wildest escapades, and more surely doomed than his attempt to influence a prejudiced London jury. But it will at least be interesting to consider the facts, to find out something about the real William Kidd and his purported wealth—after that we can and will continue our belief in the hair-raising, spine-tickling Kidd of the legends.

* * * *

The period of piracy, which was brought to a close with the death of Captain Kidd and a few of his contemporaries, began with a papal bull issued by Pope Alexander VI. This bull divided all the newly discovered lands in the East and West Indies between Spain and Portugal to the exclusion of all other powers. And no "bull in a china shop" could possibly have raised the furor created by this papal bull.

This edict was no sooner issued than France, Holland and England, all three great maritime powers, combined to take trade away from Spain and Portugal. The courts of the former countries would commission almost any man as a privateer, and empower him to arm a ship, fill it with ruffians, and prey upon the commerce of Spain and Portugal.

The privateers were responsible to no one. They reported to no one. They alone decided if a ship was legitimate booty . . . and having decided, captured the ship, killed off its crew, and divided the spoils according to their own agreements.

These adventurers became so numerous they infested every quarter of the sea, and so strong they could defy the most powerful nations. They built cities in which, surrounded by captured and native women, they lived sensual, drunken, and voluptuous lives, amid a splendid luxury looted from the wealth of the world. They sailed in fleets preying on rich laden merchant ships. They ravaged coasts, capturing, plundering and despoiling cities and towns.

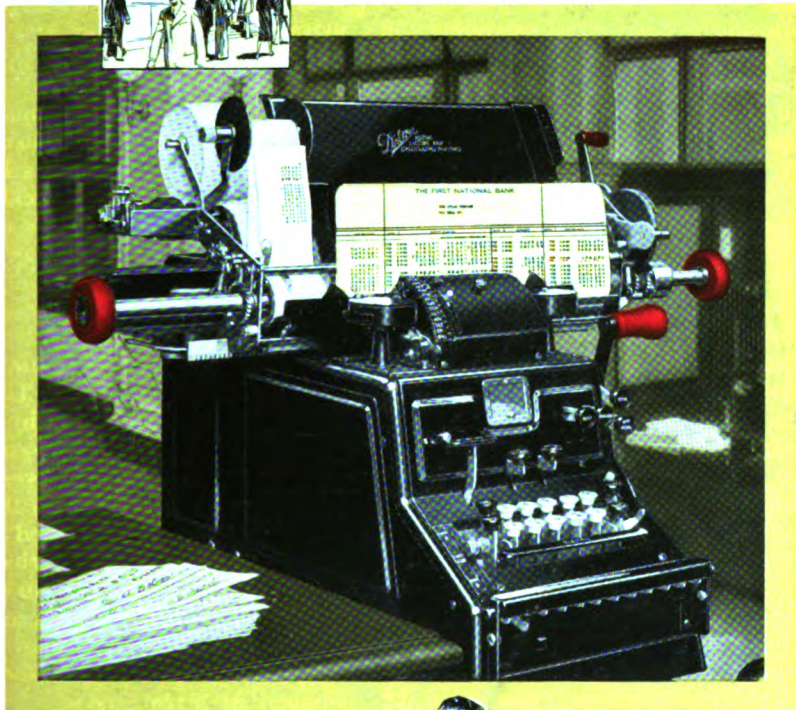
With heads held high, these swaggering pirates would hide behind their commissions as privateers and land in the coast towns of England, France and Holland to sell their booty and spend their wealth. They scattered doubloons with a grand air, spent freely, bought at exorbitant prices and sold their loot cheap. The tradespeople, always glad to turn an honest penny, welcomed them with open arms and no questions were asked. Their social status was very like that of the robber barons of a few centuries previous; from whom are descended some of our proudest families.

* * * *

In the year 1695, William III, King of England, sent for the Earl of Bellomont, whom he had recently appointed governor of New York, and said to him, in effect:

"The buccaneers have so increased in the East and West Indies, and along the American coast, that they defiantly sail

Bank Posting Made *Easier*



The New

Dalton

"MULTIPLEX"



Bank Ledger Posting and Statement Machine

FOR twenty-two years, Dalton advantages of simplicity, speed, versatility, visibility, and durability have been available to the commercial world.

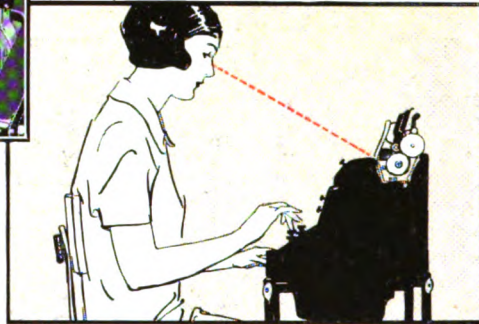
Now all these advantages have been combined in the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine. With this new machine, posting is almost entirely automatic—

the machine even checks its own work! Overdrafts, including the date, are automatically printed in RED. Subtraction of checks, addition of deposits, extension of balances — all these operations are automatic. But these are only a few of the machine's features.

Turn to next page

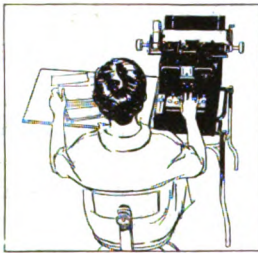
SEE THIS MACHINE DEMONSTRATED

All these famous features in this one super machine



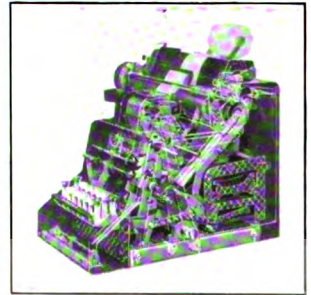
SIMPLICITY — The 10-key scientifically correct "touch method" keyboard is so simplified as to be instantly operable by anyone. No experience is necessary. Column selection is automatic. To enter an amount, depress the keys in the order you would write the number with pencil and paper—units, tens, hundreds take their proper place without thought on the part of the operator.

SPEED — With the 10-key scientifically correct "touch method" Dalton keyboard, one hand covers the keys and controls the machine—the other hand is free to turn checks. No constant swinging of head and eyes from data to machine and back again—the operator posts with "eyes on work—fingers on keys." The slightest touch depresses the keys—the fastest fingers can never find the limit of Dalton speed. The machine is 25 to 80 per cent faster than other figuring machines.



VISIBILITY — On this new Dalton model, all posting work is immediately before and within easy range of the operator's line of vision. No "blind" postings; no straining to see printed amounts—every printed item is perfectly visible.

DURABILITY — Many Daltons are still in daily operation after 20 years or more of service. Further, a check kept over this period shows that maintenance cost has been low as compared to that of other makes of figuring equipment. This same durability, this same day-after-day dependability are found also in this new Dalton posting model.



VERSATILITY — This new Dalton model is instantly convertible by the operator into a straight adding-calculating machine capable of that comprehensive figure service found only in the new Dalton Direct Subtracting "MULTIPLEX" series. Addition and subtraction at the same time; "MULTIPLEX" multiplications; addition of two sets of figures in the same or parallel columns — all these and many other hard-to-do figure tasks performed in practically one-half the time ordinarily required.

- Automatic!**

Note these features

 - Automatic printing of dates in proper column
 - Automatic subtraction of all checks, and automatic addition of all deposits
 - Automatic extension and printing of balances
 - Automatic selection of columns
 - Automatic paper injector
 - Automatic paper carriage return
 - Automatic paper carriage controls on all accumulators

The Dalton Adding Machine Sales Company
Cincinnati, Ohio, U. S. A.

Agents for Canada:
The United Typewriter Co., Toronto and Branches
Sales Agencies in all the Principal Cities of the World

Dalton

Adding-Calculating • Bookkeeping
Statement and "Cash Register" Machines



The sea was like glass—the crew sullen and mutinous and Captain Kidd was drowning his sorrows in rum

not a sail had been seen, not a prize captured. Captain Kidd had spent most of his money for provisions and now the food was getting low. The crew had worked long for nothing. Under ill-luck, chagrin, and disappointment they became morose, rebellious, and almost unmanageable.

At this time a sail was sighted on the horizon, then another and another. Kidd's wild crew became quite good natured. They had no doubt these ships marked a change in their fortunes. It

was some buccaneer with two heavily laden prizes. Eagerly they prepared for action. On came the three ships, entirely unconscious of their danger; and with them came disappointment. Watching the ships through his glasses, Captain Kidd suddenly exclaimed—"Three English men-of-war."

This encounter was not at all to Kidd's liking but it could not be avoided. He had stretched his orders in leaving American waters and he had no desire to have the British Captain find it out.

The ships met. Captain Warren, who was in command of the fleet, hailed the "Adventure." The two captains exchanged civilities, visited for a few days, and parted without misadventure.

In February, 1697, Captain Kidd approached the pirate base. Here he expected to find treasure in abundance; and he must have treasure. In no other way could he avoid the penalty of his zeal in leaving America for the distant shores of Asia and Africa. Triumphant success would not only bring him forgiveness but would probably gain him much applause. Failure would bring certain and irretrievable ruin. In this spirit Captain Kidd entered the stronghold of the pirates, but again he was doomed to disappointment.

There was not a ship in the harbor when Kidd visited Madagascar; all were out on a piratic cruise. Kidd's crew was desperate. Their means grew dangerously near the portions of a storm. They had no money, no water, very little food, and half the globe separated them from home. There was nothing to do but sail away. So, as quickly as possible, Captain Kidd refilled his water casks and set sail for the shores of Malabar.

In June these shores were sighted. Day after day the "Adventure" cruised a forgotten sea in search of a prize. But not a sail was to be seen, from horizon to horizon.

Discontent grew among the crew. They had no money and but little food; soon they must "steal or starve." But good fortune lay just ahead. As they were sailing by the Island of Joanna a shipwreck was sighted on the shore. A landing party found it to be a French ship. The vessel and cargo were a total loss but the crew had escaped, taking with them a considerable quantity of gold. Captain Kidd "borrowed" this gold from the French captain (at least, that is what he said later) and with it he sailed into one of the ports of Malabar to purchase food and other supplies.

After lying in harbor a short time, he once more sailed out in quest of pirates. Many richly laden merchant-

men belonging to the Great Mogul were passed. But the Emperor of Mongolia was an ally of England and the ships could not be taken. The crew could not understand these scruples which forbade taking a rich eastern prize but permitted pillaging a few marooned Frenchmen. But Captain Kidd was a respected New York merchant, sent out to capture pirates. He could excuse the pillaging of Frenchmen because France was England's enemy but the Mongols were her friends. He was not ready to fore-swear respectability and raise the black flag. Soon the time would come when he must steal to live but now his ship was provisioned and he was looking for pirates. On every hand ships were being pillaged . . . but Captain Kidd searched in vain for buccaneers.

* * * *

The "Adventure" was running close to shore, her supplies were exhausted, and no prize had been sighted. Ahead was a native village. The men could be seen working in the fields. There were cattle, grain and water. Several armed boats were lowered and sent to land. They captured the village, ransacked it and robbed the unresisting natives of their all. Several of the villagers who offered resistance were tied to trees and each of the marauders took a shot at their bodies.

For the first time in months the "Adventure" was completely stocked. But there was no way to explain this attack on an unprotected village . . . Captain Kidd had turned robber. He called his lieutenants together and told them of his changed plans. "We have been unsuccessful, but take courage, my boys," he said. "Fortune is about to smile on us. The fleet of the Great Mogul, bearing the richest of treasure, is soon to put out of the Red Sea. From the capture of these heavily laden ships we will grow rich."

The fleet of the Great Mogul did not put in appearance as soon as Kidd expected. While he was coasting about, waiting for it, he encountered a small Portuguese vessel carrying a cargo of

spices. It was commanded by an Englishman named Parker. The vessel was taken and Kidd removed a bale of pepper, some coffee, and a few gold pieces from some traders. The ship was released to continue her voyage. Kidd afterward swore that the captain sailed under a French pass and added that he only bothered with such picayune plunder to quiet his turbulent crew. Soon as he was released, Captain Parker caught a ship for London and issued a report that Kidd of the "Adventure" had turned pirate and was preying on English ships.

Kidd continued to sail the monotonous southern seas waiting for the argosy of the Mogul. When the argosy did finally appear it was under the protection of two men-of-war, one English and one Dutch. It would be very perilous to attempt an assault, but his vessel was swift and there was a great bulky Mongol ship ploughing close by his point of concealment. The guard ships were several miles away, perhaps he could make it.

The "Adventure" darted out upon the galleon like an eagle on its prey. Kidd probably hoped to plunder the vessel before the men-of-war could come to the rescue, but the enemy was too quick. Kidd could not fight. His chance was gone. Shearing off, he soon disappeared over the horizon in a cloud of billowing canvas.

Constant failure had made his men morose, but Captain Kidd was desperately bitter. He had forfeited his position in the world, the good opinion of his fellow men, even his self-respect, and it had profited him nothing. He was ready for any dastardly enterprise

which would bring him money, but fortune was always just around the corner and his condition was pitiable before he made his first valuable capture.

The sea was like glass, the crew was sullen and dangerous, Captain Kidd was drowning his sorrows in rum, when the watch sighted a large Mongol ship, very heavily laden. Kidd raised the French flag and gave chase. The captain of the Mongol ship, a Dutchman named Mitchel, immediately ran up the banner of France. Captain Kidd was very happy as he spread the flag of England. He could lay aside the odium of piracy and take the ship in the honorable capacity of privateersman.

A cannon ball was thrown across the ship's bow, ordering her to heave to. She was hailed in French and someone answered in that language. A boat was lowered and taken to the "Adventure;" in this boat was the ship's captain and a Frenchman named LeRoy. They told Kidd the vessel was the property of some Mongol merchants who had intrusted it to the command of the Dutch captain, and the Frenchman was only a passenger. Kidd refused to accept this as fact. He insisted that it was a French ship and M. LeRoy was its captain. Under threat of death the Frenchman agreed to this statement, and since then, it has been proved that the ship was under French charter.

This prize Kidd called the "November," because it was taken in that month. He towed it to an eastern port where both ship and cargo were sold. It is not known exactly how much was received for this loot or how it was divided.

(To be concluded in the September number)





Main banking room of the First National Bank,
Terre Haute, Ind.

THE walls are wainscoted in genuine English oak. The counters are of the same material with base of black and gold marble and wickets of finely wrought bronze. The contrast of gold bronze against the background of rich brown oak adds an unusual note of charm and interest to this room.

*Design, Engineering
Service, Construction
Management by*

WEARY AND ALFORD COMPANY
Bank and Office Buildings
1923 Calumet Avenue
Chicago

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Bank Allowed to Recover Money Paid on Check After Payment Stopped

National Loan and Exchange Bank of Columbia v. Lachovitz, Supreme Court of South Carolina, 128 S. E. Rep. 10.

WHERE a bank, through error, pays a check after the depositor has directed it to stop payment, it may recover the amount from the person to whom the payment was made, provided it appears that the person receiving payment has not sustained a loss as a result of the payment, or acted in reliance on it. In this case, it appeared that the holder of the check had paid value for it before presenting it to the bank for payment. It may be mentioned that it has been held, in a number of earlier decisions, that a bank is not entitled to recover in a case of this kind.

Action by the National Loan and Exchange Bank of Columbia against Louis Lachovitz. Judgment for defendant, and plaintiff appeals. Reversed.

OPINION

FRASER, J.—The cardinal facts in this case are, in brief:

The Ideal Theater Company, Inc., drew its check on the National Loan and Exchange Bank of Columbia, for the sum of \$88.94, payable to "cash," and delivered it to one M. Kantoroff. Kantoroff carried it to the respondent, Louis Lachovitz, who cashed it, part in goods and part in money. Mr. Lachovitz deposited the check in the Carolina National Bank for collection. The check was returned unpaid, marked "N. S. F.," which means "not sufficient funds." A few days later Mr. Lachovitz sent his agent to the plaintiff bank with the check for collection. The teller finding that there was sufficient money to the credit of the Ideal Theater Company, paid the check. Just after the agent of Mr. Lachovitz left the bank, and before he had gotten out of sight,

the head bookkeeper went to the paying teller and told him not to pay the check, if presented, as he had received notice to stop the payment. The paying teller told him that he had just paid the check and pointed out the man to whom payment had been made. The head bookkeeper followed the man at once and offered to return the check, and demanded a return of the money. This was refused. Mr. Lachovitz kept the money and still has it.

This action was brought to recover the money, as paid by mistake. The answer set up two defenses, to wit: (1) Purchaser for value without notice; (2) negligence of the bank in making the payment. At the conclusion of the testimony the presiding judge directed a verdict in favor of the defendant, and from the judgment thereon this appeal was taken. The judgment cannot be sustained.

I. As to the defense of purchaser for value: Mr. Lachovitz took the check charged with the knowledge that its payment was subject to two conditions; that there should be sufficient funds, and that there should not be a stop order. When it was first presented, there were not sufficient funds, and before it was paid the bank had received a stop notice. For neither of these things was the bank responsible. It had done nothing to indicate that the check was good, or would be paid.

II. As to negligence. It is fundamental and elemental that, in order to reap the benefit of negligence, the person pleading negligence must show that he had been injured by the negligence, and that the negligence was the proximate cause of the injury. When the check was paid, the defendant had already parted with his goods and money. There was no injury to the defendant that arose from the negligence of the plaintiff (if any). The defendant had money he would not have had if the bank had not been negligent, if it was negligent. The negligence of the bank, even if it was negligent, was not the cause, proximate or otherwise, of the defendant's loss.

The judgment appealed from is reversed.

Liability of National Bank Stockholder

Karraker v. Ernest, United States District
Court, 4 Fed. Rep. (2d) 404.

Under §23 of the Federal Reserve Act, a national bank stockholder who transfers his stock within sixty days prior to the failure of the bank is liable to the bank's creditors to the same extent as though he had made no transfer. In order to enforce this liability, it is not necessary to show that the transferee is insolvent, nor is it necessary that any legal proceeding should first be taken against the transferee.

At Law. Action by R. R. Karraker, as receiver of the Drovers' National Bank of East St. Louis, against Finis P. Ernest. On demurrer to declaration. Overruled.

OPINION

LINDLEY, J.—Plaintiff, as receiver of the Drovers' National Bank, seeks to recover against the defendant upon an assessment made by the Comptroller of the Currency against the stockholders of the said bank. Defendant demurs to the plaintiff's declaration and the additional count thereof; the only question presented arising with reference to the second and additional counts. It is averred in those counts that the defendant was, within sixty days prior to the appointment of the receiver, a stockholder in the bank; that within such period, and before the appointment of the receiver, he sold and transferred his stock to one Newton; and that Newton, although notified of the assessment, has failed to pay the same. The only question, therefore, is whether or not the plaintiff must aver any additional acts upon his part as receiver against the transferee before recovering from the transferrer.

The statute in question (Comp. St. § 9689), after fixing the liability of stockholders of national banking associations, provides that "the stockholders in any national banking association who shall have transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the

subsequent transferee fails to meet such liability." It is contended by the defendant that this provision reduces the liability of the original stockholder to one of secondary character, preliminary to the enforcement of which it must be shown, either that the transferee is insolvent, or that all legal remedies have been fully pursued against him without success.

In the opinion of the court the defendant's position is not well taken. The act of Congress attaches to the ownership of stock in national banks certain conditions which the subscriber by accepting the stock accepts. The acts of the parties which create the obligation imposed upon shareholders in an impliedly contractual form are then and thereby completed. *Aldrich v. McClaine*, 106 F. 791, 45 C. C. A. 631. While this liability arises out of the statute, it rests upon the stockholder's receipt and acceptance of his stock, and is, therefore, in a qualified and limited sense contractual in its nature. Under the provision of the act of Congress reserving the original liability against the transferrer, it is as if the transferrer had said to the Government: "I am liable to and responsible for an assessment upon this stock. I am transferring the stock to another person, who is assuming my liability; but my liability continues for sixty days, and I agree that if, within such period, that liability comes into active existence, I shall see that it is satisfied." This situation is not far from that of an owner of real estate, who owns land subject to a mortgage indebtedness upon which he is personally liable, and who sells the real estate to another, who agrees and assumes to satisfy the incumbrance. The primary character of the original debtor's obligation in its relation to the creditor is not altered in either instance, and the liability remains in its essence a primary obligation, to enforce which does not require that any preliminary legal action be taken against the transferee.

Furthermore, if we consider the transferrer's liability from another point of view, as one of a secondary character, as one of guaranty, the situation is not changed, because the Government has not said to him that he shall be anything other than an absolute guarantor, one who is liable upon default of his principal without the necessity of any preliminary action against the latter. If this is the true situation, then it is as if the transferrer said at the time of the transfer: "With the Government's

consent, I am transferring my stock and my transferee is assuming all burdens of the same; but in good faith to the Government I guarantee that, if he does not satisfy any liability attaching within sixty days from this date, I shall do so." Such is the undertaking of an absolute guarantor. 28 C. J. 895. In case of such guaranty, the guarantor immediately upon the failure of the principal debtor to perform his contract, is bound without preceding legal proceedings being taken against the principal debtor. 28 C. J. 972; *Miller v. Northern Brewery Co.* (D. C.) 242 F. 164; *Illinois Surety Company v. Monro*, 289 Ill. 570, 124 N. E. 528. Guaranties of the payment of obligations of others are absolute undertakings, imposing liability upon the default of the principal debtor, regardless of whether any legal proceedings are taken to enforce the liability of the principal debtor. *Johnson v. Norton Co.*, 159 F. 361, 86 C. C. A. 361; *Miller v. Brewery* (D. C.) 242 F. 164.

The court is unable to find anything in the act of Congress now under consideration which implies that the Government intended to make the liability of the transferrer conditional upon a prior attempt to collect from the transferee. The statute is intended to protect the creditors of national banks, including the depositors. It should be interpreted with that purpose of Congress in mind, and the court should not read into it anything which makes the remedy provided more difficult of realization, more expensive to the beneficiaries of the statute, or more productive of delay in the realization of the remedy, unless the language of the statute plainly indicates such intention.

The demurrer will be overruled, and the defendant given one week within which to plead.



Bank Liable to Depositor in Paying Fraudulent Checks

William J. Connors Car Co., Inc. v. Manufacturers' and Traders' National Bank of Buffalo, New York Supreme Court, 209 N. Y. Supp. 406.

The plaintiff company was one of the defendant bank's depositors. The making up of the plaintiff's pay roll was entrusted to three of its employees, an assistant foreman, a timekeeper, and an inspector foreman.

These three, by placing fictitious names upon the pay roll, succeeded in obtaining checks payable to the orders of fictitious persons. After receiving the checks they indorsed the payees' names thereon and collected them. Three of the checks were cashed at the defendant bank. The others were collected through other banks. It was held that the defendant bank was liable to the plaintiff for the amounts of the checks and that the collecting banks were liable to the defendant bank for the amounts of the checks collected by them respectively.

Action by the William J. Connors Car Co., Inc., against the Manufacturers' and Traders' National Bank of Buffalo and others. On plaintiff's motion for summary judgment under Rules of Civil Practice, rule 118. Motion granted.

OPINION

HINKLEY, J.—The action was originally brought against the defendant Manufacturers' and Traders' National Bank of Buffalo by the plaintiff as one of its depositors for the amount of certain checks aggregating \$15,489.13, paid out of plaintiff's funds in said bank. Plaintiff claims that these checks were made out to fictitious payees or to persons carried upon the pay roll of the plaintiff after they had left plaintiff's employ; that the names of such fictitious payees or former employees were forged as a result of a criminal conspiracy of three of plaintiff's trusted employees.

After the action was brought, this court, upon motion of the original sole defendant, Manufacturers' and Traders' National Bank of Buffalo, brought into the action other banks and individuals who had indorsed all but three of the checks over to the defendant Manufacturers' and Traders' National Bank, and received the money thereon. The plaintiff objected to this order, and it was made without prejudice to the plaintiff. While this yields to such additional defendants the right to contest the issues raised by the answer of the defendant Manufacturers' and Traders' National Bank, it does not introduce any new issues between the original parties nor extend their original issues.

The introduction of the additional defendants is only confusing when the rights and liabilities of all parties are confused. It is, therefore, imperative that this opinion

be confined at first to the action as originally commenced.

Plaintiff, a corporation under contract with the New York Central Railroad Co. to do the repair work of the latter corporation, was a depositor with the defendant Manufacturers' and Traders' National Bank. The method adopted by the plaintiff in paying its employees was as follows: viz., a principal assistant foreman named Putnam, a timekeeper named Marr, and an inspector foreman named Schweitzer, made up the pay roll. That pay roll was given to the auditor and checks were made out in favor of the employees named in that pay roll. The checks were then signed by C. D. Tuppen, treasurer of the plaintiff, and delivered to the chief foreman, who, instead of distributing the checks himself, gave them to the timekeeper, Marr, or the principal assistant foreman, Putnam, for distribution. By a criminal conspiracy by the principal assistant foreman, the inspector and the timekeeper, fictitious names were placed upon the pay roll as employees, and the names of former employees were continued after their term of employment had ceased. On return of the checks to the principal assistant foreman or to the timekeeper, the three men engaged in the criminal conspiracy forged the names of the fictitious payees or former employees upon their respective checks and put the checks in circulation. This continued from November 1922, until nearly the end of 1923. The plaintiff's officers and employees, except the three wrongdoers, were in ignorance of the forgeries until a notice by plaintiff was sent to a former employee concerning his income tax return.

The three forgers, after their conviction and while incarcerated in the State Prison at Auburn and the Erie County Penitentiary, made affidavits as to each and all of the checks upon which plaintiff asked judgment, and swore that they did forge the respective payees' names thereto without any authority from the plaintiff.

Three of these checks, aggregating the sum of \$155.74, were paid over the counter by the defendant Manufacturers' and Traders' National Bank. The remaining checks were paid by the defendant Manufacturers' and Traders' National Bank to other banks as indorsers.

The defendant Manufacturers' and Traders' National Bank presents no affidavit or other evidence in dispute of the affidavits presented by plaintiff upon this motion for

summary judgment. The argument of defendant's counsel that such proof would be difficult to obtain would not sanction this court in considering that they were disputed. It is not correct that defendant would have to resort to plaintiff's employees and its books to dispute the forgeries. An obligation rests upon a paying bank to know to whom it pays money upon a check. Each check is a separate item which is or ought to be capable of being traced by indorsements to the one who first received the money thereon. However laborious it might be to trace each one of the many checks involved in this case to the first indorser after the payee's indorsement, that labor could just as well be performed at this time as in preparation for trial.

The defense of negligence on the part of plaintiff and an account stated can only apply to the three checks aggregating \$155.74, as the other forged checks were cashed by defendant Manufacturers' and Traders' National Bank in reliance upon the responsibility of other banks. *Shipman v. Bank of State of New York*, 126 N. Y. 318, 327, 27 N. E. 371, 12 L. R. A. 791, 22 Am. St. Rep. 821; *Crawford v. West Side Bank*, 100 N. Y. 50, 2 N. E. 881, 53 Am. Rep. 152.

The question as to whether a jury might say that an affirmative act of negligence was committed by the plaintiff in the issuance of the three checks paid by defendant Manufacturers' and Traders' National Bank over its counter is not free from doubt. Yet the three men who committed the forgeries were trusted employees of the plaintiff, which acted immediately upon discovering evidence of crime. The jury upon a trial would have no right to suggest other methods of paying employees or creating checks upon these trusted employees of the plaintiff. The jury's function would be limited, if permitted to act, to a determination as to whether plaintiff acted as a reasonably prudent person would have acted under the circumstances, without the advantage of the present hindsight. The court at this time cannot speculate as to other methods and checks, but believes that upon all the affidavits, as a matter of law, no negligence is shown upon the part of the plaintiff which is available to the defendant Manufacturers' and Traders' National Bank. *Shipman v. Bank of State of New York*, 126 N. Y. 318, 27 N. E. 371; *Knox v. Eden Musee Co.*, 148 N. Y. 441, 42

N. E. 988, 31 L. R. A. 779, 51 Am. St. Rep. 700; People's Trust Co. v. Smith, 215 N. Y. 488, 109 N. E. 561, L. R. A. 1916B, 840, Ann. Cas. 1917A, 560; Ehrich v. Guaranty Trust Co., 194 App. Div. 658, 186 N. Y. S. 103, 233 N. Y. 637, 135 N. E. 950.

Plaintiff is, therefore, entitled to summary judgment dismissing the answer of the defendant Manufacturers' and Traders' National Bank of Buffalo, and, so far as they are effective, if at all, against plaintiff's complaint, plaintiff is entitled to a dismissal of the answers of the other defendants, and for judgment against the defendant Manufacturers' and Traders' National Bank of Buffalo, in the amount demanded in plaintiff's complaint.

Shortly after action had been commenced by plaintiff against defendant Manufacturers' and Traders' National Bank, the latter obtained an order from this court to bring in as parties defendant the Liberty Bank of Buffalo, Buffalo Trust Company, People's Bank of Buffalo and Marine Trust Company. The defendant Manufacturers' and Traders' National Bank then answered and upon proper affidavits asked for summary judgment against the additional defendants, in the event that this court should grant summary judgment against the defendant Manufacturers' and Traders' National Bank. The affidavits are without dispute that each check upon which plaintiff sues, except the three aggregating \$155.74, were indorsed by one of the four additional defendants, to wit, Liberty Bank, Buffalo Trust Company, People's Bank of Buffalo, Marine Trust Company, and the amount specified therein was paid by the defendant Manufacturers' and Traders' National Bank to the one of said four banks whose name was so indorsed. The defense of negligence is not available to these additional defendants. Shipman v. Bank of State of New York, 126 N. Y. 318, 329, 27 N. E. 371, 12 L. R. A. 791, 82 Am. St. Rep. 821; Crawford v. West Side Bank, 100 N. Y. 50, 2 N. E. 881, 53 Am. Rep. 152.

Mere denials in an answer are insufficient to raise an issue in a motion for summary judgment. O'Meara Co. v. National Park Bank of New York, 239 N. Y. 386, 395, 146 N. E. 636.

The position of the defendant Manufac-

turers' and Traders' National Bank upon this motion for summary judgment is a peculiar one, due to the interpleader of the other defendant banks, but no different than it would be upon the trial. The court would not be justified in putting a construction upon rule 113 of the Rules of Civil Practice which would prevent the defendant Manufacturers' and Traders' National Bank from contesting the allegations of forgery, while at the same time it moved for summary judgment against the other defendant banks, in the event that summary judgment was awarded against it, based upon the undisputed proof of such forgeries.

A slight discrepancy appeared concerning one of the checks alleged to have been indorsed by the Marine Trust Company which error can be readily rectified in the judgment based upon this decision.

It follows, therefore, that summary judgment should be granted herein in favor of defendant Manufacturers' and Traders' National Bank of Buffalo against the defendants Liberty Bank, Buffalo Trust Company, People's Bank of Buffalo and Marine Trust Company, striking out their respective answers as against the defendant Manufacturers' and Traders' National Bank of Buffalo, and for judgment in favor of the defendant Manufacturers' and Traders' National Bank of Buffalo against each of said defendant banks for the amount represented by the total of the checks set forth in plaintiff's complaint, which each defendant indorsed and cashed with the defendant Manufacturers' and Traders' National Bank.

Upon motion of the defendant People's Bank of Buffalo, additional defendants were brought into this action, including the Genesee National Bank of Buffalo. The People's Bank of Buffalo moved for judgment against these additional defendants, but that motion is based upon an affidavit which does not conform to rule 113. That motion is, therefore, denied, with \$10 costs to defendant Genesee National Bank of Buffalo, with the privilege to the defendant People's Bank of Buffalo to renew its motion upon proper affidavit, within five days after entry of judgment, based upon this decision.

Orders and judgment may be entered herein in accordance with this opinion.

Bank Held Liable on Guaranty

Washington Grocery Co. v. Citizens' Bank of Anacortes, Supreme Court of Washington, 231 Pac. Rep. 780.

The defendant bank, in order to enable one of its customers to secure credit with the plaintiff company, signed a guaranty in payment of any balance not exceeding \$1000, due on account of any credit extended to the customer. The plaintiff company thereafter extended credit to the customer in a sum greater than \$2000. Later, the customer turned over to the defendant bank notes and accounts amounting to about \$1000, to be applied on his account, which the president of the defendant bank delivered to the plaintiff company. Nothing was said, either by the customer or by the president of the bank, as to how the securities were to be applied. A short while thereafter, the customer became insolvent. In this action it was held that, under the circumstances, the plaintiff company was entitled to apply the securities to the unguaranteed portion of the account and to hold the bank liable upon its guaranty for the balance.

Action by the Washington Grocery Co. against the Citizens' Bank of Anacortes. From judgment for plaintiff, defendant appeals. Affirmed.

OPINION

PEMBERTON, J.—Respondent secured judgment against appellant in the amount of \$730.50 upon a certain written guaranty, from which judgment this appeal is taken.

In July, 1919, one A. J. McLean borrowed \$4000 from appellant to purchase a stock of groceries and fixtures from one H. H. Soule at Anacortes, Wash., and to secure this loan a chattel mortgage was given upon the stock of groceries and fixtures. To enable McLean to secure credit with respondent, Washington Grocery Co., the appellant signed the following guaranty:

Anacortes, Wash., Aug. 1, 1919.

Washington Grocery Co., Bellingham, Wash.: Allen McLean, operating a grocery store at Anacortes, in Skagit county, state of Washington, desires a line of credit from you, and I write to say that they are reliable and financially good, and to ask in his behalf that you extend to him such credit as in your judgment may be prudent,

considering the business transacted by them, and in consideration of any credit or accommodations which you have or may extend to him, I hereby guarantee to you at the time of maturity thereof, or at any time thereafter when demand shall be made therefor, the payment of any balance which may be due you on account of any such credits or accommodations so extended, provided, however, that my responsibility under this guarantee shall at no time exceed the sum of \$1000. This guarantee shall continue for all credits extended as above requested, within the limits hereinabove set forth, until such time as I shall, in writing, advise you by registered mail that I will no longer be responsible for credits on accommodations extended under the request herein made. Yours respectfully, Citizens' State Bank, by M. B. Mattice, Pres.

McLean continued the business for approximately one year and became indebted to respondent in a sum over \$2000. On or about August 1, 1920, he turned over to respondent a number of notes amounting to \$410 and accounts of approximately \$1000 to be applied upon the account, reducing the indebtedness due the respondent to \$742.67. On August 9, 1920, McLean made a voluntary assignment for the benefit of his creditors, and on September 20, 1920, he was adjudged an involuntary bankrupt. Of the estate of McLean there was a dividend of \$12.17 paid respondent upon its claim, leaving a balance of \$730.50. This action was instituted against appellant upon its written guaranty.

It is the contention of the appellant that the guaranty was fully satisfied and discharged by the turning over of the \$1000 worth of accounts to respondent. The testimony shows that Dr. Mattice, the president of the appellant bank, called upon Mr. McLean a few days before he made an assignment for the benefit of the creditors and secured from McLean notes and accounts in approximately the value of \$1000, which notes and accounts were delivered to respondent. McLean testified that these notes were turned over to the president of the bank to be given to the respondent company to credit upon his account without anything being said about the bank protecting itself on its guaranty. His testimony is as follows:

Q. Now, the accounts weren't turned over by you to the company. You turned them over to the bank? A. Yes, sir.

Q. And you expected the bank to protect itself on account of this guaranty? A. No.

Q. What? A. Turned over to be applied on my account.

Q. To be applied on your account? A. Yes, sir.

Q. Was there anything said between you and Dr. Mattice or any one else representing the bank in this proposition? A. There was nothing said that they were to be done otherwise with.

It is claimed, however, that respondent did not apply the \$1000 payment to the unsecured portion of the claim, and the court should make the application considering the equities of the parties.

If neither party makes an application of the funds, the application should be so made by the court that under all the circumstances the greatest equity shall be done. 28 C. J. 1005, 1006.

Where that part of a debt which is not yet due is secured by a guaranty and money is sent by the guarantor and debtor, with directions to apply it to their account, the creditor cannot apply it to an account which, although due, is not covered by the guaranty. 28 C. J. 1005.

These rules are not applicable to the facts in this case. Appellant guaranteed not a definite sum, but guaranteed the balance due on the account not exceeding \$1000. Under this agreement a payment on the account would be upon the unguaranteed portion, unless specific directions were given to apply it upon such guaranty.

There was no direction given to respondent by either appellant or Mr. McLean, the debtor, to apply this amount in satisfaction of the guaranty of appellant, and respondent had a right to make the application without reference to the guaranty. *Port-Intelligencer Pub. Co. v. Harris*, 11 Wash. 500, 39 P. 965; *Beyer v. Bullock*, 56 Wash.

110, 105 P. 155; *Crane Co. v. United States Fid. & Guar. Co.*, 74 Wash. 91, 132 P. 872; *Sturtevant Co. v. Fidelity & Dep. Co.*, 92 Wash. 52, 158 P. 740, L. R. A. 1917C, 630; *Smythe v. New England Loan & Trust Co.*, 12 Wash. 424, 41 P. 184.

The contention that the guaranty was without consideration is fully answered by the fact that the appellant furnished all the money for the purchase of the grocery store, held a mortgage upon the same, and was interested in seeing the business properly conducted.

It is contended that the guaranty agreement is void, because it was made in direct violation of the by-laws of the appellant bank prohibiting its president from making any guaranty, unless expressly authorized so to do by its board of directors. It is admitted that the board of directors made no such authorization. The testimony discloses the fact that the board of directors did not meet more than twice a year and the entire affairs of the bank were in charge of its president. Under these facts and circumstances the appellant cannot avoid the contract of guaranty executed by its president. *Union Savings & Trust Co. v. Krumm*, 88 Wash. 20, 152 P. 681; *Creditors' Claim & Adj. Co. v. Northwest Loan & Trust Co.*, 81 Wash. 247, 142 P. 670, L. R. A. 1917A, 737, Ann. Cas. 1916D, 551; *United States F. & G. Co. v. Cascade Const. Co.*, 106 Wash. 478, 180 P. 463; *Moore v. American Sav. Bank & Trust Co.*, 111 Wash. 148, 189 P. 1010.

The guaranty given by appellant was for any balance not to exceed \$1000. The guaranty was still in effect, had not been canceled in writing by registered mail as provided in its terms, and respondent was entitled to recover the amount due.

The judgment is affirmed.





CRITTALL Steel Casements

Main Banking Hall—Bank of California, Seattle
John Graham, Architect



Where a purely classic treatment is followed in bank architecture, the use of Crittall Steel Casements and Windows adds measurably to the beauty of interiors. Their narrow steel members blend harmoniously with pillars and panelled walls, lending height and dignity to the room. Versatile in their application to varied designs, Crittall Casements are also intensely practical from the standpoint of light, ventilation, weather-tightness and convenience.



All Crittall Casements and Windows are made of Crittalloloy—The Copper-Bearing Steel

CRITTALL CASEMENT WINDOW COMPANY, *Manufacturers*
10965 Hearn Ave., Detroit, Michigan

Banking Publicity

Special Section of The Bankers Magazine

AUGUST 1925

Financial Windows Of The Mid-West

By M. E. CHASE

IN the last three years, traveling from coast to coast, and from Canadian border to Panama Canal, the writer has interviewed a great many banks, large, medium, small in cities of all sizes. Some of these institutions favored direct by mail to newspaper advertising. Others were strong for newspaper advertising and had scant regard for direct by mail. Then there were a minority with the "advertising is a wicked waste" complex. But, however bankers might have regarded other mediums of advertising, window displays were unanimously pop-

ular, even with this latter class.

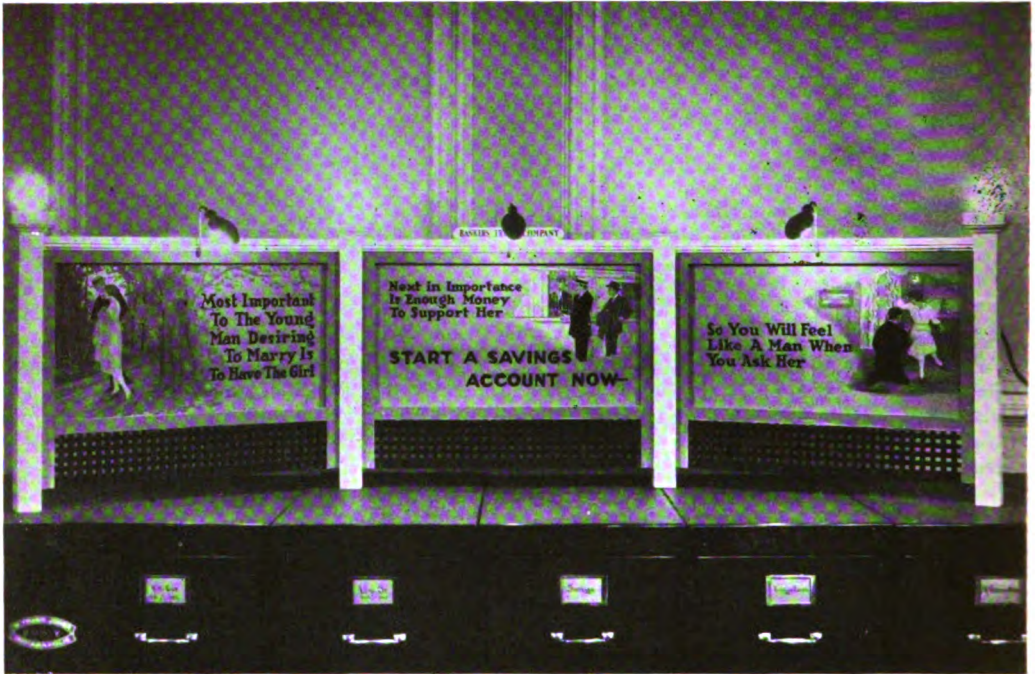
The writer found that whether or not a banker was using window displays, was about to, or had no definite plans in that direction at the time interviewed, all were alike interested in knowing how other banks who had used them, thought on the subject. So, in this and succeeding articles, readers of *THE BANKERS MAGAZINE* will have an opportunity to "listen in" on the interviews it has been the writer's privilege to have with some of the leaders in this generally favored means of advertising.

Frequency of Change

Says George L. Broderick, advertising manager of the First Wisconsin Trust Company of Milwaukee, "Window displays offer perhaps the most inexpensive and effective advertising open to financial institutions. Because of the wide range possible with such displays, they offer an institution not only the opportunity to advertise its own services, but this space may also be used to establish the institution in the minds of the citizens as a public spirited business place, always alert to promote the civic welfare of the city by using such exhibits or displaying such material as will serve to bring out various facts about the munici-



Savings window display by a Milwaukee bank. In the center foreground, in front of the posters, is a pile of small change with home safes on both sides. On either side of the window is a large fern with a number of dollar bills attached to the fronds.



Miniature signboard designed for use in connection with window display by Indianapolis bank, the complete display showing outdoor scene of roadway, autos, house, etc.

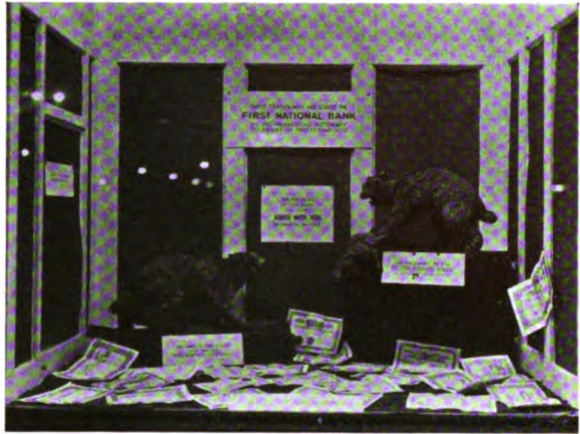


A home savings bank window display of an Indianapolis bank. The window horizon is slightly rounded, the curved effect presenting a more pleasing and less severe effect than angles.

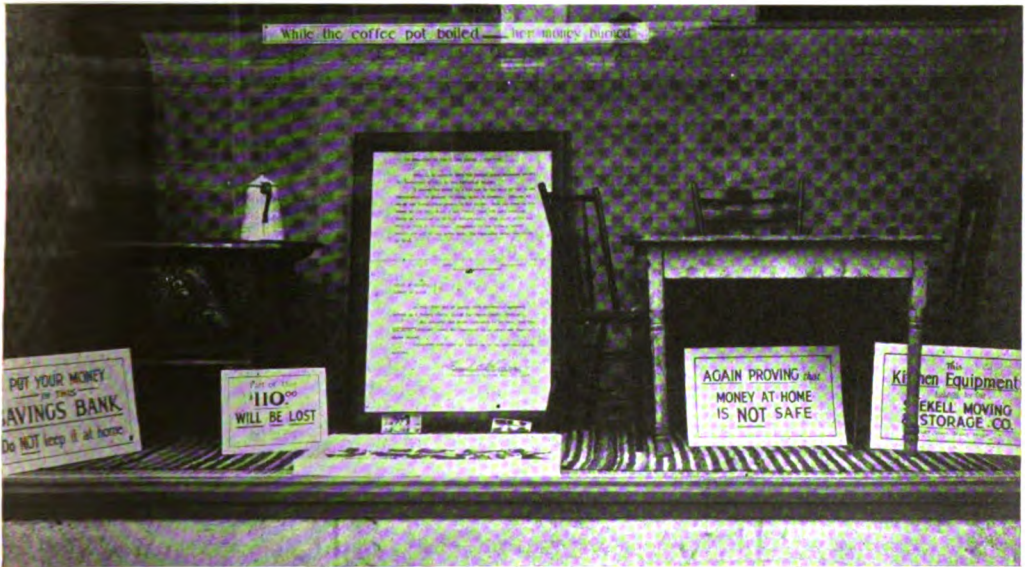
pality in an interesting as well as an impressive manner.

"This idea was very effectively carried out by the First Wisconsin Trust Company in a display placing Milwaukee's various industries before the public by displaying hundreds of trade marks representing the products of some of the Milwaukee manufacturers.

"In planning this display the First Wisconsin Trust Company enlisted the co-operation of the Association of Commerce in selecting the manufacturers and jobbers who were to be invited to participate in the exhibit. That this idea was appreciated was evident by the immediate replies received in which the industrial heads expressed their hearty approval and signified their willingness



This window display, supported by newspaper advertising following the same theme was prepared by the First National Bank in Detroit in conjunction with an educational drive on wildcat securities conducted by the Detroit Better Business Bureau. A collection of "phony" stocks and bonds, sold to the unwary and loaned for the purpose by the prosecuting attorney formed the basis of the display. Completing the display are two ferocious looking wildcats, recruited from a local taxidermist's shop, and placards of warning against salesmen of wildcat stocks with the invitation that investors consult with officials of the bank regarding financial matters.



This window display depicts an actual incident. The display was recently installed by the Central Savings Bank of Detroit. Frank J. Campbell, advertising manager of the bank, says that for two weeks from ten to twenty people were around the window at all hours of the day. The interior of the window was furnished to represent a small kitchen. The walls were papered and a table, chairs and small cook stove were set up. In the foreground was displayed, in a white box, the remains of the \$110 in paper money which a woman had hidden in a tin can and placed in the stove for safekeeping. The woman's son, not knowing that the money was there, came home from work, lighted a fire to cook a meal, and burned up the savings of months. In helping the woman recover as much of the money as possible, the bank made out an affidavit directed to the Treasurer of the United States, giving the details of the incident. A photograph of this signed statement was enlarged to a size 28 inches wide by 40 inches high, and displayed in the window back of the money. Mr. Campbell says the bank feels that the reason for the window's effectiveness is that it makes a direct drive at the habit that hundreds of people have of keeping money at home.



The above window display of a Chicago investment banking company presents an example of the way in which the height of window display backgrounds may be varied to suit different displays by pegging on an additional center piece. The center piece may be flat and serve as a shelf as in the display above.

to co-operate to the limit. There were of course a few who declined, because they were not doing local manufacturing and others who had no trade names to submit.

"The display proper consisted of the various trade marks which were mounted on three panels, artistically set off by black and white cut-out silhouettes. The silhouette at the bottom of the panels represented Milwaukee in the days of the pioneer, showing a barren prairie being crossed by pioneers in an ox cart, while the upper silhouette consisted of an outline of a metropolitan city railway line.

"In the foreground an annunciator sign was used which flashed different facts about the various local industries, for the most part, relating to those industries in which Milwaukee is a national or world leader. Other cards carried messages

explaining the services of the trust and savings departments.

"The continuous crowd in front of the window proved conclusively that the public like to know about their home-town."

Eugene W. Short, assistant treasurer of the Bankers Trust Company of Indianapolis, says: "Our windows are considered a very important medium for advertising. We have found it is possible to advertise in them nearly every service we have to offer.

Renting Out and Changing Displays

"Our displays are changed weekly, which is not as expensive as it might sound, since parts of many displays are used a second and a third time. Then too, expense is reduced by selling or renting our displays to banks in other cities. We are also alert to exchanging displays with out of town banks.

Anti-Wildcat Investment Display

Frank J. Campbell, advertising manager of the First National Bank in Detroit, states that: "One of our most successful displays was a wildcat window which tied up with a drive put on by the Detroit Better Business Bureau in an effort to educate the public against swindlers.

"We borrowed wildcats from a taxidermist, and the nicely engraved certificates we used were loaned us by the prosecuting attorney. This window was linked up with illustrated newspaper advertising, containing the information that \$750,000,000 had been taken from the people of the Great Lakes region for wildcat securities during the year; that the Government was urging people to consult their bankers before they invested; that our bank was at their service without cost.

"Standing room in front of this window was at a premium every hour of the day during the exhibit.

"Another window display that pulled well was a chart showing 'Where money goes', with such accompanying concrete illustrations as a basket of groceries, a pile of coal, clothing, musical instrument, books, etc.

Campbell Regards Windows as Third in Importance

"We regard our window advertising as third in importance, placing newspaper advertising first, and printed matter second. Our windows are changed weekly, at an average cost of \$10 per display."

H. P. Parshall, assistant cashier of the Commonwealth Federal Savings Bank of De-

troit, says, "We give our display window over to the use of first one customer and then another, and sometimes to those not our customers, but whom we would like to have as customers.

Giving Over Windows to Customers

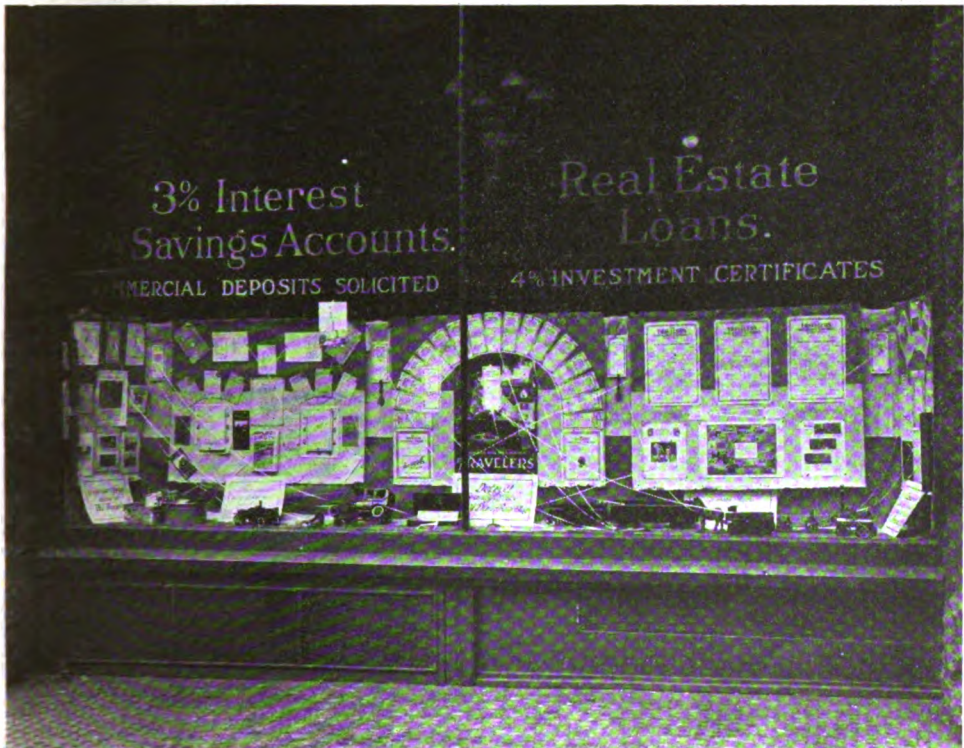
"The Travelers Insurance Company, for instance, had a particularly attractive display in our window. They illustrated their different types of risks and coverage—a miniature truck and automobile collide. Insurance spells 'Good-bye taking in washing' for windows. Factory employees are protected by liability insurance. One may be insured against accident while in public conveyances."

Miss Ethel B. Scully, vice-president of Morris F. Fox & Co. of Milwaukee, said, "Just as we are careful of the style and quality of our circulars, so do we try to favorably impress passersby with the quality and arrangement of our windows.

"We have been using window advertising for four years. Our counter business has greatly increased, and we regard counter business as valuable publicity for the house. The counter client is apt to be the type who discusses his investments with his friends and recommends to them the house that is giving him good service.

Investment Displays That Pull

"It is our experience that displays showing the growth of money at compound interest,



A display of the Travelers Insurance Company in the window of a Detroit bank. The display illustrates different types of insurance risks and coverage, and portrays typical accidents by means of showing toy automobiles in collision, and other machines that are frequently involved in accidents.

displays using actual money, displays with charts suggesting methods and plans for investing, pull the best.

"As a rule, we change our windows once a week—issue displays oftener.

"For instance, when featuring the Palmolive preferred stock issue, we used posters the first three days, along with stock certificates, dividend checks and circulars. Then we changed to photographs of the Palmolive factory and process of manufacturing with samples of its products, and this time a small poster on the issue.

"One of our best pulling windows was on the Oklahoma Gas & Electric Co. issue, in which we endeavored to dispel the idea that Oklahoma produced nothing but oil, by an exhibit of potatoes, wheat and other agricultural products as

are raised in abundance in that state for Oklahoma according to the 1924 census ranked second in per capita farm production."

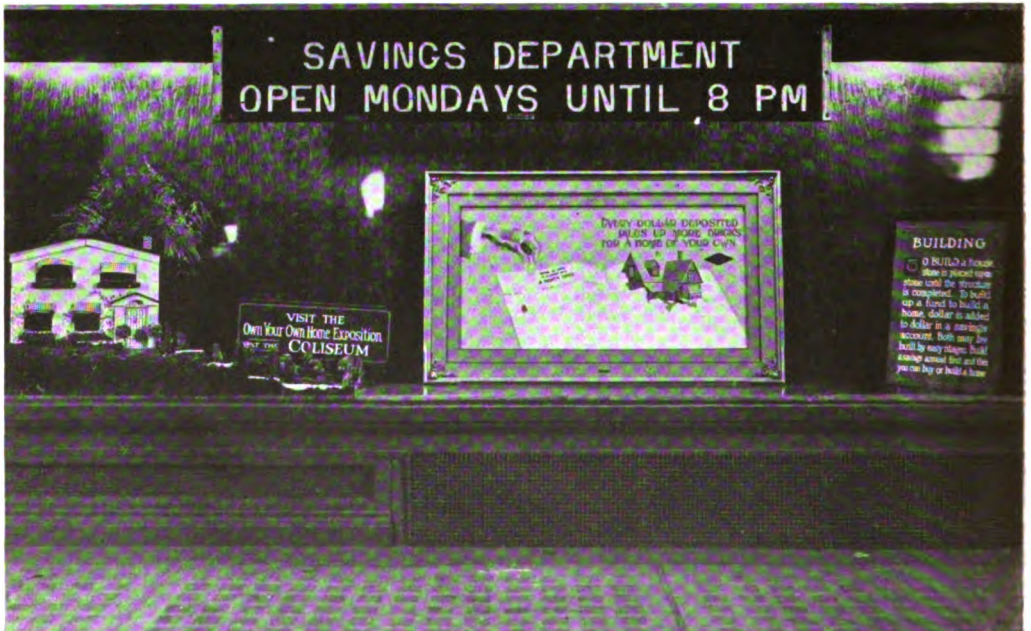
Miss Jessamine G. Hoagland, formerly manager of the savings department of the National City Bank of Chicago and now manager of the savings department of the National Bank of the Republic of Chicago opines thus: "The hundreds of people who pass our windows daily, we regard as our window circulation.

Tracing Results from a Savings Display

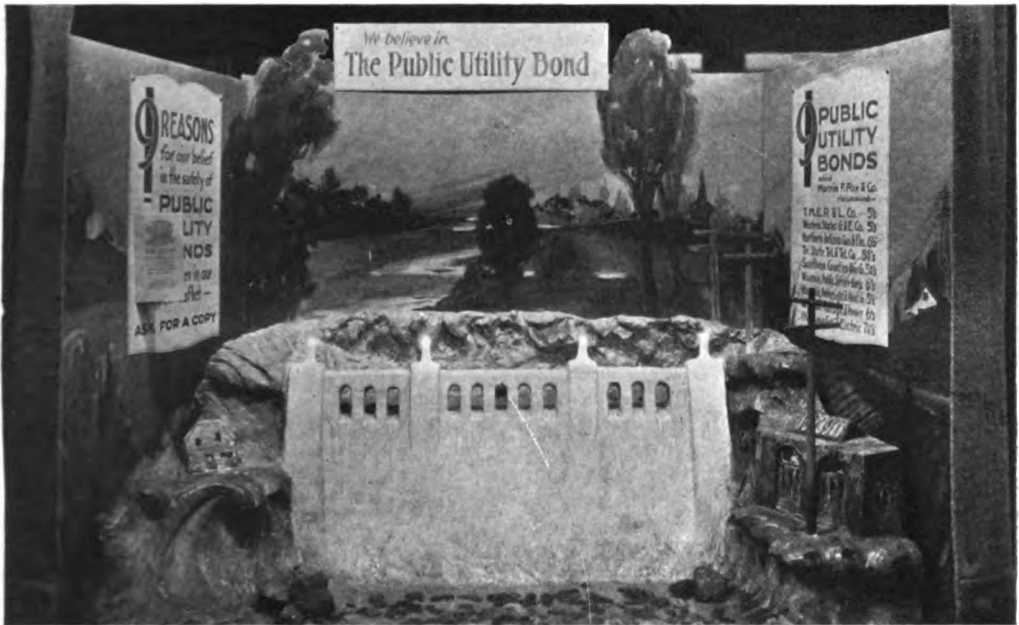
"From one display alone—the little home on the hill, exhibited in a window of the National City Bank during 'Own your own home' week—we traced directly more than 350 savings accounts. We were

able to trace this business because we had never used home safes until shown in this window. The pulling feature of this window was the happy idea it carried. There was no suggestion of fear, or disaster for old age, because of lack of saving during the earning years. It did show that systematic saving would lead, step by step, to one's objective—symbolized by the home.

"That 'Many a mickle makes a muckle' was better illustrated by the nickels on the path leading up to the cottage than by a half column of written argument. Everyone can save nickels. The nickel idea had a further advantage in that it would not prove so costly to our bank as would a pavement of dollars, should an enter-



An unusually effective window prepared by the State Bank of Chicago during an "Own Your Own Home" exposition in that city. On the left is a model home, complete in every detail, including the hedge and shrubbery along the approach to the entrance. The framed poster in the center shows a bank book with a home breaking its way through the pages, and bears the caption, "Every Dollar Deposited Piles Up More Bricks for a Home of Your Own." The poster at the right, headed "Building," reads: "To build a house stone is placed upon stone until the building is completed. To build up a fund to build a home dollar is added to dollar in a savings account. Both may be built by easy stages. Build a savings account first and then you can buy or build a home."



Window display of public utility bonds, showing dam, power-house, etc. This display was prepared by Morris F. Fox & Co., investment bankers of Milwaukee, Wis.

prising burglar decide to clean up the path some night."

The Importance of Actual Objects in Windows

Gaylord S. Morse, assistant cashier of the State Bank of Chicago says: "I am thoroughly convinced that just pictures and captions will not attract attention to windows. People are interested more in actual objects, and we have found that things of current interest—curio collections, displays featuring local enterprises—are splendid attention getters for our bank. We have featured the gypsum, plate glass, clay products, cement and mica industries, but without giving publicity to any individual concern. Photographs and specimens, along with caption cards, tell the story.

Making a Direct Play for Business

"Displays with a more direct pull for business have been such ones as a 'Baby Week'

window which we used during the month of June. In it were shown dolls and such other toys as one thinks of in connection with babies. Simultaneously with this display, we sent out several thousand copies of two booklets on the care of babies, compiled by baby specialists. Our newspaper advertising tied up with the window idea that week. True, it did cost cash, but we got two hundred accounts, directly traceable to this publicity, and we figure that the traceable results are always a small part of the business obtained from any advertising.

"At Lincoln's birthday season, instead of putting in the conventional picture of Lincoln, draped with flags, we featured a bronze mask of Lincoln, bronze casts of his hands, and around these were grouped his spectacles, canceled bank checks signed by Lincoln in payment of household expenses and to his sons, a door plate

taken from his Springfield, Illinois, home, and some of his original letters and manuscripts. Interesting? Yes, and valuable. The bank had this display insured in Lloyds for \$40,000.

Three Windows Take Full Time of One Man

"To collect suitable material, and to keep our three windows properly interesting, takes the full time of one man."

Duane Bartlett, advertising manager for Madison and Kedzie State Bank of Chicago says: "In building, we put every available inch of frontage into our windows, thirteen in all. Then we fostered the building of the nicest sort of a moving picture theatre next door, to increase circulation on our windows.

Cheap Art Work Worse Than None

"We spend an average of one thousand dollars a month on displays. Cheap art work

(Continued on page 196)

Banking Publicity

RICHARD F. DURHAM, Editor
Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

AUGUST 1925

THE question of employee co-operation with the advertising department of a bank is an oft recurring one with many an advertising manager, as has been heretofore noted by the editor, who has suggested that an employees' house organ may be made a valuable aid in keeping the employees' interest aroused in what the bank is trying to accomplish in its advertising.

The Buzzer, monthly house organ of the employees of the First National Bank in St. Louis, brought this point up in a very pertinent manner in a recent editorial headed "Just Between Ourselves." This editorial reads:

The Advertising Department wants all of the readers of *The Buzzer* to know a little more about what it is doing, why it is doing it, some of the results of its work, and how these results affect the other people in the bank.

The duty of the Advertising Department is to inform everyone about the services available in the different departments. Even though our bank be the very best institution in the world, if no one knows it but the bank people, the profits of our institution would certainly be very small. So, whenever you see any advertisement of the Bank, read it for what it really is—A message for all the world to read, about *your* work.

If our Advertising Manager receives from you, subsequently, some expression of your experience or knowledge that helps him to get his great message across better, he will appreciate the favor.

The Advertising Department is using newspapers, bill boards, letters, booklets, calendars, diaries, and all the different forms of advertising and publicity listed in the budget of the modern bank. The "why" of all these messages, however, is not merely to reach the bank patron and the bank prospect. When we, in the bank, read about ourselves, and see what our work looks like in black and white, and vision the possibilities for better service which our own good work can add to these messages, we get a thrill out of our "Team play" which carries through the year a substantial part of the "Annual Banquet Spirit" which we enjoy so much.

Now about results. Whenever we talk to anybody about the First National Bank, they already know a great deal about it. Knowing us as associate workers of the great institution, they listen to what we say, value our opinions highly, and are, therefore, influenced more toward us and toward our bank, because of the work the Advertising Department has done. Isn't this an invitation to use this added influence to help personally to build the bank a little bigger and a little better, with our own individual work?

TRYING to persuade people, through the medium of your bank's advertising, that they ought to save is, of course, an important, as well as a laudable thing to do. But it is certainly no less important to try to persuade them to save at *your* bank.

If advertising is going to influence people to save at your bank rather than at some other bank, reasons must be given other than the time worn pleas of safety, conservatism, good service, convenience, and interest at the rate of such and such a per cent. One bank can say these things just about as well as another.

The thing is to have a workable plan that will make people *want* to save at *your* bank. There are a limited number of such plans—but there are a wide variety of methods of presenting them in an attractive manner.



THE editor believes that readers of **BANKING PUBLICITY** will find M. E. Chase's article "Financial Windows of the Mid-West," appearing in this number, well worth a careful reading. This article, based as it is on a number of interviews with leaders in the field of bank window displays, is highly practical in nature and discusses only displays which have demonstrated their effectiveness through actual use.

The same author will present in an early number an article on "Financial Windows of the East," which will be a comprehensive survey of what leaders in the bank window display work in the eastern states are accomplishing in this field.

Financial Windows of the Mid-West

(Continued from page 197)

or cheap anything else is worse than none. It creates a cheap opinion of the bank. We either put a display in right, or choose something less expensive to develop. But this really is not so expensive, for the displays are sold to other banks over the country, the same as is done among merchants.

Testing Pulling Power

"Just to test the pulling power of our windows, one morning at nine, we raised our curtain on a display of toy airplanes with a small caption card, 'Come in, kiddies, and get yours.' The whole supply of six hundred was gone in an hour and a half. That was only an appetizer for the next and other displays, as we regard giving something for nothing poor policy for business getting.

"Two of our thirteen windows are given to the public—one to the neighborhood branch of the public library; another window to first one local concern and then another for a week's display of their products. We do this whether or not a concern is a customer."

Frank H. Armstrong of the American Bond & Mortgage Company, Chicago, says that: "The big thing our window advertising is accomplishing is making it as commonplace for ordinary people to walk in and buy a bond, as to buy a suit of clothes or five tons of coal.

"Our 'pick-up' business—that is, customers who drop in without previous solicitation—has greatly increased since we began to use window displays, and I add that not all of this business is small. Recently a man came in with \$5000 and asked for bonds of the issue then featured in our window. I asked who sent him to us and

Who's Who in Bank Advertising



THEODORE TEFFT WELDON

Advertising Manager Northern Trust Company of Chicago

MR. WELDON'S first advertising experience was gained on the staff of a Chicago newspaper where he worked in the financial advertising department. He resigned this position to become manager of the Pittsburgh office of a Chicago brokerage concern. Mr. Weldon remained in this latter capacity for two years at the end of which time, war having been declared, he entered the Government service by enlisting in the navy. Upon his discharge from the navy after the war he became advertising manager of Wilson Bros. of Chicago, one of the world's largest manufacturers of men's furnishings. After two years in this position he resigned to accept the position which he now holds; that of advertising manager of the Northern Trust Company of Chicago. Mr. Weldon is well known both as a speaker and a writer on subjects relating to financial publicity. He is at the present time engaged in writing for THE BANKERS MAGAZINE a series of articles on "A Complete Campaign for New Trust Business." Three of the articles of this series have already appeared, and a fourth article will appear in an early number. Mr. Weldon is a native of Chicago and was born in 1893. He received his education at the Universities of Michigan and California.

he told me he was in the market for an investment and saw an issue that appealed to him advertised in our window.

Bond Displays That Attract Investors

"As to the character of displays that pull best. If you mean those that bring the most people in, I say that our institutional booklets and bond record displays—where we offered free copies. Educational windows—for instance the process of making the engraved bonds—draw crowds to our windows but few people come inside. Any bond issue display brings fewer people to our windows and fewer people inside, but results in more actual business. However, we regard all three types of displays effective, because even though

people may not invest here now, they are getting acquainted with us and with our bonds.

"The first cost of the right kind of window construction and good looking fixtures was considerable, but we look more to the results we want, than to the cost. And the same way, our displays must come up to our standard, or we'd regard the money wasted.

"We have no set period for changing our windows. It all depends upon when a new issue or a booklet are offered. In between these, we feature educational subjects, so as to keep our display changing every one to three weeks."

It is interesting to notice how those window displays

which tie up with national and civic events, viz., the radio window in Indianapolis, Gaylord Morse's baby window, National City Bank of Chicago's "Own Your Own Home" display, draw best. Also that where a bank's other advertising ties up with windows, the results are stronger.


This article will be followed in an early number of BANKING PUBLICITY by another article by the same author, on the subject "Financial Windows of the East." M. E. Chase, well known as an author of financial magazine articles on advertising and new business promotion, was formerly an account executive with Harvey Blodgett Company, and has recently become associated with the Bellamy-Neff Co., advertising agency of New York City.—THE EDITOR.

Bank of Boston, 125 to 1300 a Year. Special Deposits at 5 Year for \$1,000 or More. Corporate and Business Related to be advised. All needed.

Chartered May 18th 1830 by General Wm. A. Phillips in the presence of Judge Luther S.

or his successors or their assigns.

THE SAFE DEPOSIT CO. OF NEW YORK
 140, 142 & 144 BROADWAY
 OFFICES AT
 LIBERTY ST.



FRANCIS H. JENKS,
 President.
 THE BUILDING
ABSOLUTELY FIRE PROOF.
 EXTERIOR OF BRICK,
 THE IRON WALLS OF THE FOUR CORNERS ARE
WHITE MARBLE.
 The First Established in the World
 FOR THE
SAFE-KEEPING OF VALUABLES,
 Bonds, Stocks, Plate, Jewels, Wills, &c.
 UNDER GUARANTEE.
 AND FOR
RENTING OF SAFES
 for
Fire & Burglar-Proof Vaults.
ROOMS FOR LADIES.
 With every convenience, separate desks, &c., are provided.
 THE PUBLIC ARE INVITED TO VISIT THE PREMISES
 whether for business or from curiosity.

DON'T WAIT
until you see it on the front page!



The bank's records show that after a "front page" fire, new customers always come in to rent safe deposit boxes.

Improved fire protection has in a large measure taken fires off the front page, but the need of safe deposit is just as vital as it was the day of Chelsea and of Salem.

Don't wait until some one's precious papers are a trifling spark in a front page fire—trust the firemen to keep you off the front page and trust

a First National safe deposit box to keep your valuables out of the fire-lion column entirely.

That safe deposit box is almost as near you as a fire-alarm box. No need to go far from home, or more than a few steps off your natural route. The rentals are as low as \$5; and \$10 for the small boxes—a little more as the dimensions increase.

The FIRST NATIONAL BANK of BOSTON
 1784 11 11 1925
 MAIN OFFICE, 67 MILK STREET
 UPTOWN OFFICE, 416 BOSTON STREET
 NORTH END OFFICE, 160 HANOVER STREET

Charles Coates Paul Coates James Stewart
 Treasurer Secretary Vice President

111 South Street

Safe deposit advertising as it was done sixty-two years ago and as it is done today.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
B o s t o n

Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

THE EQUITABLE TRUST COMPANY

OF NEW YORK

Alvin W. Krech, *Chairman of the Board*
Arthur W. Loasby, *President*

Condition at the Close of Business, June 30, 1925

ASSETS

Cash on Hand and in Banks	\$ 44,817,747.78
Exchanges for Clearing House	65,126,494.83
Due from Foreign Banks	12,394,565.33
Bonds and Mortgages	9,824,129.62
Public Securities	18,816,179.13
Short Term Investments	7,650,654.53
Other Stocks and Bonds	16,937,922.73
Demand Loans	81,120,939.29
Time Loans	35,523,529.48
Bills Discounted	96,124,699.38
Customers' Liability on Acceptances (Less Anticipations)	19,624,129.39
Real Estate	4,093,475.00
Foreign Offices	58,412,085.89
Accrued Interest Receivable and Other Assets	1,971,916.68
	\$472,438,469.06

LIABILITIES

Capital	\$ 23,000,000.00
Surplus and Undivided Profits	11,685,214.97
Deposits (Including Foreign Offices)	407,397,540.66
Acceptances (Less in Portfolio)	24,309,149.30
Notes Payable and Rediscounts	None
Accrued Interest Payable, Reserve for Taxes, and Other Liabilities	6,046,564.13
	\$472,438,469.06



Main Office: 37 WALL STREET, New York
Madison Avenue at 45th Street
247 Broadway

FOREIGN OFFICES

LONDON: 10 Moorgate, E.C. 2
 Bush House, Aldwych, W.C. 2
 PARIS: 23 Rue de la Paix
 MEXICO CITY: 48 Calle de Capuchinas

DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
 BALTIMORE: Calvert and Redwood Sts.
 CHICAGO: 105 South La Salle St.
 SAN FRANCISCO: 485 California St.

American Banking and World Rehabilitation

By Henry M. Robinson

The following article was delivered as an address before the convention of the National Foreign Trade Association at Seattle, Wash., June 25, 1925. Mr. Robinson is president of the First National Bank of Los Angeles, Calif.—
THE EDITOR.

IT is extremely difficult to discuss this necessity adequately within the length to which this article must be confined, so I ask the reader's indulgence if, in the discussion, many of the factors bearing on the subject generally may not even be mentioned, and many others barely touched upon.

We will approach the discussion of the duty of American bankers in the matter of foreign loans, foreign investments, and foreign trade, from the standpoint of the selfish interest of the United States. We will eliminate any suggestion of our responsibility from a humanitarian or social standpoint. It is better not to confuse the two attitudes; and indeed it appears that proper action from an enlightened self-interest viewpoint may easily prove of greater benefit to the people of the rest of the world. Moreover, confining our discussion to a consideration of our selfish interest removes an imponderable issue that is difficult to weigh, when we undertake to measure economic movements.

Because our Government properly prefers to handle its own questions of policy, the approach to our problems must be free from all political considerations and, of necessity must concern itself with practical means and practical results.

In all that we are saying, we are not considering enterprises relatively more venturesome nor more inviting of intrigue than the operations of our forebears, both in New England and in the South, in the early part of the last century.

Should Conditions Be Imposed as to Use of Proceeds of Loans to Foreign Borrowers?

The question has been propounded whether the bankers of the country should impose conditions upon foreign borrowers, for the use of the proceeds of their investments for the protection of our own nationals engaged in production and manufacturing. This has been tried in other countries, under normal conditions, and has been abandoned. I venture to express the opinion that, under normal conditions, this would not be a wise course for us, for the reason that free movements of credit are finally helpful to our people through the familiar triangular movement.

But, where extraordinary conditions, such as prevail at present, have set up new and artificial credit and financial situations, and especially where as important a new factor as reparations payments has modified the normal situation, it behooves the bankers, in the interests of the country generally, to take into consideration the fact that loans should be made with a view of their effect on the business life of the country.

It may be wise, also, to consider what steps may be taken by which we may be kept informed of and in contact with the ramifications and other changing aspects of the international financial system which so vitally concerns us.

U. S. is Only Nation to Show Advance Over 1913 in World Trade

The figures given by the Department of Commerce indicate that the United States is the only commercial nation which has recovered and made an advance in world trade, and its advance shows but 19 per cent. over the 1913 figures. The total world trade is still



DAIRYING

MICHIGAN is an important dairying state. It has large tracts of pasture land.

The wholesale value of the milk, cream, butter cheese, ice cream, condensed, evaporated and powdered milk including the value of dairy calves, reaches a total of \$228,582,107. annually.

This bank has become an important link in the marketing of these dairy products. It offers unequalled facilities for all who have financial business in the Great Lakes Region.

FIRST NATIONAL BANK DETROIT MICHIGAN

The First National Bank, the Central Savings Bank and the First National Company of Detroit, are under one ownership.

about 5 per cent. below that of 1913 in quantity.

In making this comparison, no allowances have been made for the normal increase that might have been expected but for the war. As compared with 1913, and without the factor of increase, Europe shows a lag of 25 per cent. and some individual countries as much as 50 per cent.

The damming back of the normal flow of international credits, because of unstable currency in the important commercial countries of the world, has been one of the difficulties in the way of the restoration of world trade.

England and the United States, working together, have taken the most important forward step, in the restoration of the gold standard in England, with the practical certainty that such action will force the other important commercial countries to a similar action in the comparatively near future. I believe that we should all be in accord in the thought that the action of our Federal Reserve System, in agreeing to work with the Bank of England, to the end that the English currency should be put on a gold basis, is one of the wisest, most courageous and far seeing acts ever done by a bank of issue. I believe that we should all recognize that this action not only has been of immeasurable benefit in international trade, but that, from a selfish standpoint, we are relieved of the menace of the devaluation of gold, and in addition have been helped here at home in respect of the danger of inflation.

*United States in Position of
Commercial Banker*

The United States is in the position of the commercial banker, and individual concerns and nations, outside of our boundaries, look upon us as a nation and a people, overloaded with this world's goods, much desired by the other nations, with resultant ingenious attempts to obtain the use of our credits and funds even beyond their real needs

Experience in Bond Values

—to help build your
investment account.



NEW YORK NEW ORLEANS
CHICAGO SAN FRANCISCO
BOSTON PHILADELPHIA
LONDON MONTREAL
TOKIO

—natural, I assume, after a long period of hungry waiting.

The year 1924 with its extraordinary movements, in so far as the United States is concerned, in foreign trade and in foreign investment, raises the definite question whether our bankers have properly directed their efforts so that international transactions work out to as little disadvantage to the producers and marketers of the United States as the circumstances permit.

We must all recognize that, to a commercial banker, credits constitute his stock of merchandise; to an investment banker, securities are his merchandise. Both are resentful of interference, governmental or private. While this is true, it is certainly not to be thought that the American banker does not fully realize that loans made outside the boundaries of this country may finally militate against the country,



THE FASHION PROMENADE OF THE WORLD

WHENEVER you go to France, there's a beach waiting for you—frilled round with the great white-crested waves of the Channel or the Atlantic, the frisky green rollers of the Bay of Biscay, or the wide shining blue floor of the Mediterranean where the carved peninsulas and the storied islands lie greener than fairyland, steeped in sunshine.

Le Touquet, Deauville, Dinard, Biarritz, the Cote d'Azur—and all the chic world of three continents spending millions to make a spectacle for you.

To reach the fashionable beaches or the lovely Alps or Pyrenees; take the French Line whose de luxe liners make the trip from New York to Havre, the port of Paris, in less than six days with special three-hour boat trains for Paris waiting at the dock—and be in France the moment you go up the gang-plank.

You can go to France this summer for \$140, in the large French Line one-cabin steamers. . . . You can live well in France—and tour—on six dollars a day.

French Line

Compagnie Générale Transatlantique
19 State Street, New York



*Offices and Agencies in principal Cities
of Europe and the United States*

SPECIALIZED SERVICE

for correspondent banks

THE officers who serve correspondent customers in the Irving-Columbia Out-of-Town Office are specialists in a most practical, useful sense.

Some of them have been bank executives in other cities. Some have served as field representatives. All are familiar with the requirements of banks in different parts of the country—requirements with which they are kept in constant

touch through an Advisory Board, whose members are representative of important industries of the Nation.

Concentrated in the Out-of-Town Office, a separate banking unit devoted wholly to the business of customers outside of New York City, the service of these specialists is your assurance that any correspondent transaction will be handled with understanding, accuracy and despatch.

IRVING BANK-COLUMBIA TRUST COMPANY

New York City

either because such loans support a competitive situation, unduly detrimental to us, or because excessive loaning may unduly tighten the financial structure at home.

Eighteen months ago no one questioned the absolute need for the economic restoration of Continental Europe, if it could be brought about, because it was recognized that commerce and trade were so definitely interrelated that the great economic organizations on the continent of Europe must be restored and the people be brought back to a position of consuming ability, as nearly comparable to former conditions as possible. It was also recognized that the losers in the war should be put in a position that would compel them to assume part of the losses of the war.

The Present Situation Abroad

It would be well to make a brief exposition of the present situation. A program was set up which contemplates the payment by the German people, into a German bank, for the credit of the allies of annual sums ranging as follows:

(In millions of gold marks)

First year	1,000
Second year	1,220
Third year	1,200
Fourth year	1,750
Fifth year	2,500

and 2,500,000,000 gold marks each year thereafter. This is the standard annuity, to be continued at the same rate unless unusual prosperity obtains in Germany, when provision is made for an increase based on a prosperity index. The year begins Sept. 1 and ends on August 31.

As a part of the stabilization of Europe under the reconstruction, it was necessary to bring about a stable condition in Germany. To this end, a very considerable loan, aggregating 800,000,000 gold marks, net, was made to the Government of Germany; this country contributed directly a little over half of that amount. In addition, our investment bankers and commercial bankers have made many loans and advances to German utilities and industries, as well as to political subdivisions.

The current loans have been in the form of purchase of various types of bills or direct obligations of concerns and in the form of deposits made in German banks. The investment bankers have made long term loans to private concerns, on mortgage and other security, and have also made long term loans to municipalities. The aggregate of current loans and investment loans has been very considerable.

NEW YORK AGENCY

**THE
BANK OF CANTON LTD**
200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK

Correspondents in Important Centers of the World

The Balance Sheet for 1924

In view of the enormous transactions of the last year, and in view of the special application of some of the loans, the question naturally arises—"Are our bankers properly considering the effect of such loaning on our own industries and commercial life?" It may not be amiss to recall the figures of last year. The Bureau of Foreign and Domestic Commerce gives us the following:

world business, business that does not touch our shores, has been done in very large amounts. We have acquired a profit in such transactions which will undoubtedly run into large figures and it is being credited to our account, although it does not appear in the credit items mentioned before. In addition, these purchases of foreign bills in the open market have helped finance the operations in the other countries.

The reported favorable balance on merchandise exports exceeded.....	\$980,000,000	
Deducting net excess in movement of gold and silver.....	222,000,000	
		\$ 758,000,000
Leaves a visible foreign trade credit balance of		610,000,000
The income received on foreign investments was at least		227,000,000
Sales of securities to foreigners		23,000,000
Principal of debts paid United States		5,000,000
Net ocean freight		\$1,623,000,000
		\$300,000,000
On the debit side, remittances		500,000,000
Tourist expenditures		\$894,000,000
Net amount foreign bond investments after deducting refunding of existing issues		400,000,000
Other foreign investments		2,094,000,000
Debit balance		\$ 471,000,000

A restatement of our balance of international payments in 1924 made by Bureau of Foreign and Domestic Commerce in its Trade Information Bulletin No. 340 reduces this debit balance by more than one-half. If the increase in foreigners' bank deposits is taken into consideration, the deficit is entirely eliminated and the year's transactions remain practically in balance.

Changes in Import and Export Demand

Foreign trade for the year showed the greatest export demand for finished goods and import demand for raw materials, the reverse of our former normal experience. This may be a definite indication of a trend toward the development of this country as a fabricating and financing nation in international commerce. The United States is coming to make more investments in practically every section of the world with yields fluctuating widely, indicating some discrimination in risks.

The use by our private banks of our credit position and the Federal Reserve facilities for the handling of foreign bills in the open market, representing



ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	-	-	-	-	-	\$2,000,000
Surplus and Profits	-	-	-	-	-	5,900,000

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revolvable Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.

55 Maiden Lane

New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	

Commonwealth Bank

Spring Street and Bowery

First Avenue Office
77th Street and First Ave.

Bronx Office
155th Street and Third Ave.

Lexington Office
Lexington Ave. at 57th Street

New York

Resources over \$19,000,000.00

Member New York Clearing House
Member Federal Reserve System
New York State Depository

Complete Foreign Banking Facilities

Correspondents in All Parts of the World

The primary interest appears to be in rehabilitation in the war torn countries. The question has been asked whether, in making these advances, we are not building up a Frankenstein, in other words, creating for our competitors an unduly favorable position?

Questions are being continually asked—"How can the foreign manufacturers, especially the German and Belgian, export to the United States at extraordinarily low prices?" An examination of the source of most of the commodities dumped into this and other countries in the early part of last year, at unduly low prices, discloses the facts that they were very largely "distress" sales, where the producer had either exhausted his credit or because the rates in his particular country were so high, preferred to sacrifice the price on his commodities.

To the extent that American loans made abroad are sound and not exces-

sive, and to the extent that the making of such loans has reduced interest rates and made possible borrowing, heretofore impossible, the pressure to sell, irrespective of price, has been relieved and to some degree at least, competitive pressure has been reduced.

May we not assume that such loans have contributed greatly to bring about that result? At the same time, an easier financial situation in a distressed country soon brings about demands for increases in wages, and soon their comparative cost level rises, and to that extent weakens their comparative competitive position.

When we come to a discussion of what we, as private individuals and organizations, should do to protect our position in this country, there are two factors that we must consider fully: One, the payment of reparations; two, the effect of the settlement of inter-allied debts.

BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited Bombay (India)

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

Debts Can Be paid in Only Two Ways

In order to reach our decisions, we must realize that debts can be paid only in gold or commodities. We have set up the machinery for collecting the reparations debt; for the first two or three years the collection and application of the reparations payments are not likely to affect importantly the foreign trade situation for this reason: deliveries in kind, of coal, phosphates, dye-stuffs, and other articles, which Germany has been delivering since the armistice, will be continued in approximately the amount in value that has obtained in the past, and the payment for these will absorb the major portion of the payments for the first three years. The remainder will be applied in part to the payment of certain occupying army costs. Only the balance will affect Germany's exchange position, be-

cause it will be withdrawn under the Recoveries Act, or in the form of exchange.

However, the movement under such pressure may be advanced, in point of time, through the German banks furnishing the German producer with credit in exchange for an assignment from the allied country of its participation in the reparations that are to be collected in later years; this provided the German banks are in a position to carry such a loan for such a length of time. To some degree this will probably obtain.

The problem, however, will take on a more serious aspect in its effect on competitive conditions in world trade when the amount of reparations collected in Germany is deposited in the Reichsbank to the credit of the allies and reaches the normal annuity of 2,500,000,000 marks, or about \$625,000,000. When this amount is collected and placed to the credit of the allies, unless Germany has made unlooked for expansions of exports over imports, the pressure of the desire to realize on these credits will result in many types of ingenious schemes for such realization.

Getting Value of Allies' Credits out of Germany

There appear to be four outstanding general methods for getting out of Germany the value of the credits the allies will have in the bank. These are:

1. By the further expansion of German exports to the general world markets in an ordinary business manner

Niederösterreichische Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve
220 Millions of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5=£1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C.2

and under normal conditions, thus creating a favorable gold exchange position.

2. By special arrangements between the allied Governments on the one side, acting through the transfer committee, and Germany on the other, for deliveries in kind and performance of service when such can be pursued with proper regard to each others' interest. This may not possibly be the major part of the total, but it may be an important method.

3. By working out plans for the development of any projects, especially in the newer and rawer countries, which have been designated by some as "colonial projects" and by others as "assisted schemes," such as opening up Belgian Congo and Morocco.

4. By permanent investments inside of Germany, ownership of which has been transferred to non-allied or former neutral countries for adequate considerations, available outside of Germany to the allied Governments originally en-

titled to the credits. This method would be effective during any lag in realization of these credits, which resulted from inability to transfer reparations payments promptly through any of the other suggested methods.

"Assisted Schemes" Method May Prove Most Important

I believe that, in the final analysis, the "assisted schemes" method may easily prove to be the most important, both in amount and in its effect on the producers in other countries. This statement is on the assumption that reparations stand alone. But, inasmuch as we are the creditor of all the allied nations, when the inter-allied debts reach a general settlement, the whole problem will shift. Great Britain, France, and Italy have to receive payments from Germany. Great Britain would have to pay the United States all Germany pays her and all she may re-

On board the famous Cunarder

"FRANCONIA"

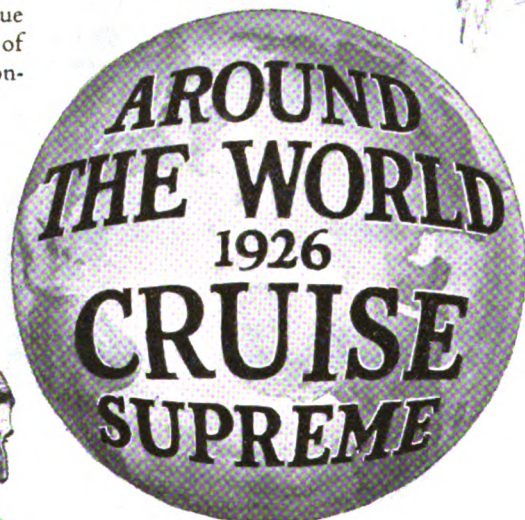
the pre-eminent world-cruising ship

Sailing eastward

from New York Jan. 14th

A Cook's "Cruise De Luxe"—which means the best!

Eighty-four years of experience, a unique world-wide chain of offices, and the patronage of the highest type of travelers.



The Cruise Supreme

to the

Mediterranean

on the

White Star "Ship of Splendor"

"HOMERIC"

Sailing Jan. 23d, 1926

The wondrous panorama begins with MADEIRA, presents the FRENCH RIVIERA, NAPLES and ATHENS, then CAIRO, at the height of its social season; INDIA, CEYLON, SUMATRA and JAVA at their best; THE PHILIPPINES; CHINA—South and North—culminating with PEKING at its most attractive season; JAPAN, when the cherry blossoms are in bloom; HONOLULU, and KILAUEA, PANAMA CANAL, etc.

Fares are fully inclusive and cover all shore excursions.

Many enthusiastic letters from the guests of our 1925 Franconia Cruise have reached us; we shall be glad to tell you about their glorious experiences.

THOS. COOK & SON

585 Fifth Avenue NEW YORK 253 Broadway
Boston Philadelphia Chicago St. Louis San Francisco
Los Angeles Toronto Montreal Vancouver

Early Reservations Command The Largest Choice of Accommodations

ceive from France and Italy. France and Italy having settled the basis for payment of their war debts, all three will become merely intermediaries between Germany and the United States, and on the figures it might easily be that over half of whatever is paid by Germany would be "by-passed," or short circuited, between Germany and the United States. The problem, therefore, becomes, over the major portion of the field, a German-American one.

Germany will be a great surplus exporter of goods, as a result of her rehabilitation. In this case, the United States will be facing the forced exporting from Germany of goods for something more than half of the reparations annuities (possibly \$350,000,000 a year), and the pressure will be either directly or indirectly against this country. The only way that other countries could continue to take German goods would be for America to continue to make investments and loans to those countries. To that extent, we have added a factor of additional pressure for investment in other countries. American bankers, therefore, both commercial and investment, will have, as I view it, a continuing and probably increasing incentive to handle foreign loans and investments. The industrialists, in turn, will be quite as anxious that such loans be made, especially if done with proper consideration for their problems.

America's Part in Projects Financed

Inasmuch as it is likely to prove that the most important method of realizing on the reparation credits is through the medium of "assisted schemes," we should begin to consider now what our part will be in connection with such projects as we shall be called upon, directly or indirectly, to finance.

Let us try to picture the effect of the pressure of unemployment (which in itself means necessity for colonization) in the European countries, and the effect of the pressure to realize on reparations, if and when the normal world

Your Paris Correspondent

More of your clients are visiting Paris now than ever before

Are they receiving the personal service to which they are accustomed at home?

We understand their problems and can do much to render their visit more pleasant



Mailing Facilities for Clients

Direct Correspondents Throughout Europe

The Travelers Bank

20 Place Vendome

Paris

Bankers Correspondence Invited

trade of Germany fails to produce an export surplus sufficient to pay the reparations.

Prior to the war the development of new projects in new countries had reached its peak, but stopped almost entirely at the outbreak of the war. What is more natural than that the allied Governments, in their desire to realize on reparations, should call upon Germany to produce certain products useable in connection with the development of some colonial interest for instance, or suitable to some country in which one of the allied countries has a friendly interest?

The Belgians want to develop the Belgian Congo; France, Morocco and Madagascar; England, Australia and many of her other colonies. I have seen the outlines of several projects in the colonies of allied countries that are being worked on at the present time.

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	\$15,000,000	(£3,000,000)
Capital Subscribed	9,000,000	(£1,800,000)
Capital Paid-up	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits		£1,407,811

BANKERS:—Bank of England; Midland Bank Limited

*Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan
Mauritius and Dutch East Indies*

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

A Typical Project

A typical project would be the development by a group of industrialists in one of the allied countries of an undertaking in one of its colonies where, say 40 per cent. of the total cost of the project could be in the form of products to come out of Germany. Of the remaining 60 per cent. of the total cost of the project, one half say, might be applied to the purchase of products of industries in the allied country promoting the project, and the remaining one half applied to the payment of labor in construction.

The whole project would be pledged as security for a loan of 60 per cent. of its total cost, and if our credit relation to the rest of the world is to be maintained, as it promises to be, the loan, in its finality, will be carried largely in the United States.

If this type of project is to be considered and finally consummated, we should in some way sit in from its very inception. Most of such projects will call for the production in Germany of heavy tonnage products, such as rails, cars, locomotives, hydro-electric machinery and the like. Further, German producers, through this, will have their operations artificially "hot housed" and in the nature of things we may expect that, through increased mass production, dilution of overhead, and other economies, they could reduce their operating costs for such products to a point where their competition in the general markets

of the world with similar American products would prove a serious factor.

It appears that we shall of necessity be forced to continue to make investments abroad, because of the favorable trade balance and income of foreign investments, with the addition of the results of the reparations payments and debt payments and it behooves our industrialists, foreign traders and bankers to associate themselves together for a better understanding of these problems.

We have at least five different groups of those interested in the questions, but all viewing the problem from a different angle, and too often to the exclusion of a proper consideration of the position of the other groups. Would it be presumptuous for me to suggest that there are at least five private organizations, representing five different elements of our business, that have a definite interest in the working results of the payment of reparations and the payment of debts? Of course, our Government also should be, and is interested in the problem.

A Suggested Clearing House of Information

Would it be a bad idea to create a board for the co-ordination and compiling of available information, with two members selected from each of the following: National Foreign Trade Council, American Section of the International Chamber of Commerce, United States Chamber of Commerce, American

Bankers Association, Investment Bankers Association of America, and two of the Cabinet officers, preferably the Secretary of Commerce and the Secretary of the Treasury? Let one from each of the organizations and one of the Secretaries be designated as the member of the board and the other as alternate, so that the alternate could be present if the member had to be absent.

The organizations themselves could furnish the data and one of them could probably compile the data so furnished. The board could then consider the material thus developed. This could be done without setting up any particular machinery. No attempt at definite formulas, or rigid plans should be made, but rather, through frank discussions of reasonably accurate data, the various organizations could at least have their in-

formation co-ordinated and there would be a strong tendency to be governed accordingly.

It appears that we shall be under economic compulsion to make foreign loans and investments. It appears that the making of such loans, in the finality, will be of both direct and indirect advantage to our nation's business, if made with wisdom. It appears that the probabilities favor unparalleled developments in new countries and this, in the finality, will be of extraordinary advantage generally to the business of this country. It appears quite certain that, in the earlier stages, it is more than a duty for the various business elements of the country to operate with due consideration to the effect of their actions on the other elements.

National Foreign Trade Convention

Meeting Proves One of Most Interesting and Profitable Yet Held

THE Twelfth National Foreign Trade Convention held at Seattle, Wash., June 24-27, was one of the most successful gatherings that have been held since the first meeting in Washington, D. C., in 1914. Like its predecessor on the Pacific Coast at San Francisco in 1920, the convention at Seattle had the services of a very strong and enthusiastic local committee, led by the Seattle Chamber of Commerce which first brought the convention to the Northwest, and which was able to organize the gathering as a Pacific Coast enterprise and drew an attendance of over 1600, including 1440 registered delegates from thirty-six states, and something over seventy representatives of foreign countries bordering on the Pacific. The program included speeches of exceptional interest, both in the general and special sessions, and one of the pleasant features of the convention was the way in which the Chinese and Japanese sessions in particular attracted the bulk of the delegates on each of the succeeding days of their group sessions.

This was the first experience of the con-

vention in geographic group sessions primarily emphasizing the importance of the countries considered as markets for American goods, and all the sessions, including those on Mexico, Canada, India, the Philippines, and the Dutch East Indies and Straits Settlements, were well attended and well staffed by competent speakers.

High Lights of the Convention

The high lights of the convention were James A. Farrell's address on "The Foreign Trade Outlook," which drew a telegram of congratulation and encouragement from President Coolidge; Admiral Leigh C. Palmer's address on "The Government Fleet," and the speech of Dr. H. Parker Willis, editor of the *New York Journal of Commerce* and Professor of Banking at Columbia University, at the luncheon of the American Manufacturers Export Association held in connection with the convention sessions, on "Foreign Loans and Foreign Trade."

The Department of State and the Depart-

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kreditkassen

First established
private bank in
Norway

BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

**The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company**

ment of Commerce sent the largest delegations that have attended any foreign trade convention, including the principal representatives of the Department of Commerce in the countries of the Near East, and from the district offices of the Bureau of Foreign and Domestic Commerce west of Chicago, and fully one-half of the bureau chiefs of the Washington staff. They were of inestimable service in adding Government co-operation to the program, and J. Butler Wright, Assistant Secretary of State, added a still further distinguished contribution to the convention in his speech on "The Department of State and American Enterprise Abroad."

One of the best accounts of American banking and responsibilities in Europe delivered since the recent settlement in Germany, was made by Henry M. Robinson, president of the First National Bank of Los Angeles, who made a highly interesting address on "American Banking and World Rehabilitation," which is reproduced elsewhere in this issue, while probably the most widely published speech of the convention and one of very high merit was delivered by Senator Hiram Bingham of Connecticut on "Commercial Aviation."

No brief summary can be made of the manifold activities of the convention and none need be made to the more than ten thousand American business men who have attended these conventions in the past. The newspapers of the Pacific Coast and the Northwest displayed the greatest interest in the subject matter of the convention, and the press of Seattle devoted practically their entire editions to its discussion, emphasizing the convention slogan "Greater Prosperity Through Greater Foreign Trade" in a manner which will not soon be forgotten throughout the Pacific Northwest.

Report of the General Committee

The report of the general committee of the convention, submitted by James A. Farrell, chairman, and summarizing the conclusions of the delegates on the outstanding issues dealt with in the proceedings and adopted on the last day of the convention, reads as follows:

"The international commerce of the United States has grown from 48,000,000 to 93,000,000 tons in the last decade. That development furnishes a graphic picture of the progress made by the American people during these ten years in all that pertains to the conduct and expansion of their foreign trade. It demonstrates the constantly widening acceptance of the fundamental relationship between maintained foreign trade and domestic prosperity; this steady improvement in procedure and technique, and the solid expansion of American facilities for overseas trade.

"Economic conditions are fundamentally sound in the United States and are improving in other parts of the world, especially in Europe. Production is increasing, in different degrees in different countries, but on the whole in a way that necessarily carries with it increase in consumption. The general trend is upward.

"This progress and this situation supply incentive for further energy and effort. It is important to stimulate the development of American facilities for foreign trade, especially in the factors of transportation, communication and finance.

"The Twelfth National Foreign Trade Convention meeting in Seattle on the Pacific Coast reaffirms the definite conclusions reached by the Eleventh National Foreign Trade Convention held in Boston on the At-

The Yokohama Specie Bank, Ltd.

[Yokohama Shokin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed .	■	.. Yen	100,000,000
Capital paid up . . .	■	.. Yen	100,000,000
Reserve Fund	■	.. Yen	80,500,000

(\$0.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Fengtien	Honolulu	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hamburg	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tsinan
Calcutta	Hankow	Kobe	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton	Harbin	London	Newchwang	Malgon	Sydney	Vladivostok
Changchun				Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

Atlantic Coast on the subject of American facilities for ocean transportation, substantially as follows:

The Need of an American Merchant Marine

"The development and maintenance of a merchant marine under the American flag, privately owned and operated, is essential to both our commerce and our national defense. The chief agency for the accomplishment of this purpose is the support of American ships by American importers and exporters.

"The practice of the United States Shipping Board, and the uneconomic competition of the government owned fleet, make it impossible for private capital to purchase steamers and compete with government owned tonnage in foreign trade. Government owned ships should be under single control rather than under divided authority. Until existing lines of passenger and mail steamers, and also freight steamers operating on so-called essential trade routes, can be sold to private operators, under contracts permitting of their successful operation and development free from government competition, government operators on commission

should share in the loss or profit of the operations on a basis which would entail responsibility for results comparable to that of private owners whose investment is jeopardized under present conditions.

"Not only has there been, in recent years, a gratifying increase in the value and volume of our foreign trade; there has been also a corresponding increase in the number of foreign traders in the United States. It is of prime importance to them, and to the international commerce of the nation generally, that adequate facilities for financing their overseas transactions should be furnished for all markets by American financial institutions. An encouraging improvement in this direction has been accomplished. There is need for still further advance, and closer co-operation between bankers and traders.

Investment Bankers' Opportunity for Service

"In the flotation in this market of foreign loans, either to governmental or private borrowers, our investment bankers have opportunity to be of substantial service to

The Punjab National Bank, Ltd.

Established 1895

Head Office: 25, The Mall,

LAHORE, INDIA

Tel. Addresses: "Stability" for head office and branches; "Clearance" for Bombay, Lahore City, Amballa Cantonment and Peshawar Cantonment only.

Capital (Issued)	Rs. 1,00,00,000
Capital (subscribed)	50,00,000
Capital (paid-up)	30,65,568
Reserves (Dec. 31, 1924)....	25,70,000
Deposits	6,26,06,910
Total Resources	7,18,66,697

LONDON AGENTS—Midland Bank Limited, 5, Threadneedle St., London E. C. 2.

BRANCHES—Amballa City, Amballa Cantonment, Amritsar, Bombay, Calcutta, Cawnpore, Delhi, Dera Ismail Khan, Ferozepore City, Gojra, Gujranwala, Hoshiarpur, Hyderabad, Hanzaabad, Jammu, Jhelum, Jullundur City, Karachi, Kasur, Lahore City, Ludhiana, Lyallpur, Meerut City, Multan City, Montgomery, Okara, Patiala, Peshawar City, Peshawar Cantonment, Quetta, Rawalpindi City, Sargodha, Sialkot City, Simla, Srinagar.

Banking Business of every description transacted.

GOVIND DASS, BHAGAT, M.A., LL.B.,
Secretary

and full transmission of news dispatches, promoting international understanding and aiding to prevent misinformation. It is of particular importance to the maintenance of friendly relations with other nations that American systems of communication should be maintained with full and prompt service. The position taken by our Government on this question is distinctly encouraging, and merits the support of our people.

Business Suffering from Excessive Taxation

"International as well as domestic business is suffering from excessive taxation. Unscientific and unsound taxation, such as that enforced by present law, imposes a heavy burden upon all our people, far more, proportionately, through increased cost of living, upon those whose incomes do not reach directly taxable figures, than upon those of large incomes. No person who lives in the United States escapes this burden. Effective and sound tax revision downward at the forthcoming session of Congress is necessary if enterprise is to be encouraged and business to expand.

"Tax revision should include relief of American citizens resident abroad from tax upon income derived from the conduct of business in the country of residence. The United States is the only great trading nation which maintains this unjustifiable policy of taxation. This tax lays an indefensible handicap upon our foreign trade, and needlessly increases the difficulty of inducing competent Americans to take up residence abroad to represent American concerns engaged in international commerce.

"Despite the great value of the American market to other countries, and the equal treatment, free from discrimination which they enjoy here, discriminations are multiplied in certain markets against American products. The entry enjoyed here by other countries should be so regulated as to deal effectively and permanently with this injustice.

"The Cuban market, developed through American investment and the reciprocal agreement of twenty-two years ago, is now menaced through changed conditions of foreign competition. This situation calls for prompt action by Congress toward further reciprocal legislation. For example, one form of relief should be the repeal of the antiquated law regarding the importation of tobacco products which prevents the ne-

American foreign trade. The present situation calls for the exercise of constant care and prudence, lest American capital be devoted to uses detrimental rather than helpful to American enterprise. Foreign loans should be arranged with due regard to promoting industry in this country and furnishing occupation for our people. It is of the utmost importance that our investment bankers, when negotiating foreign loans, should always have regard to the furtherance of American trade and they should, as far as practicable, provide for the expenditure of the proceeds in this country. In such cordial and close co-operation with American industry lies the greatest possibility for lasting service to all our people.

"Communication is no less essential to the maintenance and expansion of foreign trade than finance. Prompt and efficient service, by cable and wireless, through American systems, is requisite to the full measure of success of our foreign trade. Such communication also renders a world, as well as a national service, through prompt

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:
HELSINKI
(Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk.	- - -	150,000,000
Reserve Fund and Profits Fmk.		115,000,000
Deposits etc. (31/12 '24) Fmk.	-	1,704,000,000

All descriptions of banking business transacted

Telegraphic address: KANSALLISPANKKI

gotiation with Cuba of a permanent parcels post convention. Cuba has a parcels post trade with Europe of more than thirty million dollars a year. American manufacturers are effectively barred from that market through the operation of this statute.

Britain's Return to Gold

"Normal development of international commerce depends upon normal flow of credit, which is hampered while currencies remain unstable. The most definite step taken toward stabilization of exchange has been the restoration of the gold standard in Great Britain, facilitated by American cooperation. This tends to encourage the stabilization of other currencies and the constructive action is commendable.

"Superfluous laws and complicated regulations repress foreign trade as well as domestic business. The administration of the customs draw-back law, for instance, remains complicated and dilatory, a hindrance rather than a help to the re-export trade, one of the most valuable forms of commerce.

"No substantial progress has been made

toward the creation of foreign trade zones despite the manifest advantages of American ports for this class of business, and despite the insistent demand of American business for such facilities.

"Although the United States is the largest buying and selling market in the world, it imposes restrictions upon the entry of foreign business men, whose visits here would be highly advantageous but who are discouraged by the red tape surrounding entry under present conditions, with the result that large numbers of buyers who would otherwise come here, divert their purchases to other countries.

"Americans traveling abroad are still charged excessive passport fees by their own Government, and must meet high visa fees imposed by foreign governments in retaliation. These fees constitute an unnecessary nuisance tax upon American business men already subjected to excessive Federal, state and local taxation.

"The assurance of the State Department of its settled policy of support of legitimate American enterprise abroad is gratifying. That declaration encourages the hope that effective steps may soon be taken to obtain

BANQUE CHRISSOVELONI

Head Office: BUCHAREST, ROUMANIA

New York Agency, 115 BROADWAY

Capital Lei 200,000,000 Resources Lei 1,200,000,000

Established 1848

Affiliated Banking Houses in PARIS and VIENNA

Branches in CONSTANTINOPLE and all over Roumania

COMPLETE FOREIGN BANKING SERVICE

Correspondence invited from those interested in Central Europe and the Near East
RADU IRIMESCU, New York Agent

release from some of the hindrances to which attention has been called.

Advantages of Commercial Aviation

"The Sixth National Foreign Trade Convention held in Chicago in 1919, stressed the advantages of commercial aviation. Since then, many other nations have made substantial progress in that line. The United States, which has developed a most efficient air-mail service, is still regrettably backward in commercial use of the airplane and the dirigible. This agency of improved communication is worthy of greatly extended employment. It should be organized under responsible supervision and control through the creation of civil aeronautics under the Department of Commerce.

"Believing that the development and adoption of internationally accepted standards is essential in all branches of foreign trade, we commend the efforts of the Department of Commerce to this end and urge that the work be continued until uniform specifications on all basic commodities and the products thereof have been determined that will thereafter govern the inspection and certification of exports between the seller and the buyer.

"There are many reasons for confidence in the future of American foreign trade. World production is increasing, which means more buying power and more trade. International trade grows as the world grows, and we may reasonably count upon our share."



Review of Countries

Great Britain

ON the subject of Great Britain's National debt, the current number of the *Monthly Review of Barclay's Bank, Limited*, says in part:

One of the principal advantages secured by this country as a result of the financial policy followed since the war, is the reduction in the amount and—scarcely less important—the improvement in the composition of the National debt. The burden represented by this debt is so heavy, especially when compared with that borne by other European countries, several of which have, as a result of inflation, substantially reduced the real weight of their debts, that it is most essential that every

step consistent with sound finance should be taken to afford relief.

Before the war, the total dead weight debt of this country was about £650,000,000, whereas at the close of the past financial year it was £7,646,000,000, and while in 1913 it represented about 30 per cent. of the annual national income, the ratio is now estimated at slightly over 200 per cent. The National debt per head in terms of gold is now greater than that of any other country and the large increase has occurred in spite of the fact that while the war was in progress, the United Kingdom raised a very large proportion of its expenditure by taxation.

As practically the whole of the money borrowed was spent on munitions and other commodities required for the conduct of the war, the debt is not represented by any tangible assets and therefore is non-produc-

A/B Nordiska Föreningsbanken

(in Finnish: O/Y Pohjoismaiden Yhdyspankki)

The Greatest Private Bank in Finland, formed from the Amalgamation in 1919 of Föreningsbanken i Finland and Nordiska Aktiebanken för Handel och Industri

PAID-UP CAPITAL and RESERVES: Fmk. 320,000,000

Head Office:

HELSINGFORS

52 Branches all over the country

Telegraphic Address: UNITAS

PRINCIPAL NEW YORK CORRESPONDENTS

The National City Bank

Chase National Bank

Irving Bank-Columbia Trust Company

Guaranty Trust Company

tive. In effect, holders of War Loan and other war issues, lent to the Government the real assets necessary for the equipment of the armies, and the problem of repaying the debt is, in broad outline, the problem of substituting fresh assets in place of those already consumed.

It is to be hoped that the commission now studying the question of the National debt will be able to offer some useful proposals, but it is clear that there can be no quick solution, for repayment can only be accomplished by an excess of Government income over expenditure, and this excess is, in turn, dependent upon the state of trade and upon the surplus of national production.

It is true that the real burden can be lightened by increasing the national income, but in view of the existing heavy demands upon the taxpayer, the possibilities of debt redemption are distinctly circumscribed. Nevertheless, in spite of the severe industrial depression and other difficulties with which the country has been faced in recent years, the progress made since the end of 1919, when the National debt reached its highest point, is certainly remarkable.

According to a statement made during May in the House of Commons, the total nominal amount of the dead weight debt on March 31, 1925, was £7,646,394,000 or £351,606,000 less than on December 31, 1919. In

addition to this reduction, the National debt commissioners hold about £48,500,000 of Funding Loan and Victory Bonds tendered for death duties, and as the cash value of these securities has been paid into the revenue out of the sinking fund, the debt should be further reduced by that amount, making a total reduction of about £400,000,000.

This total would have been much greater, but for the issue of conversion loans at a discount, for although these new issues carried lower rates of interest, they increased the nominal amount of the debt during this period by £385,000,000, the actual cash applied to the repayment of debt between December 31, 1919, and March 31, 1925, being approximately £736,000,000. Our war debts to Holland, Spain, Sweden, Norway, Switzerland, Argentine, Uruguay, Japan and Canada, have all been repaid and the only real external debt is that owing to the United States, amounting to over £900,000,000.

British Trade Returns

The current number of the monthly *Westminster Bank Review* says, regarding trade returns of Great Britain for the first quarter of 1925:

Imports for the first four months of 1925 were valued at £462,274,246, and exports of

Telegraphic Address: "Compdebary, Amsterdam"

Handel-Maatschappij

H. Albert de Bary & Co.

AMSTERDAM

Merchant Bankers

Capital Fl. 6,000,000

(Fully Paid)

British produce at £269,561,496. After making allowance for re-exports—valued at £52,349,904—the adverse trade balance for the period under review was £140,362,846. Imports for April totaled £110,358,208, or rather more than 28 per cent. above the corresponding 1924 figure; exports of British goods amounted to £60,877,328, or 3 per cent. less than those for April of last year.

There is a general impression that the April returns were discouraging. Compared with the previous month, total exports fell from £70,000,000 to £61,000,000, coal and iron shipments were lower, while there was a decrease of 83,000,000 square yards in the cotton piece-goods section of the returns. These, and similar declines in respect of other commodities, were sufficient to provoke a spirit of pessimism, the more so as other financial and commercial indicators suggested that a set-back in business was taking place.

In April, however, the occurrence of Easter exercised a serious influence upon the returns; for, while March contained twenty-six working days, April only comprised twenty-four, and the difference of two days was sufficient to invalidate any direct comparison between the two months.

Exports of British goods, for example, averaged £2,500,000 per working day in April, as against £2,700,000 in the preceding month, a decline of only 7 per cent. instead of one of 13 per cent. which is obtained, if the totals for each month are considered. The average daily shipments of coal were actually 182,000 tons for April, as against 169,000 tons for March, while the corresponding iron and steel figures were 12,400 tons and 12,000 tons respectively; in each case a contraction in the "total" figures is changed into an expansion for the "daily" figures. Textiles, it is true, continue to show a decrease, even after making the above correction, but in general, once allowance has been made for Easter, the April returns do not show up badly by the side of those for March.

The result of eliminating the distortion

caused by Easter is to reveal the returns in a more encouraging light. The April figures remain a little below the March level, but the contraction is neither great nor widespread, and in the case of coal and iron, slight increases have been registered. Hence, while there is still ample room for improvement in foreign trade, there is no need to take a too despondent view of the present situation.

Reaction Upon the Exchange Markets of the Return to Gold

Commenting on the probable reaction upon the exchange markets of Great Britain's return to gold, the current number of *Lloyds Bank Monthly* says:

Time must necessarily elapse before the full extent of the reaction upon the exchange markets of Great Britain's return to gold can be appreciated; but it would appear that the pessimism of some economic writers, both at home and abroad, is hardly justified by the facts.

It is, of course, certain that the return to the gold standard (followed by so many countries) cannot but close what may be called the post-war period of arbitrage history; and exchange dealing must take henceforward a somewhat different orientation. But those who argue that the exchange markets must disappear because speculative dealing has become unprofitable do not appear to give sufficient weight to the legitimate requirements of foreign trade, which form the foundations of the foreign exchange market.

The permanent volume of international commerce, enlarged and alimanted by the contacts established during and since the war, must tend toward expansion: and while forward contracts will not be so indispensable to the trader, and profits will be finer, the re-establishment of confidence should lead to more healthy conditions than those which have prevailed since the war. But although business will be upon a more

BANQUE NATIONALE DE CREDIT

Head Office: 16, Boulevard des Italiens, Paris

Capital Paid-up	. . . . .	Fr. 250,000,000
Reserve Fund	. . . . .	" 102,760,000
Deposits	. . . . .	" 2,607,751,000

51½ Branches in France

GENERAL BANKING BUSINESS

satisfactory basis, it seems probable that it will tend to gravitate more and more toward the great banks, who alone have the world-wide organization capable of dealing with its demands; and toward the old established brokerage firms who have done so much to maintain a broad currency market.

For the present the exchanges may be said to have split into two separate groups: those upon a gold basis, and those still un-stabilized. The general opinion is that the pressure of circumstances will force the latter group to take steps to regulate their position, as it is considered that no country will be able to afford the luxury of a fluctuating exchange when the United States, Holland, Germany, Switzerland, and the British Empire are working under normal currency conditions.

Germany

VICE-president Kaufmann of the German Reichsbank when asked recently by a correspondent of the *New York Wall Street Journal* for an explanation of the renewal of activity of the Golddiskontbank in facilitating German exports, expressed himself as follows:

The Golddiskontbank never made any use of its note-issuing privilege, because the Reichsmark appeared sooner than was expected, and proved to be entirely stable. Credits were granted and by October, 1924, amounted to about £14,000,000, but in the last six months these have been reduced gradually to about £3,200,000. The Reichsbank recently repaid the Bank of England the £5,000,000 advanced for the foundation of the Golddiskontbank, so that the Reichsbank now owns all the share capital. The actual capital paid up by the Reichsbank is only £6,600,000. To all intents and purposes, the Golddiskontbank is a special department of the Reichsbank, and is quartered in the Reichsbank.

The reason why the Golddiskontbank is now to take over the special function of financing Germany's export trade is that the Reichsbank does not discount in foreign currency, but only in reichsmarks. Moreover, the Reichsbank, on principle, does not, as a rule, grant credits for longer periods than three months. The Golddiskontbank will assume the function of placing exporters in possession of sterling currency, and will grant credits up to six or even nine months. Necessarily such discounting will only be done for exporters who own sterling and can meet their bills at maturity in sterling.

Assisting Exporters

The importance of the function of an export-assisting bank is seen from the fact that, to discharge the obligations of the Dawes Plan, Germany must have an export far in excess of her import. Her pre-war annual export was about 10,000,000,000 gold marks. Her export last year was only 6,500,000,000. As prices are now about 35 per cent. higher than in 1913, Germany's exports today are quantitatively only about 40 per cent. in volume of what they were in 1913. The balance of trade for many months past has been so passive that grave anxieties have been felt. During the first three months of 1925, for instance, Germany's imports amounted to 1,300,000,000 marks more than the exports. This was partly due to the fact that all nations which signed the Treaty of Versailles rushed as much as possible into Germany before January 10 to take advantage before expiration of the privileges of the low import duties. Partly, the heavy deficit is explained by the large credits Germany got at the end of last, and beginning of this year. Despite this, however, export has to make great headway before Germany is even paying her way, let alone making Dawes payments out of income.

One might think that the capital of the Golddiskontbank would be insufficient to cope with the huge task it has undertaken,

INCASSO-BANK

AMSTERDAM

ROTTERDAM-THE HAGUE

36 other Branches throughout HOLLAND

Established 1891

Paid-up Capital	-	-	-	-	Fl. 25,000,000
Reserve Fund	-	-	-	-	Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: INCASSOBANK

unless one realizes what an asset the Gold-diskontbank has in its close connection with the Reichsbank. Through this means, rediscounting in foreign countries will be comparatively easy. Up till now the Reichsbank has been able to manage all the rediscounting, because it holds such large reserves of foreign currencies, but the possibility of rediscounting abroad is always open.

Other Facilities

Two chief advantages besides those already mentioned are offered by the Gold-diskontbank. One is that the rate of discounting will be lower than elsewhere; in fact, 7 per cent., against 9 per cent. at the Reichsbank. The other is that it can put the customer in funds for six or even nine months, where otherwise even three months credits are hard to get; nine months, however, is to be the outside limit. This will enable the German exporter to grant his customers abroad as long credit terms as his foreign competitors give.

The Golddiskontbank can itself rediscount privately at from $4\frac{3}{8}$ per cent. to $4\frac{1}{2}$ per cent. in London or $5-5\frac{1}{2}$ per cent. with the Bank of England or even at from $3\frac{1}{4}$ to $3\frac{1}{2}$ per cent. in New York. Naturally all the usual conditions imposed in the granting of credit or in discounting by the Reichsbank apply to the customers of the Golddiskontbank. As before, bills discounted will, as a rule, bear a bank endorsement. The bank cartel has simultaneously reduced its commission from 3 per cent. to 2 per cent. per year on business mediated by the trade banks with the Golddiskontbank, so that the cost of credit obtained in this way is now not so far removed from what it was in pre-war times.

France

PREMIER Caillaux's bill to increase the limit of advances by the Bank of France by 6,000,000,000 francs and to con-

solidate the floating debt by the creation of a new gold basis loan, which passed the French Senate on June 27 by 273 votes to 11, is commented on in a cable to the *New York Times* under date of June 28, as follows:

The plans of Finance Minister Caillaux for the reconstruction of the financial system of France have been well received. The proof of this is to be found in the fact that without any intervention whatever the franc is quoted in Paris much higher than in New York.

It can be affirmed, too, that the Morgan credit which has been extended to France to stabilize the franc is absolutely intact. It is the Government's decision to use it only to prevent speculative attacks against the exchange. Financial circles do not consider the increase in the circulation harmful inflation, because the bank notes issued will not be used to cover budget expenses, but will only redeem non-renewable bonds.

It was necessary either to issue these bank notes or for the State to fail to meet its obligations. Hesitation was impossible. The increase by 6,000,000,000 francs in the limit of the advances by the Bank of France to the State and in the circulation is considered here as proof that the State and the bank decided to see the State's financial engagements met, thereby reassuring susceptible bondholders, who demanded redemption only because they feared the Treasury would not be able to pay unless its resources were increased.

The principle loan bearing interest is payable in paper francs, but at parity of gold. This feature of the plan has encountered some criticism, but by issuing the loan, which will be subscribed solely by holders of the Defense bonds, the Finance Minister intends to consolidate a large portion of these bonds, thus removing the danger which very short-dated debt always presents. The new securities will be exempt from all taxes, including the income

tax, and, in addition, subscribers are given a guarantee against the ulterior depreciation of the franc.

The plan, when thoroughly understood, is expected to be a great success. It is pointed out in many quarters that by this operation the Government shows itself to be determined to undertake the stabilization of the franc. Exceptional authority was given to the Finance Minister to discover a means for national economy and this also has made a good impression on the country. It is felt that the plan is entirely satisfactory to the Government, which has found a majority in the Chamber to support it. This, of course, did not include the Socialists.

Franc Fixed at 5.12 Cents Under Terms of New Loan

The Caillaux consolidation loan, the terms of which have met with the approval of the French Cabinet and which fixes the franc at 5.12 cents, is commented on in a cable to the *New York Times*, dated July 4, as follows:

The measure provides for conversion of the floating debt in the form of National Defense bonds into a 4 per cent. perpetual loan issued at par. Subscriptions will be opened on July 20, and will remain open until September 5.

Interest on the new loan will be guaranteed against depreciation by the fixation of the exchange rate of the franc at 95 to the pound sterling. The interest will be fixed by Ministerial decision fifteen days before half-yearly payment date on the basis that if during the previous six months the franc has not fallen below 95 to the pound the bondholder will receive as his half-yearly interest two francs per cent. of his investment. If the pound exceeds 95 francs on the average over six months, the half-yearly interest will be equivalent to two-ninety-fifths of a pound for each 100-franc bond.

The figure of 95 to the pound as the value of the franc makes the dollar worth about 19.55 francs, or one franc worth 5.12 cents. Interest attaches to this figure because it is believed to be the figure at which the Finance Minister hopes to stabilize the franc. Although somewhat above the figure of 25 centimes gold supposed to be the base at which Caillaux is aiming, it is not far from it. With the franc today at between 102 and 103 to the pound, apparently the French Government believes the good effects of the new loan will enable the franc to return to 95 to the pound.

While there is nothing in the project to prevent the franc from going higher, opinion prevails in Paris that in naming the figure 95 as the point which would determine interest payments of the new loan, he sought

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Saesrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

to notify the country indirectly of the probable future value of the paper franc. Politically something is to be said for the indirect notification instead of direct, for there exist 2,000,000 holders of French government securities, most of whom still nurse the hope that one day their franc securities will be worth gold francs. M. Caillaux's project serves to break the news gently that one may consider francs for some time to be worth no more than 95 to the pound or 19.55 to the dollar.

Prevailing opinion in Paris seems to be that the figure is well chosen, although a figure of 100 to the pound was expected. If the Government can do without further printing of paper money, it appears likely, so far as present indications go, that M. Caillaux can stabilize the franc at the figure set in his new loan plan.

M. Caillaux appears to have assured the success of his loan. During one week the purchase of National Defense bonds, which alone can be employed for the purchase of the new loan, increased to such an extent the Treasury was relieved of all anxiety about repayment of immediate maturities. The French public, which cannot

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed . . Frs. 60,000,000
Capital Paid Up . . . Frs. 30,000,000
Reserve Frs. 10,000,000

Branches:
BRUSSELS — OSTEND
CORRESPONDENTS
AT ALL BANKING POINTS

easily purchase foreign currency or bonds except in limited numbers, has seized the opportunity to avoid being caught by a further fall in the franc. This new "rente" has also the advantage that it will benefit from income tax exemption, which M. Poincaré accorded Defense bonds in March, 1924, when he sought to increase public subscription during the first fight for saving the franc. This and stabilization of the interest

return will tend to keep the price of the new rentes high and provision is made in the decree that "they cannot be repurchased except on the basis of fifty times the amount of the last half-yearly interest."

Apparently M. Caillaux expects to make a substantial profit by the conversion and to create a sinking fund for repurchase of the new rents by the Treasury out of the difference between the Defense bond interest and the service resulting from their conversion. Thus in the second article of his decree he states "The Treasury will repurchase new bonds on the Bourse to the amount of the difference between the annual charges of administration of the amount of National Defense bonds which are exchanged and interest service of the new rentes."

Trade With Sweden

Aktiebolaget
Göteborgs Bank
Gothenburg and Stockholm
SWEDEN

Established in 1848

Own capital Kr. 78,750,000
(over \$20,000,000)

Through our many branches and correspondents all over Sweden we are able to offer every accommodation possible for banking transactions in Sweden.

Cable address: Götabank

Bank Sees Causes for Confidence in France's Future

A recent bulletin of the Banque Nationale Francaise Du Commerce Extérieur is devoted to a review of the economic and financial situation of France in 1924. In concluding this summary the bank states:

During the last few years, the productive forces of France—her work and her savings—have affirmed a vitality which constitutes the safest guarantee for the future of our country. Certainly, an unreserved optimism would not be justified under present circumstances. France is struggling with redoubtable difficulties. One is permitted in having the reasonable conviction that they will be surmounted. "The effort in straightening France out," recently wrote a large Swiss establishment in its circular, "should inspire the greatest confidence in her power of final resurrection; her resources are immense. Does she not possess, for example, a colonial empire whose rational exploitation would be an inexhaustible source of wealth? France is rising again financially and economically with a rapidity that is prodigious; it is impossible not to be moved thereby, for

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

the figures are eloquent on this point." This appreciation of the French effort, this affirmation of confidence in her future are precious. There could not be a better conclusion to this short study.

Italy

ON June 18 the official discount rate in Italy was raised from $6\frac{1}{2}$ per cent. to 7 per cent., and interest on Treasury bonds which will expire in from nine to twelve months was increased from 5 to 6 per cent. Interest on Treasury bonds expiring in from six to eight months was increased from $4\frac{3}{4}$ to $5\frac{1}{4}$ per cent., and on those expiring in from three to five months from $4\frac{1}{4}$ to $5\frac{1}{4}$ per cent.

The Fall of the Lira

The Rome *Tribuna* attributes the fall of Italian lira to the "psychological repercussion produced by the initiative of the American Government for the settlement of the war debts." The *Tribuna* says that:

Italy cannot accept any settlement which might imply the possibility of the financial position of Italy becoming worse, as the Government and country must, instead, develop action aiming at amelioration of conditions. The Minister of Finance and the director of the Bank of Italy have examined the situation of Italian currency in relation to factors which may have influenced, or can influence, its quotation on foreign stock exchanges, and the discussion, which was extended to representatives of other great banks, was absolutely satisfactory, there being no reason for anxiety.

Italian Bankers Back Government's Financial Policy

The General Assembly of the Italian Banking Association of Rome, at its recent convention, adopted resolutions expressing complete faith in the financial and monetary policy which has been adopted by the country.

The resolutions were as follows:

Budgetary equilibrium has been attained, and not only has the system of meeting expenditure by paper money issues or contracting debts ceased for a long time, but concrete action is being developed with opportune prudence for the qualitative improvement of the circulation and the reduction of the public debt:

That the Government's policy is inspired by sound financial and economic principles, looking to the reconstruction of the property destroyed by the war through the fostering of savings and abstention from impeding the free development of energy by avoiding untimely state intervention, which is only fictitiously protective;

That the general conditions of the national economy are satisfactory, according to employment, traffic and savings' indices;

That, notwithstanding the extraordinary exigencies of the year arising from defective crops and other fortuitous causes, the development of production and other resources permit, nevertheless, of the equilibrium of the trade balance being maintained."

The resolutions reaffirm the fundamental soundness of the country's financial and economic position, but regret that an imperfect knowledge of the conditions, the fact of the interference of elements not of a finan-

RECIPROCIITY

IS THE SECRET
OF OUR
SUCCESS

OUR CLIENTS
AND WE

HAVE **CONFIDENCE** IN US
AND WE IN THEM

GUAYAQUIL
ECUADOR

BANCO DE DESCUENTO

cial or economic order, and the unwarranted reflection of exchange fluctuations should lead people abroad to an inaccurate estimate of Italy's peculiar situation, which is absolutely such as to deserve the most tranquil confidence.

Italian Imports Show Increase

Imports for the first four months of 1925 aggregated 9,088,000,000 lire in valuation. Exports aggregated 5,346,000,000 lire. These figures compare with imports of 5,181,000,000 and exports of 4,352,000,000 for the same period of 1924.

The chief increases in imports were livestock and foodstuffs, which increased 1,176,000,000 to 3,008,000,000 lire. Mineral increased from 392,000,000 to 678,000,000 lire during the first four months of the year as compared with the same period of 1924.

The trade balance shows a surplus with Austria, Switzerland and Germany but a deficit with Czechoslovakia, England, Yugoslavia and the United States. With France and the Argentine the balance shows a surplus for 1924 was turned into a deficit for 1925. With the United States exports were 400,000,000 and imports more than 2,000,000,000. The difference was entirely made up of shipments of cereals and cotton to Italy.

South America

FACTORS indicating "a steady natural development of economic interest between the United States and the West Coast region of South America," are discussed in a booklet issued by the Commerce and Marine commission of the American Bankers Association on Chile, Bolivia and Peru. The booklet says:

When this region first developed into a

modern industrial world after the emancipation from Spanish rule, European nationalities took a leading part in the establishment of transportation, commerce, and industry. As a rule the interest and capital of the United States were directed into other channels. But after the opening of the Panama Canal and the outbreak of the European war a new trend was visible.

Even before the war, imports to the West Coast from the United States were growing with more consistent regularity than from the European industrial nations. Transportation between Peruvian and Chilean ports and those of the United States is much shorter and less exposed to interruption than that between the South Pacific coast and Europe. Mineral and transportation development is similar to that in the western part of the United States and it is natural that much of the machinery and technical supplies for mines and railways should be sought in the United States.

Another factor is investment of American capital. Public securities of Chile, Bolivia and Peru are held in the United States, and the interest of American investors in copper and tin mines of the region runs into the hundreds of millions of dollars. This conjunction of factors points to a steady natural development of economic interest between the United States and the West Coast region of South America.

Brazilian Financial Reform

An article in a recent number of the *Foreign Securities Investor* entitled "Reform Brings Financial Strength to Brazil" by J. C. Muniz, acting consul general for Brazil at New York, reads, in part:

During the last two years, Brazil has been going through a drastic reformation of its fiscal affairs. The administrative machinery of the national treasury has been remodeled. A general accountancy office has been established, which makes available monthly a

UNION BANK OF SWITZERLAND

(UNION DE BANQUES SUISSES)

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - -	Swiss Francs	16,500,000
DEPOSITS - -	Swiss Francs	438,103,000
TOTAL ASSETS -	Swiss Francs	586,297,000

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano,
Locarno, Vevey, Chaux-de-Fonds, etc., etc.

The Bank will be pleased to act as *paying agents for
Letters of Credit, Travellers' Checks, etc.*

Well equipped to handle your
Swiss banking business

balance sheet of all the states and the Federal Government, thereby opening the financial life of the country to regular inspection. Accounts are verified daily. There have been important changes in connection with the Bank of Brazil.

The results of this reorganization began to show last year. Brazil, which never had attained collections of 600,000 contos paper yearly, collected 1,400,000 contos in 1924—the State of Sao Paulo contributing about 400,000. No better proof could be shown of the recuperative power of Brazil, as well as of the collective effort of those in charge of the national treasury. The effect of this achievement on federal finances is striking. The service of the external debt has been faithfully executed to date, there being always large balances in the hands of Brazil's fiscal agents in London. Interest on internal obligations is being punctually paid as are also the salaries of employees. Reform is responsible for a better budget, which affords a just criterion for calculations of revenue and expenditure.

At the time Dr. Sampaio Vidal, who recently resigned as Minister of Finance, took charge of the treasury, he declared evasion of taxes was one of the gravest causes of the financial depression in the country, which was going from bad to worse. After remodeling the administrative machinery,

however, the reaction did not take long to make its appearance. At the end of the first year, the presidential message announced that the treasury had succeeded in collecting in 1923 an excess of 280,000 contos over the previous year. The custom house, which had a monthly collection averaging to £700,000 now collects £1,000,000 and in recent months the collection has increased from £1,200,000 to £1,300,000. The federal district, which gave receipts of 500 contos daily, is now yielding 1000 contos. The national economy is revealing a strength capable of assuming the burdens of the country. At the inauguration of this administration it was the general assumption that a foreign loan would be imposed upon the country. It was the intent of the Government, however, to defray all public services within the national resources. Confronted by all the difficulties, the administration of Mr. Bernardes has already spent two years without resorting to foreign credit, which goes to show the vitality of the national elements which are bringing about a financial situation resting on a sounder basis, thereby inspiring more confidence in the money markets, and leading to a necessary consolidation of the floating debt. This debt, service of which has been a great burden, must be consolidated by means of a long term operation which has been practically outlined and which is de-

We are pleased to announce that
we have moved to our new building where it will be our
privilege to continue serving our many friends

BANCO DE PONCE
PONCE, PORTO RICO

Capital	-	-	-	-	-	\$ 750,000.00
Surplus	-	-	-	-	-	\$ 175,000.00
Assets	-	-	-	-	-	\$5,000,000.00

We solicit your collections.

Correspondence invited.

pendent only upon a better opportunity than now exists.

One of the principal economic measures enacted under the present administration was the foundation of the bank of emission at the charge of the Bank of Brazil. For many years Dr. Vidal had recognized the necessity of such an institution as the regulating factor of the paper currency in circulation. He felt that the bank's having passed successfully through a most critical period without the aid of a foreign loan, is a practical demonstration justifying the undertaking. The year 1927 has been a constant preoccupation of the Ministry, for the country will be then expected to prove its vitality and honor its promises by resuming the service on its foreign loans which was suspended by the last funding operation. The principal arrangements to meet these obligations are now almost completed in the shape of the recently authorized income tax which in its final form is the result of elaborate study by many competent specialists who gathered the most practical features adopted by other countries and patiently organized the present income tax law of Brazil. With this instrument the country will not fail to do its duty in August 1927.



International Banking Notes

At the fifty-first general meeting of the Bank of Taiwan, Limited, Taipeh, held in Tokio, March 2, 1925, the president, Kojuro Nakagawa, said in commenting on the bank's condition at the end of the year:

"The financial condition of Taiwan, which is essentially governed by the status of its

agriculture, was for 1924 one of almost daily improvement from the very beginning of the year, to which result the increased crop of rice, sugar, banana, etc., chiefly contributed.

"The note issue of our bank reached at the end of the year yen 51,260,000 which is an increase of yen 11,557,000 over the corresponding period of the preceding year, the average issue for the whole year having also increased by yen 5,360,000. The deposits at the banks in the island, totalling yen 89,670,000 at the end of 1924, were an increase of yen 10,174,000 compared with the corresponding period of the preceding year. At the same time as all branches of industry in the island entered upon a period of readjustment, the bankers continued to observe an attitude of strict precaution. The people of the island in general, now sobered from the spell of speculative mania which had overtaken them in the past years, are fast returning to habits of steady application and sound enterprise."

On December 31, 1924, the total resources of the Bank of Taiwan stood at yen 994,157,282. The capital of the bank is yen 60,000,000 and the reserve fund yen 13,780,000.

The Bank of Taiwan opened a branch at Calcutta, India on October 1, 1924. The New York office of the Bank of Taiwan is at 165 Broadway. K. Yamamoto is agent.



The report of the Punjab National Bank, Limited, Lahore, India, for the half-year ended December 31, 1924, presented before

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)
Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: **MANILA, P. I.**

BRANCHES: **ILOILO, CEBU, ZAMBOANGA**



William T. Nolting President
Joseph F. Marias Vice-President
Fulgencio Borromeo Vice-President
R. Moreno Secretary
D. Garcia Cashier
E. Byron Ford Chief, Foreign Department
S. Freixas Chief Accountant
P. J. Campos Manager Iloilo Branch
J. M. Browne Manager Cebu Branch
J. M. Garcia Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

the half-yearly general meeting of the shareholders on February 15, 1925, shows net profits, after meeting all expenses, amounting to rs. 5,96,908. This is the highest figure so far reached by the bank in any given half-year. It gives a return of about 39 per cent. per annum on the paid-up capital of the bank and about 1.66 per cent. per annum on the working capital. The sum of rs. 68,327 brought forward from the previous half-year, and added to the amount of the net profit, brought the sum available for distribution up to rs. 6,65,236. This sum has been disposed of as follows:

	Rs.
To a final dividend of 15 per cent. per annum for the half-year under report	2,25,068
To final provision for income tax for the year 1924-1925	26,000
To reserve fund	1,00,000
To reserve fund for bad and doubtful debts, increasing this fund to rs. 5,20,000	2,34,727
Balance carried forward to next account	79,440

⊙

The statement of the Aktiebolaget Goteborgs Bank, Gothenburg, Sweden, for the year ended December 31, 1924 shows total resources of kronor 510,143,723, paid-up

capital kronor 43,750,000 and reserves kronor 31,000,000. The net profits for the year after providing for all expenses, etc., amounted to kronor 4,408,881, which with the balance brought forward from previous account, kronor 2,395,424, made available for distribution the amount of kronor 6,804,305. This sum has been disposed of as follows:

	Kronor
To a dividend at the rate of 10 per cent. per annum	4,375,000
Balance carried forward to next account	2,429,305

⊙

The third semi-annual statement of the Yasuda Bank, Limited, Tokio, for the half-year ended December 31, 1924 shows total resources of yen 828,011,846, total deposits yen 572,572,161, subscribed capital yen 150,000,000 and reserve fund yen 49,568,551. Net profits for the half-year amounted to yen 8,292,497.

⊙

The statement of the Industrial Bank of Japan, Limited, Tokio, for the half-year ended December 31, 1924, presented at the forty-sixth general meeting of the shareholders on February 5, 1925, showed total

NEW YORK CORPORATION LAWS
Including Amendments, 1925

Contents

Full Text of the Business Corporations Law
General Corporation Law, Stock Corporation Law, Sections of the Tax Law Applicable Thereto, Stock Transfer Tax Act, Uniform Stock Transfer Act, Blue Sky Laws, Articles of general application of the Membership Corporations Law, Legal Recording and Filing Fees, A Synoptic Analysis and Complete Index.

PRICE \$2.00

United States Corporation Company
150 Broadway, New York
Telephone Rector 4460

article "Centenary of the National Bank of Scotland" on pages 1083 to 1089 inclusive were incorrectly captioned "Bank of Scotland." The captions should have read "National Bank of Scotland."



The statement of condition of the Credito y Ahorro Ponceno, Ponce, Porto Rico, as of June 30, 1925, shows paid-up capital of \$750,000 as against \$600,000 on the same date in 1923 and reserve fund of \$260,000 as against \$200,000 in 1923. The head office of the bank is now installed in new quarters on Amor street in front of the Plaza Degetau, Ponce.



resources of yen 536,969,528. Debentures issued stand at yen 322,226,932. The gross profits of the bank for the half-year under review stand at yen 21,094,459, added to this a balance of yen 707,122 brought forward from the preceding half-year made a total of yen 21,801,581. After deducting necessary expenses of yen 17,770,683 the net profit for the half-year amounted to yen 4,430,898. This amount has been distributed as follows:

	Yen
To reserve against losses	500,000
To dividend equalization reserve.....	200,000
To a dividend at the rate of 10 per cent. per annum	2,500,000
To remuneration of officers	120,000
Balance carried forward to next account	710,898



The statement of the Aktiebolaget Union-banken, Helsingfors, for the year ended December 31, 1924, shows total resources of fmk. 663,330,141, share capital fmk. 100,000,000, guaranteed capital fmk. 30,000,000 and reserve fund fmk. 26,667,537. The net profit of the bank for the period from June 1 to December 31, 1924, amounted to fmk. 5,013,798. This sum has been disposed of as follows:

	Fmk.
To a dividend for the first seven months of the bank's existence during the year 1924, fmk. 5.25 per share on the old shares	3,150,000
To a dividend of fmk. 1.75 per share on the new shares issued during the year 1924	700,000
Carried forward to next account	1,163,798



In the June issue of THE BANKERS MAGAZINE the pictures accompanying the

The eighty-second statement of condition of Glyn, Mills and Company, London, as of June 30, 1925, shows total resources of £31,200,268, current deposits and other accounts £27,838,489, capital paid-up £1,060,000 and reserve fund £530,000. A condensed statement follows:

Statement of Condition as of June 30, 1925

LIABILITIES	£
Capital paid up	1,060,000
Reserve fund	530,000
Current, deposit and other accounts.....	27,838,489
Acceptances and engagements on account of customers	1,600,289
Reduction of bank premises account.....	171,489
	31,200,268

ASSETS

	£
Coin, bank and currency notes and balance at the Bank of England.....	4,360,695
Balances with, and checks in course of collection on, other banks in the United Kingdom	1,162,175
Money at call and at short notice.....	2,894,150
Bills discounted	1,590,106
Investments	9,271,356
Advances to customers and other accounts	9,626,585
Liabilities of customers for acceptances and engagements as per contra.....	1,600,289
Bank and other premises (freehold)....	695,000
	31,200,268



The statement of the Amstelbank of Amsterdam for the year ended December 31, 1924, showed a net profit of fl. 1,539,858 as against fl. 1,003,002 for the corresponding period in 1923. A dividend at the rate of 11 per cent. per annum was declared as against 10 per cent. for the corresponding period of 1923 and a payment of fl. 2357 was made for each founders share as against

Rotterdamsche Bankvereniging

Rotterdam Amsterdam
The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States

J. Enderman, 31 Nassau Street, New York

fl. 1492. The bank's reserve fund on December 31, 1924, stood at *fl.* 1,100,000.



The statement of condition of the Mercurbank, Vienna, as of December 31, 1924, shows total resources of \$15,158,174, commercial deposits \$11,516,311, savings deposits \$1,189,537, capital \$142,857 and surplus \$1,771,880.

The above figures were converted from Austrian kronen at the stabilized rate of \$1 to 70,000 kronen.

Dr. Eugen Brettauer is chairman of the Mercurbank.



The second paragraph of the article on "New Building of the Rotterdamsche Bankvereniging at The Hague" and the first sentence in the third paragraph, on

page 127 of the July issue were somewhat in error. They should have read as follows:

"The Rotterdamsche Bankvereniging was originally formed as the Rotterdamsche Bank in 1863. It was the first bank to realize the field for a bank with an organization equipped to handle international banking business. It took the first step toward building up such an organization when, in 1911, it merged with the Depositoen Administratiebank.

"At the time of the merger, the name Rotterdamsche Bankvereniging was adopted."

W. M. Westerman is manager of the office at The Hague, instead of W. Westerman, as stated in the article just mentioned. W. Westerman is chairman of the board of directors of the Rotterdamsche Bankvereniging.





AN interior view of the new building of the Montclair Savings Bank, Montclair, N. J., planned by Thomas M. James Co., architects of Boston and New York. The building is located on a triangular lot, and has been so arranged as to give abundance of daylight in all parts of the bank. The interior is carried out in marble and bronze.

Thomas M. James Company

3 Park Street, Boston

342 Madison Ave., New York

Architects and Engineers

We would be glad to help you solve your
bank building problem

Write us for booklet

Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, THE BANKERS MAGAZINE, 71-73 Murray Street, New York.—EDITOR.

Balance Sheet Items—Part II

THE accompanying article is the fifth of a series by the Credit Editor on credit and credit department methods. In the April issue there was a discussion of two of the usual types of business organizations, i. e., the proprietorship and the partnership along the lines of the division of ownership. In the May issue, the corporate form of business organization was covered. In the June issue there was a discussion of the trial balance, the balance sheet, and profit and loss figures. In the July issue, the balance sheet was taken up, and the form of balance sheet approved by the Federal Reserve Board was given. A review of the nature of various balance sheet items was started, and several of the asset items were discussed in detail. The review of these items is continued in the accompanying article.—THE EDITOR.

UNDER the head of *securities* in the balance sheet outlined by the Federal Reserve Board have been set up three subdivisions, as follows:

- (a) Securities readily marketable and salable without impairing the business.
- (b) Notes given by officers, stockholders, or employees.
- (c) Accounts due from officers, stockholders or employees.

Subdivision (a), securities readily marketable and salable without impairing the business, is presumed to include securities which the company has purchased for its temporary investment of surplus funds it might have on hand, such purchases being made of regular stock exchange or other readily marketable securities. Occasionally a concern will purchase shares of stock in one or more of the banks with which it does business. However, this item is not to include investments in the securities of companies

when such investments represent a majority of substantial interest or have a limited market. Such investments should be shown independently. Also securities which have been taken in settlement of claims against concerns which have gone into bankruptcy and have been reorganized, when they may have a readily marketable value, should be carried at the market value figure, rather than at the amount of the claim or the par value of the securities. It is the accountant's duty, therefore, to have all securities actually produced for his perusal, and the credit man should have a detailed list furnished him of all securities, such a list giving a description of the securities, the amount owned, the cost, and the figure at which they are carried. Securities should be carried at cost or market value, whichever is lower, as of the date of statement, and if market value is in excess of cost, the profit should not be taken into consideration until actual sale has been made and the profit realized. Definite advice should be given as to all securities pledged or hypothecated, and the purpose for which such a pledge has been made.

The other two subdivisions under this heading of securities, (b) and (c), provide places for the listing of amount of notes and accounts receivable due from the company's officers, stockholders and employees. Why these subdivisions have been included under this caption is not clear. It would seem more correct that a separate division should be set up in the balance sheet, perhaps captioned "other receivables," and under this should be included the subdivisions (b) and (c) above, and also subdivisions to include receivables due from affiliated and closely associated companies. These subdivisions

The **FIRST**
NATIONAL BANK *of*
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New England business, send it to us. With ten offices covering the city and direct collection facilities throughout this section, we afford quickest and best service. Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

are self-explanatory, and clearly set forth that they are intended to include amounts due from officers, stockholders and employees. Such receivables generally arise out of accommodation extended by the company, sale of stock, etc., and it is preferable to have such receivables shown separately rather than included in the regular receivables, as they are not generally construed as being quite as desirable as regular receivables from trade creditors.

Fixed Assets

In the Federal Reserve form, we find the following subdivisions:

- (a) Land used for plant.
- (b) Buildings used for plant.
- (c) Machinery.
- (d) Tools and plant equipment.
- (e) Patterns and drawings.
- (f) Office furniture and fixtures.
- (g) Other fixed assets, if any.

Most of these subdivisions are self-explanatory. However, a word or two by way of comment in connection with each item may not be amiss:

(a) Land used for plant. This item is evidently intended to show only the land occupied by the plant for the regular business, and if the company has any other land which it may hold for investment, taken in settlement of debts, or otherwise acquired, and of which it intends to dispose, such land could not be included under this item. The item rather, appears to be simply for land used in the regular conduct of the business, and land which is owned by the company. While a subdivision is not provided for leaseholds, it would be my thought that any value assigned to a leasehold should not be included under this subdivision, but be clearly set forth under the heading of "other fixed assets." It is always well to be advised as to the cost value, and this is really the figure at which land should ordinarily be carried in the balance sheet, unless some change has made the land less valuable and desirable, in which event it should be written down to a proper figure by carrying the margin in reserves for depreciation. The accountant should always examine title to the property, and under no circumstances should simply the equity be carried in the assets.

(b) Buildings used for plant. This item, too, is self-explanatory. A schedule supporting the statement showing cost, additions, total cost, depreciation and net value

is always interesting. In the form of balance sheet proposed by the Federal Reserve Board, the depreciation is grouped and deducted from all items, but the supporting schedule can readily be made as here mentioned. It will be appreciated that many things can be charged into the cost, and also additions, not only of buildings but also of land and equipment. In some cases it is a practice to charge off a certain amount of depreciation, and capitalize all additions and repairs. In others, it is customary to capitalize additions, making no charge for depreciation but charging off to expenses repairs and replacements, it being the contention here that the plant is maintained in as good as its original condition, and no depreciation is necessary. For this reason it is always well to be advised as to what is capitalized in the form of cost and additions, for, as stated, there is much room to add. In setting up this subdivision of buildings used for plant, it would appear that it was the intention of the proposed balance sheet to have a separate item made under the caption of other fixed assets, for any other buildings, such as employees' homes, etc., which the company might own.

(c) Machinery. The comment made in the above paragraph with regard to additions, can also be applied in many respects to this item. Under this subdivision is carried the full cost and depreciation is carried in the group figure of depreciation on all fixed assets. Old machines should be "junked" and written off, and the amounts added to the reserve for depreciation should be adequate and sufficient to take care of depreciation of machines and depletion well within their life and usefulness. In the case of printing presses, and also certain other machines, it is infrequent that small companies purchase them on a time basis, giving a chattel mortgage against the machine. This should be clearly shown in the balance sheet. Certain classes of machines are leased and not purchased. More conservative practice here demands that the rental paid should be charged to earnings and no value capitalized in the form of leaseholds or otherwise.

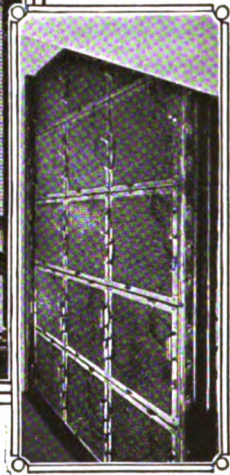
(d) Tools and equipment. This is presumably to include small tools, the life of which is very short. Comment made with regard to other items applies here.

(e) Patterns and drawings. This item can be greatly inflated as to its real value. Presumably, under this heading can be included amounts representing value of pat-

REED AIR IS CLEAN AIR



The Garfield Safe Deposit Company, 200 Fifth Avenue, New York City, and the battery of Reed Air Filters that cleans 15,000 C. F. M. of air for its ventilation. (*REED AIR FILTERS are manufactured under patents of May 16, 1922, Feb. 12, 1924, Nov. 18, 1924. Other patents pending.*)



CLEAN AIR is one of this bank's assets



Send for these **FREE BULLETINS**
No. 106—On how Reed Air Filters work
No. 107—Data and tests
No. 108—How used in ventilating buildings

THE air that ventilates the Garfield Safe Deposit Company's offices, Fifth Avenue, New York, is as pure as that on a mountain peak. Reed Air Filters supply fifteen thousand cubic feet of it every minute. The beneficial effects are naturally felt by every employe in the bank and by the bank itself. Reed Air Filters, easily installed in old or new ventilating systems, can bring better health and higher efficiency to *your* bank.

REED AIR FILTER CO., Incorporated
225 Central Ave., Louisville, Ky. 50 Church St., New York
Offices in Principal Cities

Reed Air

TRADE MARK
filters ALL METAL

terns, drawings, copyrights, trademarks, and also patents. There is liable to be great range in the matter of opinion as regards the value of various of these items. In the event of trouble, it is always questionable what, if anything, may be realized from them. In the case of specialty goods, it becomes more questionable, and it is usual for conservative analysis on the part of the credit man to practically ignore these items. The depreciation or amortization, or whatever you choose to call it, in connection with these various items is also included in the group item of reserves for depreciation. In the case of patterns and drawings, the amount to be written into reserve from time to time varies, and while practice differs in regard to the annual amounts charged off on copyrights, trademarks and patents, the practice is quite frequently to charge off equal amounts annually over the life of the right.

(f) Office furniture and fixtures. This item does not require explanation, and comment made with regard to some of the other subdivisions may be applied in part here. The depreciation is handled the same as the depreciation upon other subdivisions, being grouped under one heading.

(g) Other fixed assets, if any. A full description of any other fixed assets is required, and should be given to give a clear picture of their nature.

Reserves for Depreciation

Considerable has been written about the subject of depreciation. Under this heading are generally considered obsolescence, depletion, amortization and inadequacy. While these latter are frequently regarded in a somewhat separate light from depreciation, the ordinary layman is inclined to use them synonymously. The general practice with regard to depreciation is to charge off annually an amount to wipe out the value of the asset during its life. For example, if a machine cost \$3000, and it was figured that its total life was ten years, practice would tend to dictate that \$300 should be charged out of earnings each year, in order to take care of this asset and write it off during its life and usage. If it is not written off in this manner, at the end of ten years the company will find it necessary to charge off the entire cost of \$3000, or charge off the cost of a new machine to replace the old one. While it is the general tendency to charge off the same amount each year over the life of the asset, sometimes the

amount charged off works on a sliding scale basis. The lives of various fixed assets vary and what might be a good rate of depreciation for one might not be a good rate on another. Various types of structures vary as to their life, and then the policy of charging off repairs and maintenance has some bearing.

Some companies have had a tendency to simply carry a general item of depreciation, and, rather than handle various buildings, machines and other equipment individually with respect to their life and depreciation, have simply set up a flat percentage against the entire group. Progress in cost accounting is causing much more attention to be given to depreciation in connection with the direct charge for it to the respective costs of operation. While depreciation may be taken care of annually, it occasionally occurs that due to some incident the buildings, or parts of them, or machines, may become obsolete. Such being the case, the entire amount should be charged off to obsolescence, and at all times fixed assets kept at a cost or replacement price, whichever is lower.

As stated in connection with one of the foregoing subdivisions of fixed assets, it is sometimes the policy of companies to charge all expenses for repairs and maintenance to earnings, and set up no reserve for depreciation. This is not the general practice, and is not considered good accounting. The cost of maintenance and repairs increases as time goes on, and while proper care of property keeps the efficiency up, it does not provide a means for the scientific holding of the investment intact. Since the time of the income tax, depreciation has perhaps been given greater consideration, and it is very general for a company to charge off all it can in the way of depreciation, to curb the payment of taxes, if for no other reason. With regard to the charging off annually of amounts against patents, trademarks, copyrights, leaseholds, etc., the general practice is also to charge off an amount annually, which, in the aggregate, will take care of the respective asset during its life and wipe it completely from the books. This also applies to improvements on leaseholds.

Deferred Charges

As stated on the balance sheet form, this is for prepaid expenses, interest, insurance, taxes, etc. Deferred charges can also arise in connection with advertising, rent, salaries, royalties, bond discount, deferred selling expense, etc. It is quite frequent that bond

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
 500 Fifth Avenue
 New York

Booklet on Planning & Equipping of Banks will be sent on request

discount and deferred selling expense are set up as special items as they may be of a rather substantial amount. Take bond discount for example: the company will sell a \$1,000,000 bond issue, and the syndicate underwriting the issue will purchase it from the company for say \$920,000. The company has to set up the full debt of \$1,000,000, and as it only takes into its assets \$920,000 in cash, the item of bond discount, \$80,000, is set up so that the net worth will not be affected. Perhaps the issue is a twenty year issue. The company will then proceed to write off \$4000 each year and amortize the item of bond discount over the life of the full issue.

The other deferred items are of a similar character, and while the real definition cannot be given, deferred assets are in the nature of an inventory of values to be received for which money has been expended—insurance for instance. The annual insurance premium is paid, we will say, on October 1. Statement is made December 31, at which time only one-third of the year has elapsed,

for which the insurance premium was paid. It is, therefore, considered that there still remains to be received three-fourths of the value of the premium paid, and this three-fourths of cost price is set up in the assets as a deferred charge.

In connection with some items for which deferred charges are sometimes set up, it can, of course, be questioned as to the period over which value will be received. Take advertising, for instance. An advertising campaign will be conducted, and, as it is estimated that it will have a direct value to the company for a period of say three years, only one-third of its cost is charged off to the current year's expense, and the other two-thirds of cost is set up under deferred charges. It is naturally apparent that deferred charges of this kind can be misjudged, but as the credit man pays little attention to the item, he has nothing to worry about.

Liabilities

Under the caption *Bills, Notes and Accounts Payable* in the proposed Federal Reserve balance sheet, the following subdivisions appear:

- (a) Acceptances made for merchandise or raw material purchased.
- (b) Notes given for merchandise or raw material purchased.
- (c) Notes given to banks for money borrowed.
- (d) Notes sold through brokers.
- (e) Notes given for machinery, additions to plant, etc.
- (f) Notes due to stockholders, officers, or employees.

(a) Acceptances made for merchandise or raw material purchased. This item is for the entering of regular trade acceptances payable, which have arisen in connection with the purchase of merchandise. The seller having drawn on the subject company, the purchaser, who accepts the draft, we have this item of trade acceptances.

(b) Notes given for merchandise or raw material purchased. This subdivision, as most of the others, requires little explanation. Many lines of business do not use the note in connection with purchases, while in others it is quite frequent. Therefore, while the appearance of notes payable for merchandise may at times be taken as an indication that same were given because of the company's weak credit standing, it is, in



*"Here is a Chicago correspondent
that understands our requirements"*

To be of greatest help to the banker requiring a Chicago connection, a city correspondent must thoroughly understand the special problems in each locality as regards B/L and collection items, commercial paper requirements, placing of call and time loans on approved collateral and other factors.

"It was only when your officers had analyzed our collection and investment problems," writes the president of a Middle Western bank, "that we appreciated the advantage of a correspondent like the old Union Trust Company, which combines broad commercial banking experience with a sympathetic understanding of the special problems in our section."

Fifty-six years of constant contact with the diversified financial activities of the entire Middle West have qualified this Bank in an unusual degree as a Chicago correspondent. We invite correspondence with bankers requiring such service.



UNION TRUST COMPANY CHICAGO

One of Chicago's Oldest and Most Favorably Known Commercial Banks

Celotex safeguards principal and interest

Houses built with Celotex Insulating Lumber have definite advantages over those of ordinary construction.

For this reason, Celotex safeguards both principal and interest.

It protects your principal because Celotex houses are stronger, because they have less depreciation. Used in the place of wood lumber as sheathing on walls and roof; and on walls and ceilings, where plaster is applied directly to its surface, Celotex makes a wall section much stronger than one built with wood lumber itself.

No other insulating material has this great strength, which adds years to the life of a building.

Celotex makes your interest payments more certain because, as insulation, it saves money on fuel 1/3 of the heat generated to warm an

ordinary house is unnecessarily wasted. Celotex stops this waste, and saves the tenant enough money on fuel every year to help pay the interest on several thousand dollars.

A ready sale value

You will find, too, that Celotex houses sell easier than ordinary ones— and at a better price.

For home owners are realizing more and more the advantages of heat insulation. No home is modern unless properly insulated. And homes insulated with Celotex have their future value insured and protected.

Ask your architect

Your architect or contractor will tell you more about the advantages of house insulation and how their clients are demanding it. Send for our valuable free building booklet containing full information.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

Branch Sales Offices: (See telephone books for addresses)

Boston	Denver	London (Eng.)	Milwaukee	New York	Portland, Ore.	Seattle
Cleveland	Detroit	Los Angeles	Minneapolis	Philadelphia	Salt Lake City	St. Louis
Dallas	Kansas City	Miami	New Orleans	Pittsburgh	San Francisco	St. Paul

Canadian Representatives: Alexander Murray & Company, Limited
Montreal Toronto Halifax Winnipeg Vancouver

CELOTEX

INSULATING LUMBER

*"There is a use for Celotex
in every building"*

The Celotex Co., Dept. 828
645 N. Michigan Ave., Chicago, Ill.

Please send your free building booklet.

Name.....

Bank.....

Address.....



THE building of the Newton Trust Company, Newton, New Jersey, after being remodeled, the old quarters and the same floor levels having been utilized. The remodeling, which is in classic Italian design, is carried out in cast stone.

HOLMES & WINSLOW

Specialists in Bank Architecture

134 East 44th Street New York

other instances, quite an ordinary practice and very much in order.

(c) Notes given to banks for money borrowed. This subdivision should be supported by a schedule showing to whom the money is payable, the amount, the maturity, and the nature.

(d) Notes sold through brokers. Many companies (usually few showing a net worth less than \$200,000) sell their notes in the open market through a note broker. Indebtedness arising thus is usually on the same basis as indebtedness to the company's own banks. The broker sells these notes generally to banks looking for short time investment for surplus funds, charging the seller a small commission to place the paper. The company does not have to maintain any balances with the broker, and in times when money is plentiful the broker can usually place the paper at a very low rate.

(e) Notes given for merchandise, additions to plant, etc. The creation of such indebtedness, particularly for machinery was spoken of in discussing the various fixed assets. This item is not to include any notes given which are secured by a chattel mortgage against the machinery or equip-

ment, but simply straight notes given in connection with their purchase.

(f) Notes due to stockholders, officers, or employees. When the amount due to officers and stockholders is considerable, it is often customary for the credit man to secure the subordination of this indebtedness to the other debts of the company, or the endorsement of the principal person to whom the money is due.

Unsecured Accounts

Under this caption, appear the following subdivisions:

(a) Accounts payable for purchases (not yet due).

(b) Accounts payable for purchases (past due).

(c) Accounts payable to stockholders, officers, or employees.

(a) Accounts payable for purchases (not yet due). This is supposed to include only open accounts payable in connection with the purchase of merchandise, said accounts being not yet due. It should not include any ac-

counts payable other than those for merchandise.

(b) Accounts payable for purchases (past due). It is, of course, interesting to know what amount the company has past due, and the reason for allowing same to run over. Slow pay soon reflects against a concern's credit, and bank borrowings are presumed to be for the purpose of allowing a company to take advantage of trade discounts on its purchases of merchandise.

Secured Liabilities

Under this caption we find five subdivisions, as follows:

(a) Notes receivable discounted or sold with endorsement or guaranty (contra).

(b) Customers' accounts discounted or assigned (contra).

(c) Obligations secured by liens on inventories.

(d) Obligations secured by securities deposited as collateral.

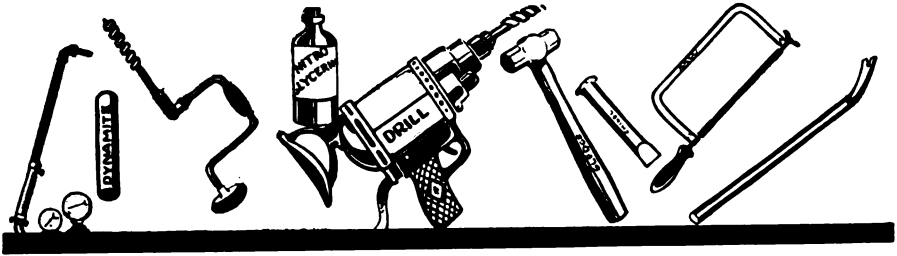
(e) Accrued liabilities (interest, taxes, wages, etc.).

(a) Notes receivable discounted or sold with endorsement or guaranty (contra). This item was not taken up in discussing the assets, although the suggested balance sheet form of the Federal Reserve Board provides a place to enter these receivables as an asset item and this subdivision on the liability side, to set up the contra item. It can hardly be called a contra liability for no real liability exists, and the company does not really own the asset of notes receivable. It has rather discounted the same, and the only liability is in the form of a contingent liability. It is the writer's feeling that it is better to omit such notes and trade acceptances discounted from the assets and liabilities, and simply regard them in the nature of a contingent indebtedness. When the notes or trade acceptances are discounted, cash is received and it goes into the cash account and into the figures. Of course, setting up such an asset and liability weakens the current ratio. The writer believes that a fairer way to regard notes or trade acceptances discounted is merely as a contingent debt, and to consider them from the company's standpoint the same as if the company had received cash from the payers of such notes or trade acceptances by anticipation of same. In the event of default by the payer, of course, the company

has to make good. Many times notes and trade acceptances are only discounted with a bank for collection purposes.

(b) Customers' accounts discounted or assigned (contra). This, too, is a contra item, the assets or opposing entry of which we did not discuss. The general practice with regard to the discounting or assigning of accounts is somewhat different, to my mind, from the discounting of notes. In the case of accounts there is not the evidence of debt apparent with the note or the trade acceptance, and while the idea may not seem altogether consistent, the writer feels that, in the case of accounts pledged and assigned, the asset should be shown as in the Federal Reserve form and the liability as in this subdivision. In the case of accounts, it is usually more of a case of pledging or assigning, to form security as a basis for borrowing, rather than actually discounting, as is the case with well rated notes and trade acceptances. The company, perhaps, has its ledger accounts stamped with some sort of a stamp, indicating that they are pledged or assigned, and there is usually a margin of accounts pledged in favor of the one making the advance. When a concern begins pledging and assigning its accounts in such a manner, there is more work attached than in the discount of notes. A much higher rate is paid, and the concern is usually in weak condition or on a regular factoring basis, and there is little room, in addition, for unsecured bank credit. In the case of the discounting of notes and trade acceptances, it is the writer's feeling that the situation is somewhat different. There is really not a pledge with a margin, and they cannot be regarded in the same way as a mortgage against plant, or securities pledged for a loan, which is practically the situation where advances are made against an assignment of accounts.

(c) Obligations secured by liens on inventories. Concerns in poor credit are sometimes financed by banking houses making a practice of advancing against merchandise. Sometimes the banker requires that the merchandise be moved to his own premises, or put in an independent warehouse. In such cases, the borrower has to foot all the expenses. This item would also presumably have included under it any amounts due under letters of credit where releases of the merchandise purchased under the credit have been made under a specific form of



**Would Your
Vault Resist
an Attack
With These?**

THE safe-blower of today can get any or all of these tools within a few hundred yards of your bank. He no longer carries a large kit of tools because he can find them in almost any garage. The acetylene torch, electric drill, sledge, cold chisel, crow bar and many other tools necessary for penetrating your vault walls are near at hand when he wants them.

Your best protection is to delay his attack. Delay for him means defeat.

Rivet-Grip Bank Vault Reinforcement gives you the protection you need. In the Federal Reserve tests at Sandy Hook Rivet-Grip resisted the most effective methods of attack known to science longer than any other reinforcement since used in the actual construction of any vault. And, it is the only type of reinforcement that can be erected in exact duplication of the test walls at a reasonable cost.

Representatives in all
principal cities

If you are building or re-building your bank write for our handbook on modern methods of bank vault reinforcement. It's yours for the asking.

The Rivet-Grip Steel Company

2741 Prospect Avenue Cleveland, Ohio

trust receipt. Also some concerns, such as cotton mills, may be financed against their merchandise under a regular factoring agreement. This subdivision should show all obligations to company secured by the pledge of merchandise.

(d) Obligations secured by securities deposited as collateral. A schedule should support this subdivision and show all the securities pledged. Every banker is familiar with this type of borrowing.

(e) Accrued liabilities (interest, taxes, wages, etc.). In the conduct of business, various expenses accrue, and the amount of such accruals on statement date should be shown under this subdivision.

Fixed Liabilities

Under this heading, are found the following subdivisions:

- (a) Mortgage on plant (due date_____).
- (b) Mortgage on other real estate (due date_____).
- (c) Chattel mortgage on machinery or equipment (due date_____).
- (d) Bonded debt (due date_____).
- (e) Other fixed liabilities (describe fully).

The subdivisions (a), (b) and (d), with regard to mortgage and funded indebtedness will not be discussed here, having been covered in the May issue under corporate securities.

(c) Chattel mortgages on machines or equipment (due date_____). When the writer discussed machinery and equipment under fixed assets, he made reference to the fact that notes secured by chattel mortgage were occasionally given by small concerns in connection with the purchase of machinery. This item of chattel mortgage should be supported by a schedule showing specific assets and the value of each against which the chattel mortgage constitutes a lien. The schedule should also show the maturity of the various mortgages.

(e) Other fixed liabilities. This simply provides a place to include any other fixed liability and calls for a full description of same.

Net Worth

Under this, are found the following subdivisions:

If a corporation:

- (a) Preferred stock (less stock in treasury).
- (b) Common stock (less stock in treasury).

- (c) Surplus and undivided profits, less:—
- (d) Book value of good will.
- (e) Deficit.

If an individual or partnership:

- (a) Capital.
- (b) Undistributed profits or deficit.

The writer discussed preferred and common stock in the May issue. The subdivision (c) surplus and undivided profits, is self-explanatory, and is naturally the excess of total assets over total liabilities and corporate stock outstanding.

It will be noted that, in connection with the carrying of preferred and common stock in the Federal Reserve form, it calls for deduction of treasury stock. By treasury stock is not meant the authorized and unissued stock, but rather stock which has been issued and, in some way, is held by the company in its treasury. It has perhaps been acquired by the company through an expenditure, or has been willed or donated to it. From the total of preferred stock, common stock, surplus and undivided profits, the form provides a place to deduct the book value of good will, and a deficit, should the company have one, in which event no surplus would be shown above. The deduction of good will from net worth gives an idea of the value which the Federal Reserve Board considers should be placed on this intangible asset.

The last caption in the form "If an individual or partnership" is simply to take care of the net worth in the event that it is not a corporation, and there is no corporate stock outstanding, in which event this item is to be made up of the excess of assets over liabilities. The subdivision here of "capital" is to take care of the amount invested in the business by the partners or the individual, and is evidently presumed not to include any undistributed earnings of the business. It represents capital investment, and another subdivision takes care of the undistributed profits or deficit. It is not generally customary to show this division, but it is rather the practice to have the items grouped under the heading of "net worth."

QUESTIONS

1. What is the nature of bond discount? Under what heading should this be carried in the statement?

2. Are receivables from officers, stockholders and employees generally considered as desirable as regular trade receivables?

3. How can value at which land and buildings are carried have considerable written into it in the way of additions?

4. What is the nature of deferred charges? How are they determined?

5. What is the principle of depreciation?

6. What is your opinion of the essential difference between notes receivable discounted, and accounts receivable assigned?

7. What sort of a mortgage is a chattel mortgage?

8. How is good will handled in the Federal Reserve form?

Questions and answers on bank credit problems follow as usual and will continue each month.

QUESTION: If a corporation has two issues of stock outstanding, such as preferred and common, what is the method of determining the book value of each class of stock? An explanation will be appreciated.—G.W.C.

Answer: With regard to figuring the book value of preferred stock, it will be appreciated that preferred stock usually has assigned to it a definite par value, and also under the terms of the indenture under which it is issued, it usually has a certain callable or redemption value. The book value of preferred stock is usually considered to be the redemption or callable value. For example, if under the terms of the indenture the preferred stock is callable at \$115, this is really to be considered the book value of the preferred stock, providing, of course, that the balance sheet shows that there is this amount of equity in the business for each share of preferred. The reason for considering this the book value is because that is the maximum amount of the claim of preferred stockholders under any circumstances on the company. If, however, there was not \$115, equity in assets for each share of

preferred stock, the book value would then be less than the callable or redemption value.

Sometimes it is preferable to figure the amount of net tangible assets back of the preferred stock. In such a case, the usual procedure is to go over the balance sheet and deduct from net worth all the good will, trademarks, copyrights, patents, pre-paid expenses and assets the tangible value of which are questionable. If reserve for depreciation has been included with net worth in the balance sheet, it also should be deducted. After these have been deducted from net worth, the net worth is then divided by the number of shares of preferred stock outstanding, which gives the figure for the net tangible assets back of each share.

In figuring the book value of common stock, this figure is based upon the net worth after the deduction therefrom of preferred stock at its callable or redemption value. In the balance sheet, preferred stock is usually carried at par, but for the purpose of figuring the book value of com-

mon stock, the amount of preferred stock must be deducted from net worth at its callable value, and not at its par value. The remaining figure gives the equity in the business of the number of shares of common stock outstanding and if divided by the number of shares, will give the value per share. Such a figure is, of course, a rough figure of book value and does not take into consideration the nature of the assets back of such a value. It is good practice, in figuring value of common stock, to figure the net tangible value and to deduct from the common stock equity all intangible assets such as those mentioned above. This method of figuring the value of common stock is the same whether the common stock outstanding has a par value or is of a no par value nature. It is general that all equity in the business, after preferred stockholders' claim at the callable or redemption value of preferred stock, belongs to the common stockholders, and this is the thing to consider when figuring the value of common stock.



Valuation of Public Utilities From a Banking Standpoint

By Harold A. Danne

BANKS are constantly requested to grant loans to public utilities, in large or small amounts. The first question asked of any borrower is "What security have you?" Security depends on value, hence bankers are intimately concerned with getting the exact value of the property on which they are expected to loan money.

But, in public utilities, the banker cannot apply his usual method of valuation. That is, he cannot calculate the value of a public utility property from its earning power as he does in the case of an industrial corporation. For the earning power of a public utility must be based upon its valuation, and not value upon earnings. The process is reversed.

It is impossible for the banker to ask for a record of income statements of the utility for a number of years, and then base his loan to the utility on the assumption that, other things being equal, the earnings will continue much the same. For if the valuation on which the utility is earning this return is false, it is almost certain to be discovered by the public utility commission sooner or later, and upset.

Nor can the banker use the other familiar method of estimating the value of the utility from its total capitalization on the theory that capitalization represents money which has actually gone into the property. For in many cases in the past, especially in connection with public utilities, a large part of the capitalization represents merely

water. The great utilities have grown up through the consolidation of many small individual utilities, and in almost every case, when a small company was absorbed, some securities were issued in payment for its good will, which usually has no tangible value. The public utility commissions will not allow a return on such fictitious "value" if they discover it to be fictitious and can prove it so.

The only safe basis then on which a loan to a public utility can be made is on the basis of "The total value to the owners of the property at a certain date and place," or, in other words "An engineering estimate of the amount of bona fide capital still remaining in the property, or of the cost of reproduction under existing conditions, less depreciation."

Difficulties of Valuation

This estimate is complicated by the fact that in many cases accurate records of the cost of the property have not been kept and often those which have been kept show inflated costs. It is further complicated by the fact that the very rapid growth and improvement of the electrical industry in the last twenty years has caused so many changes and additions to the property. In the past such properties as power utilities have grown like a tree in spring, and are still growing if they are in a progressive city. Very often additions come into existence in so casual a manner that one can scarcely believe it unless he has seen the vital necessities that have created the growth. Machines have been brought in which were capable of lasting for twenty years, only to be replaced within five years by a more efficient machine which has just been developed, and which must be used if the utility is to keep its competitive position. Even though the utility have a monopoly on the region, it must keep its machinery up to date, otherwise it becomes more profit-

able for large manufacturing plants, who were accustomed to buy their electric power from the utility, to install new machinery for themselves and generate their own power. The bearing of this on valuation is to point out the difficulties of correctly valuing such obsolete machinery, and other machinery, still being used, but depreciating at an abnormal rate because of obsolescence.

This situation has contributed, too, to the pressure for new capital which makes valuation so necessary, for the public utility commissions refuse to allow public utilities to earn more than a "fair return" and make no provision for additions, extensions, and betterments. It being impossible to make necessary extensions out of earnings, capital must be secured from investors, who insist on knowing the value of the property in which they put their money.

The valuation of a public utility property, then, involves an engineering estimate of the cost of the property, based on the original cost of the units, less depreciation; an engineering estimate of the reproduction cost of the present day equipment at present day prices, less depreciation; a consideration of the intangible values, such as developmental expenses, the value of the franchise, and good will; and finally an attempt to evaluate the "going concern value," that is to say, "The added value of the plant as a whole over the sum of the values of its component parts, attached to it because it is in successful operation and earning a return." All these must be taken into account in the valuation of any public utility.

Therefore, it is very important that the valuation of public utilities be carefully made, for an unreliable valuation breeds distrust everywhere and soon gets known. No banker will approve such a valuation, and ultimately it saps confidence. The otherwise successful utility will thereby be deprived of the backing it needs and will die of financial anaemia.



A. I. B. Convention in Kansas City Has Record Attendance

Institute Reports Continued Growth in Membership and Enlarges Program of Departmental Conferences

By D. Richard Young

Special Correspondent for THE BANKERS MAGAZINE

THE twenty-third annual convention of the American Institute of Banking, which took place in Kansas City, July 13 to 17, was one of the most successful ever held, and was marked by a number of unusual features.

"The most significant thing about this convention," said Bruce Baird, the newly-elected president of the institute, "is the active interest shown in our educational work. The departmental conferences had a combined attendance the first day of over 900 delegates, a large increase over any previous record. The programs, which covered a wide range of subjects, had been very carefully planned and we never before secured such a splendid list of speakers.

"The A. I. B. has good reason to feel proud of the progress it has made during the last year under the able leadership of Edwin V. Krick, retiring president. While this period has not witnessed any sensational changes, it has seen a steady and consistent growth in every department of our work and a gratifying increase in membership. Education should be stressed as the back-bone of our organization. Last year our chapters had over 30,000 bank men and women enrolled as students."

The cordial reception accorded the visitors, as well as the enjoyable program of business sessions and outside entertainment, were due in large measure to the Kansas City convention committee, of which Charles D. Hayward, of the First National Bank of Kansas City, was general chairman. Other members of this committee, representing the leading Kansas City banks, included Mrs. Mary M. Miller, E. E. Amick, C. A. Brockhouse, P. W. Goebel, J. E. Hensley, Whitney Ogden, John Phillips, Jr., W. H. Potts, A. H. Smith and F. W. Wilson. Claude F. Pack, of the Home State Bank, is president of Kansas City Chapter.

Most of the delegates and guests arrived Monday, July 13, on several special trains from different sections of the country, and the official registration list showed over 1500 from out of town, and, in addition, a large number residing in Kansas City. Two prominent members of the American Bankers Association, the "parent" of the A. I. B., were in attendance, John H. Puelicher of Milwaukee and P. W. Goebel of Kansas City. Convention headquarters were at the Hotel Muehlebach.

The General Sessions

The opening business session was held July 14 at the Orpheum Theater, and was called to order by President E. V. Krick, with an invocation by Reverend J. H. Satterfield, of the Forest Avenue Baptist Church.

Hon. Albert I. Beach, Mayor of Kansas City, welcomed the delegates. Incidentally, he told how their banners served a double purpose and created a personal interest in him. "When I returned yesterday from a vacation I found banners over the city reading 'Welcome A. I. B.," he said, "and I thought it fine of the city to honor my return in this way. But I found later, much to my chagrin, that my initials and the American Institute of Banking are the same, and no one even knew I was gone." A response to these greetings was made by Vice-President Bruce Baird.

President Krick, in his annual address, gave a review of the year's work. "The purpose of the American Institute of Banking," he said, "is to increase the efficiency of the bank employee, and in a quarter of a century it has become one of the great educational organizations of America. Its enrollment is greater than the combined student bodies of Harvard, Yale, Cornell, Princeton, Chicago, West Point and Annapolis, yet so quietly does the institute



● C. BENNETT MOORE

BRUCE BAIRD

New president of the American Institute of Banking, and manager foreign trade department, New Orleans Bank and Trust Company

operate that few people have any idea of its magnitude. Last year we had 30,000 persons enrolled in courses, and next year will have more. The institute is the one banking group of the country where employees and officers of banks meet on common ground—seeking knowledge of their profession.

"It is just as important for the country banker to know his business as it is for the city banker. Heretofore our efforts have been concentrated in cities where large classes could be assembled, but last year we began to organize small country study groups and we shall continue that policy.

"One of the most important phases of our work is the campaign of public education we are conducting. Last year the institute sponsored 2000 lectures in schools, before civic organizations and social groups, in which speakers sought to explain to the layman the purpose of a bank and the methods employed in operating a banking institution. The public is woefully lacking in a general understanding of the banking business. Most people regard a bank as a depository where they place their money

and then worry about getting it back. Banks serve two distinct purposes; namely, to assist in the accumulation of funds for individuals, and to make possible the development of home districts, thus forming the business structure of a community."

Mr. Krick said one of the most conspicuous facts he has noted in his travels over the country is the fact that women are becoming more numerous every day in the banking profession. "Last year there were 29,000 women employed in banks," he declared, "and I know several banks where a woman sits in the president's chair. Girls should prepare for the banking profession because it is a profession which does not need to doff its hat to any other for the man or woman who really is industrious and ambitious."

At this session annual reports were presented by Stephen I. Miller, national educational director, and by Richard W. Hill, national secretary.

An address entitled "Other Names for Money" by Reverend B. J. Evans of the First Baptist Church proved very interesting and inspiring.

Other business conducted at the meeting included the reports of national committees and appointment of new committeemen, and the campaign speeches for the election of officers and members of the executive council.

The Departmental Conferences

The real work at a convention is accomplished in the departmental conferences and many declared that the series this year was without equal. The general chairman of the conference committee was Charles A. Schacht of the Federal Reserve Bank of St. Louis, and the program was divided into Audits and Examinations, Bank Administration, Bonds and Investments, Business Development and Advertising, Checks and Collections, Credits, Foreign Trade and Foreign Exchange, Savings Banking and Trust Functions. Most of these subjects were treated at meetings occupying a forenoon or afternoon of three days.

The Audits and Examinations conference was led by S. A. Wardell, general auditor Federal Reserve Bank of Kansas City.

William A. Budge, assistant cashier Security State Bank of Ogden, Utah, spoke on "Departmentalization of Commercial Banks." He pointed out that almost every

bank, at its beginning, was a one-man affair, with the officer in charge in touch with every transaction. As the bank grew, he still attempted to keep up the pace he had started, and although departments were designated, altogether too often the officer held strings on the work going through them instead of relying upon the men who should be held responsible, with the result that there was less feeling of interest and responsibility, so far as the department heads were concerned. Mr. Budge said the A. I. B. in Utah had done a great deal to give bank employees a keener insight into bank work and a more active interest in solving the problems that confront them, as well as to teach them the need for specialization and systematic effort. In the co-ordination of departments, the auditor's work is especially important, for he is directly responsible to the board of directors and must check up on the work of each department to see that it is properly done.

Paul H. Lipp, assistant chief clerk Pacific-Southwest Trust and Savings Bank of Los Angeles, delivered a paper on "Practical Effective Audits." He emphasized strongly the need of control systems which tend to make all transactions "water tight," so to speak, to the end that frequent exhaustive and expensive audits become unnecessary. The work of a number of departments was reviewed, including certificates of deposit and cashiers' checks, non-cash collections, city collections, country collections, file collections, and transactions of the bond department.

Lack of space prevents the reprinting of these talks in more detail or giving excerpts from a greater number of them. They will all be collected by the institute, to be published later in the complete proceedings of the convention. Other addresses at the Audits and Examinations conference were as follows: "What Should an Auditor's Report Cover?" by Evan M. Johnson, auditor First National Bank of Minneapolis; "Value of Departmental Proof Sheets" by George W. Porter, branch auditor Federal Reserve Bank of Dallas, Houston branch; "Fundamental Principles of Bank Auditing" by R. H. Brunkhorst, auditor Harris Trust and Savings Bank of Chicago; "Auditor's Interest in Contingent Liabilities and Charged-Off Assets" by C. J. Jackson, State Bank of Chicago; "Application of Federal Income Tax Regulations to Reserves for Contingencies" by



PAUL B. DETWILER
Vice-president of the A. I. B. and assistant
cashier Philadelphia National Bank

Theodore S. Cady, Fidelity National Bank and Trust Company of Kansas City; "An Innovation in Concealment" by J. C. Miner, treasurer Home Trust Company of New Castle, Pa.; "Routine Audits and Controls versus Periodical Proofs and Verification" by Donald R. Drew, assistant auditor Dexter Horton National Bank of Seattle; and "Advisability of Physical Control of Cash and Bearer Securities by Auditor" by Thomas J. Cox, Louisville branch, Federal Reserve Bank of St. Louis.

Bank Administration

By far one of the most interesting conferences was that on Bank Administration, led by Henry S. Cohen, vice-president Citizens and Southern Bank of Atlanta.

Joseph J. Schroeder, executive secretary, Chicago Chapter, A. I. B. spoke on "How Large a Force is Required?" He stated that in banking, as in many other affairs, we are too prone to be looking over the fence and finding out what the other fellow is doing, instead of thinking the problem through and arriving at a solution based upon our own circumstances—circumstances which, after all, can never be exactly the same for two institutions. Nevertheless, there is a certain value to be gained from



EDWIN V. KRICK

Retiring vice-president of the A. I. B. and
assistant vice-president of the Mercantile
Trust Company of California, San
Francisco

an examination of the experience of others, and, with this in view, Mr. Schroeder presented figures taken from a recent census covering the Chicago banks, which showed the number of employees per million dollars of deposits, number of officials, the ratio of men to women employees, the group of "service departments" as compared to "operating departments," and special factors to be considered in the case of very large and very small institutions.

Other addresses at the Bank Administration conference were as follows: "The Executive and Bank Advertising" by C. H. Handerson, publicity manager Union Trust Company of Cleveland; "Economy and Efficiency" by Henry J. Mergler, assistant treasurer Union Trust Company of Cincinnati; "Women's Departments" by Miss Ida M. Henry, manager women's department Citizens Trust Company of Utica, N. Y.; "Developing and Expressing Bank Personality" by Miss Julie Russel, service representative Union Trust Company of Detroit; "Free Service Given by Banks" by R. M. Philleo, vice-president Phoenix National Bank of Phoenix, Ariz.; "Methods of Purchasing Agents" by Fred J. Nelson, manager sav-

ings department Washington Park National Bank of Chicago; "Points of Contact" by James K. Steuart, assistant treasurer Savings Bank of Baltimore; and "Uniform Banking Practices" by W. H. Dressler, cashier Stock Yards National Bank of South Omaha, Omaha.

Bonds and Investments

The A. I. B. numbers among its members a great many who are engaged in the strictly investment banking field, as well as others who are interested in the subject of investments because of their connection with savings banks and trust companies. The Bonds and Investments conference was led by Claude R. Davenport, of Frederick E. Nolting & Company, Richmond.

Stephen I. Miller, educational director of the institute, opened the session with an address on "Fundamentals of Investment," which proved to his audience that he is not only an educator but an able economist and student of business conditions as well. Dean Miller was formerly head of the College of Business Administration, University of Washington, before coming to the institute two years ago.

"Railroad Securities as Bank Investments" was the subject of a talk by D. Richard Young, of the National City Bank of New York. He spoke of the timeliness of such a discussion, due to the easy banking situation and the present favorable public attitude toward the railroads, and sketched a picture of the American railroad industry as it exists today. During the last twenty-five years our population has increased by one-half, railroad mileage has increased one-third, while the volume of freight handled is three times as large, this unusual accomplishment being due to the roads having been practically rebuilt during the period and to greater efficiency in operation, but this has meant huge demands each year for new capital. Other phases of railroading discussed included the effect on trade and industry of the enormous distribution of revenues, the subject of public regulation, methods of valuation, legality of bonds for savings banks and trust funds, equipment trust certificates, and the principal factors to be considered in selecting railroad securities. Mr. Young urged on the part of bankers a greater study and understanding of the railroad industry, pointing out that among our major industries it ranks fore-

most, and is fully as basic as agriculture and the production of raw materials.

Robert S. Mikesell, vice-president Stranaha, Harris & Oatis, Inc. of Toledo, spoke on "Municipal Bonds." After a description of the four principal classes of municipal bonds—namely; (1) direct general obligation bonds; (2) general obligation bonds; (3) special assessment bonds; and (4) revenue municipals—Mr. Mikesell stressed the importance of considering carefully the standing and reputation of the investment house of issue, the securing of an unqualified legal opinion from a recognized municipal bond attorney and attaching such opinion to the bond, and the ratio of bonded debt to actual valuation, as contrasted with assessed valuation which is given so frequently. Well-chosen, general obligation municipal bonds, accompanied by a recognized legal opinion are a liquid and marketable security, he said, and during a real crisis will command a ready market when listed and unlisted railroad and industrial bonds are salable only at great sacrifice.

Other addresses at the Bonds and Investments conference included: "Public Utility Bonds" by J. G. Klinginsmith, manager Harris, Forbes & Co., Pittsburgh; "Industrial Bonds" by Maurice K. Baker, vice-president Stern Brothers & Company, Kansas City; "The Trend of Bond Prices" by L. A. Morgan, bond department Detroit Trust Company of Detroit; "Organizing the Bond Department to Increase Sales" by James P. Ohlsen, assistant treasurer Mortgage & Securities Company of New Orleans; "Foreign Government Bonds" by Clarence E. Cross, First Trust and Savings Bank of Chicago; "First Mortgage Real Estate Bonds" by Merrill C. Adams, vice-president and secretary Union Trust Company of Detroit; "Selling Bonds to the Bank's Customers" by Miss Emma M. Hall, assistant cashier Commerce Trust Company of Kansas City; "Bonds as the Bank's Secondary Reserve" by Sam N. Foster, United States National Bank of Denver.

Business Development and Advertising

In banking, as in most other lines of business, the leading positions and corresponding salaries go to the men in the "sales department," who by proper publicity and solicitation can gain new accounts for their concerns. The conference on Business Development and Advertising was in charge of O. F.

Meredith, assistant cashier Bank of America, New York.

"How to Get the Most out of Newspaper Publicity" was explained by Mark Bartlett, assistant publicity manager Hibernia Bank and Trust Company of New Orleans. He said that the advertising campaign should be carefully planned by considering carefully exactly the object desired, and studying the standing and effectiveness of the newspapers and other publications available. It is essential to realize the seasonal character of the various bank services offered, and to plan the new business campaign accordingly. The preparation of proper copy is of prime importance, and the advertisements should contain as much local material as possible and be frequently changed in order to hold the public's interest. After the campaign, the advertising should *not* be entirely discontinued, he said, otherwise it will be missed, and then forgotten.

F. M. Staker, manager publicity department Commerce Trust Company of Kansas City, gave an address on "Selling the Complete Service of the Bank to the Present Customer." Economically speaking, the bank has three prime functions; namely, (1) to provide a safe and convenient depository for the circulating wealth of the community; (2) to make that wealth available to the business of the community; and (3) to teach money-making and thrift. The present depositor may be a good prospect for investment offerings in bonds and mortgages, rent a safe deposit box for their safe keeping, establish a trust fund and have the bank attend to clipping coupons, etc., and open savings accounts for himself, his wife and children; while the women's department may offer valuable service. The use of a central filing system was mentioned as furnishing good leads for the solicitation of business in all departments.

There were other addresses at the Business Development and Advertising conference as follows: "Methods of Securing New Leads for Commercial Business" by Allan B. Cook, assistant vice-president Guardian Trust Company of Cleveland; "Developments in Bank Advertising" by Dale Graham, advertising manager Mississippi Valley Trust Company of St. Louis; "Competition for New Business" by William Feick, assistant vice-president Irving Bank-Columbia Trust Company of New York; "Securing New Business Through Present



Women delegates to the A. I. B. convention grouped together in front of the Hotel Muehlebach

Customers" by William T. Killoren, advertising manager American Trust Company of Boston; "Present Costs of Advertising" by William F. Ritter, assistant treasurer Central Trust and Savings Company of Philadelphia; and "Possibilities of Bank Advertising" by W. H. Maxwell, Jr., advertising specialist, New York.

Checks and Collections

The routine work of a bank, such as bookkeeping, the handling of checks, collection of country items, and the analysis of deposit accounts may not seem as interesting as certain other phases of the subject, but nevertheless it is one of the most important phases. The conference on Checks and Collections was led by Melvin H. Thies of the Union Trust Company, Chicago.

"Checking Account Analysis and the Service Charge" was presented by Dale Graham, advertising manager Mississippi Valley Trust Company of St. Louis. The subject, he said, is one occupying the mind of the American banker today especially, due to the present low interest rates and the greatly slackened demand for loans. Earnings of many institutions have become decidedly slender, and banks have even been forced to cut into their surplus and undivided profits to keep up their usual dividend payments. When the banker examines his expenses to discover possible economies, he finds two principal classes of unprofitable business—the large active commercial account and the small active checking account. The average man is fair-minded and does not want anybody to rob him, yet does not want to be the cause of anybody losing money, so that Mr. Graham feels it is wise to approach him on keeping balances sufficient to cover the cost of collections deposited and of checks drawn, or otherwise pay a monthly service charge. The different methods of analyzing accounts were discussed briefly.

The Checks and Collections conference included also the following addresses: "The Development and Usage of Checks as a Medium of Exchange" by John P. H. Brewster, assistant cashier Federal Reserve Bank of Cincinnati; "Methods of Check Posting—Individual Ledger Systems" by William B. Applegate, Illinois Merchants Trust Company of Chicago; "Dunning Drafts" by C. M. Vining, vice-president Commerce Trust Company of Kansas City;

"Collection Items at Place of Payment; System of Records; Method of Presentation" by J. C. Salvant, manager discount department Canal-Commercial Trust and Savings Bank of New Orleans; "Collection of Bill of Lading Drafts" by J. J. Creed, manager collection department Out-of-Town Office, Irving-Bank-Columbia Trust Company of New York; "Standard Form of Collection Agreement" by Paul B. Detwiler, assistant cashier Philadelphia National Bank of Philadelphia; "The Collection of Country Bank Deposits" by A. R. Boethelt, manager transit department Union Trust Company of Cleveland; and "The Operation of the Transit Department of a Commercial Bank" by Harry B. Schreiner, manager transit department First National Bank of Chicago.

Credits

The heart of every bank is its credit department, and the interest which has always been displayed in the Credits conference was not lacking at the Kansas City convention. The able chairman was Clarence R. Chaney, assistant cashier Northwestern National Bank of Minneapolis, who was president of the institute last year.

"Credit Investigations in the Offices of Customers" was discussed by William M. Brandon, Iowa National Bank of Des Moines, who was formerly with the National Bank of Commerce in New York. The starting point for such a visit should be a proper introduction to the customer by some officer well known to him, while the purpose of the visit should be clearly kept in mind although it need not be mentioned to the customer. The credit man may discuss general business conditions with the depositor, offer a line of credit, and secure additional information regarding the company's financial affairs. Certain items appearing in the financial statements may often be explained further, and special attention should be given to the merchandise inventory, the accounts and notes receivable, the plant and equipment, investment in and advances to affiliated concerns and other miscellaneous assets, while on the liability side, it is of interest to secure details regarding notes payable, accounts payable, reserves, deferred debt and contingent liabilities. The operating figures are also essential, he said, including sales, profits and dividends paid.

James W. McElroy, assistant cashier Merchants National Bank of Baltimore,

spoke on "The Value and Use of Agency Services," pointing out the tremendous size attained by the leading commercial agencies and their widespread use by banks. He said it was especially valuable to get agency reports as a background for the credit folder when an investigation is started on a new name and emphasized the close relation between the credit department and new business department in such cases. The reports also render valuable information regarding trade checkings, fire losses, mortgages, etc., while the rating books are of constant usefulness in checking notes which are presented for rediscount or as collateral for country bank borrowings, although in such cases it is often desirable to get the complete report and make an investigation also instead of relying solely on the rating given in the books.

Other addresses at the Credits conference were as follows: "The Scope and Use of Information Secured at the Time of Opening the Account" by R. Jesse Chaney, Commercial National Bank of Washington, D. C.; "The Analysis of Statements" by Harold W. Scott, Bank of North America and Trust Company, Philadelphia; "Inter-bank Checkings" by R. T. Marsh, Jr., Merchants National Bank of Richmond; "Trade Checkings; (a) Direct, (b) Possibility and Value of Other Methods" by William G. F. Price, assistant cashier National City Bank of New York; "The Flow of Credit Information from Credit Department to Loaning Officers and from Loaning Officers to Credit Department" by A. H. Bittenbring, Hibernia Bank and Trust Company of New Orleans; "The Importance of the Individual in Judging a Credit Risk" by Caspar W. Clark, cashier National Bank of Commerce, Seattle; "Procedure in Dealing with Embarrassed Concerns" by Samuel McFarland, assistant cashier Fifth-Third National Bank of Cincinnati; and "The Selection and Training of Men for Credit Work" by A. B. Eisenhower, vice-president Commerce Trust Company of Kansas City.

Foreign Trade and Foreign Exchange

During recent years many bankers and other business men have expressed grave doubts as to whether the people of the United States, especially in the smaller cities in the interior and in rural communities, were interested in foreign trade, and have even questioned whether it is advisable for



The Texas A. I. B. contingent dressed as cowboys and cowgirls

Americans to take any active participation in foreign affairs. The Foreign Trade and Foreign Exchange conference was in charge of Irving W. Lonergan, manager foreign department First National Bank in St. Louis.

This question of "Is the Middle West Interested in Foreign Trade?" was considered by Mr. Lonergan. His answer was decidedly "Yes," and he cited figures showing that about 70 per cent. of the total exports of the United States for the year 1924 originated in the Middle West, with an aggregate value of \$3,218,700,000. This territory, which has about 5 per cent. of the world's population, produces 20 per cent. of the world's wheat and 60 per cent. of the corn. In the case of manufactured products also, the Middle West contributed 44 per cent. of the country's total exports, with a value last year of \$1,220,020,000. Mr. Lonergan feels that the strong reaction against participation in international affairs since the war is not justified, and that if one views the matter not from the standpoint of moral obligation but simply of business profit, it is difficult to defend this attitude of economic isolation which has been doing so much as injure our standing in foreign markets. He detects, however, a growing change in public sentiment and an increased interest in foreign trade and affairs which is very encouraging.

"The Creating and Marketing of Bankers Acceptances" was the title of a paper presented by Robert M. O'Hara, manager bill department Federal Reserve Bank of New York. Mr. O'Hara gave a very complete and interesting sketch of the history of the acceptance and the banking legislation that permits the use of acceptances in America, and then described the various types of bills that are handled in finance today.

Different methods of selling these acceptances to investors were then discussed. The Federal Reserve Banks are among the largest holders of such obligations. The excellence of this class of paper for short time investment by banks as a secondary reserve is assisted by the discount market developed by banks and discount houses in the larger cities, where the bills may be sold at a moment's notice whenever the holder desires to dispose of them and realize cash for more active business demands.

The Foreign Trade and Foreign Exchange conference included also the following addresses: "Financing Foreign Trade Through the Port of Baltimore" by Harvey E. Emmart, manager commercial credit department Baltimore Trust Company of Baltimore; "Foreign Exchange for Our Resident Foreigner" by O. D. Metzler, assistant manager foreign department Dollar Savings and Trust Company of Youngstown; "What Europe Paid for Peace" by David B. Bunim, secretary commerce and marine commission, American Bankers Association; "Foreign Exchange Problems in Peru" by J. B. McCarter, accountant Lima branch of the National City Bank of New York; "What the Department of Commerce is Doing to Make Exporting Safer for American Exporters" by A. S. Hillyer, chief commercial intelligence division Department of Commerce, Washington, D. C.; and "The Use of Through Bills of Lading" by R. J. Desmond, foreign banking department First National Bank of Chicago.

Savings Banking

The savings banks have always held an important place in our economic and social life, in gathering together the small savings of the individual, and making them avail-

able through the purchase of bonds and stocks for the financing of our great railroads, public utilities and industrial concerns. Stephen G. Eldred, secretary of the Savings Bank of Utica, N. Y., led the Savings Bank conference, the purpose of which was designated for people engaged in stock and mutual savings banking as well as those in the savings departments of commercial institutions.

"How Can the Principles and Services of Savings Banking be Best Sold to the Community?" was the title of an address by L. A. Clausen, publicity manager Hennepin County Savings Bank of Minneapolis. He feels there is great need for aggressive advertising on the part of savings banks because of the competition for the savings of the people by building and loan associations, public utility and other companies selling stock and bonds, and free expenditures for automobiles, gasoline and other luxuries. While the United States boasts of the millions of savings accounts there are in this country, yet the number of deposit and charge accounts the stores of the country have make savings banks seem small in comparison. Any advertising campaign should be carefully planned from the standpoint of the particular community and particular bank, publicity matter should be alive and up-to-date, the bank's financial statement should not be merely published but explained so that the man in the street can understand the significance of each item. A strong tribute was paid to the valuable work that has been done by the American Institute of Banking along the lines of educating the public as to services given by banks. Mr. Clausen made the suggestion that groups of banks in a community combine for a series of advertisements on banking and thrift to run in the local newspapers.

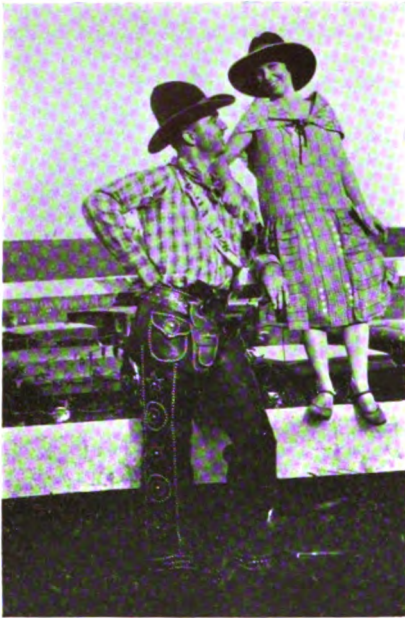
H. M. Beardsley of Kansas City is not a banker but an attorney-at-law, and gave an address entitled "What do People on the Outside Think of Savings Banking?" He believes that when our people generally see the advertisements of plans for savings and of the rewards to come therefrom, there is always a mental approval of what is being done. There has been a large spirit of thrift in the United States in recent months. The attitude of our Government at Washington with its advocacy of thrift in government administration has worked its way down through the masses of the people and

the rapidly increasing volume of deposits in all the banks of the United States is in considerable part the result of this spirit. He commended the appeal made to the young—to the heads of families—to those in all walks of life who wish to get on in the world—to that large number who have not yet determined, but who should determine to get on. The savings banks are helping individual men and women to find for themselves more contentment and happiness and more prosperous living; to make better citizens, to do away with the spirit of unrest and antagonism to existing institutions, to create more love of country and more interest in its welfare and in the perpetuity of its institutions.

Other addresses at the Savings Banking conference included: "The Story of Savings Banking" by Robert F. Nutting, assistant treasurer Home Savings Bank of Boston; "Aims and Ideals of Savings Banking Today" by Joseph A. Seaborg, treasurer United States Savings Bank of New York; "After an Account is Opened—What?" by James K. Steuart, assistant treasurer Savings Bank of Baltimore; "Personal Service Department—Why?" by Miss Adeline Evans Leiser, director personal service department Bowery Savings Bank of New York; "Is there any Proper Relation Between Savings Banking and Life Insurance, and If So, What?" by A. C. Robinson, president Peoples Savings and Trust Company of Pittsburgh; "General Principles for Investing Savings Bank Funds" by H. C. Bryant, assistant secretary Washington Mutual Savings Bank, Seattle; "Real Estate Mortgages" by Edmund E. Morris, treasurer Fidelity Savings Trust Company of Kansas City; and "What Service Should a Savings Bank or a Savings Department Give Its Depositors in Connection with their Personal Investments?" by Ernest L. Johnson, assistant to manager savings department Harris Trust and Savings Bank of Chicago.

Trust Functions

In the development of our banking system the trust companies have occupied an important place, and their growth during recent years has been particularly rapid, due to the somewhat broader legal powers they enjoy and to the greater use of trust companies by corporations and individuals alike. The Trust Functions conference was led by R. R. Bixby, assistant trust officer Mer-



The long and short of it from Dallas, Texas

cantile Trust Company of San Francisco.

Frederick W. Gehle, vice-president, Mechanics and Metals National Bank of New York, who is an old friend of the A. I. B., gave a very interesting and helpful address on "Methods of Securing New Trust Business."

"Educational Program for Members of Trust Departments" was discussed by William H. A. Johnson, assistant secretary Continental Trust and Savings Bank of Chicago. He stated that trust banking is a specialized occupation that should rank as a profession along with the legal or medical profession, and that in the past too often the trust officer was selected without sufficient regard for the requisite qualifications. The average trust officer is confronted by two problems—the securing of new business, and the personnel to effectively administer it. It was suggested that the colleges of commerce in our universities should establish courses leading to the degree of Bachelor of Trust Administration (B. T. A.) and mentioned that a start has been made by a few schools and by the chapters of the American Institute of Banking. An outline was presented of the chief subjects to be studied in a trust course.

The Northwestern Mutual Life Insurance

Company's general agent in Kansas City, Lawrence F. Larson, delivered an address on "Co-operation of Life Insurance Companies with Trust Companies." He stated that our trust companies at the present time are advertising insurance in a wonderful way by advising their clients of the necessity of carrying an adequate amount of life insurance, and that the insurance companies are anxious to do anything in their power to reciprocate the friendly expressions. After sketching the place and importance of insurance in our economic life, Mr. Larson discussed the numerous cases where trust companies co-operate with the insurance companies in establishing trust funds for their depositors and in administering such funds for the beneficiary. He urged closer personal contact between the men of these two fields and assured the audience of the mutual advantage that would come from a closer relationship.

Other talks at the Trust Functions conference included: "Life Insurance Trusts" by Judge Thomas C. Hennings, vice-president Mercantile Trust Company of St. Louis; "Agency, Custodian, and Safekeeping Accounts" by J. E. McGuigan, trust officer Humboldt Bank of San Francisco; "Escrows" by John C. Campbell, superintendent of escrows Pacific-Southwest Trust and Savings Bank of Los Angeles; and "Fundamentals of Internal Operation" by Allan B. Hussander, assistant secretary Illinois Merchants Trust Company of Chicago;

Question of Tax Free Securities is Debated

Easily one of the most interesting events of the convention was the national debate, on the question; "*Resolved, That the right to issue tax free securities should be abolished.*" This subject is receiving much attention at the present time due to the continued large issues of bonds by municipalities for roads and other public improvements and the resultant increase in local taxation. According to the constitution of the United States, such issues are exempt, so that to make them subject to taxes would necessitate an amendment to the Federal constitution. The affirmative was argued by Yakima County Chapter, whose team consisted of J. W. Brislaw, A. O. Holm, A. M. Johnson and Emery F. Sperry, alternate, while the negative was upheld

by the Des Moines Chapter team composed of William M. Brandon, G. A. Tunbleton, C. L. Varnum and George Nissley, alternate. The decision of the judges was unanimous for the affirmative side, arguing for the abolition of exemption. After the debate, one of the judges made the comment that the Yakima team were the best talkers he had ever heard, and that they were wasting time in the banking business—they should be lawyers.

A Public Speaking and Debate conference occupying one morning was largely attended, and was led by Caspar W. Clarke of the National Bank of Commerce, Seattle, who is chairman of the public speaking and debate committee. Other general conferences were those of the Chapter Presidents, led by L. A. Dyregrov of the First National Bank, Minneapolis; Publicity, led by Whitney Ogden of the Fidelity National Bank and Trust Company, Kansas City; and Public Education, led by P. R. Williams of the Commercial National Bank, Los Angeles.

Women are Bankers, Too

The part women are taking in banking and their interest in this work, was evident from the registration and attendance at conferences. Although only about 14 per cent. of the association's 52,000 members are women, the number of women among the 1500 delegates ran up to probably 35 per cent.

The convention program included several events particularly for women, beginning with a reception and card party the first night, and the Women's Pioneer Dinner the second evening. On July 16, a conference of women delegates was held, starting with a breakfast and lasting the entire forenoon. Mrs. Helena D. Reed of the Lincoln National Bank, Washington, D. C., who is chairman of the national women's committee, presided. Two addresses worthy of note were given, by Miss Nora Kirch, manager women's department Louisville Trust Company on "Our Tomorrow," and by Mrs. Emily Newell Blair, first vice-chairman, National Democratic Committee on "State Responsibility or State's Rights—A Constructive Policy." President Krick and Vice-president Baird spoke briefly, and greetings were presented by Miss Annette Moore and Mrs. Mary M. Miller, representing the Kansas City Chapter and convention committee.

Dallas in 1926

The final general session, on July 17, was featured by a noteworthy address by Dr. H. A. Morgan, president University of Tennessee, on "A Better Knowledge of Our Economic Background for Our Future American Program."

This session also included the balloting for new officers and members of the executive council, all of whom had been carrying on active political campaigns during the week and had appeared the previous evening before the "caucuses" of the several chapters.

Bruce Baird, vice-president, was elected, without opposition, to the office of president for the coming year. Mr. Baird's constructive work last year in the national organization as well as his long record of successful achievement in the affairs of New Orleans Chapter are too well known to require comment.

Paul B. Detwiler, Philadelphia's candidate, was elected vice-president, defeating Henry J. Mergler of Cincinnati in a spirited race. Mr. Detwiler is assistant cashier of the Philadelphia National Bank and, in his fifteen years' institute work, has held every chair in the local chapter as well as many national offices. Last year he served on the finance, public affairs and public education committees of the A. I. B. and also acted as chairman of the committee on public education of the Pennsylvania Bankers Association.

Four new members of the executive council were elected—J. Martyn Turner, assistant cashier Bank of Italy, San Francisco; Harry F. Manor, assistant secretary Ohio Savings Bank and Trust Company of Toledo; Paul P. Brown, secretary North Carolina Bankers Association; and Callan E. England, assistant cashier England National Bank, Little Rock. Tulsa's candidate, George A. Gunn, assistant cashier of the Exchange National Bank, was defeated after making a strenuous campaign.

Dallas will be the seat of next year's convention, according to a unanimous vote of the delegates. The "Lone Star State," whose territory covers one-tenth that of the entire United States, and which is famous for its record cotton and cattle production, is also well known for its beautiful women. Several of them, in fact, were to be seen at this convention; which pos-

sibly explains why the voting was so enthusiastic for Dallas next year. The last A. I. B. convention in Texas was in 1914.

The Texas contingent furnished a surprise to the convention when one day they dressed as cowboys and cowgirls, with guns, 'n'everything. This occurred at the outing to Longview Farm, located some twenty-five miles outside of the city, where the

hundreds of visitors were taken in private automobiles driven by Kansas City bankers. R. A. Long, president of the Long-Bell Lumber Company and the owner of the farm was a gracious host. In a brief speech of welcome, Mr. Long complimented the crowd for acting as "human beings," instead of as the hard-headed and hard-hearted bankers he so often found them when at their desks.



How Bank Employees Can Gain Business and Good Will

By Alfred C. Bossom

THE employees of a bank are drawn from all stations of life and different circles of acquaintances. Therefore, each, if properly charged with ammunition can be made a very valuable asset in the bank's development. In these days of active banking competition a bank must have some definite policy; some fixed impression that it wants to create in the minds of its customers and prospective customers, which will make it more desirable for certain customers to do business with it than with any of its competitors.

For that reason, every bank should definitely codify its intentions, its desire, the type of business it wants to get, and the type of clients it wishes to do business with, and work out the reason why it is an advantage to these people to do business with the particular bank in question. This program should be printed, and should be the bank's working constitution. All of the bank's employees should receive copies of this printed statement. The officers should lecture the employees on this plan and the various executives should explain, each in his own language, and as often as practicable, to the employees what the bank stands for, why, and the advantage that any customer has by doing business with this particular bank.

With this procedure every one of the employees of the bank would be telling a parallel story among his individual friends and acquaintances. This has a vastly greater

accumulative value than if each, in his own individual way, tells his own indefinite story. Too many versions would actually compete with each other, thereby destroying the value of the other employees' efforts.

Methods Whereby Employees Can Aid

Then, as to the methods whereby the employees in the bank itself can aid the development of the bank's prosperity. The man in the cage, of course, should be courteous, painstaking, considerate in every sense clean, tidy and helpful in all ways possible. Any information gathered from the handling of the accounts, or the people in question, should be immediately turned over to one of the officers so that he can write a letter of congratulation or sympathy on any occasion that justifies this—strictly a personal note.

The average bank has between 10 and 15 per cent. of remunerative accounts; 15 or 20 per cent. which are more or less neutral; and the remainder show a loss, or have latent possibilities for future profit. The object of any bank should be to encourage the first proportion, that is the 10 to 15 per cent. that are paying and which actually carry the bank. It should be the policy of a banker to analyze his community, and see all his prospects in this way and let his various employees know who these people are, either dividing them up himself among his officers or his assistants. When they get the op-

portunity, they should follow up these best prospects.

The bookkeeping department and the credit department are at all times having a bird's-eye view of every account. These people should be requested daily to provide the officers with lists of depositors who are making unusual progress, or having unusual set backs. Even if the condition is more or less regular in either direction, this should be particularly called to the officers' attention so that they may personally follow this matter up, either with a personal telephone call, visit, or friendly letter; all, of course, being conducted along the lines of the definite policy of the bank's constitution.

Keeping Record of Employees' Efforts

A very accurate record should be kept of the employees' efforts in this direction. It is a great help to have some emblem given in the way of a ring or a scarf pin that could be worn only by those who have

reached a certain amount of results and accomplishment in such activities. The results should be tabulated and put before the president and the salaries committee every three months, so that they can write the various employees thanking them for what they have done. At the close of each year, initiative could be recognized in some practical manner—by promotion, increases in salaries, some money prizes or in any form that may be found desirable. When it is realized the great number of employees a bank has, and also that every evening when they go home they should have a definite story to tell—if they will tell the story they cannot but help bring benefits to the institution. But, before they can do so effectively it is up to the bank to establish a policy, notifying all employees definitely what this policy is, and why. By that means the bank will encourage an esprit de corps which cannot be created by any other means.



Building and Loan Association Assets Increase Twenty Per Cent. in Year

AT the recent convention of the United States League of Local Building and Loan Associations, H. F. Cellarius, secretary, announced that there are now 11,844 building and loan associations in the United States, with a total membership of 8,554,852, and assets aggregating \$4,765,937,197. This is a gain of 18.76 per cent. in membership over last year, and an increase in assets of 20.87 per cent over last year. It took the building and loan associations the first seventy-five years of their existence to accumulate assets equal to the growth last year. Total resources are now over five times what they were fifteen years ago.

The increases by states are as follows:

New Jersey, \$197,084,169; Ohio, \$117,145,131; Pennsylvania, \$115,000,000; Massachusetts, \$47,207,279; Illinois, \$41,233,691; New York \$34,557,000; Wisconsin, \$25,190,245; Indiana, \$24,042,967; California, \$23,416,684; Texas, \$21,943,756; Louisiana, \$19,034,544; Missouri, \$18,181,767; Nebraska, \$14,223,064; Washington, \$12,301,435; Kansas, \$12,239,953; North Carolina, \$12,049,626; Oklahoma, \$11,977,388, and Michigan, \$11,536,832. It is interesting to note that New York State, which so often tops the list of gains in other banking fields, is by no means the leader in the gains in assets among the building and loan associations.

1st

**St. Louis'
Largest Bank**

Serving more than 2000 banks
throughout the United States.

**NATIONAL
BANK**

Make us
YOUR
Correspondent

1

Write us



Broadway-Locust-Olive

Banking and Financial Notes

SPECIAL

**BANKERS
MAGAZINE**

SECTION

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

CONVENTION DATES

American Bankers Association—at Atlantic City, September 28-October 1.

Association of Bank Women—at Atlantic City, September 28-October 1.

HALL ON LONG VACATION

Harry T. Hall, vice-president of the Bank of the Manhattan Company, New York, has been given a vacation extending from July 9 to the end of September and is spending it motoring through Europe.

NATIONAL CITY PROMOTES MARTYN

Geoffrey A. Martyn, who has been with the National City Bank, New York, since 1917, has been appointed an assistant vice-president and will be assigned to the Cuban district at the head office in New York.

NEW VICE-PRESIDENT FOR MANUFACTURERS TRUST

Louis P. Christenson has been elected a vice-president of the Manufacturers Trust Company, New York. Mr. Christenson was formerly with the National Bank of Commerce in New York as manager of the credit department, and later, as second vice-president.

WITHDRAWS FROM CLEARING HOUSE

The National Butchers and Drovers Bank, New York, has withdrawn from membership in the New York Clearing House. The bank feels that its best interests will be

served by making use of the more convenient Federal Reserve Bank.

THAYER'S LONG SERVICE RECOGNIZED

J. Van Buren Thayer, vice-president of the Central Union Trust Company, New York, who has been with the Central Union for fifty-three years, was presented with



J. VAN BUREN THAYER

Vice-president Central Union Trust Company, New York, who recently completed his fifty-third year of service with that bank

a resolution from the directors, a short while ago, in recognition of his long service. He is still actively engaged in the work of the bank.

His son, T. C. Thayer, is a deputy comptroller of the Seamen's Bank for Savings.

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

VEIL ASSISTANT CASHIER, NEW YORK TRUST

Lucien Veil has been appointed an assistant cashier of the New York Trust Company, New York.

PROMOTION AT GUARANTY TRUST COMPANY

J. L. Cleveland, Jr., formerly assistant secretary of the Guaranty Trust Company, New York has been appointed an assistant vice-president.

CHANGES AT SEABOARD NATIONAL

C. C. Fisher, assistant cashier of the Seaboard National Bank, New York, since 1916, has been promoted to cashier. C. Howard Marfield, formerly vice-president and cashier, will continue as vice-president. Cornelius J. Murray, F. Rogers Parkin and Hermann G. Place, assistant cashiers have been appointed assistant vice-presidents.

ROSE APPOINTED ASSISTANT CASHIER

Andrew B. Rose has been appointed an assistant cashier of the Coal and Iron National Bank, New York.

TWO NEW BANKS IN NEW YORK

James J. Riordan, former president of the United States Trucking Corporation, New York, is organizing the New York County Trust Company, 82 Eighth avenue, which will begin with \$500,000 capital next November.

Application has been made to the Comptroller of the Currency to organize the Central National Bank of the City of New York, with a capital of \$2,000,000.

CABLE LEAVES GUARANTY COMPANY

Arthur G. Cable, who has been a vice-president of the Guaranty Company of New York, in charge of its Chicago office for the last five years, has resigned to accept a partnership in Shearson, Hammill & Company. Mr. Cable was formerly the Chicago manager of Montgomery & Company.

FEDERATION BANK INCREASES CAPITAL

The Federation Bank, New York, has voted to increase its stock from \$250,000 to \$750,000. The stock will be issued at the same price as the original stock, viz., \$200 per share, making the capital and surplus \$1,500,000. The new issue will be limited as heretofore, no union being allowed more than fifty shares, and no individual more than twenty-five shares. The bank wants a still wider diversification of ownership, with more unions and more of their members as stockholders.

BANKERS GOING TO EUROPE

Samuel McRoberts, chairman of the Chatham Phenix National Bank and Trust Company, New York; S. H. Miller, vice-president of the Chase National Bank, New York; and Case R. Howard, New York traveling representative of the Canadian Bank of Commerce, recently sailed for Europe.

BANKERS RETURNING FROM EUROPE

Louis G. Kaufman, president of the Chatham Phenix National Bank and Trust Company, New York; Harvey D. Gibson,



*Pride Mark
of a
Real Bank*

Big Enough—to handle any financial transaction, national or regional, in an efficient manner.

Small Enough—to consider every account as deserving our best efforts, knowing that our growth depends on our customers' success.

Old Enough—to apply to your bank-building problems 67 years of practical banking experience.

Young Enough—in spirit to bring the enthusiasm of aggressive officers and a progressive board of business men into action in behalf of our patrons.

Strong Enough—to offer the basis of absolute confidence in our resources of more than \$100,000,000.00.

The National Bank of Commerce
with which is affiliated the
Federal Commerce Trust Company  **in St-Louis**

president of the New York Trust Company, New York; and William F. Fitzsimmonds, president of the American Union Bank, New York, have recently returned from Europe.

NATIONAL BANK OF GREECE TO OPEN NEW YORK AGENCY

The National Bank of Greece is planning to open an agency in New York City, to deal directly in exchange and invest funds.

FIRST NATIONAL, PHILADELPHIA, ABSORBS CENTENNIAL

Arrangements have been completed to merge the Centennial National Bank, Philadelphia, Pa., into the First National Bank of that city. Stockholders of the Centennial National Bank will receive one and one half shares of First National Bank stock for each share of Centennial stock.

The Centennial National Bank was organized in 1876 the year of the centennial, and its first office was in the Centennial Exhibition grounds. Its first president was E. A. Robbins. Since it was announced that

the Pennsylvania Railroad would locate its new Philadelphia terminal just across the



THE WHISPERING GAME - SH-H-H!
(Start with No. 1)

From the *Corn Exchange*, monthly publication of the Corn Exchange National Bank, Philadelphia, Pa.



VAULT DOORS

WE are the sole manufacturers licensed to use DONSTEEL in Bank Vault Construction.

The ONLY metal that

1. Cannot be penetrated by
OXY-ACETYLENE TORCHES
2. Cannot be penetrated by **DRILLS**
3. Cannot be shattered by **EXPLOSIVES**
in a burglarious manner.

THE MOSLER SAFE CO.

**375 BROADWAY, NEW YORK, N.Y.
FACTORIES -- HAMILTON, OHIO.**

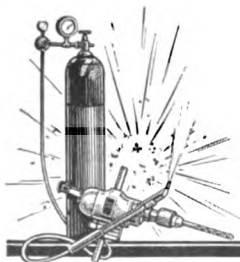
Branches in all principal cities

BOSTON
CINCINNATI
PORTLAND

BALTIMORE
ST. LOUIS
SEATTLE
DALLAS

CHICAGO
LOS ANGELES
ATLANTA
CHARLOTTE

KANSAS CITY
SAN FRANCISCO
NEW ORLEANS



street, control of the Centennial was considered by the Philadelphia National Bank and the Franklin National Bank, in addition to the First National.

Livingston E. Jones is president of the First National Bank and Edward M. Malpass is president of the Centennial National Bank. The same management will probably direct the activities of the Centennial when it becomes an additional office of the First National.

FRANKLIN TRUST, PHILADELPHIA, CELEBRATES ANNIVERSARY IN NEW HOME

On June 23, the Franklin Trust Company, Philadelphia, Pa., celebrated the first anniversary of the opening of their new building on Fifteenth and Chestnut streets. During the year \$500,000 has been added to surplus, deposits have increased \$7,139,328, resources have increased \$7,427,744, and the dividend rate has been increased from 10 per cent. to 12 per cent.

VEGHTE HEADS NEW BRUNSWICK TRUST

Charles B. Veghte has been elected president of the New Brunswick Trust Company, New Brunswick, N. J., to succeed the late Albert Jefferson Jones.

LABOR BANK OPENS IN NEWARK

The Labor Co-operative National Bank, Newark, N. J., opened on June 29, with \$250,000 capital and \$125,000 surplus.

UNUSUAL ELECTRIC SIGN FOR THE LIBERTY BANK OF BUFFALO

One of the largest bank signs in the world is to be erected on the roof of the Liberty Bank of Buffalo. It will be 90 feet long and 31 feet in height, and its letters will be 10 feet tall. It is of a double design and, therefore, the words "Liberty Bank" with which it is to be emblazoned, can be read in all directions for three miles by the unaided eye. Its light, however, in a mass would be observed as a beacon for a considerable distance.

The steel and iron work supporting it will weigh approximately thirty tons, says Alfred C. Bossom, of New York City, architect of the new building which this emblem is to surmount. Many miles of electric wir-

ELK STREET MARKET BRANCH OF PEOPLES BANK OF BUFFALO

¶ Within this Circle is the Wholesale Fruit, Produce, Butter and Egg, Poultry and Grocery District of Buffalo. Also here are located Brokers in the above lines, and the Cold Storage Houses.

¶ Our location insures speedy handling of collection items.

THE PEOPLES BANK OF BUFFALO

ing will supply the two rows of fifty watt daylight lamps used in each of the huge letters.

Owing to the large area of the roof of this twenty-two story banking institution, the sign will be placed in a most favorable position. Experts in outdoor advertising consider it unusually effective for night display against the dark background of the sky, and also regard it valuable for the day, as the bold lettering has a high visibility in sunlight.

The installation of this sign is indicative of the tendency of banks to use illuminated displays of all kinds.

SMELTZER HEADS KEYSTONE TRUST, HARRISBURG

Harry S. Smeltzer has been elected president of the Keystone Trust Company, Harrisburg, Pa., to succeed the late James F. McCullough. In 1916, when the Keystone Bank was organized Mr. Smeltzer became



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000

Surplus and Profits - 9,000,000

E. F. SHANBACKER
President

The
**FOURTH STREET
NATIONAL BANK**
Philadelphia

its cashier, becoming a vice-president and cashier when it was merged into the Keystone Trust Company in 1924.

Eli N. Hershey of the Hershey Creamery Co., was elected vice-president to succeed Mr. Smeltzer. Harry L. Brightbill, secretary of the Keystone Trust was elected secretary-treasurer, to take over a part of Mr. Smeltzer's former duties.

CALLERY HEADS DIAMOND NATIONAL, PITTSBURGH

James Dawson Callery has been elected president of the Diamond National Bank, Pittsburgh, Pa., to succeed the late William Price. Mr. Callery began his business career in his father's leather manufacturing plant. He later became interested in street railway interests in Pittsburgh, and is now chairman of the board of the Philadelphia Company, which owns the Pittsburgh Railways Co.

BETHLEHEM STEEL EARNINGS HOLDING UP WELL

Total income of the Bethlehem Steel Corporation for the second quarter of 1925 amounted to \$9,708,528 as against \$10,899,316 for the first quarter of 1925 and \$7,400,894, for the second quarter of 1924.

President E. G. Grace, in commenting on the report, said: "Earnings, after all charges and preferred dividends, amounted to \$1.31 per share on the common stock, or at the annual rate of \$5.24. Earnings for the previous quarter were \$1.66. Total earnings for the first six months were \$2.97 per share. Earnings for second quarter of 1924 were 11 cents per share and for the first six months of 1924 \$2.02 per share.

"Operations throughout the quarter averaged 67.1 per cent. of capacity as compared with 77.5 per cent. the previous quarter and 47.7 per cent. for the same period of 1924. Current operations are at the rate of 56 per cent. of capacity as compared with 31.1 per cent. for July a year ago.

"Value of orders on hand June 30, 1925, was \$50,342,813, compared with \$65,921,289 at the end of the previous quarter and \$40,196,938 the same time last year."

Seventy-Five Years Young

On August 15th the "Old Marine" celebrates its seventy-fifth birthday, and on that occasion wishes to thank each of you for its good fortune, and wishes to each of you many like happy birthdays.

MARINE TRUST COMPANY of Buffalo

*Resources over
One Hundred Sixty Millions of Dollars*

New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.

HARVARD TRUST COMPANY BUYS MANUFACTURERS' NATIONAL

The Harvard Trust Company, Cambridge, Mass., has purchased a majority of the stock of the Manufacturers' National Bank, Cambridge, Mass. The Harvard Trust Company now operates three offices and the combined resources of the commercial, savings and trust departments total approximately \$25,000,000.

FROST JOINS CAMBRIDGE TRUST COMPANY

Lloyd A. Frost, formerly vice-president and treasurer of the Guaranty Trust Company, Cambridge, Mass., has become affiliated with the Cambridge Trust Company, Cambridge, Mass., as manager of its North Cambridge office.

WHITTEMORE HEADS GARDNER SAVINGS BANK

Francis S. Whittemore, treasurer of the Gardner Savings Bank, Gardner, Mass., has been elected president of that institution, to succeed the late John D. Edget.

HOLBROOK APPOINTED TO BANK COMMISSION FOR NEW HAMPSHIRE

New Hampshire has decided to have but one bank commissioner, instead of three, as formerly. Harold R. Holbrook, cashier of the First National Bank, Manchester, N. H. has been appointed to the position.

NEW HEAD OF CENTRAL NATIONAL, MIDDLETOWN, CONN.

Howard W. Warner has been promoted from vice-president to president of the Central National Bank, Middletown, Conn., to succeed Revilo C. Markham, resigned. Mr. Markham had been with the Central National for over fifty years.

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATES

Kentucky—at Louisville, September 15-16.
Investment Bankers Association of America—at St. Petersburg, Fla., December 7-11.

HIBERNIA EMPLOYEES WIN CONTEST

First, second and third places in the 1925 public speaking contest of the New Orleans Chapter of the American Institute of Banking were all won by employees of the Hibernia Bank and Trust Company, New Orleans, La., and affiliated companies. Mrs. Anna G. Roussel of the Hibernia Securities Company, Inc., won the first prize, and Mark Bartlett, assistant advertising manager of the Hibernia Bank and Trust Company, the second prize. The subject of

the contest was "How Banks Help the Community."

SALLEY BECOMES OFFICER STATE AND CITY BANK, RICHMOND

T. Raysor Salley has been elected an assistant cashier of the State and City Bank and Trust Company, Richmond, Va. Mr. Salley, who is a mortgage specialist, joined the bank about three years ago as supervising inspector for the mortgage department, and later was made assistant manager of the mortgage department. He will continue with the mortgage department, in his new position.

SHELTON BECOMES TRUST OFFICER

John C. Shelton has been elected trust officer of the Central National Bank and Trust Company, St. Petersburg, Fla. Mr. Shelton began in 1901 as a messenger with the Hamilton Bank, Chattanooga, Tenn., and worked through all the departments. In 1907, he moved to the American National Bank, remaining there until 1910, when he was appointed postmaster at Chattanooga. After serving as postmaster

A Bank for Bankers

This Company invites the accounts of out-of-town trust companies, banks and bankers, to whom it offers the complete services of its various Departments and Branches.

UNITED STATES MORTGAGE & TRUST COMPANY

Main Office, in Financial District:

55 Cedar Street

Uptown Branches:

Broadway at 73rd Street
125th St. at Eighth Ave.

Madison Ave. at 74th St.
Lexington Ave. at 47th St.

New York

for twelve years, in 1922, he became chief deputy in the tax department of Hamilton County, Tenn., from which position he came to the Central National.

WALSH BECOMES DALLAS RESERVE AGENT

C. C. Walsh has been named Federal Reserve Agent of the Federal Reserve Bank of Dallas, Texas, to succeed Lynn P. Talley, who has been elected Governor of that institution.

Col. Walsh is a graduate of the University of Michigan Law School. He was a practising attorney from 1893 to 1904, since which time he has been a banker. In 1907 he came to San Angelo and helped to organize the San Angelo Bank and Trust Company, which later became the Central National Bank of San Angelo. Col. Walsh was its president until 1924.

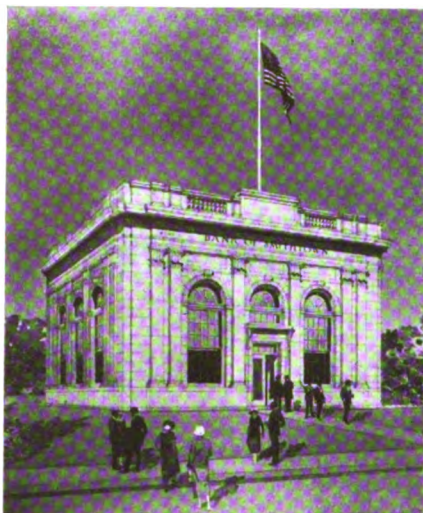
He was instrumental in organizing the Wool Growers' Central Storage Company, and the Security Building and Loan Association, both of San Angelo, Texas. He was recently elected president of the West Texas Chamber of Commerce.

SOUERS JOINS CANAL-COMMERCIAL

Sidney W. Souers has been elected vice-president of the Canal-Commercial Trust and Savings Bank, New Orleans, La., to succeed F. E. Gunter, who resigned to become president of the Liberty Central Trust Company of St. Louis, Mo. Mr. Souers is a graduate of the Warren Easton High School of New Orleans, and of Miami University, Oxford, O. His first position was with the Meyer Eisemann Co. in 1914. In 1915, he joined the Mortgage & Securities Co. of New Orleans, and in 1921 became its president. He will continue his interest in the Mortgage & Securities Co., as a director and member of the executive committee. He is also president of the Piggly Wiggly Co., Inc., and of the First Joint Stock Land Bank of New Orleans.

RIGGS NATIONAL ABSORBS NORTHWEST SAVINGS

The Northwest Savings Bank, Washington, D. C., has been converted into a national bank and merged into the Riggs National Bank, Washington, D. C. The Riggs



Bank of Smithtown, Smithtown
Branch, N. Y.

THIS building, when completed, will be one of the handsomest bank buildings on Long Island. It will be of Indiana limestone.

Within the building the counter screen, containing the five bronze tellers' wickets will be of Botticino marble. The furniture and the cabinet work, both in the open office and in the consultation rooms adjoining, will be of high grade mahogany.

Morgan, French & Co., Inc.

Architects and Bank Engineers

19 West 44th Street . New York

National now has four branches in Washington.

WEST VIRGINIA BANKERS CONVENTION

Nearly 300 bankers attended the thirty-second annual convention of the West Virginia Bankers Association at Wheeling, W. Va., on June 25 and 26. Fred O. Blue, former state tax commissioner urged the bankers to support the proposed constitutional amendment to classify intangible property for taxation. Robert L. Archer, chairman of the legislative committee of the association, presented a report recommending that a fund be raised for publicity for the amendment. United States Senator Frank B. Willis, of Ohio, also addressed the convention.

The following officers were elected: president, W. C. Given of the Commercial Bank of Bluefield; vice-president, M. A. Fletcher



W. C. GIVEN

Cashier Commercial Bank of Bluefield, W. Va.,
recently elected president of the West
Virginia Bankers Association

of the Fairmount Trust Company; secretary, J. S. Hill of the Capital City Bank, Charleston; and treasurer, Louis J. Yeager of the National Exchange Bank, Wheeling.

Mr. Given was born in 1885, in Braxton

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1865

with

EXPERIENCE — Over fifty-nine
years

STRENGTH — Capital and Surplus
\$4,000,000.00

OFFICERS — Experienced, capable and
well versed on conditions
and credits throuth this
territory ;

invites your business

JOHN M. MILLER, JR.
President

Resources over \$33,000,000

County, West Va., and educated in the public schools and Mountain State Business College. He came to Bluefield in 1910 and worked for a year as a bank bookkeeper and teller. He then engaged in the insurance and mortgage business. In 1916, he helped to organize the Commercial Bank of Bluefield, and became its cashier, which position he still holds. He has been a director of the bank for six years.

PANHANDLE BANKERS CONVENTION

The Panhandle Bankers Association, composed of bankers of the Panhandle section of Texas, New Mexico and Oklahoma, held its convention at Amarillo, Texas on June 20. The chief subjects of discussion at the convention were financing cattle and cotton. Cotton financing is new to the Panhandle section, for until three years ago, little cotton was raised there.

The following officers were elected: president, D. L. C. Kinard, vice-president First National Bank, Memphis, Texas; vice-president, C. W. Carson, Jr., cashier First National Bank, Spearman, Texas; secretary,

Holman Kennedy, assistant cashier Donley County State Bank, Clarendon, Texas; and treasurer, O. T. Nicholson, vice-president Farmers and Merchants State Bank, Shamrock, Texas.

GEORGIA COUNTRY BANKERS CONVENTION

The Country Bankers Association of Georgia held its annual convention at Savannah, June 17 to 19. Retiring president, Luther Bond addressed the convention on co-operative marketing, and diversified agriculture. He expressed some doubt as to the utility of both, and aroused considerable opposition, some of the speakers who spoke immediately after him stating that they did not concur with his conclusions. The association later adopted a resolution reaffirming its stand in favor of co-operative marketing and diversified farming. The association also adopted a motion declining to merge with the Georgia Bankers' Association.

The following officers were elected: president, R. B. Dixon, president of the Citizens Bank of West Point; vice-president, C. E.

Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

Martin, vice-president of the Citizens Bank, Fort Valley; and secretary-treasurer, L. R. Adams, vice-president of the Georgia State Bank, Atlanta.

ASHLAND NATIONAL PROMOTES FIELD

T. A. Field has been promoted from cashier to vice-president of the Ashland National Bank, Ashland, Ky., to succeed Charles Russell, resigned. R. R. Revill has succeeded Mr. Field as cashier.

HARRISON SUCCEEDS MONDELL AS HEAD OF WAR FINANCE CORPORATION

Floyd R. Harrison has been appointed director of the War Finance Corporation, Washington, D. C., to succeed Frank W. Mondell, resigned. Mr. Harrison was born in Petersburg, Va., October 30, 1889, educated in the public schools, Emerson In-

stitute, and Georgetown Law School. He entered the Department of Agriculture in 1906 as a messenger and progressed through the positions of stenographer, secretary to the Solicitor, executive assistant to the chief



© HARRIS & EWING

FLOYD R. HARRISON

Recently appointed director of the War Finance Corporation, Washington, D. C., to succeed Frank W. Mondell, resigned

Bank of Charleston

National Banking Association

Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . . . \$1,500,000.00
Resources \$12,500,000.00

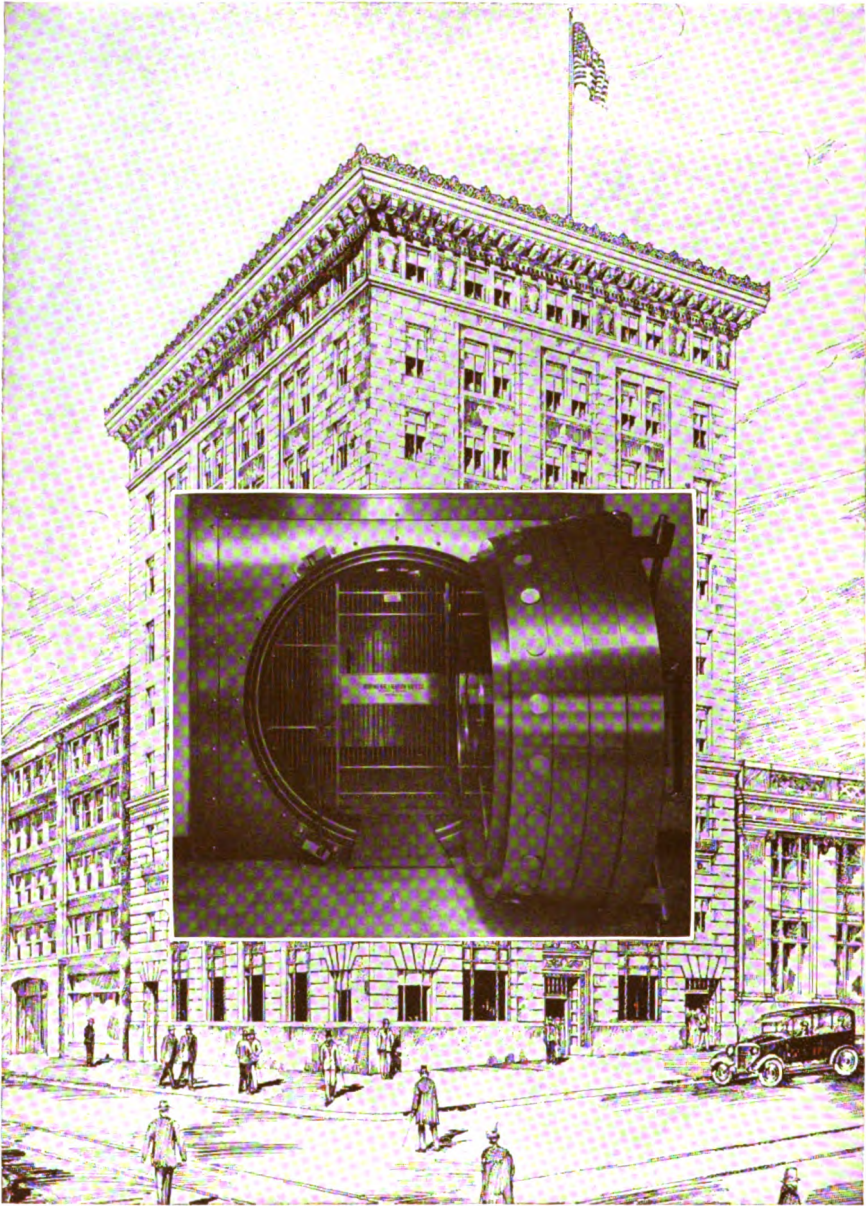
of the bureau of Chemistry, secretary to the Assistant Secretary of Agriculture, confidential clerk to Secretary of Agriculture, private secretary to Secretary of Agriculture, assistant to Secretary of Agriculture, and assistant to managing director of the War Finance Corporation to his present position.



Banking Room, Greenville Banking & Trust Co., Jersey City, N. J.

THERE is nothing so attractive in a banking room as good light and ventilation, particularly if it is in addition to a spacious treatment.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
600 FIFTH AVENUE, NEW YORK



New building of the United States Mortgage Bond Co., Detroit, Mich., designed by Harry S. Angell, Architect of Detroit. All vault work was installed by

Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

Principal Offices: New York, Boston, Chicago, San Francisco, Birmingham, Pittsburgh

Agents in Shanghai, Manila, Tokio, Havana

Cable Address "Fireproof" New York

The Herring-Hall-Marvin Safe Co. for nearly a century, has built and will always continue to build the same undeviating quality into its product.

**CALDWELL JOINS UNION
NATIONAL, HOUSTON**

T. J. Caldwell has been elected a vice-president of the Union National Bank, Houston, Texas.



Middle States

Comprising Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa and Missouri.

CONVENTION DATES

Indiana—at West Baden, September 16-17.
Financial Advertisers' Association—at Columbus, O., October 14-16.

**OFFICERS OF IOWA BANKERS
ASSOCIATION**

At the convention of the Iowa Bankers Association held at Dubuque, June 15-17, the following officers were elected: president,

HAROLD A. DANNE

**ELECTRIC
LIGHT — POWER**

41 Park Row, New York, N Y.

Emil Webbles, president First Iowa State Trust and Savings Bank, Burlington; vice-president, C. C. Jacobsen, president First State Bank, Mapleton; treasurer, A. E. Hindorf, cashier Jasper County Savings



EMIL WEBBLES
President First Iowa State Trust and Savings Bank, Burlington, Iowa, recently elected president of the Iowa Bankers Association

Bank, Newton; and secretary, Frank Warner of Des Moines.

Mr. Webbles was born in Wheatland, Iowa. He began his banking career twenty-five years ago at Mechanicsville, Iowa, and has conducted banks at Anamosa, Iowa, Kewanee, Illinois, and Muscatine, Iowa. Five years ago he came from Muscatine to become president of the Iowa State Savings Bank, Burlington, Iowa. When it was merged with the First National Bank as the First Iowa State Trust and Savings Bank,

Hare & Chase, Inc.
Automobile Finance
300 Walnut Street
Philadelphia

The name Hare & Chase has
fifty-eight years of business
prestige behind it

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

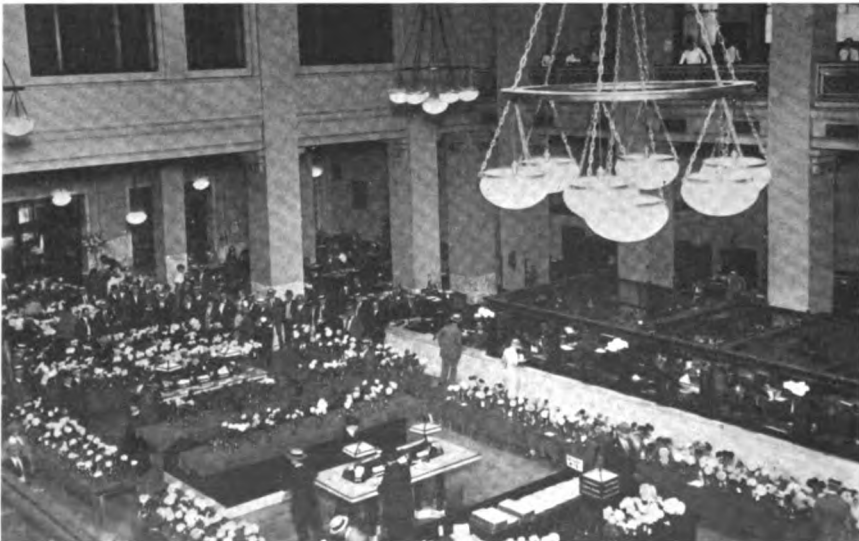
**McArdle,
Djörup & McArdle**
42 Broadway, New York

he became president of the consolidated organization, which position he now holds.

ILLINOIS BANKERS ASSOCIATION CONVENTION

The thirty-fifth annual convention of the Illinois Bankers Association was held at Peoria, Ill., June 18-19. About 400 bankers were present. The program included the following addresses: "What Can We Do to Strengthen Law Enforcement?" by Hon. Oscar E. Carlstrom, attorney-general for Illinois; "Economy in Government" by William E. Knox, president of the American Bankers Association; "How About Your Advertising Dollar?" by Gaylord S. Morse, assistant cashier of the State Bank, Chicago; "Banking Ethics" by Clarence Griggs, director of the First National Bank, Ottawa; "The Increasing Burden of Taxation" by U. S. Senator Charles S. Deneen; "The Function of Financial News" by Glenn Griswold, editor of the Chicago Journal of Commerce; and "Bank Supervision" by Hon. Oscar Nelson, auditor of public accounts.

R. C. Saunders, field organizer for the association, reported on the progress made thus far in the anti-robbery campaign which



A view of the main banking room of the First National Bank of St. Paul, Minnesota, during the bank's fifth annual Peony Show. During the two days and evenings of the bank's exhibition, which included practically every variety of peony, more than thirty thousand people passed through the bank's doors. The Peony Show has been an annual affair with the First National Bank for the last five years.

"Cooked" Air

"Cooked" air is the term used by scientists for the devitalized product of ventilating systems of the usual type.

The Smithsonian Institution at Washington, the Government Scientific Bureau, has stated that one-third the deaths in the United States are caused by respiratory diseases due to bad heating and ventilation; or, in other words, due to "cooked" air in one form or another.

Nevertheless, "cooked" air is the fashion; monumental buildings are evidently not considered in good taste unless the air in them is thoroughly devitalized, and even the humble home has its pipeless furnace.

By the Gerdes Method of Ventilation healthful and invigorating *unheated* fresh air is diffused without causing draft or chill. The cost of a Gerdes System or of an Electric Window Ventilator is repaid many times in increased efficiency and better health.

Results are unequivocally guaranteed. Reports and proposals made without obligation or charge. Booklet containing references of the highest character sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

GERDES
METHOD

has been the outstanding work of the association this year.

The following officers were elected: president, C. W. Boyden of the Farmers State Bank, Sheffield; vice-president, W. B. Crawford, of the West Frankfort Bank and Trust Company, West Frankfort; and treasurer, J. H. Grier of the First Trust and Savings Bank, Chicago.

HANSON HEADS LOOP BANKERS

At the annual meeting of the Savings Association of Loop Banks, the following officers were elected: president, Richard M. Hanson, assistant cashier of the Northern Trust Company; vice-president, Fred G. Murbach, manager of the savings department of the Union Trust Company, secretary and treasurer, Jessamine G. Hoagland, manager of the savings department of the National Bank of the Republic.

FIVE PER CENT. ON SAVINGS DEPOSITS

Due to competition from building and loan associations, the Dollar Savings and

Trust Company and the City Trust and Savings Bank, both of Youngstown, O., have agreed to pay 5 per cent. interest on "investment deposits," which will not be subject to repayment at the customers' convenience.

PRENTER SUCCEEDS STONE

William B. Prenter has been elected president of the Brotherhood of Locomotive Engineers Co-operative National Bank, Cleveland, Ohio, to succeed the late Warren S. Stone. L. G. Griffing has been elected a vice-president, to fill the vacancy made by the promotion of Mr. Prenter.

BANK RESOURCES IN DETROIT ALMOST \$1,000,000,000

Detroit can now prove statistically its contention that it is one of the richest cities of its size in the world. Bank deposits in Detroit, Highland Park and Hamtramck on July 1 amounted to \$867,415,000 an increase of 15 per cent. since January 1.

Clearings for the six months ending July 1, totaled \$6,773,406,000, an increase of 20 per cent. over the same period last year.

Outcault's CHRISTMAS CLUB

Includes: Multiclass Coupon Books, Epigram Coupon Books, Pass Books, Colorful Letters of Solicitation, Special Customer-made Letters, Invitation Cards, Folders, "Stuffers" (for mail), Cutouts, Display Cards, Posters, etc., etc.

Costs Less Than You Think—Ask Us

OUTCAULT ADVERTISING COMPANY

221 EAST 20th STREET, CHICAGO, ILL.

Among the banks which experienced the greatest increase of resources were: Peoples State Bank, First National Bank, Wayne County and Home Savings Bank, and the Bank of Commerce, each of which averaged close to \$15,000,000 in increased resources.

HARDESTY RETURNS FROM EUROPE

Paul L. Hardesty, assistant cashier of the Union Trust Company of Chicago recently returned from a two months tour of France, Switzerland, Germany and England.



PAUL L. HARDESTY
Assistant cashier Union Trust Company,
Chicago, who recently returned from a
trip to Europe

McINTOSH ENDOWS CHAIR OF BANKING AND FINANCE

H. P. McIntosh, chairman of the board of the Guardian Trust Company, Cleveland, Ohio, has given \$200,000 to Western Re-



H. P. McINTOSH
Chairman of the board Guardian Trust Com-
pany, Cleveland, Ohio, who has endowed
a chair of banking and finance at
Western Reserve University

serve University to endow a professorship of banking and finance in the school of business administration. He urges that the department shall teach "as a fundamental principle the inviolability of both personal and property rights—that even-handed

justice holds invested capital sacred, and honorably and righteously entitled to a fair return based upon amount and risk involved; that to labor belongs a reward commensurate with its contribution to the conservation and welfare of the enterprise enjoying it—this being the true conception of an ideal society favoring neither capital nor labor, but giving to both that share which their ability and effort respectively justify."

Mr. McIntosh made the gift in memory of his wife and son. He has been with the Guardian Trust Company since February 1898, as president until December, 1917, and since that time as chairman of the board.

APPOINTMENTS AT GUARDIAN TRUST, DETROIT

The new Guardian Trust Company, Detroit, Mich., which recently opened, announces the appointment of Harry S. Johnson as treasurer, Lewis K. Walker, vice-president and secretary, and A. F. Maxwell as assistant secretary. Mr. Johnson and Mr. Maxwell were formerly New York bankers. Mr. Walker was formerly vice-president of the Security Trust Company, Detroit.

LIBERTY CENTRAL PROMOTES SOMMER

J. N. Sommer has been elected a vice-president of the Liberty Central Trust Company of St. Louis, Mo., to succeed R. P. Titus, who has resigned to become president of the Magnus Chemical Company, New York. Mr. Sommer has been with the Liberty Central since 1890, beginning as a messenger.

CHAMBERS REJOINS FIFTH-THIRD NATIONAL, CINCINNATI

James D. Chambers has been appointed manager of the bond department of the Fifth-Third National Bank, Cincinnati, Ohio, to succeed J. R. Edwards, resigned. Mr. Chambers was formerly assistant manager of this department, and more recently Ohio representative of the Detroit Company.

BANKERS GOING TO EUROPE

Joseph E. Otis, president of the Central Trust Company of Illinois, Chicago, Ill.; James Dunn, Jr., vice-president Union Trust Company, Cleveland, Ohio; and Gustave F.

A Specialized Service

for Banks and Bankers which is the result of more than sixty years of experience is offered by

The First National Bank of Chicago and the First Trust and Savings Bank


Complete facilities are provided for active and inactive accounts, collections, bills of lading, investments and foreign exchange transactions.



FRANK O. WETMORE,
Chairman

MELVIN A. TRAYLOR,
President

*Combined Resources
Exceed \$350,000,000*



Central

Located and equipped to
render satisfactory service
to banks throughout the
country.

Founded 1890

Resources over
\$50,000,000

**Central
National Bank
Savings & Trust Co.**
of Cleveland

Fisher, president Cosmopolitan State Bank, Chicago, Ill., have recently sailed for Europe.



Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona and Alaska.

CONVENTION DATES

New Mexico—at Las Cruces, September 21-22.

Nebraska—at Omaha, October 21-22.

OREGON BANKERS ASSOCIATION CONVENTION

The Oregon Bankers Association held its annual convention at Corvallis, June 11-18. Agricultural work was a feature of the convention, one afternoon being devoted to discussing "Carrying the State Agricultural Program into the Counties of Oregon," "Some Typical Examples of County Agent Work," and "Boys' and Girls' Club Work." John F. Daly, president of the Hibernia Commercial and Savings Bank, Portland, addressed the convention on "The New Banking Laws of the State of Oregon."

The following officers were elected: president, J. W. McCoy, cashier of the First National Bank, Ashland; vice-president, James E. Montgomery, president Bank of Southwestern Oregon, Marshfield; and treas-



J. W. McCOY

Cashier First National Bank, Ashland, Oregon,
recently elected president of the Oregon
Bankers Association

urer, J. L. Gault, vice-president and cashier Benton County State Bank, Corvallis.

Mr. McCoy came to Ashland in 1907 as assistant cashier of the Bank of Ashland. When the Bank of Ashland became the United States National Bank in 1910, he became cashier. In 1914, the United States National Bank was consolidated with the

WHEN completed, this new modern thoroughly equipped banking home will be convincing evidence of the name it bears.

The second floor will be devoted to highly desirable offices for rental purposes.



*Architectural and Engineering
Service
by*

The Griswold Building Co., Inc.

**SPECIALISTS IN
Designing—Building—Equipping
BANKS**

101 Park Avenue, New York City



**Service Trust Company
Passaic, New Jersey**

First National Bank, and Mr. McCoy became cashier and manager of the new institution.

Mr. McCoy has the record of not missing a session of the state association since he first attended in 1912. He was influential in having a field secretary appointed, three years ago, to carry out the work of the agricultural and educational committees, a work peculiar to the Oregon bankers association.

IDAHO BANKERS ASSOCIATION OFFICERS

At the close of the convention of the Idaho Bankers Association at Lewistown, June 17, the following officers were elected: president, J. S. Bussell, president Citizens' Bank and Trust Company, Pocatello; vice-president, A. C. Chamberlain, vice-president American Bank and Trust Company, Coeur d'Alene; treasurer, Guy Shearer, vice-president First National Bank, Filer; secretary, J. S. St. Clair, vice-president Boise City National Bank.

The convention next year will be held at Pocatello.

STRONG HEADS CONTINENTAL NATIONAL, LOS ANGELES

Frank R. Strong has been elected president of the Continental National Bank, Los Angeles, California, to succeed W. D. Howard. Mr. Howard resigned in order to devote his attention entirely to personal affairs.

FEDERAL RESERVE BANK TRANSFERS

W. L. Partner, former manager of the Spokane branch of the San Francisco Federal Reserve Bank, has been placed in charge of the Salt Lake City branch, succeeding R. B. Motherwell, who has been transferred to the Los Angeles branch.

BANKERS STUDY AGRICULTURE

The Agricultural Committee of the Nebraska Bankers Association, believing that most of the losses to state bankers



during the deflation period could have been reduced if the bankers had known more about farming problems, has developed the "Nebraska Plan" to remedy this situation. A part of this plan is the Bankers' Agricultural Short Course, tried out first this year. Over two hundred bankers gathered at the College of Agriculture of the University of Nebraska, Lincoln, Neb., on June 22 to attend the two-day program. Various members of the faculty of the University lectured on soil and soil management, cattle raising, dairy husbandry, irrigation, diversification, etc. These lectures were supplemented by two trips to the agronomy farm. The bankers were much impressed by the wealth of information available to farmers who will visit the college. It is expected that the influence of bankers in persuading farmers to avail themselves of the results of the experiment and research done at the agricultural college will be the greatest service of the course.

Dan V. Stephens, president Fremont State Bank, Fremont, Nebraska, is chairman of the committee which arranged the course.

A TRIBUTE TO THE FARMER

In an address delivered before the Southwest Economic Conference, held in Los Angeles, June 16, 1925, Frank C. Mortimer, vice-president of the Citizens National Bank of that city, paid the following tribute to the farmer:

"There is no class in the citizenship of any nation which is entitled to greater consideration than the farmer. He constitutes the very fiber of the community in which he dwells. From the earliest tiller of our soil to our present day farmer, he has exercised habits of thrift and frugality. And 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 character. It means self-control. It means self-mastery. Long ago the farmer learned to forego immediate pleasure for the sake of some more distant good. Through hardship and toil, on the frontier and the prairie; in the valleys and on the hillside, he has labored to supply the immediate wants of his household and food for the peoples of the world. That which he has gathered and saved has become the foundation of our wealth as a nation. His steadiness, industry and sobriety are political virtues which make for the stability and permanence of our Government."

LONGYEAR'S THIRTY-FIFTH ANNIVERSARY

W. D. Longyear, vice-president of the Security Trust and Savings Bank, Los Angeles, Calif., has completed thirty-five



WITZEL, LOS ANGELES, CALIF.

W. D. LONGYEAR

Vice-president Security Trust and Savings Bank, Los Angeles, Cal., who recently celebrated his thirty-fifth anniversary with that bank

years of service with this institution. Mr. Longyear was born in Grass Lake, Mich., in 1863, educated in public schools, and got his first banking experience in the Kalama-

zoo National Bank. In 1890, having moved to California, he joined the Security Bank as a bookkeeper. In 1893 he was made an assistant cashier, in 1895, cashier, and director, and in 1917 a vice-president. He is active in state and national banking associations, and is a member of the executive council of the American Bankers Association.

The Security Trust and Savings Bank is the seventh largest bank in the United States, outside New York City, with resources exceeding \$220,000,000.



Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. TYSON

WITH a \$75,000,000 increase in the country's favorable trade balance for the past year, a \$100,000,000 rise in farm revenue during the same period and an unusually favorable crop outlook with higher markets this year and increased activities in certain lines of manufacture like automobile and allied industries, there is a distinct improvement as regards the business outlook. However, the actual improvement in the general volume of business is rather disappointing. Evidently there are handicaps which are retarding recovery. Of these, taxation is perhaps the most serious. The costs of federal, provincial and municipal government, which expanded so rapidly during the war period and immediately after, have not been adjusted in accordance with the economies which have been forced on private business. The public demand for taxation relief and the necessary curtailment in public spending, has not yet become so insistent as to get the attention of the governing bodies, influenced by political considerations. The National Railways continue their heavy calls upon the Treasury. The tax levies being made are discouraging to new enterprise and a heavy drain upon established business.

Then, too, it is evident that the adjust-

These well-known bankers

enthusiastic about national business building campaign

EVERY month 20,000,000 magazine readers are shown in a powerful, interesting way why their bank is the most valuable business connection they have. Why a checking account makes their money go farther.

See what these bankers say

Leading banks predict it will have a tremendous influence on increased business. The following letters show how enthusiastic they are.

One writes: "I want to put into every one of my customer's hands the two-page advertisement running in *The Saturday Evening Post* this week."

Another, "Would you object to one or more local banks using parts of your advertisement in our local newspaper?"

Another, "Permit me to congratulate you. It is indeed wonderful bank advertising."

And so they run. Bankers from all sections of the country—big cities and small towns—all enthusiastically endorsing our great and complete program for increasing the net profits of banks everywhere.

This campaign also acquaints checking account customers with the protection features of Super-Safety Bank Checks. Thousands of banks now use them as an important means of securing new depositors.



Even this is not all. To complete this tremendous program actual advertisements have been prepared which you may now use in your own local papers. They are the work of some of the best known advertising brains in America. With them come various tested plans which have helped others build business.

Let us send you information showing what they will accomplish for your bank. Write now.



BANKERS SUPPLY COMPANY, Division
THE TODD COMPANY
 5951 So. State Street, Chicago
Business-Building Merchandise for Banks
 New York Rochester CHICAGO Denver Dallas

Ideal Summer Vacations BERMUDA

Only 2 Days from New York

Spend *YOUR* Vacation
in Bermuda

8 Day Tours \$90⁰⁰

and Up—Including all Expenses for
Steamer, Hotel and Side Trips

Longer Tours in Proportion



Bermuda is COOL in Summer.

Average Summer Temperature 77°

ALL OUTDOOR SPORTS

Golf, Tennis, Motor Boating,
Sailing, Bathing.

No Passports Required.

SAILINGS TWICE WEEKLY

Via Palatial Twin-Screw, Oil-Burning Trans-
Atlantic Liners

S. S. "FORT VICTORIA"
S. S. "FORT ST. GEORGE"

For Illustrated Booklets write to

FURNESS BERMUDA LINE

34 Whitehall St., New York
or any Local Tourist Agent

once since 1919, and only once since 1916 has the balance of trade been maintained on a favorable basis during spring and summer months. Usually in the spring, export business takes a slump, being increased by the opening of navigation and later swelled by crop shipments. The surplus of exports consists very largely of manufactured goods and merchandise of various kinds. The details are:

	1924	1925
April, imports	\$ 60,173,141	\$ 59,104,651
April, exports	48,880,914	59,909,377
May, imports	72,058,330	75,894,532
May, exports	104,150,715	96,356,747

	1924	1925
12 months ending May—		
Imports	\$ 873,151,752	\$ 799,700,249
Exports	1,069,925,880	1,072,301,848

	1924	1925
To U. K.	\$ 382,099,364	\$ 391,697,173
To U. S.	428,094,421	423,191,549
From U. K.	152,481,141	152,419,502
From U. S.	583,698,676	511,345,098

A survey of the industrial situation indicates spotty conditions both as regards varied lines of manufacturing and different sections of the country. At the end of the half year employment was showing improvement but car loadings were declining, the latter probably being due to a smaller surplus of the old wheat crop. Railway earnings were off, and a number of the basic industries, including lumbering reported unsatisfactory conditions. On the other hand, some of the manufacturing industries, like automobiles and tires, reported big operations, some of the tire plants being at capacity and not able to take care of orders offering. Farm implement makers find an improvement with the prospects of a big crop. June building showed a substantial improvement over the same month last year.

British Columbia reports a fair demand for lumber; mining and building are active and crop prospects fair. The Prairies are anticipating a big crop and a revival of business. Ontario will have a good crop; mining operations are active and some lines of manufacturing busy. Quebec looks for good crops although rains in some districts have been excessive; little unemployment; tourist trade growing and general retail business improved. In the Maritimes conditions are fair with improvement in industry with the exception of Cape Breton where there is a strike of coal miners.

As an indication of the rapid adoption of mixed farming methods in western Canada,

ment in business after the period of war expansion may not be complete, although it has progressed far. Manufacturing and mercantile businesses as well as agriculture have been making adjustments and enforcing economies in keeping with the process of deflation necessary to get back to a sound business basis. The fact that business has been meeting this situation, the splendid crop outlook, the improved prices for farm products, and the increased efficiency on the part of labor lead to the conclusion that important constructive factors are at work. Against these is the backwash of taxation, reflecting the high cost of government and the need for still further adjustment in some lines of manufacturing and distribution.

Spring and summer trade is being maintained on a very satisfactory basis this year. Not only is there a \$75,000,000 increase in the favorable balance of trade for the twelve months ending with May but each month during that period showed a surplus. Not

attention is directed to an increase of 20 per cent. in the exports of animals and animal products during the past year. The total volume of these exports averaged about one-third that of all grain and vegetable products combined. Last year the former amounted to more than \$168,000,000 while the latter was \$448,298,000. A decided expansion has been taking place in the development of the bacon industry and total sales of hogs have shown an increase of 14 per cent. in the past six months. According to figures of the Dominion Bureau of Statistics, the total value of live stock in Canada has increased during the past six months from \$613,260,000 to \$641,144,000. The total volume of meat exports for the year shows an increase of more than 36 per cent. In addition, there has been a marked expansion in the dairy industry and the western provinces are now heavy exporters of dairy products.

There is considerable speculation as to the future of the newsprint industry which has become such an important factor in the country's export trade. The announcement by the Belgo-Canadian Co. of a cut in price of newsprint from \$70 a ton to \$65 a ton for 1926, has centered attention upon a situation which had been foreseen. With the installation of new and highly efficient plants in various parts of the country, productive capacity is being greatly increased. Lower prices, therefore, it is hoped, will increase consumption and will thus bridge over the period until the market is able to take care of the larger output in a normal way. So far as Canadian mills are concerned, it is felt that they are in a favorable position to produce at low cost and compete with the American mills in the United States market. For some years the newsprint business has been shifting to Canada and it is expected that this tendency will continue.

Holding that bank directors are entitled to rely upon the honesty of the bank officials, the first divisional court has quashed the convictions of the five directors of the defunct Home Bank, R. P. Gough, S. Casey Wood, J. F. M. Stewart, C. A. Barnard, and C. F. Smith. Other charges against these directors and M. J. Haney, a former president, will be dropped. That the directors have not been held responsible in the eyes of the law, is being pointed to as indicating a weakness in the bank act. However, it is submitted that amendments already made to

**ONE BANK COVERS THE
LOS ANGELES
METROPOLITAN DISTRICT**



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest per capita wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

**SECURITY
TRUST &
SAVINGS BANK**

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$200,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department
Standard Bank of Canada
TORONTO

Capital Paid Up - - - - - \$4,823,400
 Reserve Fund and Undivided Profits 3,051,110

the bank act since the failure should meet the situation.

A decrease of \$8,285,000 in current loans marked the Canadian bank return to the Government for the month of April. Current loans are \$96,000,000 less than a year ago. In addition there was a reduction in loans abroad of \$11,317,000 together with considerable reductions in loans on public securities and loans on railway securities. With the surplus funds available the banks increased call loans abroad by \$28,900,000 and call loans in Canada by \$4,183,000. Municipal loans were increased by \$2,200,000.

Savings deposits showed a reduction during April of \$2,267,000, but an increase for the year of \$52,459,000, while demand deposits, which showed an increase during the month of \$21,775,000, were higher by \$8,983,000 than a year ago. Foreign deposits showed a decline of \$21,284,000, but the total was still higher by \$28,673,000 than a year ago.

REDUCING BANK BRANCHES

Since the beginning of the present year the Canadian banks have reduced the number of their branches by over 60. In September, 1921, the banks had 4923 branches, of which over 4700 were in Canada. At the end of May 1925 they had reduced this to 4142, of which 3949 were in Canada. A comparison follows:

	Dec., 1921	Dec., 1922	Dec., 1923	Dec., 1924	May 1925
Canada	4,686	4,472	4,234	4,028	3,949
Newfoundland ..	47	43	28	25	24
Elsewhere	155	156	169	164	169
Total	4,888	4,671	4,431	4,217	4,142

Number of branches in detail as of May 31 last, against October 31, 1923, follows, showing total branches and number outside Canada:

Banks:	May 31, 1925		Oct. 31, 1923	
	Total	Outside Canada	Total	Outside Canada
Commerce	560	13	505	16
Dominion	119	2	121	3
Nationale	598	1	343	1
Imperial	181	.....	191	.....
Montreal	630	11	579	16
Nova Scotia	295	24	309	36
Provinciale	346	.....	312	.....
Royal	659	116	697	114
Standard	229	.....	162	.....
Toronto	164	.....	165	.....
Union	325	2	348	2
Weyburn	25	.....	26	.....
*Sterling .....	.....	.....	77	.....
†d'Hochelaga .....	.....	.....	342	.....
‡Hamilton .....	.....	.....	147	.....
§Molsons .....	.....	.....	127	.....
Totals	4,142	169	4,451	188

*Merged with Standard.
 †Merged with Provinciale.
 ‡Absorbed by Commerce.
 §Absorbed by Montreal.

ROYAL BANK, IROQUOIS FALLS, ONT., HAS EASY SAVINGS PLAN

The Royal Bank, Iroquois Falls, Ontario, has made saving easy for the employees of the Abitibi Power and Paper Company. The bank supplies a regular form to be signed by the employee ordering the company to pay to the bank each pay day a stipulated amount, deducted from his or her wages, thus making the saving automatic, so far as the employee is concerned. The money

can be drawn out at any time by the employee as in the case of a regular savings account.

RECLAIMING THE UNCLAIMED

A gentleman from Montreal called at the city hall at London, Ont., with a proposition to recover money for the city, the existence of which was unknown to civic officials. He proceeded to trace two amounts, one for

\$17.60 deposited by the board of health in 1854, and another item of \$3.60 which stood to the credit of the "Village of London West" in the same year. The \$17.60 is now worth \$140, and the \$3.60 has grown to about \$29.

This man is evidently tracing up unclaimed balances as shown in the official returns and restoring them to those having a legal claim, his interest being a substantial commission.



An English View Of American Banking

THE Oxford University Press has recently published a little booklet, "The Present Position of Banking in America," by T. E. Gregory, Sir Ernest Cassel Reader in Commerce at the University of London. The booklet grew out of a trip which Dr. Gregory made to the United States, and gives his impressions of the American banking system. It is for the most part, a calm and judicial survey of current trends and problems in American banking, with but little attempt to criticise, although he occasionally adopts a patronizing attitude—as when he says, in his conclusion, that "At present, the tone of the American banker is overwhelmingly provincial, even in New York."

The book traces in order the history of the branch banking controversy (on which he reveals the typical British attitude by his reference to it as "an economic development which has commended itself, on the whole, to the greater part of the civilized world," *par* clearance, the inelastic note issue, the Federal Reserve System and the farmer, and the open market policy of the Federal Reserve System.

It is this last problem that interests him most. He points out that the Federal Reserve Board has discarded the principle of controlling the volume of credit by means of the official discount rate, largely because "no unanimity exists as to the precise relationship which should be maintained between the official discount rate and the rate charged by the market." Again, the Federal Reserve Board believes that the discount rate is a very imperfect means of regulating the volume of credit. If the system is to make any attempt to control credit, according to Dr. Gregory, the official rate must not neces-

sarily have any particular relation to the market rate, but movements of the official rate must precede movements of the market rate.

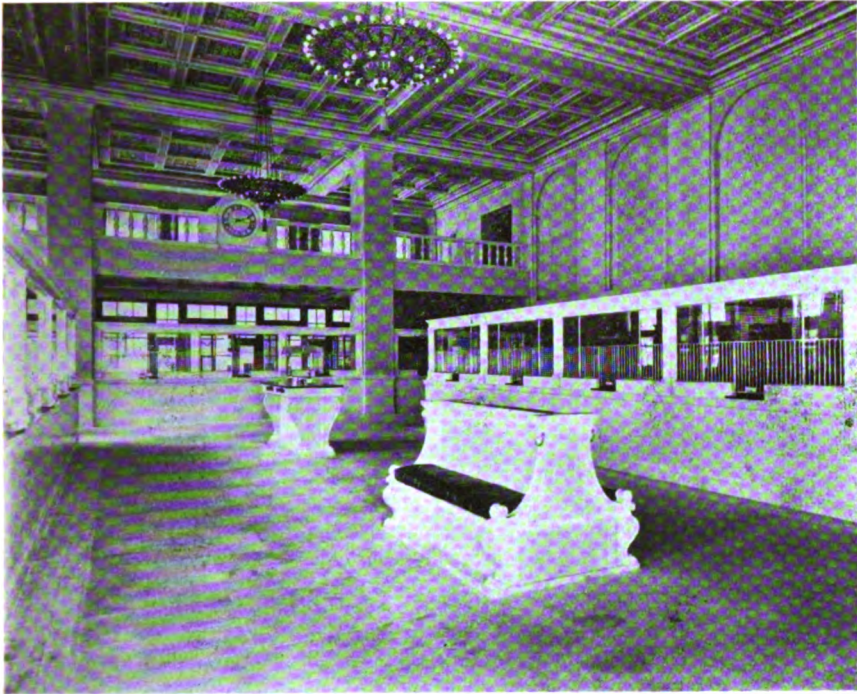
It is by means of the open market operations that the Federal Reserve System can most easily and certainly exert an influence on the volume of credit, because by means of the open market operations it can act on its own initiative, and directly influence the credit situation. But, in order to have any noticeable influence, the open market operations must not merely counterbalance the discounting operations. That is, if discounts decline, and holdings of bills bought in the open market increase in the same amount, the volume of credit remains the same. This seems to be just what has happened in the past, for Dr. Gregory, after examining the record "finds that the outstanding feature of the situation is the stability of the aggregate earning assets over relatively long periods of time."

Dr. Gregory attributes this, as well as most of the other problems, to the effect of political influence on the Federal Reserve System—the fear that a decisive policy by the system might be followed by a business depression and again subject the board to the attacks of demagogues.

Walter Leaf, chairman of the Westminster Bank Limited, has written for the booklet a very interesting introduction, which concludes with this sensible comment: "It is imperative that all who are concerned with finance on the large scale should keep themselves alert to the facts and tendencies which are now struggling for expression in America. They cannot do better than study Dr. Gregory."



New building of the United States National Bank, Galveston, Texas, showing the corner entrance, designed by Alfred C. Bossom, bank architect and engineer, New York



Interior of the main banking room as seen from the entrance

The United States National Bank, Galveston, Texas

THE new building of the United States National Bank of Galveston, Texas, which was recently completed and opened to the public, illustrates how well a second floor may fulfill the needs of modern banking. Local conditions were, in part, responsible for the location of the main banking room on the second floor.

The main reason for using the second floor, however, is an economic one. In Galveston, as in all thriving cities, ground floor space is very valuable, and the bank felt that it would be best to have the revenue of rentals from the stores on the ground floor. The lighting of the stores at night for display purposes, gives the building an attractive appearance at all times,

The building, which is located on a commanding site at the corner of Market and Twenty-second streets, has a polished granite base, which reaches to the ceiling of the stores. From this point to the cornice, the structure is of Indiana limestone, with a wide projecting copper cornice standing out 8 feet from the face of the building. The

style is of Florentine Italian architecture.

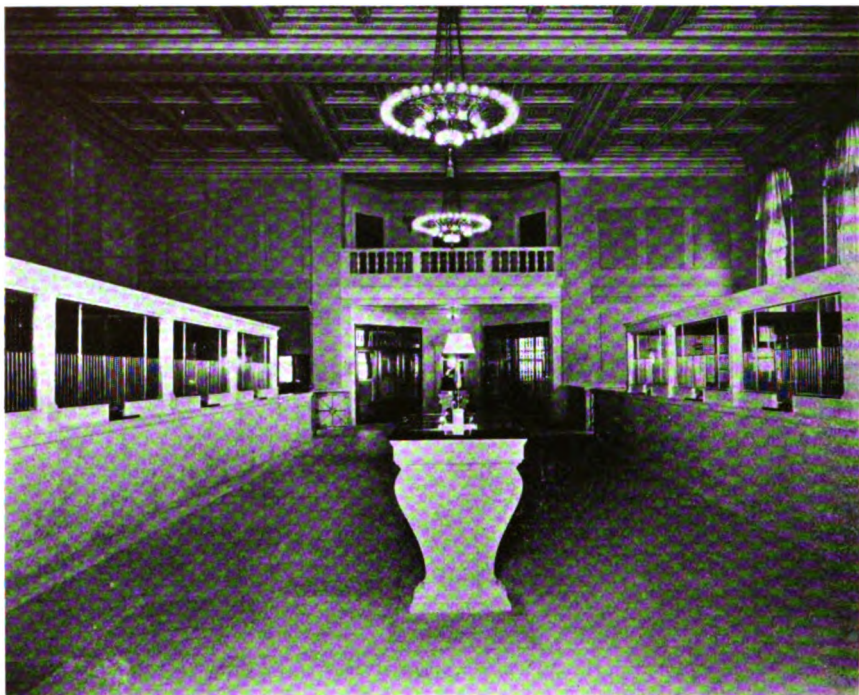
The banking rooms are reached by an ornate staircase, with a very gradual ascent. It is of Spanish type of architecture, in order to conform to the many Spanish structures in Galveston. Elevator service is also provided to the banking room.

As one enters the bank, through a corner entrance flanked with bronze doors, on the right hand are the officers' quarters, with a handsome paneled room for the president fitted with an open fireplace. This room is accessible either through the officers' space or by a separate entrance.

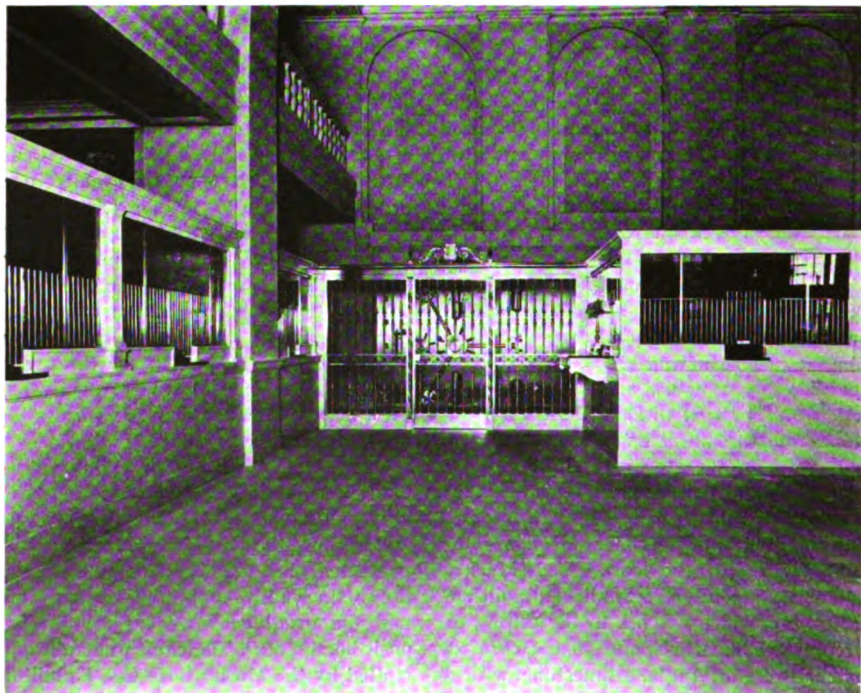
Opposite the officers' space is a customers' lounge, which it is believed will prove a very attractive feature.

Back of the banking screen, and well protected, but visible from all angles is the main vault, containing coupon booths and the usual conveniences for safety deposit box holders. The vault was built and installed by the Mosler Safe Co., Hamilton, O.

Against the far end of the room are the paying and receiving tellers' cages. They



Interior of main banking room, United States National Bank, Galveston, Texas, looking toward the entrance



View of the safe deposit vault, as seen from the public space, United States National Bank, Galveston, Texas
Vault built and installed by the Mosler Safe Co., Hamilton, O.



Officers' quarters, United States National Bank, Galveston, Texas

are entered from a soundproof room, containing the accounting machines. Thus the general hum of business pervades the bank without the boiler factory accompaniment which is so common. The lower part of the banking screens are of soft toned Tavernelle marble, while the upper part is of Benedict nickel, or white metal.

The balance of the structure, with the exception of the twelfth floor is to be occupied by offices. Three floors are especially set aside for professional men—doctors and dentists.

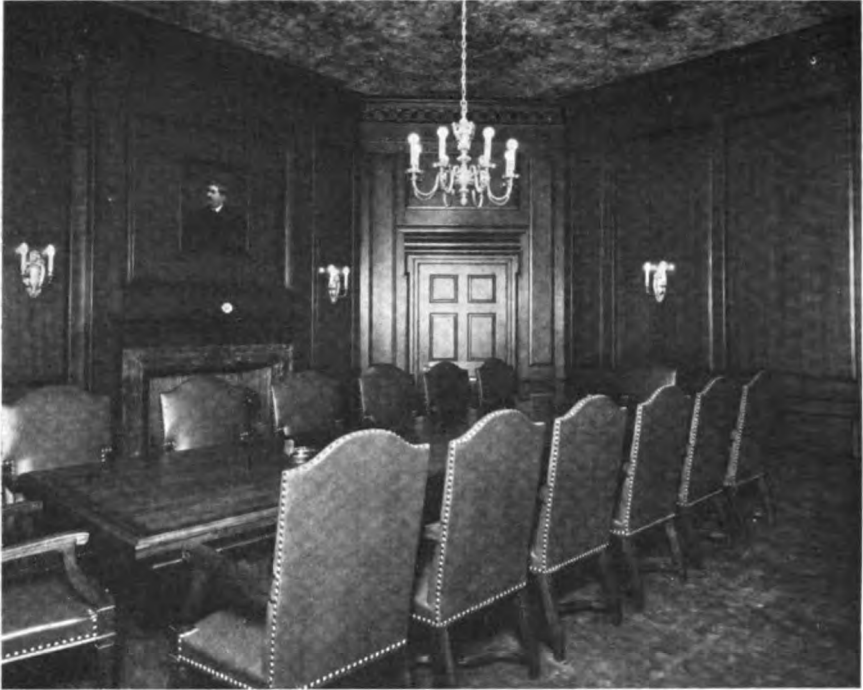
The eleventh floor will be used by the firm of H. Kempner, in which I. H. Kempner the president of the bank is also active. The twelfth floor is fitted with a cotton sampling room, and is served by a special elevator, so that the fluff from the cotton sent up for classification will not spread through the building.

At the formal opening of the new building, thousands of people visited the bank, and many favorable comments were heard on the general arrangement, especially the second floor arrangement.



I. H. KEMPNER

President United States National Bank,
Galveston, Texas



Directors' room, United States National Bank, Galveston, Texas



R. LEE KEMPNER

Vice-president in charge of the United States National Bank, Galveston, Texas

A picture of the exterior of the building and several pictures of the interior are shown on the accompanying pages.

The building was designed by Alfred C. Bossom, bank architect, of New York City, with Sanguinet, Staats and Hedrick of Fort Worth, Texas, as associates.

The United States National Bank of Galveston, Texas, was originally incorporated in 1874, under a charter granted by a special act of the Texas legislature, as the Island City Savings Bank. In 1904, the present management bought a controlling interest in the Island City Savings Bank, and continued to operate it for twenty years as the Texas Bank and Trust Company. On January 1, 1924, the name was again changed to the present name, the United States National Bank of Galveston, Texas. The bank has a capital of \$1,000,000 and an earned surplus of \$60,000 in addition to substantial undivided profits.

The president, I. H. Kempner is the active head of H. Kempner, Cotton and Banking, president of the Sugarland In-



J. W. BUTLER
Vice-president United States National Bank,
Galveston, Texas



A. LION
Vice-president United States National Bank,
Galveston, Texas



O. A. WALKER
Vice-president United States National Bank,
Galveston, Texas



A. J. PETERSON
Cashier United States National Bank,
Galveston, Texas

dustries of Sugar Land, Texas, and president of the First Texas Prudential Insurance Company of Galveston. He is also vice-president of the Galveston Cotton Exchange, and for several years has been a

member of the executive council of the American Bankers Association.

The vice-presidents consist of R. Lee Kempner, senior vice-president, in charge of the bank; J. W. Butler, formerly president



The president's office, United States National Bank, Galveston, Texas

and also for many years secretary of the Texas Bankers Association; O. A. Walker, Jr., and A. Lion.

Other officers include A. J. Peterson, cashier, who has been connected with banking in Galveston for most of his business life; Edward T. McBride, assistant cashier in charge of the savings department; and Edward J. DeBarbieris and Ross J. Keller

assistant cashiers in charge of the commercial banking department.

With few exceptions, the entire banking experience of the officers was gained in the present institution and its predecessors. Three of the four vice-presidents, and the three assistant cashiers have filled every position in the bank, up to their present rank, starting at the bottom.





New head office of the Midland Bank Limited, London, as it will appear when completed

Imposing New Head Office For Midland Bank

THE Midland Bank Limited, London, is erecting an imposing new building for its head office on premises extending from St. Mildred's court to Grocers' Hall court in Poultry and through to Princes street. The new building will contain eight stories above the level of the ground and three below. It will have a total floor area of about seven acres and will provide accommodations for a staff of 2400.

The elevations are to be in Portland stone. Above the cornice level the building will set back in two tiers leading up to the domes which are to be the central and crowning features of each of the frontages.

The lowest basement of the building will be reserved almost entirely for engineering requirements, such as heating, ventilating and electric plant, pumps, etc., and their various stores, the second basement chiefly for strong rooms and bank stores, and that

immediately below ground level for safe deposits and additional strong rooms.

The ground floor will be devoted entirely to general banking business.

The first, second and third floors will contain all facilities for clerical work including the clearing of checks and the correspondence department. On the fourth floor will be accommodated the managerial staff while the board room, directors' committee rooms, etc., will be situated on the fifth floor. The sixth floor and a small seventh floor will contain staff dining rooms, kitchens, rest rooms, etc.

The new building will be provided with thirteen elevators and five staircases.

The architects are Gotch & Saunders acting in collaboration with Sir Edwin Lutyens, R. A., whose design for the facade to Poultry is being exhibited at the Royal Academy and is illustrated above.



A view of the rear of the Union Savings Bank of Westchester County, Mamaroneck, N. Y., showing how the bank overhangs a stream without having any vertical supports in the stream. The building was planned and erected under the supervision of Morgan, French & Co., Inc., architects and bank engineers, New York



Exterior of the Union Savings Bank of Westchester County, Mamaroneck, N. Y.

New Building of the Union Savings Bank of Westchester County, Mamaroneck, New York

ON May 4 of this year, the Union Savings Bank of Westchester County, Mamaroneck, New York, moved into its new building on the Boston Post Road. The building is of individual type, 45 feet wide by 80 feet deep. The rear 26 feet of the building overhangs a small tidal inlet, which is considered as navigable water, so that in order to secure the needed area, the trustees obtained the right from the Government to overhang the stream. This presented quite an engineering problem, for no vertical supports were allowed under that part of the building which overhangs the stream. The problem was finally solved by providing for support by cantilever construction in which the entire weight of the

building is used to balance the overhanging portion in the rear.

When the bank had gotten well along with the preparation of plans and specifications for the new building, and appropriation for the work had been made, the State Banking Department was consulted. They advised the trustees to reduce the appropriation approximately 30 per cent. to keep the investment within what they considered a fair proportion of the surplus fund.

The trustees, therefore, decided to go ahead with the enclosure of the building, as originally planned by the architects, Morgan, French & Co., Inc. of New York, and to make the necessary economies entirely in connection with the equipment,



Officers' quarters, Union Savings Bank of Westchester County, Mamaroneck, N. Y.

furniture, and interior of the building, for they feared that if they reduced the whole proposition on a similar scale, the building would not properly provide for a future increase in business.

However, during the progress of the construction work, the business of the bank increased rapidly, and the value of certain securities in which the surplus was invested increased as well, making the surplus sufficient to warrant increasing the appropriation to the originally contemplated amount. So that the building, as it stands today, embodies everything that was contemplated in the original program.

The exterior walls of three sides of the building are faced with cut cast stone for their entire height. The building is entered through handsome bronze doors and a corner entrance. On the main floor, in addition to the public space, and necessary work space behind the screen, are the officers' quarters, an open customers' room and an enclosed retiring room for ladies, equipped with writing desks, easy chairs and dressing tables. The interior of the main banking



REUBEN G. BREWER

President of the Union Savings Bank of Westchester County, Mamaroneck, N. Y.



Interior of the Union Savings Bank of Westchester County, Mamaroneck, N. Y.,
looking toward the officers' quarters



Entrance to the vault of the Union Savings Bank of Westchester County, Mamaroneck, N. Y. Vault was built and installed by the Diebold Safe and Lock Company of Canton, O.



The work space in the tellers' cages, Union Savings Bank of Westchester County, Mamaroneck, N. Y.



Public space of the Union Savings Bank of Westchester County, Mamaroneck, N. Y.,
as seen from the entrance



Directors' room, Union Savings Bank of Westchester County, Mamaroneck, N. Y.

room is finished with rose Tavernelle marble screen, with a bronze top; the floor is of pink Tennessee marble, and the interior woodwork is of American walnut. The walls are decorated to appear like Caen stone. The trustees' room, located on the mezzanine floor, is finished in white oak. The bank will be equipped with a vault of reinforced concrete, having a steel lining and a 10-inch solid steel door. The vault was built and installed by the Diebold Safe and Lock Company of Canton, Ohio.

The Union Savings Bank of Westchester County was incorporated on June 29, 1887, and began business in December of the same year with Bradford Rhodes as president and Reuben G. Brewer as treasurer. Mr. Brewer acted as treasurer until 1909, when he was succeeded by George L. Lyon.

After twenty-five years of service, Mr.

Rhodes resigned, and Mr. Brewer was elected to succeed him as president in January 1913. In 1922, Mr. Lyon resigned the office of secretary, but continued as treasurer of the bank. Charles M. Baxter was elected to succeed him as secretary.

The officers of the bank have always taken an active interest in the work of the New York State Bankers Association. At the recent convention of the association held in Ithaca, N. Y., Mr. Brewer was elected president of the Savings Bank Section, and Mr. Baxter was elected state vice-president of the American Bankers Association for the same section.

The semi-annual statement of the bank for July 1, 1925, shows total deposits of \$2,069,100.42, a guaranty fund of \$209,846.58 and bonds and mortgages held amounting to \$1,427,559.00.





A view of the interior of the safe deposit vault in the new building of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pa. The vault was built by the Mosler Safe Co., Hamilton, Ohio.

Some Recent Bank Building Operations

First National, Tampa, Gets Finest Bank Quarters in Florida

THE building now under construction for the First National Bank, Tampa, Florida, a picture of the architects' sketch of which is reproduced on the following page, has quite an unusual arrangement. It is to be built in the form of an "L" the ell portion extending back from the entrance at the right of the picture. This part of the "L," however, will be only three stories high, while the building itself is to be fourteen stories high. The bank will occupy the entire first floor, and the entire three stories of the ell. The remainder of the building will be given over to offices.

The base of the exterior of the building will be of granite, above that two stories of limestone, and the remainder will be faced with brown tapestry brick, with fire flashed terra cotta to harmonize.

The basement will contain the safe de-

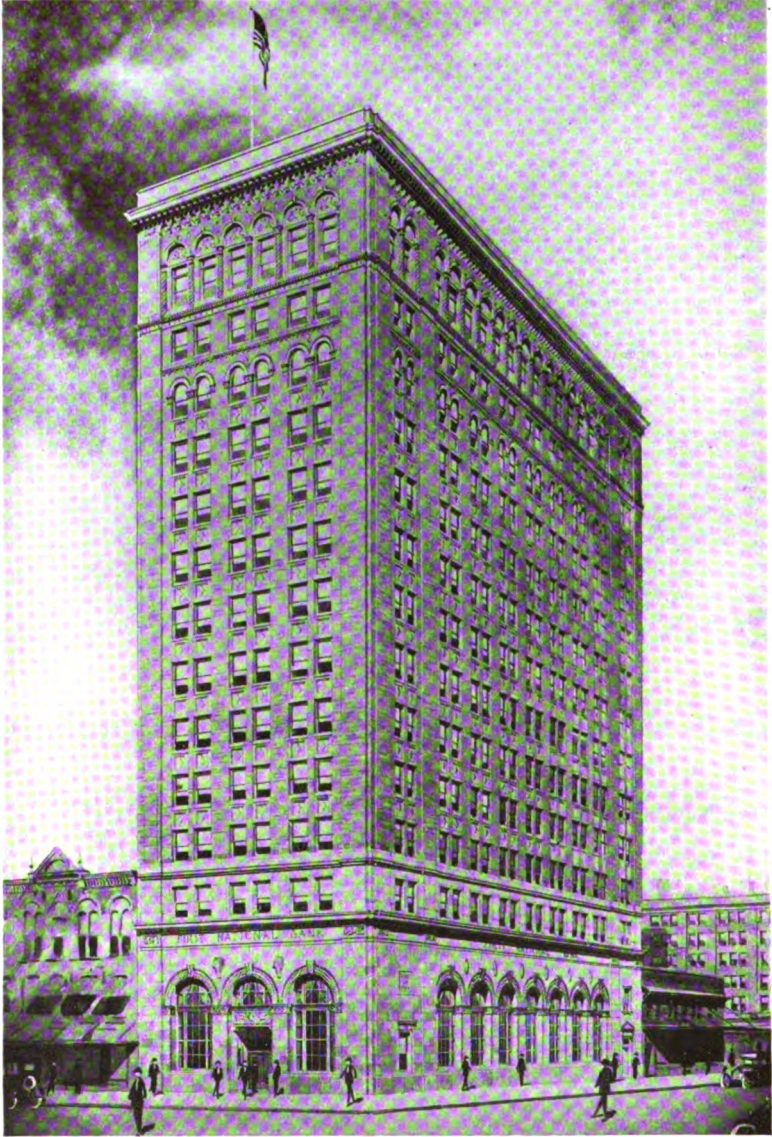
posit vault, with safe deposit boxes, the storage vaults of the bank, men's lockers, and the light, heat, and ventilating machinery of the building.

The main banking room will be located on the ground floor, the marble and bronze entrance showing at the left of the picture. It will have a ceiling height of 25 feet, walls of Travertine stone, and will be floored, in the public space, with marble, and in the work space in the cages, with cork. A large security vault will be located in the ell section of the ground floor.

The mezzanine floor, which will be reached by a marble staircase from the main banking room, will contain the directors' room, committee rooms, a large book vault, work space for various departments of the bank, a girls' rest room and kitchenette, and a large dining room.

When completed, it is contemplated that the banking quarters will be the finest in the State of Florida.

The building will be constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York.



The new building of the First National Bank, Tampa, Fla., will contain the finest banking quarters in the State of Florida. The building will be constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York.

Individual Lobbies in New Federal Reserve Bank Branch

THE Federal Reserve Bank of St. Louis recently opened a new building for its branch at Little Rock, Ark. It contains a very interesting feature in the "individual lobbies" before each teller's window. The doors to these "lobbies" are barred, and are electrically controlled from within the teller's cage. The teller, seeing a customer at the door of the "lobby," presses a button, releasing the lock and admitting him. Thus only one person is admitted to the teller's window at a time.

Bank Building Notes

A. V. Spinosa has resigned as vice-president and general manager in charge of sales of the Consolidated Expanded Metal Companies, Braddock, Pa., and has been succeeded by Thomas R. Herbst, Jr., formerly in charge of the company's branch offices in Pittsburgh, Philadelphia, and New York.

E. S. Macdonald, vice-president of the Bank of the Manhattan Company, New York, recently announced that the bank had purchased the plot and building at Broadway and Twenty-second street, Flushing, Long Island, and would open a new branch there soon.

A syndicate organized by Albert O. Hagar, president of the City Central Corporation of Boston, has purchased twelve plots of land and the buildings thereon in the financial district of Washington, D. C., opposite the United States Treasury Building and the Riggs National Bank, and will erect a new ten story bank and office building.

Home Bank and Trust Company, Darien, Conn., has completed the enlarging of its banking quarters. Several New York bankers attended the formal opening of the enlarged banking home.

The Italian Savings Bank, New York, has completed its new building on Spring and Lafayette streets, a cut of the floor plan of which appeared in these columns in March. The completed structure with its eight large Corinthian columns and its Italian Renaissance style, is one of the handsomest buildings on Lafayette street.

The old iron front building at Wall and Pearl streets, New York, which has been the home of the Seamen's Bank for Savings since 1870, is to be torn down shortly and replaced by a fourteen story bank and office building.

The American Trust Company, New York, is altering and enlarging its banking quarters.



BOOK REVIEWS AND NEW BOOKS

THE DUTIES, RESPONSIBILITIES AND LIABILITIES OF BANK DIRECTORS. By F. Lee Major. New York: Macmillan. Price, \$2.50.

It is reported that a committee now engaged in investigating the causes of bank failures has stated in its preliminary report that the great majority of bank failures are due to poor management. The responsibility for this condition rests primarily with bank directors many of whom accept the directorship of a bank with no knowledge of their duties, and with but little realization of their responsibilities. This book, written by a former assistant bank commissioner of the State of Arkansas, is designed to show bank directors what is expected of them.

The author points out that banks differ widely from other business corporations in that the directors are responsible not alone to the stockholders but also to the depositors. This places the bank director in the position of a semi-public trustee which makes it all the more important for him to give serious thought to his obligations. As the author says: "A director who cannot give the time required to become familiar with the affairs of his institution should resign.

This book should be read by every bank director.

+

THE MODERN TRUST COMPANY. Sixth Edition Enlarged and Revised. By Franklin B. Kirkbride, J. E. Sterrett and H. Parker Willis. New York: Macmillan. Price, \$6.00.

SINCE its first appearance in 1905 "The Modern Trust Company" by Kirkbride and Sterrett has been one of the standard books on the subject of trust company administration. The continuous changes which have taken place during the past two decades have made necessary many revisions of the original text in order to take proper cognizance of changed methods and widened scope of activities. The adoption of the Federal Reserve Act so completely altered the situation that the original authors associated with them in the work H. Parker Willis who as the first secretary of the Federal Reserve Board was a leading authority in this particular field. The present

edition has been thoroughly revised and brought up to date.

The scope of this work can be seen from the following table of contents: Functions; Organizing a trust company; Membership in the Federal Reserve System; Officers; Banking department; Making use of the Federal Reserve System; Credits and credit department; Tax department; Operating costs; Statistical department; Foreign banking; Corporate trust department; Individual trust department; Investments; Commercial paper; Safe deposit department; Savings fund department; Life, fidelity and title insurance and suretyship; General accounting; Miscellaneous subjects; Appendix.



New Books

SHOP AND OFFICE FORMS—THEIR DESIGN AND USE. By Wallace Clark. New York: McGraw-Hill Book Co., Price, \$2.50.

THE DAWES PLAN IN THE MAKING. By Rufus C. Dawes. Indianapolis: Bobbs-Merrill. Price, \$6.00.

ADVERTISING PROCEDURE. By Otto Kleppner. New York: Prentice-Hall. Price, \$5.00.

REAL ESTATE HANDBOOK. By Blake Snyder. New York: McGraw-Hill. Price, \$5.00.

MARKET ANALYSIS—ITS PRINCIPLES AND METHODS. By Percival White. New York: McGraw-Hill. Price, \$4.00.

THE MAKING OF A STOCKBROKER. By Edwin LeFevre. New York: Geo. H. Doran Co. Price, \$2.50.

SERIAL BOND VALUES TABLES. Boston: Financial Pub. Co. (lea) Price, \$15.00.

PERSONAL LEADERSHIP IN INDUSTRY. By David R. Craig and W. W. Charters. New York: McGraw-Hill. Price, \$2.50.

BUSINESS LETTER WRITING. By Roy Davis and Clarence H. Lingham. Boston: Ginn & Co. Price, \$1.40.

AN INTRODUCTION TO PUBLIC SCHOOL FINANCE. By Benjamin Floyd Pittenger. Boston: Houghton-Mifflin. Price, \$2.00.

PAPER

Uniform dependability

The safety properties of National Safety Paper do not vary—one sheet is as sensitive to alteration as the next.

This is important, for it assures you that your protection is uniformly dependable.

Furthermore, National Safety Paper is unaffected by age or atmospheric conditions. This has been proven by paper tested 33 years after its manufacture.

Specify National Safety Paper—the standard form of check protection—to your stationer, printer or lithographer.


George La Monte & Son

61 Broadway, New York

*National Safety Paper is also made in Canada
by George La Monte & Son, Ltd., Toronto*



BANK of the MANHATTAN COMPANY

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.*

RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, Toronto, Canada

A. W. AUSTIN, President

C. J. BOGERT, Vice-Pres. & Gen. Mgr.

C. B. BLACKWELL, Chairman of the Board

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

A CYCLE IN PROGRESS



COMMUNICATION in Stephen Girard's time was hampered by the most formidable obstacles. A merchant writing to a correspondent in Europe found it necessary to make six copies of every letter and send each of them by the captain or supercargo of a different ship.

Accustomed to the marvelous facilities which modern inventive genius has put within our reach, such conditions seem strangely remote and unreal today. Nowhere is the advance of a century in methods of communication more effectively illustrated than in the certainty and dispatch with which this modern bank serves its numerous

correspondents, scattered throughout the length and breadth of the Nation.

THE GIRARD NATIONAL BANK

PHILADELPHIA

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

SEPTEMBER 1925

No. 3

SEP 17 1925

- Are National Banks Doomed?
- Checkmating the Get-Rich-Quick Promoters
- The Security Aspect of Country Bank Credits
- Save-to-Travel—The New Banking Program
- “Oh, Mercy No!”
- Foresight or Folly in Automobile Financing



FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y. UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U. S. A.

PUBLISHED MONTHLY BY
THE BANKERS PUBLISHING CO.
 W. G. WARREN, PRES. W. H. BUTT, VICE-PRES. K. F. WARREN, TREAS. J. R. DUFFIELD, SEC.
 BOSTON NEW YORK CHICAGO

J. P. MORGAN & CO.

Wall Street, Corner of Broad

NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.

Foreign Exchange, Commercial Credits.

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

*Offers these
Services to
Banks,
Corporations
and
Individuals*



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$28,500,000

100 Broadway

57th St. & Fifth Ave.

40th St. & Madison Ave.

SEEKING NEW BUSINESS ON OUR RECORD

Speaking of Old Customers

A BANK is known by the depositors it keeps. Some of ours have been with us for 81 years. That's long enough for merit to be *discovered* or inefficiency to be *uncovered!*

THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK

B'WAY at CHAMBERS, FACING CITY HALL
FIFTH AVENUE at TWENTY-NINTH STREET
MADISON AVENUE at FORTY-SIXTH STREET

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE *and* 46th STREET

SEVENTH AVENUE *and* 32nd STREET

DIRECTORS

Charles Scribner	Joseph D. Oliver
Richard Delafield	Lewis Cass Ledyard, Jr.
Francis R. Appleton	David M. Goodrich
Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus *and* Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by

THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAG," NEW YORK

Volume CXI

SEPTEMBER 1925

No. 3

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	307
Annual Convention of the American Bankers Association—The Development of American Banking—Removal of a Commercial Barrier—Profiteering As a Cause of War—Our Moral Support for Europe—Repudiation on Both Sides of the Atlantic—Prospective Tax Reduction.	
Are National Banks Doomed?	By J. M. Head 313
An interview with George E. Roberts, vice-president of the National City Bank of New York. Mr. Roberts, who is widely known as one of the country's leading economists, holds that, unless national banks are permitted, in the future, to operate with something of the freedom that is allowed state banks, we have seen the end of the growth of the national banking system, and disintegration will begin.	
Checkmating the Get-Rich-Quick Promoters	By Bernard G. Priestley 317
The story of the work now being done by the Boston Better Business Commission to checkmate fraudulent promotion schemes. Prominent bankers and business men have characterized this work as the most effective method yet put into operation to save the uninformed investor from throwing his money away in wildcat speculations.	
The Security Aspect of Country Bank Credits	By Frank S. Wettack 323
The fourth article of a series on the general subject of country bank credits. The author is cashier of the First National Bank of Coffeyville, Kansas.	
Los Angeles Bids for Next A. B. A. Convention	By James E. Shelton 327
Los Angeles has extended an invitation to the American Bankers Association to hold its 1926 convention in that city, and has appointed a number of the city's leading bankers to help try and secure the convention for next year.	
Save-to-Travel—The New Banking Program	By Allan F. Wright 329
As the Christmas Club has proved an abundant source for savings by providing a fund to defray the expenses of the holiday season so is the Save-to-Travel Club providing a basis for American banks to develop a broader field of savings effort along a different line—that of saving to travel. This new movement had, at the beginning of the present year, an active membership of 349 savings banks, national banks and trust companies. This article tells how the plan operates, what it has accomplished, and what the experience of several banks using the plan has been.	

(Contents continued on page vii)

The Age of a Bank

TO be distinguished for age alone is, in a man, a distinction of doubtful value. But age by itself confers eminence upon a Bank, for it implies not only the experience that comes with years, but survival amid competition, and is a guarantee of permanence.

To the Bank of New York and Trust Company belongs the honor of being the oldest Bank in the City. Its Banking Department, founded in 1784, antedates even the Constitution of the United States itself. Its Trust Department was established in 1880, at a time when the wealth of the City was only beginning to be great enough to justify an organization devoted principally to the care of Estates.

In addition to a thorough familiarity with the banking and fiduciary business of the present day, the Bank possesses the honorable tradition and the sum of the experience of one hundred and forty-one years of service.

May it not serve you?



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office

149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

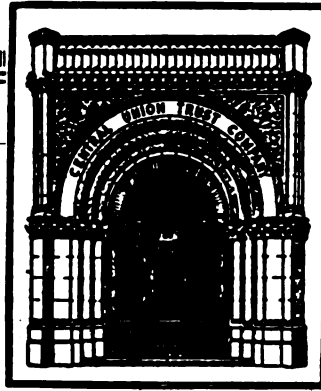
For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited.

RESOURCES OVER QUARTER BILLION DOLLARS

1864

*Comprehensive
Foreign
Banking
Service*



1925

*Traveler's
Checks
Foreign
Currency*

61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafield
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY NEW YORK
PLAZA OFFICE 42ND STREET OFFICE
5th Ave. & 60th St. Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER

NATIONAL BANK OF THE CITY OF NEW YORK

Established 1851

OFFICERS

WILLIAM WOODWARD
PRESIDENT

E. HAYWARD FERRY
VICE PRESIDENT

HENRY P. TURNBULL
VICE PRESIDENT

SAMUEL WOOLVERTON
VICE PRESIDENT

JOSEPH BYRNE
VICE PRESIDENT

CHAS. H. HAMPTON
VICE PRESIDENT

JOSEPH S. LOVERING
VICE PRESIDENT

JAMES P. GARDNER
VICE PRESIDENT

FOREIGN DEPARTMENT

WILLIAM H. SUYDAM
VICE PRESIDENT
AND MANAGER

WILLIAM E. CABLE, JR.
CASHIER

J. NIEMANN
ASST. CASHIER

WILLIAM DONALD
ASST. CASHIER

GEORGE E. LEWIS
ASST. CASHIER

FREDERICK A. THOMAS
ASST. CASHIER

WALTER G. NELSON
ASST. CASHIER

CHARLES B. CAMPBELL
ASST. CASHIER

WILLIAM B. SMITH
ASST. CASHIER

WILLIAM H. ALLEN
ASST. CASHIER

Capital \$5,000,000
Surplus and Profits 24,000,000

The "Hanover" is New York Correspondent of over 4000 Banks

CONTENTS—Continued

	Page
Bread and Butter	By Richard W. Saunders 334
The Career of William Kidd	By Withers Woolford 335
<p>The second, and final, instalment of the life of the notorious Captain Kidd of legendary fame. This story, while it fails in many respects to substantiate popular legend, is of particular interest in that it presents in highly interesting and readable form the true story of a very striking and unusually eventful career. The illustrations accompanying the story are by Burriss Jenkins, Jr.</p>	
Banking and Commercial Law	343
<p>Important decisions of current interest handed down by state and Federal courts upon questions of the law regarding banking and negotiable instruments—Deposit for Special Purpose—Bank Liable for Nominal Damages Only in Returning Check for Insufficient Funds Through Mistake.</p>	
Banking Publicity	349
<p>"Oh, Mercy No!" by T. N. T.—"Financial Advertisers to Meet in Columbus"—"Knowing Their Stuff" by Herbert V. Prochnow—"Savings Plans For the Business and Professional Man"—"A Poster Idea for 'Selling' Bank Advertising Literature" by John T. Bartlett—"Increasing the Sales of Travelers' Cheques Among College Students"—How Banks Are Advertising—Editorial Column.</p>	
Why Unprofitable Accounts?	By F. D. Connor 364
International Banking and Finance	367
<p>"United States Foreign Loans for First Six Months of 1925 Total Over Half Billion"—"United States Trade With Europe Shows Big Increase"—Review of Countries—International Banking Notes.</p>	
Penalizing Chronic Overdrawers	399
<p>Cambridge, Mass., bank devises effective method of reducing overdrafts through a service charge.</p>	
Some Bank Credit Problems	401
<p>Part III of "Balance Sheet Items" the sixth article of a series by the Credit Editor of THE BANKERS MAGAZINE on bank credit and credit department methods; also the usual questions and answers on credit problems.</p>	
Foresight or Folly in Automobile Financing?	By H. Bertram Lewis 413
<p>Mr. Lewis says that time sales may be considered chiefly accountable for the fact that automobile prices today average 29 per cent. below the pre-war level, while the average price of all other commodities exceeds that level by 67 per cent. A factor of such influence is a very logical subject of special consideration at the present juncture. And because of its influence, any misconceptions as to the basis upon which its successful utilization rests may have harmful consequences. Mr. Lewis is vice-president of the automobile finance company of Hare & Chase, Inc., New York.</p>	
Banking and Financial Notes	423
<p>Items of current interest to bankers about banks and banking in every section of the country are included in this department each month.</p>	



Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

OUR BEST ADVERTISEMENT

is the simple fact that hundreds of out-of-town banks have chosen this institution as their New York Correspondent.

Personal Service Headquarters

The
COAL & IRON
NATIONAL
BANK

OF THE CITY OF NEW YORK

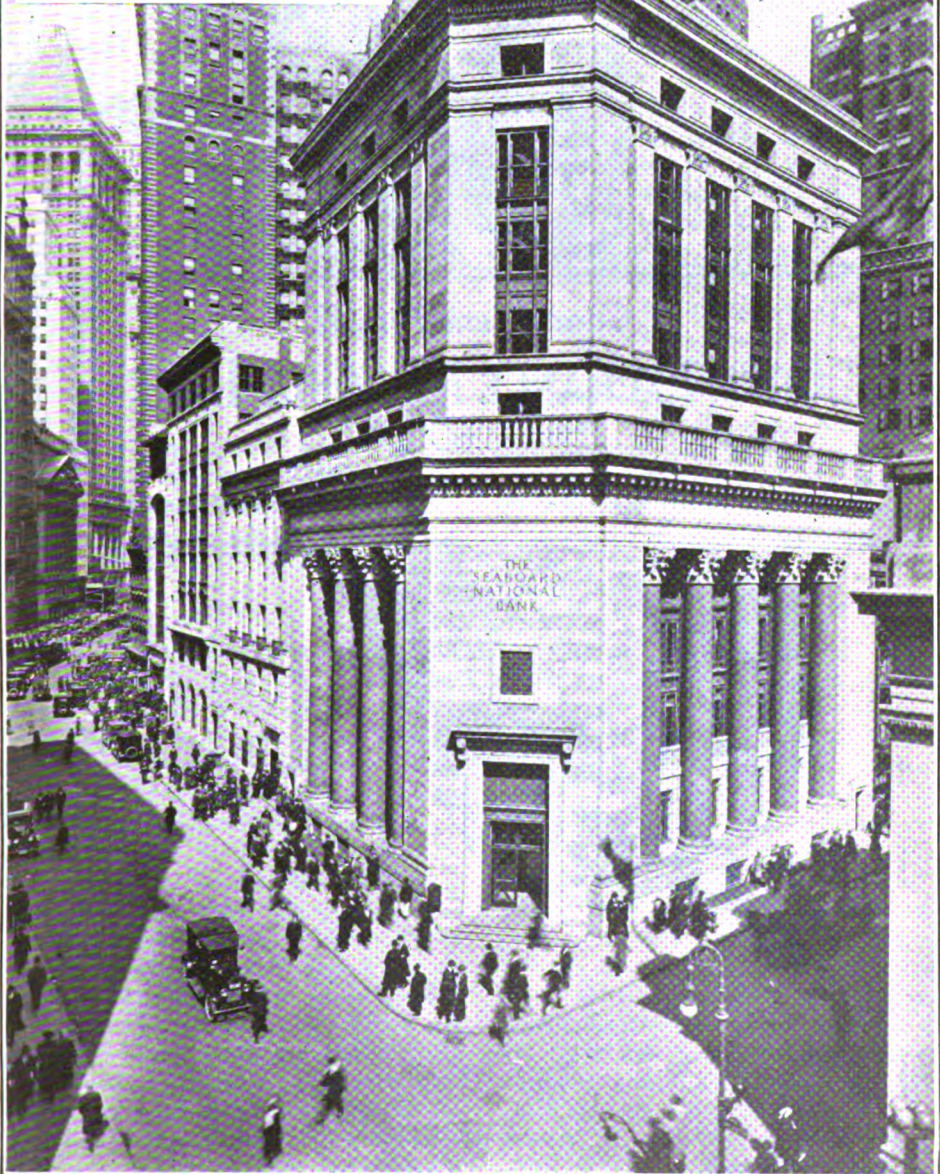
Liberty and West Streets

THE main office of the Seaboard—published to remind our friends of a place where they are assured efficient service and a warm welcome.

The Seaboard National Bank
of the City of New York

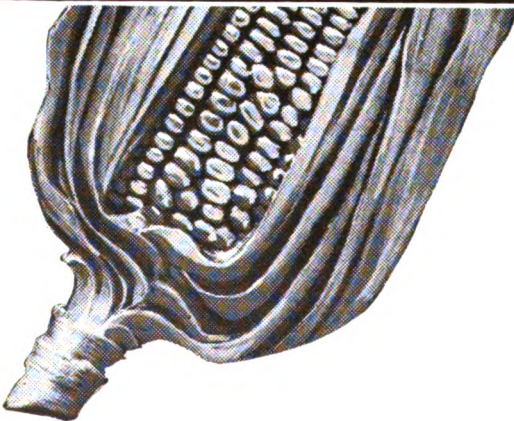
Main Office: Broad and Beaver Streets
115 Broadway 24 East 45th Street

COPYRIGHT IRVING UNDERHILL. 1925





Convenient for all
CORN EXCHANGE NATIONAL BANK
PHILADELPHIA
MAIN OFFICE CENTRAL CITY OFFICE
Chestnut Street at Second 1510-12 Chestnut Street



The Publisher's Page

THE October number of **THE BANKERS MAGAZINE** will be the American Bankers Association Convention number, and will contain a complete and comprehensive summary of the proceedings of the fifty-first annual convention of the association, which is to be held at Atlantic City, N. J., September 28 to October 1. Special attention will be given to the more important subjects which come before the convention. As has been the case in its reports of previous conventions of the American Bankers Association, **THE BANKERS MAGAZINE** will present in the October number a synopsis of the important features of the proceedings, rather than attempt to publish a verbatim report. The story of the convention will be divided up and treated under special topical headings instead of being given chronologically. In this way the features of the convention will be thrown into relief, and all matters relating to an important topic condensed and presented as a separate unit. Readers will find the October number particularly valuable as a permanent record of this important gathering of the bankers of the country, and as a crystallization of banking opinion on matters of current interest in the banking field.



FOR several years past a number of banks of the Middle West have been using successfully a so-called "Scrip Savings Plan" to secure new savings business. This plan has proved valuable not only to the banks, but to the development of business in the communities in which it has been made use of. Mahlon D. Miller, in an article "A Helpful Plan for Getting New Business," which will appear in the November number, will tell what this plan is, how it operates, and what it has accomplished and promises to accomplish as its use is extended. Mr. Miller says that: "For the banker, the merchant and the depositing members, the 'Scrip Savings Plan' offers wide possibilities for practical co-operation in stimulating business. As a means of instruction in the habits of economy and thrift it should

prove of great value throughout the country, with its ever increasing use as a medium of community co-operation on the part of the banker and his customers. The author is manager of the new business department of the Lake Shore Trust and Savings Bank of Chicago.



PROF. R. D. Kilborne, who has made a careful study of his subject, in "A Review of the Operations of the Federal Farm Loan System," an article to appear in the November number, presents an interesting outline of what the system is, why it was established, and what it has succeeded in accomplishing. After sketching the important points of the system, Prof. Kilborne takes up, in the order named, such matters as interest rates on long time loans to farmers and their relation to the Agricultural Credits Act; the co-operative movement in the national farm loan associations; the question of farm tenancy; and the joint stock land banks. The author is Professor of Banking and Finance, The Amos Tuck School of Business Administration, Dartmouth College.



ALLAN B. COOK, in an article "Good Will or Good Bye!" which will appear in the November number of **THE BANKERS MAGAZINE**, points out a number of specific cases where, for no apparent reason, certain banks incurred ill-will on the part of valued customers and almost lost the accounts of these customers. The accounts were saved, by a narrow margin, in each of the cases outlined. And they were saved by the application of the same general principle. "Any banker," concludes Mr. Cook, "can handle his customers intelligently if he will try to get their viewpoint, and then endeavor to explain his own in language which they can understand with the least amount of effort." The author is assistant vice-president of the Guardian Trust Company of Cleveland.

—At the New York End

Our broad facilities are supplemented by resources ample for the needs of sound business and by the personal co-operation of our officers in meeting individual requirements.



THE BANK OF AMERICA

ESTABLISHED 1812

NEW YORK CITY

Capital, Surplus and Undivided Profits over \$11,000,000



Main Office
Fifth Ave. at 32nd Street

The Bank of United States

Member Federal Reserve System

Resources Over
\$65,000,000.00

DEPOSITORY FOR
United States Postal Savings Funds
State of New York City of New York

Foreign Exchange

Domestic and Foreign Letters of Credit Issued

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

Accounts of Banks and Bankers Invited

DOCUMENTARY DRAFTS

You would not think of delaying for 24 to 48 hours the presentation of a demand Bill of Lading draft sent you for collection.

Why permit unnecessary waste of valuable time in collecting similar items deposited with you by your own customers?

Documentary drafts sent to us are immediately forwarded to place of payment whether received by day or night.

All items received at par.

**THE
PHILADELPHIA
NATIONAL
BANK**

Capital, Surplus and Profits, \$17,000,000

FINANCIAL EYES AND EARS (for your Investments)

Even after money is invested in good bonds it is well to keep informed about each security. Doing this work is one phase of the service we afford our correspondents.

When it is desired, our Bond Analytical Division will follow up your securities, advising you from time to time of any changes which seem important. It is a satisfaction to know that your bonds are receiving the attention of a conservative organization.

Bond Department

THE NORTHERN TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$7,000,000



Northwest Corner La Salle and Monroe Streets, Chicago



BOOKS THAT BANKERS NEED

Write for our new circular describing books
that you need for your banking library

BOOK DEPARTMENT

THE BANKERS PUBLISHING Co.

71 Murray Street, New York, U.S. A.



Investment Service for Banks

THE Bond Department of the Illinois Merchants Trust Company is organized to give trained counsel and complete service in all matters pertaining to bonds. Banks and Investment Houses located anywhere in the country may, without obligation, look to us for suggestions as to the most desirable current investments, for the disposal of bonds they now own, for information relative to issues in which they are interested, or for any other service which our long experience and complete facilities enable us to render.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

THE FOREMAN BANKS

FOUNDED 1862

We invite the business of
banks, corporations, firms
and individuals on our
63-year record.

*"A big, friendly institution where the spirit is
democratic and it is a pleasure to do business"*

The Foreman National Bank

The Foreman Trust and Savings Bank

La Salle and Washington Sts., Chicago

Combined Capital, Surplus and Undivided Profits exceed

\$10,000,000

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

Pine Street, Corner William
NEW YORK

BONDS FOR INVESTMENT

Harris, Forbes & Company
Incorporated
Boston

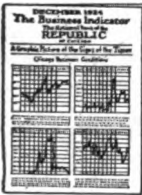
Harris Trust & Savings Bank
Bond Department
Chicago

"THE BANKERS' SERVICE STATION"

PROGRESSIVE methods tempered by a strong conservative banking policy, plus an "in-grown" desire to serve, gives the "Republic" an unusual



capacity for doing things for bankers who want things done. The following represent a few of the many special services offered by the "Republic."



"The Signs of the Times"

In case you were able to keep your depositors informed from month to month of changing times and business conditions, don't you really believe that more and more people in your community would do business with your bank in order to avail themselves of this service? The "Business Indicator" will do this very thing. We shall be glad to explain in detail.

The "Republic" Bond Statistical Service

This is another special "Republic" service. For instance, you merely file a list of the bonds in which you are interested with us, and from that day on our Statistical Department automatically keeps you informed of each important development affecting that issue, as it occurs. This service, of course, is rendered without charge to correspondents.



"The Proof of the Pudding"

One of our correspondents up in Michigan adopted the "Republic" Money Order Service. At the end of two weeks, he found he was issuing 90 Money Orders a day and only 8 or 10 bank drafts. The answer is—the people like them, consequently they attract new customers. We will be glad to tell you the whole story.



**The National Bank of the
REPUBLIC
OF CHICAGO**



JOHN A. LYNCH, *Chairman of the Board*
DAVID R. FURMAN, *Vice-Chairman* GEORGE WOODRUFF, *Vice-Chairman*
HUGO E. ORTEL, *President*



Meeting the Needs of a Greater Philadelphia

Capital and Surplus \$3,500,000.00
Resources over . \$30,000,000.00

FRANKLIN TRUST COMPANY

Southwest Corner Fifteenth and Chestnut Streets

West Phila. Office

Fifty-second and Market Sts.

Front Street Office

Front and Market Sts.

Germantown Office

5708 Germantown Ave.

Frankford Office

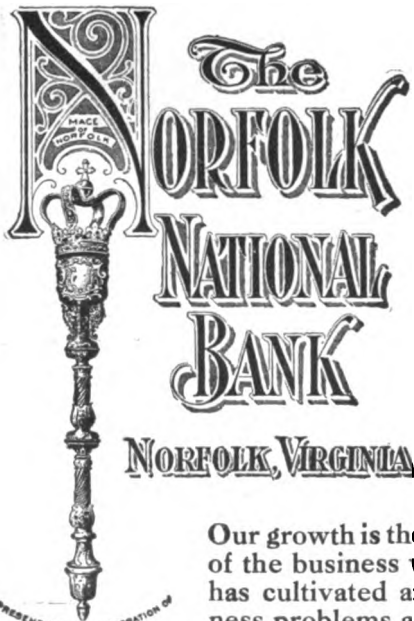
Frankford Ave. and Paul St.

PHILADELPHIA, PA.

America's Largest Exclusively



Day - and - NIGHT Bank



Organized 1885

UNITED STATES DEPOSITORY

Capital - - - - \$1,000,000
Surplus and Profits \$1,310,000

W. A. GODWIN President
A. B. SCHWARZKOPF . . . Vice-President
J. B. DEY, Jr. Vice-President and Cashier
C. S. WHITEHURST Vice-President
L. T. VAN PATTEN Asst. Cashier
E. D. DENBY Asst. Cashier
R. H. MOORE Asst. Cashier
H. B. REARDON Auditor

The Oldest National Bank in Eastern Virginia

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.

PRESENTED TO THE CORPORATION OF
NORFOLK BY SENATOR ROBERT DINWIDDIE
MAY 17 1893



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds \$400,000,000
Corporate Funds - \$1,521,000,000

GIRARD TRUST COMPANY
BROAD AND CHESTNUT STREETS • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street

Detroit—

First

In wealth per capita
In nineteen industries
In steady growth
In per capita savings

The Peoples State Bank has greatly aided in this development of prosperity to Detroit's citizens and industries.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

Detroit, Michigan

Resources over \$150,000,000



The A B C

of international banking is provided through our
60 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France, Spain and England

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America

and

Commercial Bank of Spanish America

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

Incorporated under the laws of the State of New York

49 Broadway, New York

A Massachusetts Fiduciary

Qualified by 47 years' experience

Practically every kind of Trust problem that may arise has been met and solved by this Company during its 47 years' experience. We have handled hundreds of Estates.

We cordially invite individuals and corporations who require fiduciary service in Massachusetts to correspond with the President or other officers of this Company.

CHARLES E. ROGERSON, *President*

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At ARCH and DEVONSHIRE STREETS

Boston 6

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System

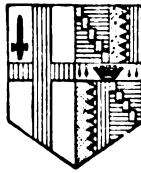


Capital - - - \$1,000,000.00
Surplus - - - 300,000.00

DR. L. A. BIZE _____ President
W. W. TRICE _____ Vice-President
ISAAC MAAS _____ Vice-President
L. L. BUCHANAN _____ Vice-President
D. H. LANEY _____ Cashier
W. W. BLOUNT _____ Assistant Cashier
EUGENE KNIGHT _____ Assistant Cashier
C. E. HESTER _____ Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2
 Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland



GLYN, MILLS & Co.

(Established 1753.)

Registered with unlimited liability 1885.

Incorporating

Child & Co. — and — Holt & Co.
 (Established before 1600) (Established 1809)

BANKERS

Army and Air Force Agents

Navy and Prize Agents

Managing Partners

LORD WOLVERTON

LAURENCE CURRIE

LORD HILLINGDON

General The Hon. Sir H. A. LAWRENCE, K.C.B.

Brigadier-General A. MAXWELL, C.B., C.M.G., D.S.O.

ERIC COME BROWNE, D.S.O.

FREDERICK WILLIAM FANE

Head Office: 67, LOMBARD STREET, LONDON, E. C. 3

Childs Branch: 1, FLEET STREET, LONDON, E. C. 4

Holts Branch: 3 & 4, WHITEHALL PLACE, LONDON, S. W. 1

The Bank, which is represented by Agents and Correspondents in all the principal Cities and Towns of the United Kingdom and throughout the World, conducts every description of Banking business, both British and Foreign.

Letters of Credit issued.

Home and Foreign Credits established.

Executorships and Trusteeships undertaken.

DRESDNER BANK



Head Office:

BERLIN W 8

Behrenstrasse 35-39



*Branches in about 100 towns,
including*

**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:

PROEHL & GUTMANN

Telegrams: Dresdagent

THE BUSINESS LAW JOURNAL

THE Business Law Journal publishes and explains each month the current court decisions involving commercial transactions.

These decisions are of interest and importance to every business man. The best way to find out whether the Journal will be useful to you is to examine it.

This you can do without obligating yourself in any way.

Send in an approval subscription on the blank below. After you have received and examined the first issue remit \$8 for one year or notify us to cancel your order.

**The Business Law Journal,
71 Murray St., New York City.**

You may enter my subscription to The Business Law Journal for one year, beginning with the current issue, subject to my approval.

After I receive the current issue, I will either remit \$8 for one year or notify you to cancel the order, in which event I am to be obligated in no way.

Name
Please Print Name

Address

City State.....

Facilitate Your Canadian Collections

THE BANK OF TORONTO

Incorporated 1855

Offers to Banks and Business Houses in the United States and Foreign countries prompt, accurate, satisfactory service through its branches at

*Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia*

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000

JOHN R. LAMB
General
Manager



Reserves
\$7,000,000

Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000

Surplus and Profits \$726,000

Resources \$8,622,663

WM. H. FOLTS, President
JOHN H. CHILES, Vice-President MORRIS HIRSHFELD, Vice-President
T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
S. B. ROBERDEAU, Asst. Cashier LEFFLER CORBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

H. A. WROE, President
R. C. ROBERDEAU, Vice-Pres. L. J. SCHNEIDER, Vice-Pres.
A. D. THOMPSON, Vice-Pres. L. D. WILLIAMS, Cashier
H. PFAEFFLIN, Asst. Cashier D. H. HART, Jr., Asst. Cashier

For Prompt and Best Service Send Your
Texas Items Direct to the

American National Bank

AUSTIN, TEXAS

Capital, \$300,000 Surplus, \$800,000

Directors' Responsibility Over \$8,000,000 United States Government Depository
Will remit in New York, Boston, Chicago, St. Louis, Kansas City
or New Orleans Exchange when requested. We have unsurpassed
facilities for collecting on all banking points in Texas.





ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

GENERAL MANAGER'S OFFICE: TORONTO, ONT.

J. A. McLEOD, General Manager

NEW YORK AGENCY - - - 49 WALL STREET

P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E.C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
Royal Bank of Scotland**

**NEW YORK—Bank of New York & Trust Co.
National Bank of Commerce in New York**



**Over 900
Banks
at Your
Service**

VALUABLE information covering data on markets, tariffs and confidential credit reports is furnished to bankers, exporters and importers through our special departments created for this purpose.

¶ Our information is gathered direct by the Managers of our 900 branches located from coast to coast in Canada, Cuba, the West Indies, Central and South America, as well as in New York, London, Paris and Barcelona. Extensive credit files are maintained at New York and at Head Office, Montreal. Our special facilities are at your disposal.

Write to our New York Office, 68 William Street

**The Royal Bank
of Canada**

Resources Exceed 700 Million Dollars

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) - - - \$7,000,000
Reserve Fund - - - - - 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE-PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER

H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents**UNITED STATES**

New York—Bank of the Manhattan Co.
Boston—National Shawmut Bank.
Philadelphia—Fourth St. National Bank
Buffalo—Marine Trust Co.
Chicago—First National Bank.
San Francisco—Wells Fargo Bank &
Union Trust Co.
Seattle—Seattle National Bank.
Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
Scotland—The Commercial Bank of Scot-
land.
Ireland—Northern Banking Co., Limited,
Belfast, and Branches.
FRANCE, BELGIUM and
SWITZERLAND
Lloyds & National Provincial Foreign
Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed	\$5=£1 \$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 30th June, 1925	290,254,305

375 BRANCHES AND SUB-BRANCHES.

*All descriptions of Banking, Trustee and Foreign
Exchange Business Transacted.*

The Bank is prepared to act as Agents for Foreign Banks
on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

Over 60 Branches and Agencies Throughout Italy



MILAN OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.



The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.

Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 468,462,200 Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

**A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO**

LIMA, PERU Established 1889

Capital Fully Paid Lp. 500.000,000
Surplus Lp. 589.553,670

BRANCHES
Callao—Arequipa—Chincha Alta—Mollendo—Trujillo
Representatives for the U. S. A.

Banca Commerciale Italiana

Agency in New York - - 62-64 William Street
Phone: John 1000



BANKER & TRADESMAN

New England's Leading Business Weekly—Covers
the Business, Financial and Real Estate News of
the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.

Commerz-und Privat-Bank

Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R.M. 63,000,000

All Banking Transactions

Extensive Trade Information Service

Cable address for main offices and branches

"HANSEATIC"

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000

Head Office

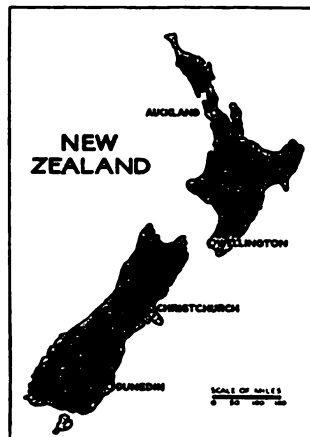
8 Moorgate Street, London, E.C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY



80 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

(Affiliated with Barclays Bank, Ltd.)

Subscribed Capital	. . .	£1,800,000
CAPITAL PAID-UP	. . .	£ 600,000
Reserve Fund	. . .	£ 720,000

Head Office : 37 to 39 King William Street
 London, E.C. 4

BRANCHES

EGYPT. Alexandria, Cairo, Port-Said, Suez, Tantah,
 Zagazig, Mansourah, Assiut, Beni-Suef, Minieh,
 Musky.

SUDAN. Omdurman, Khartoum, Port Sudan, Makwar,
 Wad Medani.

PALESTINE. Haifa, Jaffa, Jerusalem, Nazareth.

MEDITERRANEAN. Malta, Gibraltar.

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed.....Yen 60,000,000

Capital Paid Up.....Yen 52,500,000

Reserve Funds.....Yen 14,180,000

KOJURO NAKAGAWA, Esq.
President

HIROZO MORI, Esq.
Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.

TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyen.

CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.

OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

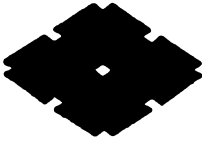
K. YAMAMOTO, Agent

London Office: 25 Old Broad Street

Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

The Sumitomo Bank, Limited

Cable address: "Sumitbank" ESTABLISHED 1912
(Successors to The Sumitomo Bank)

Capital Subscribed . . .  . . . Yen 70,000,000

Capital paid up " 50,000,000

Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President

K. YUKAWA, Esq., Managing Director **S. YOSHIDA, Esq., Managing Director**
N. YATSUSHIRO, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (2)	Kyoto (2)	Nagoya
Shimonoseki	Moji	Hiroshima (2)	Hakata	Hyogo	Niigata
Kurume	Kure	Wakamatsu	Kokura	Yanai	Onomichi

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay
Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo Bank of Seattle, Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues Commercial and Travellers Letters of Credit available in all important parts of the world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed . . .  . . . Yen 100,000,000.00

Capital Paid-Up Yen 60,000,000.00

Reserve Funds (June 1924). Yen 47,100,000.00

Head Office : TOKYO, JAPAN

(No. 1 Suruga-cho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq. **N. KIKUMOTO, Esq.**

H. KAMESHIMA, Esq. **R. IMAI, Esq.**

New York Agency, 61 Broadway, New York City

Home Branches :

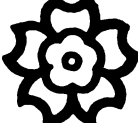
Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji, Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru, Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches :

Bombay London New York Shanghai

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		Yen 80,000,000
Capital Paid-Up . . .		Yen 50,000,000
Total Resources . . .		Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUKI

Y. KATAYAMA

Directors
I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

CHOSŌN: (*Korea*) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.
 MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.
 JAPAN: Tokyo, Osaka, Kobe, Shimonoeki.
 CHINA: Shanghai, Tsingtao, Tientsin, Tsinan
 SIBERIA: Vladivostok.

New York Agency, 165 Broadway
 H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,600,000.00
DEPOSITS (Dec. 31, 1924)		168,531,134.00

Keiso Hirooka, Esq., President
 Chusuke Yoshii, Esq., Managing Director
 Seijiro Glon, Esq., Director
 Tadanosuke Emura, Esq., Director
 Manroku Matsui, Esq., Auditor

Yukinori Hoshino, Esq., Managing Director
 Seishichi Kawakami, Esq., Managing Director
 Hikotaro Ohmura, Esq., Director
 Kyuemon Hirooka, Esq., Auditor
 Kin-ichiro Hoshijima, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

**General Banking, Foreign Exchange and Trust
 Business Transacted**

New York Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 American Express Co.

London Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 London & Brazilian Bank, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office: Athens

*Branches: Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Triccala, Mytilene, Canea, Zante, Plomari and Tripolitza*

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

*Correspondents in the principal towns of Greece and in foreign countries
throughout the world*

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East, on the Continent, on Great Britain, Africa, America and Australia, and transact Banking Business of every description.

LONDON CORRESPONDENTS:

The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office:

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's, Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

NATIONAL PROVINCIAL BANK

LIMITED

Established 1833

(85=21)

Subscribed Capital - - -	\$218,085,400
Paid-Up Capital - - - -	47,397,080
Reserve Fund - - - -	47,397,080

Head Office: 15, BISHOPSGATE, LONDON, E. C. 2

UNION BANK OFFICE: 2 Princes Street, London, E. C. 2

OVER 1,100 OFFICES in ENGLAND and WALES

The Bank offers special facilities for the conduct of accounts of
Colonial and Foreign Banks

AFFILIATED BANKS

COUTTS & CO., GRINDLAY & CO., LTD.

ASSOCIATED BANKS:

Bank of British West Africa, Ltd.

Lloyds & National Provincial Foreign Bank Ltd.

P. & O. Banking Corporation, Ltd.

The British Italian Banking Corporation, Ltd.

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ERNAME

Assistant Manager—W. A. LAING

Secretary—F. H. McINTYRE

193 Branches throughout Australia and New Zealand, viz:—

*In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western
Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.*

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of
Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits
issued available throughout the World.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth,
United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			\$675,606,797.21

Cable Remittances made to, and drafts drawn on United States,
Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE
NATIONAL BANK OF AUSTRALASIA
LIMITED

ESTABLISHED . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)	\$50,000,000
Capital Paid Up	\$20,000,000
Reserve Fund	\$11,500,000
Total Assets March, 1925	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager
E. H. WREFORD

Deputy Chief Manager
JAMES WILSON

Chief Inspector
J. A. G. HADLEY

Inspector and Manager, Foreign Department: E. J. OSBORNE

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank,
Limited

Authorized Capital	\$15,000,000
Paid-up Capital	\$7,500,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,100,000

HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
and 370 Branches and Agencies in Australia

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. **BILLS NEGOTIATED** or sent for **COLLECTION**. **REMITTANCES** made by **TELEGRAPHIC TRANSFER**. **WOOL** and **PRODUCE CREDITS** arranged. **LETTERS of CREDIT** and **DRAFTS** issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.

CHICAGO—First National Bank.

SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital - - - - - £4,000,000

Reserve Fund - - - - - £3,700,000

Reserve Liability of Proprietors

under the Charter - - - - - £4,000,000

£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2

EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

VICTORIA

Melbourne: 394 &
396 Collins St.; 384
Elizabeth St.; 71
Collins St. East

Brunswick
Burnley
Coburg
Collingwood
Elsternwick
Footscray
Malvern
Middle Brighton
Port Melbourne
Prahran
St. Kilda
Williamstown

Bairnsdale
Ballarat
Bendigo
Bright
Castlemaine
Charlton
Chiltern
Cobram
Corryong
Drouin
Euroa
Fish Creek
Foster
Geelong
Katamatite
Kingston
Koroit
Korong Vale
Korumburra
Leongatha
Mirboo North
Mooroopna
Morwell
Nathalia
Namenkah
Port Fairy (Belfast)
Rutherford

Victoria, Contd.

St. James
Sale
Shepparton
Stawell
Strathmerton
Tallangatta
Terang
Traragon
Tungamah
Walwa
Warragul
Warrnambool
Wedderburn
Welshpool
Wycheproof
Yackandandah
Yarram
Yarrawonga

NEW SOUTH WALES

Sydney: Martin
Place: 55 Pitt St.;
555 George St. So.;
Wentworth Ave.;
236 William Street
Bondi Junction
Hurstville
Kogarah
Leichhardt
Marrickville
Newtown
North Sydney
(84 Mount St.)

Petersham
Albury
Ballina
Bathurst
Bega
Bellingen
Berrigan
Blayney
Broken Hill
Cessnock
Cootamundra

N. S. Wales, Contd.

Corowa
Creekwell
Dorrigo
Dubbo
Forbes
Glen Innes
Goulburn
Grafton
Grenfell
Hamilton
Howlong
Jerilderie
Kempsey
Kyogle
Lismore
Maitland (West)
Maitland (East)
Moree
Murwillumbah
Muswellbrook

Narrabri
Narromine
Newcastle
Nowra
Orange
Parkes
Peak Hill
South Grafton
Stroud
Tamworth
Tullamore
Wagga-Wagga
Wee Wee
Young

QUEENSLAND

Brisbane
Cairns
Charters Towers
Chillagoe
Cooyar
Crows Nest
Herberton
Hughenden
Ipawich

Queensland, Contd.

Kingaroy
Longreach
Maryborough
Oakey
Richmond
Rockhampton
Roma
Toogoolawah
Toowoomba
Townsville

SOUTH

Adelaide
Koorina
Mount Barker
Port Lincoln
Port Pirie
Wirrabra

WESTERN

Perth
Albany
Beverly
Bunbury
Fremantle
Gnowangerup
Kalgoorlie
Mooro
Northam
Wagin
Wickepin

TASMANIA

Hobart
Burnie
Deloraine
Devonport
Fingal
Launceston
Sheffield
Stanley
Ulverstone
Wynyard

Branches in New Zealand

Wellington
Ashburton
Auckland
Christchurch
Dannevirke
Dunedin
Eltham
Featherston
Felling
Gisborne
Gore
Hamilton

Hastings
Hawera
Invercargill
Kaikata
Levin
Manaiia
Mangonui
Marton
Masterton
Matamata
Morrinsville
Napier

New Plymouth
Otaki
Palmerston Nth.
Patea
Raetihi
Rotorua
Stratford
Taihape
Taurarunui
Tauranga
Te Aroha
Te Kuiti

Temuka
Te Puke
Timaru
Waipawa
Waipukurau
Wairoa
Wanganui
Waverley
Whakatane
Whangarei

Principal Correspondents in North America

CANADA:

Bank of Montreal
Canadian Bank of Commerce

UNITED STATES:

Bank of New York & Trust Co., New York
Hanover National Bank, New York
National Bank of Commerce, New York

UNITED STATES, Contd.:

National City Bank of New York
Continental & Commercial Nat. Bk. of Chicago
Illinois Merchants Trust Co., Chicago
National Bank of the Republic, Chicago
Fourth Street National Bank, Philadelphia
Wells Fargo Bank & Union Trust Co., San Francisco

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers, Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorized Capital	-	-	-	-	-	£10,000,000
Subscribed Capital	-	-	-	-	-	£8,916,660
Paid-Up Capital	-	-	-	-	-	£2,229,165
Reserve Fund	-	-	-	-	-	£2,893,335
Uncalled Capital	-	-	-	-	-	£6,687,495
						£11,809,995

**BANKING BUSINESS TRANSACTED
IN ALL PARTS OF THE WORLD**

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch : 9 Northumberland Avenue, W. C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolingsingel

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

Branches and Agencies Throughout
SOUTH and EAST AFRICA

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in } Bank of British West Africa, Ltd.
New York } Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		\$80,750,000



Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager

403 BRANCHES AND AGENCIES

403 BRANCHES AND AGENCIES

AUSTRALIA
 Pop., 6,000,000; area, 2,974,581 sq. miles; sheep, 78,803,000; cattle, 14,850,000; horses, 2,400,000; iron, \$702,849,265; exports, \$595,837,030.

Annual Value of Australia's Production

Agriculture	\$420,910,000
Pastoral	457,375,000
Dairying	217,708,870
Mining	101,580,800
Manufacturing	1,832,485,000
Total	\$2,830,059,170

Head Office— George St., Sydney London Office— 29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London

Cable remittances made to and drafts drawn on Foreign Places DIRECT

Foreign Bills Negotiated and Collected.

Letters of Credit Issued

NEGOTIABLE THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York :

Standard Bank of South Africa, Ltd.
 National City Bank of New York
 National Bank of Commerce in New York

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Specialized Service to Banks



Guaranty Trust Company of New York

MAIN OFFICE: 140 Broadway

FIFTH AVENUE OFFICE: Fifth Ave. and 44th St.

MADISON AVENUE OFFICE: Madison Ave. and 60th St.

NEW YORK

London Offices:

32 Lombard St., E. C. 3 50 Pall Mall, S. W. 1
Bush House, W. C. 2

Paris: 1 & 3 Rue des Italiens *Brussels:* 156 Rue Royale

Liverpool: 27 Cotton Exchange Buildings

Havre: 122 Boulevard de Strasbourg

Antwerp: 36 Rue des Tanneurs

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

SEPTEMBER 1925

VOLUME CXI, NO. 3

Editorial Comment

Annual Convention of the American Bankers Association

THE fifty-first annual convention of the American Bankers Association, which will be held at Atlantic City, September 28 to October 1, should be of exceptional interest. After more than half a century of continued usefulness to the bankers and the people, the American Bankers Association has established itself in the confidence and respect of the bankers of the country and the general public as well. This has been due to the fact that the principles of the organization were carefully laid by unselfish men of sound judgment, and that the management has been generally in wise hands.

Although the American Bankers Association has, in the course of time, come to occupy an extensive field, and now deals with a number of subjects outside of banking, it has not attempted too much nor interfered in matters with which it has no proper concern. The position it has taken on banking, economic and other problems has quite fairly reflected sound banking and public opinion. It may be truthfully said that the American Bankers Association has exercised a great influence on public affairs during its long history, and that this influence has always been exerted for worthy ends.

Opportunities for still further service abound. We are not yet through a controversy over branch banking; the Federal Reserve System is being re-examined as the time for a renewal of the

charters of the Federal Reserve Banks approaches; we have yet to work out additional means of financial co-operation in the work of European reconstruction; and there are problems of the railways, agriculture, taxation, etc., etc., all calling for constructive study. For this work the bankers are well qualified.

Fortunately, while these weighty matters are being gravely considered by the several thousand bankers to assemble in the autumn at Atlantic City, opportunities will likewise be plentiful for mental and physical recreation, and for the innumerable friendly reunions for which these conventions have come to be famous.



The Development of American Banking

HOW American banks literally develop from their native soil receives an illustration in the announcement of the opening of the Guardian Trust Company, Detroit, Michigan, and its affiliated organization, the Guardian Detroit Company of New York. The new organization made its bow to the public in this way:

"Conceived and organized by seven men who had achieved their financial and personal position through the opportunity they found in Detroit, who for years had the desire to form a new trust company and at the same time to do something for the community which had done much for them;

"Endorsed and supported by one

hundred and sixty-three men prominent in the life of Detroit who understood the rapidly growing needs of the community and saw that the time had arrived when they should come together in one institution and make effective their combined experience, ability and judgment;

"Officered and managed by twelve picked men who have a wide range of financial and industrial experience and are thus qualified to appreciate and carry out the objectives established by their board of directors;

"The Guardian Trust Company of Detroit, which opens its doors today, is committed to the policy of service to the community, not only to carry out its trust functions in a sound and resourceful manner, but to go beyond the bounds of its financial operations and associate itself with other banking and civic organizations in promoting the interests of Detroit and of Michigan."

Now, one can hardly fail to be impressed by the striking difference between an announcement of this kind and one that might have been made had one of the leading banks of New York or Chicago decided to open a Detroit branch. It is not questioned that these banks might have been able to render safe and efficient service through a Detroit branch; but the branch would have had more or less of an outside appearance; it would not have developed from the native soil, as the Guardian Trust Company seems to have done. A bank conceived, organized and managed by men who owe their success to the business enterprises of the community has something about it which we have come to regard as typically American. In this respect the Detroit bank is by no means exceptional; it but conforms in its organization and management to accepted ideas and practices in the respects indicated. But some recent tendencies in American banking are in the contrary direction, and for that reason the present instance possesses exceptional interest and value.

Removal of a Commercial Barrier

NEWs of the prospective abolition of the requirement for passport visas will be welcomed by Americans traveling abroad for business or pleasure. It is not too much to say that the time and money expended in complying with this requirement constituted, in many cases, a serious obstacle to the transaction of foreign business, and its removal may be hailed as an evidence of the approach of more sensible relations between nations. In fact, when both the passport and the visa no longer worry the foreign traveler, it may be said that a real commercial barrier has been removed. The abolition of the visa requirement should be but a prelude to the speedy disappearance of the passport itself, which has already long outlasted any practical usefulness it ever had.

For some time Americans traveling in foreign countries were at a disadvantage compared with other nationals. They were humiliated and annoyed to find that they must expend both time and money for visas not required for citizens of other countries. To a commercial traveler or one on a business mission of any sort this virtually was a discrimination against Americans and in favor of the citizens of other countries not thus penalized. The cost in time and money—to say nothing of the almost inevitable loss of temper—was by no means trivial. Added to other necessary and heavy outlays it made up a serious burden. That it was not sooner removed has been due to the slowness of our own Government in placing the matter on a reciprocal basis more than to an indisposition of foreign governments to respond to overtures on our part. But lately the American Government has awakened to the necessity of affording relief, as witnessed by statements made by Mr. Hughes while Secretary of State, and by Mr. Hoover, the Secretary of Commerce.

The difficulties in doing business with other countries arising from distance, varieties of customs and of languages, and other causes not easily removable, are serious enough without piling on top of these difficulties wholly useless burdens, of which the passport offers a striking example. It is a good thing that the visa is going. It will be better still when the passport goes.



Profiteering As a Cause of War

GREAT interest has been aroused by the gift of a substantial sum of money by Mr. Bernard M. Baruch for the purpose of conducting a research through Johns Hopkins and other universities as to the influence of industrial profits in causing war. Every move of this sort is to be welcomed, for there are few things more necessary to the preservation of civilization than to ascertain the removable causes of war, and then, having made this discovery, to proceed to the application to which it leads.

No doubt profit of some kind is a motive power in most modern wars. But it is less clear that what we style "industrial profit" can be justly charged with this heavy responsibility. A nation or its ruler sees profit in extending territory, or in humiliating trade rivals; and, of course, if this view were sound, industrial profit would ensue to the victorious nation. In earlier times, when modern commerce and finance did not exist, the above conception of the profit to be derived from war may have had some basis in fact. Nations lived more to themselves. A warrior could invade his neighbor's country, carry off gold and cattle, and thus be the richer. As he traded but little with the country he had impoverished, the latter's loss was the former's gain. Things are not so simple now. The world is connected by steamers, railways, telegraphs and wireless, while money and goods pass, if not freely all

over the world, at least with a large degree of freedom. The injury of one nation reflects on many others, if not on all. The commercial and financial mechanism of different and widely separated countries is closely connected. A jar to the machinery in any such center as London, New York, Paris, Vienna or Berlin is felt all around the world.

It is difficult to think of any sane man hoping to derive real and lasting industrial profit from war. But whether this be so or not, every study of any of the real or supposed causes of war constitutes a positive advance of civilization.



Our Moral Support for Europe

THE attitude of America toward Europe has been recently stated by President Coolidge somewhat as follows: European nations should establish covenants of peace and justice and observe them, and in this beneficent course they will have the moral support of the United States.

President Coolidge's advice to Europe is good and honest, and the undertaking upon which he would have this country embark is one easy of fulfillment. It need cost us nothing. Just what Europe is to gain either from the advice of the President or from the prospective moral support of the United States does not appear. Undoubtedly, the war-torn lands across the sea would do well to heed the President's kindly counsel. They could not do better. And, if they accepted his advice, we should be quite safe in backing up their action with our moral support.

But it reveals a somewhat naive attitude of mind to think, as the President evidently does, that the European continent, with its age-long feuds, can be put into a state of perpetual tranquillity by telling the discordant nations that they are unruly boys, that they must be good, and that we shall

reward their virtue with a big stick of candy called "moral support."

And, worse yet, some of the European nations are frankly cynical when we talk, as we do rather frequently, of our superior morality. They do not concede that we have either a monopoly of morality or even more than our due share of it.

When the world comes to be governed by moral ideals, our moral support of any nation must weigh heavily in the scale. But—more's the pity—that day has not arrived, and until its arrival the mere pledging of moral support to other nations in their hour of trial and danger seems rather a cheap way of meeting serious obligations. As the world exists today, the only proper course is when we take a position to back it up—to mean what we say, or to say nothing.



Repudiation on Both Sides of the Atlantic

AMERICANS who are fond of declaiming against the sin of debt repudiation, actual or threatened, by certain European nations, will probably be much surprised to learn that on the other side of the Atlantic our own record for debt paying is not regarded in the highest light. The annual reports of the Council of Foreign Bondholders are regular and unpleasant reminders of the fact that several of our states are, and long have been, in default on their obligations. Even London bankers, who are proverbially polite and courteous, will occasionally recall to the minds of their American friends this unpleasant fact. Nor will the excuse avail that the unpaid debts were exclusively those of the Civil War period, for it has lately been pointed out that some of them are more than thirty years older.

A very interesting article on this subject was recently published in the London *Observer*, the author being the

well-known financial authority, Sir Josiah Stamp. He takes a more temperate view of the matter than most Englishmen who discuss it. In his opinion, these old defaulted debts have no practical bearing on the debt England owes to the United States, which is, of course, the official view. Sir Josiah Stamp points out that the real remedy in dealing with the repudiated debts would be "as Professor Scott, the American historian of this financial episode has shown, that the credit of such a state fell so low that it could borrow no more money." But this remedy has not been applied, for as a matter of fact the present credit of some of the defaulting states is very high. As a practical question, it could not well be otherwise. It could hardly be expected that New York, Boston, Philadelphia and Chicago could close their coffers against states with which commercial and financial relations are so extensive.

There is not much present satisfaction or profit in reviving this piece of ancient financial history, although it may serve to remind us that some attention to the beam in our own eye is quite as laudable as that bestowed upon the mote in the eye of our brother.



Prospective Tax Reduction

THAT the United States can confidently announce a yearly cut of \$300,000,000 in taxation makes us envious of other nations that are hard put to it to balance their budgets even after a large increase in taxes.

With over \$250,000,000 surplus this fiscal year, and with a prospective surplus in the neighborhood of \$300,000,000 next year, this reduction, at least, appears entirely practicable.

President Coolidge keeps up his campaign for economy and tax reduction despite the false cry which has been raised that he is hurting business. The President knows that business is helped

not hurt by public economy and its corollary, reduced taxation.

Regret must be expressed that the splendid work done by the President in this direction has not been more generally imitated throughout the country. Governors of states could both enhance their reputations and serve their people by spreading the President's doctrines regarding economy and taxation. Too many of them seem to think that a liberal if not extravagant scale of expenditure is the surest road to popularity. They deliberately foster the notion that the state, by enlarging its field of activities, can confer innumerable blessings upon the individual. Progress and improvement are watchwords used to support lavish expenditures of nearly every kind. These

are popular cries and make a strong appeal to the average citizen until he comes to pay the cost this liberality entails.

Always to preach economy and lower taxes puts one's popularity in jeopardy; but President Coolidge seems quite safely to have run this risk. He has not wavered a bit, and his popularity has not suffered. This should afford encouragement to timid state executives to imitate his example.

A careful survey of the present economic situation of the world leads to the conclusion that it is vital to the prosperity of the United States that severe economy should be practiced and taxes kept down. The leadership of President Coolidge in this campaign should be vigorously upheld.



Many Essays Received in Prize Contest

Papers on Many Different Banking Subjects Received Before Closing Date on July 1, 1925—Essays Being Submitted to Judges—Results to be Announced as Soon as Judges' Decision is Reached

THE \$500 prize essay contest which was announced in the March number of *THE BANKERS MAGAZINE* closed on July 1. Papers covering many different phases of banking were received. They will be judged by Percy H. Johnston, president of the Chemical National Bank, New York; Melvin A. Traylor, president First National Bank, Chicago; and J. F. Sartori, president Security Trust and Savings Bank, Los Angeles. As soon as the decision of the judges is reached, the names of the winners will be announced in *THE BANKERS MAGAZINE* and the publication of the papers will start.

Following are the titles of some of the essays entered in the contest: Minimizing Bank Failures; How the Bank Clerk May Become an Executive; Are Banks Giving 100 Per Cent. Service to the Public?; Are Banks Human?; Salesmanship in Bank Correspondence;

What About Branch Banking; Minor Profits; Services of the Federal Reserve Banks to their Members; American Banks in Competition Abroad; Deposit Guaranty—Its Operation, Results, Lessons; Can Banking be Made Safer?; The Economics of the Instalment Plan; What Are the Problems Involved in Organizing a Trust Department?; The Safe Deposit Vault—An Asset or a Liability; What Can the Bank Do to Convert Small Accounts into Big Ones?; Graphic Records in Banking; What Personality Means to the Banker.

For the best paper	\$200
For the second best paper	150
For the third best paper	100
For the fourth best paper	50
For each article accepted for publication, but not awarded a prize	25

How We Made a Long Story Short

By Frank Fuchs

Advertising manager, First National Bank in St. Louis

DOES the busy executive, manufacturer, or professional man of this day and age read booklets published by banks containing twenty, thirty, forty, or more pages of reading matter (all about the bank)—although studiously and conscientiously written, attractively designed and printed at a big expense? I don't think they do, yet hundreds of prominent institutions throughout the states are trying to reach just such men with just such literature.

Recently the First National Bank in St. Louis decided to publish an elaborate book to be mailed to a very select class of business leaders in its immediate vicinity and trade territory. The purpose of the book, entitled "Built For You," was to give the recipient a general idea of the bank's resourcefulness, its many departments of service, and its excellent organization, also just how big the institution is in comparison with other prominent banks, and how it could take care of the legitimate requirements of any business whether large or small.

Before getting down to writing it I decided to call personally on men of such caliber as our mailing list revealed, to see whether such a book would appeal to them. I first called on several of our own directors, men I knew were extremely busy and hard to reach, particularly with printers' ink. Through this investigation I was soon convinced that booklets with considerable descriptive reading matter, regardless of the expense and time involved in publishing them, were given little or no attention, by the busy recipient. In fact, one director showed me an accumulation of booklets from various concerns received in the mails during the week and addressed to him personally, tucked away in a heap in the corner of his secretary's office.

After several days of further investigation, I made up my mind that our

book was going to be published with the least number of pages possible, without injuring our message. My recommendation met with approval and when the book came off the press, boiled down to a minimum number of words and pages, we were very well satisfied with it.

We devoted only seven pages to reading matter in large type, using ample white space in explaining the many points of interest about our institution. A page for officers and directors completed the book itself. Attached to the inside back cover was a pocket, and in it we placed eleven pamphlets, each pamphlet explaining, in detail, the services rendered by a certain department. The pamphlets were named, numbered and indexed in numerical order on the pocket. The pocket was labeled "Pocket Library of First National Bank Service."

Back of the last page, opposite the pocket library we had the following message:

In the pocket library opposite, you will find eleven pamphlets. Each carries in a concise and convenient form a message of special interest to you.

The pamphlets represent the result of many years of study and experience of bank service in all its branches directed toward getting the quickest, most economical and most satisfactory results for you—as a First National patron.

Select the pamphlets, indexed for your convenience, which interest you most, and reserve the remainder for future reference.

Hence we are satisfied that we are not taking up any of the busy executive's time to read several paragraphs about various departments which do not interest him. Still he can see by the index on pocket that our facilities are complete in every detail. He will naturally read the pamphlets covering the services that will aid him most in his business, because we have made reading easy for him.

Are National Banks Doomed?

An Interview With George E. Roberts of the National City Bank
of New York

By J. M. Head

IS the national bank, as the dominant factor in American banking threatened with extinction? Are the restrictions which are thrown around the national banks serving to make the state banks grow stronger and more powerful?

Both of these questions are being answered affirmatively by many bankers who have watched with mixed feelings—depending upon the point of view—the remarkable strides which state banking institutions have made within the past twenty-five years.

Among those bankers who are strongly of the belief that unless something is done to liberalize the national banks the position so long held by them in our fiscal life will be usurped by state institutions, is George E. Roberts, vice-president of the National City Bank of New York and one of the country's leading economists.

"The national bank," says Mr. Roberts, "is chiefly national in name. It is the most local of all local banking concerns, for it is confined to a particular place, and its banking functions must all be performed in that particular place. Its powers are limited, much more limited than the average bank chartered by a state, and the advantage which it once had, by reason of its right to become a bank of issue, has practically disappeared since the advent of the Federal Reserve notes, which so largely take the place of national bank notes, and since the granting to state banks of all the privileges of the national banks under the Federal Reserve Act."

"What inducement is there, to a group of people who wish to organize a bank, to do so under the National Bank Act?" Mr. Roberts was asked.

"Well, really," he replied, "I cannot say that there is any particular reason why a new bank should become a national bank. On the contrary, there are many reasons why those who are contemplating organizing a bank should accept a state rather than a national charter.

The Chief Reason Banks are Seeking State Charters

"The thing which is doing more than any other one thing to drive banks into organizing under state laws is the fact that under such laws banks generally have the right to establish branches. This is not true under all such laws, but in many instances there are only certain minor restrictions, and state banks can spread out with numerous branches.

"Until recently, a further hampering influence against national banks was their inability to act as trustees, but that limitation has been removed. The state banks, however, so long organized with their trust companies have the start and a tremendous lead which probably never can be overcome. It was a wise step to remove the trust restrictions against national banks. It will be a still wiser move when the rule against branch banking shall have been removed, or at least a more liberal interpretation made of the law governing the place of operation of national banks.

"The trouble with the national banking law seems to be that it has not been sufficiently elastic to keep pace with changing needs. When the national banking law was enacted, it, no doubt, was admirably suited to the current needs. It was, indeed, a splendid law. Under it banking was stabilized in this

country, a better method of providing currency was inaugurated, a more responsible supervision was established, and the fear of bank failures was greatly minimized.

"But the time came when the National Banking Act as framed was not enough to provide the country with banking and currency facilities. It was necessary that some way be found whereby the volume of money could be made to correspond with trade requirements at a particular time. When a large volume of business made necessary a greater amount of currency, the latter ought to have been forthcoming. Similarly, when trade contracted, and no great volume of money was required, it should have been an easy matter to contract the currency volume. And so the Federal Reserve System was devised and created. It worked wonders. It practically made it impossible for this country to have another real money panic. It helped us finance the war. It has served in every banking emergency. But it has not made the national banks dominant, as it was at one time feared by state banks would be the case. In fact, it may be said that while the Federal Reserve Act has done nothing to improve the banking position of the national institutions, it actually has aided state banks to become stronger, by allowing them every privilege under the act that a national bank has. So a state bank, with its wider privileges under its state charter, and the same rights under the Reserve Act, has a decided advantage.

The Day of Consolidation

"This is the day of consolidation of capital, of vast aggregations of funds under the control of one organization. It is the day of tremendous financing. Men of affairs think in billions where only a short time ago they thought in millions. Banks have got to keep pace with business demands or give way to such financial institutions as will. The large bank, with hundreds of millions

of assets at its command, the bank ready to respond to the demands of big business, cannot exist if it is to be forced to gather its deposits or available funds from a very limited territory.

"Branch banking enables a bank to gather deposits from a large area, and thus to enlarge the amount of its available funds, making it a more powerful factor. State legislatures, long ago recognizing this fact, provided laws whereby banks organized under such laws, could establish branch banks.

"Moreover, the right to maintain branches in the outlying districts of the same city in which the central office is located, serves the public convenience, and is the most economical method of extending banking facilities. A branch office, operating under the supervision of a large and strong bank located in the same city, can give competent banking service more economically and with greater safety than can be afforded by small independent banks.

"What has been the result? We find state banks strongly entrenched in most of our big industrial states, and growing more powerful every day, actually drawing deposits and business away from the national banks. Look over the list of big banks in New York and see the large number that are state institutions. The same is true in many other large centers. Cleveland is almost dominated by the state banks. Three banks there, having in the aggregate many score of branches, do a tremendous percentage of the banking business of Ohio's metropolis. The national banks are a very small factor. In Chicago, on the other hand, where the state banks do not have branches, the old time relative strength of the national banks is still retained.

"Everywhere the state bank seems to thrive in competition with the national bank, if the former is allowed to operate branches. The reason seems entirely obvious. The greater privileges of the state bank are the inducements which lead to the taking out of state

instead of national charters, and the greatest of these inducements is the right to operate branch banks.

"When the national banking law was enacted, it was provided that any state bank wishing to avail itself of the privilege of becoming a national bank, could bring with it, into the national banking system, all the rights and privileges it had under its existing state charter. So national banks today, by absorbing state banks, may obtain privileges which they do not have as national banks alone. This is an anomaly which should not be. It seems ridiculous to compel a national bank to buy out some smaller state institution in order that it may obtain rights its national charter does not give it, and thus be in a position to compete with other larger state banks. It has come to be quite the rule, therefore, for national banks, instead of buying out some state bank, to merge with that bank, surrender the national charter, and continue as a state institution. The case of the Irving National Bank and the Columbia Trust Company which became the Irving Bank-Columbia Trust Company is a recent example of the way this works."

*Is Danger to National Banks
Exaggerated?*

Mr. Roberts was asked if he did not feel that the danger to the national banking system had been greatly exaggerated, and he replied with a decided negative.

"Possibly the system under which national banks operate is still the dominant one because of established position and prestige, but, if so, these favorable factors will not continue to keep it foremost."

Mr. Roberts referred to some figures. "I find, as a matter of fact," he continued, "according to the last annual report of the Comptroller of the Currency, that on a basis of paid-in capital, surplus and profits and deposits, the state banks already surpass the national. This report shows that on June 30, 1924

there were 8085 national banks against 21,263 state and private institutions. Of course, it is to be expected that the number of the latter two would exceed the former. But we find that the paid-in capital of national banks was \$1,334,000,000, against \$1,780,000,000 for the state banks; that surplus and profits were \$1,582,200,000 for national banks, compared with \$2,356,900,000 for state banks; and that in the matter of deposits, the national institutions had \$15,526,000,000 while state banks had \$28,244,000,000. Tradition, prestige, and priority in the field are still on the side of the national banks, but it is easy to see, in the face of these figures, that the national banks are not holding their own in the growth of business.

"There was a time when the strict supervision of national banks by the Government was much better than that of the state banks by the various states' banking officials, and this served to make the position of the national banks strong. But even this advantage has largely disappeared, for the banking departments of the big states exercise an examining supervision over state banks that is just as strict and as careful as that conducted by national bank examiners."

*National Banks Ask Only Equal
Privileges*

Mr. Roberts made it clear that in the demand for the removal of restrictions against branch banking by the national banks, there was no desire to extend such branches to embrace unlimited territory. Banks should function only within their own spheres of business influence, and the fear expressed by state banks that large national banks might become too powerful, with branches all over the country, similar to the banking system of Canada, would be entirely unfounded, if such branch banks were held to the areas immediately contiguous to the main banking office.

"We do not want to go outside of a

state, or even outside of a city, unless state banks are permitted to do the same," said Mr. Roberts. "Even if we were to be allowed to disregard territorial limitations, we should not care to do so, for by doing this we would disturb the banking relations which our large national banks have with other banks throughout the country, and this would naturally involve a loss of what is now a considerable source of revenue. The right of having branches over an unlimited territory is not the issue, and never will be. What we desire is the right to establish branches within reasonable limits, using the main bank as the center, and the right to do a complete banking business at such branches. At present, unless a national bank has acquired a state bank charter by purchase, such branches as it may establish can become nothing but so many tellers' cages, places for taking deposits and paying them out. All other business done must be referred to the main bank, thus imposing a handicap.

"Illiberal restrictions or interpretations of the national banking law have placed a burden upon national banks. State bank charters are being issued to a vast majority of new banks, and as I already have pointed out, surrendering of national bank charters and the substitution of state charters is becoming more common. I cited the Irving National Bank. Still more recently the Manufacturers Trust Company in New York has taken over two national banks in different parts of the city. The word 'National' no longer

appears over the doors or on the windows of these two banks. They are lost to the national system.

"State and private banks once complained of the advantages accorded the national institutions. Now the case is reversed, and I feel that the present national banks have a much greater cause for complaint than the old state banks ever had.

"I am firmly convinced that, unless national banks are to be permitted, in the future, to operate with something of the freedom that is allowed state banks, we have seen the end of the growth of the national banking system, and disintegration will begin. And it may not be many years before some financial historian will be able to write the finished chapter and the system which has done so much for banking in this country can be viewed only in retrospect.

"In my opinion this tendency is in the wrong direction. It tends to weaken the Federal Reserve System, for while the state banks are permitted to become members of the system, membership is wholly a matter of choice or of privilege with them. The national banks are the main strength of the Federal Reserve System, and there are many reasons why it is desirable that the trend of the banking business shall be toward an integrated and coherent national system rather than toward state systems. It is the logical development, inasmuch as the Reserve banks are organized under a Federal act and banking is largely across state lines."



Checkmating the Get-Rich-Quick Promoters

By Bernard G. Priestley

“**W**HAT do you think of Superfine Bonanza Company stock as an investment?” Jacob Henderson, an inexperienced investor, asks his savings banker in a letter. “I have practically decided to buy ten shares of it at \$50 per share. That will take half of my savings, but the prospects for big returns certainly seem to warrant taking the chance.”

“Superfine Bonanza Company—er—Superfine—Superfine,” says the banker to himself as he tries to recall the name. “Never heard of any such concern.”

The banker consults his information files. They give no information about the company. The banker picks up the telephone and speaks a number to the operator.

“Boston Better Business Commission, Inc.,” come the words over the wire.

“Could you give me a report on the Superfine Bonanza Company and its stock?” asks the banker, after being connected with the financial department at the commission’s offices.

“That’s a new firm,” says the man at the other end of the wire. “We’ll send you a report on it immediately.”

In a few hours the report reaches the banker. It gives complete information about the Superfine Bonanza Company—its financial status, the records of the men behind it, the prospects of the business succeeding—in fact, all information that would help the depositor to decide whether purchase of the stock would be a fairly sure or a highly speculative investment.

The banker sends a copy of the report to the depositor. Eight or nine times out of ten, if the investment is of a highly speculative nature, the information is sufficient to convince the depositor that he should not risk his money in the company—without any comment or advice from the banker. Thus the bank

not only saves the depositor from taking great risk with his money but also retains the full amount of his deposit.

This information is furnished absolutely free to the bank by the Boston Better Business Commission, which in the past three years has built up a very complete file of information concerning all kinds of investments. If occasionally a company inquired about is not listed, trained experts of the commission immediately investigate it and make a report.

Commission a Boon to Both Banks and Depositors

The information thus being given by the Boston Better Business Commission, Inc., is not only helping the banks of Greater Boston to retain on deposit millions of dollars that otherwise would be withdrawn, but is also saving thousands of depositors from sinking their money into wildcat investments. Yet this is only one of the ways in which the Boston Better Business Commission, Inc., is co-operating effectively with banks, investment houses, business and industry to checkmate the efforts of get-rich-quickers to glean millions of dollars from the people of Massachusetts.

Prominent bankers and other men from various parts of the country who have looked into this Boston movement characterize it as the most comprehensive method yet launched to save the uninformed investor from throwing away his money in wildcat speculations. Starting on a small scale three years ago, this movement today is thoroughly organized and has the support not only of practically all the banks in Greater Boston and eastern Massachusetts but also of a great many other interests. It has already made the sale of wildcat securities in Massachusetts very difficult. Its supporters are convinced that it will

**YOUR SAVINGS DEPOSIT
What Is It Doing?**

*W*HEN you deposited your money with this bank you employed skilled bankers to invest it in a safe place for you. Moreover, every National Bank is a member of the Federal Reserve System, the strongest financial organization in the world.

Your savings deposit when invested helps business enterprises, dwellings, schools, factories, railroads, gas and electric plants, so that you, as a part owner without personal risk, are doing your share to help business progress and to help yourself.

A savings deposit puts you on the road to independence.

If at any time you are considering withdrawing your savings in order to buy securities, it is wise to get complete information about the investments offered to you before risking your money. We will be glad to help you.

BEFORE YOU INVEST — INVESTIGATE

Keep this card in deposit book for reference

**THE NATIONAL
SHAWMUT BANK
OF BOSTON**

Fig. 1. Card inserted in pass book bears direct warning against worthless investments

practically shut out wildcat investments from the state in the near future, keeping millions in deposits in the banks and preventing the loss of like amounts by uninformed investors.

This plan was originated and put into practice by Edward L. Greene, vice-president of the National Association of Better Business Bureaus, who is now developing its extension to other large cities of the country. Mr. Greene was formerly manager of the Boston Better Business Commission, but is now connected with the national headquarters of the association in New York. Kenneth B. Backman, who succeeded Mr. Greene as manager of the Boston commission, is carrying through the plan in Boston.

Judging from the success the plan has met with in Boston, both Mr. Greene and Mr. Backman are firmly convinced that it is worthy of nation-wide scope.

The outstanding principle of the plan is to meet the efforts of get-rich-quickers to separate people from their money with an organization large and powerful enough to checkmate the organized operations of the get-rich-quickers. But the plan of checkmating them is not direct; in other words, it is not aimed directly at curbing the get-rich-quickers but rather toward eliminating them by educating people not to do business with them.

The following is a list showing the earning power of money if compounded at 4% semi-annually.

A DEPOSIT ON THE FIRST DAY OF EACH MONTH OF

Yrs.	\$1	\$5	\$10	\$25	\$50
		WILL	AMOUNT	TO	
1	\$12.26	\$61.31	\$122.61	\$306.54	\$613.08
2	25.02	125.09	250.18	625.45	1,250.90
3	38.29	191.45	382.90	957.26	1,914.52
4	52.10	260.49	520.99	1,302.47	2,604.94
5	66.46	332.32	664.65	1,661.62	3,323.24
6	81.41	407.06	814.11	2,035.28	4,070.56
7	96.96	484.81	969.62	2,424.05	4,848.10
8	113.14	565.70	1,131.40	2,828.51	5,657.02
9	129.97	649.86	1,299.73	3,249.32	6,498.64
10	147.49	737.43	1,474.85	3,687.13	7,374.26
15	246.25	1,231.25	2,462.50	6,156.25	12,312.50
20	366.64	1,833.20	3,666.40	9,166.00	18,332.00
25	513.40	2,567.00	5,134.00	12,835.00	25,670.00

Fig. 1. Reverse side of pass book card, showing depositor how money accumulates

"Only such an organized plan will protect the uninformed investor against fraud and deception," said Mr. Greene in discussing the movement. "The high-pressure stock salesman, the bucketeer—the whole run of sellers of bad securities—proceed along highly organized lines to get the public's money. To prevent this money from reaching their hands, an even more efficient organization is necessary. Such an organization has been built up in Boston. There is no reason why others cannot be developed along similar lines in various sections of the country.

Plan is Based on Two Major Efforts

"The Boston movement is based on two major efforts:

"First, an organized effort to induce investors to investigate before investing.

"Second, an organized system to furnish information to inquiring investors and to see that perpetrators of fraud are prosecuted.

"In considering the first feature—an organized effort to induce the public to investigate before investing—we determined the sources of money available to the questionable promoter and outlined a plan of publicity to reach these sources to stimulate the people to make adequate investigations. These money sources are: First, sound securities; second, savings accounts; third, wages of employes; fourth, the funds received from the sale of agricultural products; and fifth, miscellaneous. The miscellaneous group includes doctors, ministers, widows and uninformed speculators who like to trade on a small margin."

How are the efforts to induce prospective investors to investigate being applied to these various groups in Massachusetts? The banks are doing their part in the work, individually and collectively through various committees and associations. And well they might, for conservation of savings bank deposits is an important purpose of the movement. Unfortunately, the Boston

work shows, savings bank depositors are the most frequent victims of wild-cat investments, for they have the available money to put into them.

If the movement succeeds only in conserving the bulk of the savings bank deposits of Massachusetts alone, it will prove a tremendous and invaluable undertaking. More than 66 per cent. of the people of Massachusetts are savings bank depositors. The deposits in Boston savings banks alone aggregate \$1,500,000,000.

Naturally the savings banks should be and are particularly interested in the movement, for it benefits them as well as the public. The position of national and commercial banks and legitimate investment houses is somewhat the same, for money that goes into worthless investments is money that might otherwise be placed safely and advantageously in sound investments to the profit of both the public and the investment houses.

Leading Boston Banks and Bankers Lend Active Support to Plan

The leading Boston banks are not only co-operating in the movement but most of them are members of the commission. In fact, the commission is headed by George S. Mumford, president of the Atlantic National Bank, and has as its treasurer, Thomas P. Beal, president of the Second National Bank. Philip Stockton, president of the Old Colony Trust Company, is a director, as are also two well known men connected with investment houses, James Nowell of Lee, Higginson & Company and Robert S. Weeks of Harris, Forbes & Co., Inc.

The commission also has a committee of investment bankers and brokers composed of the following representatives of noted houses: Frank W. Remick of Kidder, Peabody & Company; Jere A. Downs of Hayden, Stone & Company, Ralph Hornblower of Hornblower & Weeks, Pliny Jewell of Coffin & Burr, Inc., and John R. Macomber, of Harris Forbes & Co., Inc.

BRIGHT, SEARS & CO.
MEMBERS
BOSTON AND NEW YORK STOCK EXCHANGES
53 STATE STREET
BOSTON

INVESTIGATE BEFORE YOU INVEST.

If you receive any circulars or offerings of investments which are at all doubtful in appearance, please send them to us, together with the envelope in which they are received, and we shall be pleased to investigate.

We are co-operating with the New York and Boston Stock Exchanges and the Boston Better Business Commission for the protection of investors.

BRIGHT, SEARS & COMPANY.

January 31, 1925.

Fig. 2. Much information concerning doubtful investment propositions is obtained by investment houses through sending slips like this regularly to their customers

To forward the movement among the savings banks of Boston and vicinity there is the following savings bank committee: Wilson D. Clark, Jr., treasurer of the Arlington Five Cents Savings Bank; Frederick I. Emery, treasurer of the Suffolk Savings Bank for Seamen and Others; Philip K. Parker, treasurer of Lynn Institution for Savings; Carl M. Spencer, president of the Home Savings Bank, and George E. Taber, treasurer of the Wildey Savings Bank.

The way in which savings bank depositors have allowed themselves to be taken in by wildcat promoters seems hardly believable. Let us cite a typical case that recently came to the attention of the Boston commission, through a Boston bank.

The man figuring in the case had purchased \$1800 worth of highly speculative stock. The salesman who had sold him this stock urged him to buy some more, declaring that it was about to rise materially in price and that he could realize a big profit from it.

The prospective victim placed so much credence in the salesman's talk that he turned over his savings bank book having a balance of \$2000 to the salesman, with an order for the bank

to pay \$350 from the account for purchasing more of the stock in question.

Investigation by the commission revealed that the possibility of the stock going higher was very remote. A representative of the commission conferred with the firm and the salesman. The man got his money back.

The commission has saved people thousands upon thousands of dollars by recovering money in cases of this sort, but this work is considered incidental rather than of major importance. "It is impossible to go back and recover any appreciable part of what has been lost," is the viewpoint taken. "Let us look ahead and conserve the millions that remain."

Banks Further Movement With Own Publicity

The individual banks, in furthering the movement, are sending out some convincing publicity of their own to their depositors. One typical example of this is the following message printed on deposit books:

"The services of this bank are at the disposal of depositors who may want to inquire about securities offered them for investment. While definite recommendation of specific securities is usual-

ly inadvisable, the officers of the bank will gladly do anything possible, with particular reference to the investment of speculative character."

Other publicity being put out by the savings banks and savings departments warns depositors to investigate before risking savings in uncertain securities. But the warnings are indirect. They follow the policy that it is better to show a depositor *why he should* keep his money in the bank rather than *why he shouldn't* entrust it to shady security promoters. An example of this type of publicity is reproduced in Fig. 1.

The publicity is on a card inserted in the pass book, and on the reverse side is a table showing the earning power of money compounded semi-annually at 4 per cent. interest. This form of publicity, in addition to being used by many savings banks and savings departments, also has the approval of the mutual savings banks of Massachusetts.

The Boston Stock Exchange is lending full support to the movement. So are all the leading investment and brokerage houses of Greater Boston. In the advertising matter they send out are enclosed circulars urging investigation before investing. In Fig. 2 is an example of these circulars, which ask customers to send in information about doubtful investments.

The employe group is being approached through posters at the various places of employment bringing out the slogan, "Before You Invest—Investigate" and naming someone in the establishment to whom the inquiring investor can make his inquiry. This person in turn inquires of the bank or the Boston Better Business Commission. Fig. 3 shows an example of this type of publicity.

The Associated Industries of Massachusetts, an organization composed of prominent manufacturing companies, is among the bodies aiding the campaign among industrial plant employes. Recently the association's executive committee unanimously accepted a plan

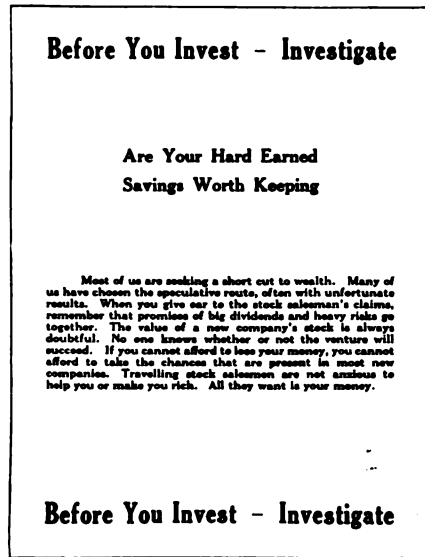


Fig. 3. Posters like these are causing industrial workers to investigate before investing

whereby all industries throughout the state may co-operate with the Boston commission to educate employes against the lure of promoters of fraudulent or worthless securities—also to protect them from unfair dealing on the part of furniture, clothing and jewelry instalment houses.

Valuable Cogs in the Commission's Publicity System

Another valuable cog in the publicity system is the issuance of a weekly financial bulletin. This bulletin exposes the newest tricks used by shady promoters, names concerns which have been ordered by the state authorities to discontinue selling securities and touches on various activities of the commission in the financial field.

The Boston newspapers have printed a large amount of free publicity for the commission as a means of co-operating in the campaign. This has included such articles as "Hard Times for Bucket Shops," "Warns Against Bucketteers," "Evolution of the Stock Exchange," "Subterfuges of Bucket Shops," "Stock

Fakers Do Well Over Telephone" and "One-Call Stock Salesmanship."

The commission also distributes thousands of booklets treating on various phases of the investment situation, including such topics as "What Every Investor Should Know" and "The Truth About Speculation."

So far the commission has not made an effort to reach farmers by an organized group plan. Such work as has been accomplished has been through general publicity that has reached farmers as well as others. While this in itself has proved quite effective, direct publicity will be extended to the agricultural field eventually. The same applies to the miscellaneous field, many people in which have responded to the general publicity.

And how are the tremendous number of inquiries resulting from all this publicity answered? This too requires organization—and there is organization.

Reports Made on Inquiries Serve Multiple Purposes

The business commission itself today is answering more than 200 inquiries monthly. Many of the reports made on these inquiries serve multiple purposes, for they are sent to investment or brokerage firms, banks, places of employment, publishers, executives of farm organizations, etc., and one such report takes care of all inquiries that come to these various sources. Thus the distribution problem is greatly minimized.

Banks, investment houses and other institutions also are answering hundreds of inquiries monthly through their own information departments, many of which have been augmented to take care of the increasing demand for information caused by the publicity. The financial departments of all the Boston newspapers also are answering hundreds of inquiries made to them and are running "box" announcements in which they offer to aid prospective investors to determine whether a certain contemplated investment is sound. Chambers of com-

merce, industrial and business organizations and many other interests are following the same path. With all these sources of information available, it would seem that the uninformed investor has no excuse for going into a wildcat investment blindly.

"This system, which is primarily based on protecting the money before it is dissipated," said Mr. Greene, "is also the best one to develop evidence of fraud and deception. It provides the machinery for quick spreading of information concerning questionable concerns. All evidence of law violation is turned over to the proper police authorities and many wildcat propositions are nipped before they get a good start.

Plan Develops Support of Public Opinion

"The plan also develops the support of public opinion to assure the proper punishment of fraudulent promoters. During the time it has been working in Boston a great many fakers have been forced to close up shop. We establish contacts with all the sources on which the promoter of worthless securities depends for his livelihood and it is being daily made more impossible for the faker or incompetent to operate.

"Proper legislation also has a place in the protection of the public against fraud and misrepresentation, but inasmuch as all legislation must take into consideration the legitimate business of seeking capital for new and going enterprises, it must necessarily leave many loopholes through which the faker or incompetent can operate. We need law to prosecute law violators, but, to accomplish practical protection of the public, this organized system based upon an educational program must be put into effect, and, when soundly operated, is of much more benefit to the community than any legislation that can possibly be enacted.

"This proposition places the big burden of protecting the public upon the

shoulders of the public and I am convinced that the public has to assume its proportion of this work to do a practical job, but it is necessary to show the public a simple, practical plan that it can understand so that the people can help

themselves. The plan used in Boston is such a plan. It has proved sound from practical experience and, I feel sure, deserves the support of all those interested in building a protective system against fraud and deception."



The Security Aspect of Country Bank Credits

By Frank S. Wettack

Article Four of a Series on Some Phases of Country Bank Credits

BANK credit is based on the theory that a bank collects a low rate of interest, and that the payment of the principal and interest is assured. The borrower receives all the profit above the low bank rate. In consideration of this low profit to the bank, the hazards of the business must be borne by the borrower. This condition can only exist where the bank is protected against the vicissitudes of business by a sufficient margin in the security or assets of the borrower. Unsecured business loans based on any other theory are not usually a proper exercise of the credit facilities of the bank. Many unsecured bank loans for business purposes amount to partnership contracts between the bank and the borrower. No formal partnership contract is entered into. Unsecured business loans made without a bumper against loss to the bank in the assets of the borrower, frequently amount to a partnership arrangement under the following conditions:

(1) The bank furnishes all the capital for the partnership.

(2) The borrower manages the partnership.

(3) The bank has neither the knowledge, the experience or the opportunity for supervisory control.

(4) The borrower's family expenses and living expenses must be provided out of the partnership, regardless of whether or not the venture shows a profit.

(5) The borrower reserves the option, in the event the partnership venture is successful, to purchase the bank's interest—not at a profit to the bank—but merely returning to the bank the amount of capital contributed by it.

(6) The bank has no continuing right to enjoy its small share of the profits of the partnership venture—limited, while the bank's capital is employed, to a maximum of the prevailing interest rate.

(7) If the venture is successful, the entire property passes into the ownership of the borrower.

(8) *But if such partnership venture is unsuccessful*, it is the agreement that the entire loss shall be borne by the bank and the defunct business passes into the sole ownership of the bank.

Partnership Ventures Very Hazardous

Such partnership business ventures between banks and borrowers, do work out in many cases—particularly in good times. But banks should exercise the greatest caution before entering into such partnership ventures.

They are hazardous in the extreme. The great defect, from the bank's standpoint, is that the bank's interest in the successful venture always ceases upon the borrower's returning the bank's capital, plus a small amount of interest. But the bank becomes the sole owner of, and bears all the loss incident to such partnership ventures as are unsuccessful. No individual or bank engaging in numerous partnership ventures on the above basis can be successful.

Even in times of business depression, when individuals are sustaining large losses in business, banks would have few large losses if their loans were made on the fundamental principle that the margin in the security or assets of the borrower should be sufficient to absorb the losses. It is only when banks step out of legitimate bank credit activities and engage in such partnership contracts, that they sustain heavy losses.

An adverse element in the success of a business is frequently presented where a small business is under the necessity of providing the living for too many officers or partners and their families. The balance between the managing expense and the volume of business done must be properly maintained. One competent managing head can properly direct many workers. Frequently officers or partners who owe their position to their ownership in the business rather than to competency will overload a business with too much expense. The surplus partners or officers may be doing clerks' work at managers' compensation. The average business can only go forward when all cylinders are hitting regularly and in proper rotation. Too little or too much capital, too much credit, too high rent, incompetent management in any department, or too high overhead will impede the progress and may halt it.

A favorable element is presented where the proceeds of a loan are used to purchase machinery or tools which

improve the borrower's earning capacity. A loan to a mechanic to buy tools, or a loan to an industry to install labor saving machines, may meet such requirements. Such capital investments should, however, usually be provided from the borrower's own funds. Each application for such loan would have to be viewed on its individual merits. A loan to buy an excessive amount of farm machinery should be viewed with caution. As a rule the industry or mechanic will give the tools or machinery expert care, and the cost and depreciation of such machinery or tools will be distributed over three hundred working days per year. The average farmer is not a mechanic, and farm machinery frequently receives inadequate protection from the weather, and inexpert mechanical attention; and in any event, the cost and depreciation of farm machinery are distributed over perhaps not more than thirty days' use in each year. Favorable action upon this class of loans is dependent upon the industry, mechanic or farmer presenting a well balanced proposition.

Farmers' Statements Not Well Balanced

Farmers, as a class do not give consideration to operating along well balanced lines. The War Finance Corporation discovered from the analysis of 4000 average middle western farmers' statements, that the average farmer owns a 210 acre farm, with an average value of \$82.50 per acre, and an average encumbrance of \$31.50 per acre. Each of these farmers, on an average, owned twenty-six cattle, classed as follows: eight cows, four calves and mixed cattle, all valued at \$456. The average farmer owned eleven horses or mules, valued at \$750, thirty-three hogs and other live-stock valued at \$524, bringing the total value of all live-stock owned by the average farmer, to \$1730. The average farmer owned implements and tractors, not including automo-

biles, of the value of \$2630. Adding the value of automobiles owned, the non-productive farm equipment, subject to great depreciation, was more than twice the amount of the productive farm equipment, such as live-stock. No other line of business could hope to succeed on such an ill-balanced statement.

Unsecured business loans which are excessive from the standpoint of the borrower's net worth are usually subject to condemnation. Such loans violate the fundamental credit principle that business losses should be absorbed by the borrower. If the borrower has small total assets in comparison to the amount of the loan, he can offer a very inadequate bumper to protect the bank against his business losses.

A group of loans dependent for payment upon the same industry may not technically violate the excess loan law, but may present all the vicious elements of an excess loan. Where a corporation has the maximum line of credit to which it is entitled, and the bank in addition makes loans to the stockholders of the corporation upon the security of the stock of the corporation, such loans, if the stockholders do not have other assets than their interest in the corporation, are just as hazardous and dangerous to the bank as if all the loans were made directly to the corporation. If the corporation is unsuccessful, all the loans are impaired.

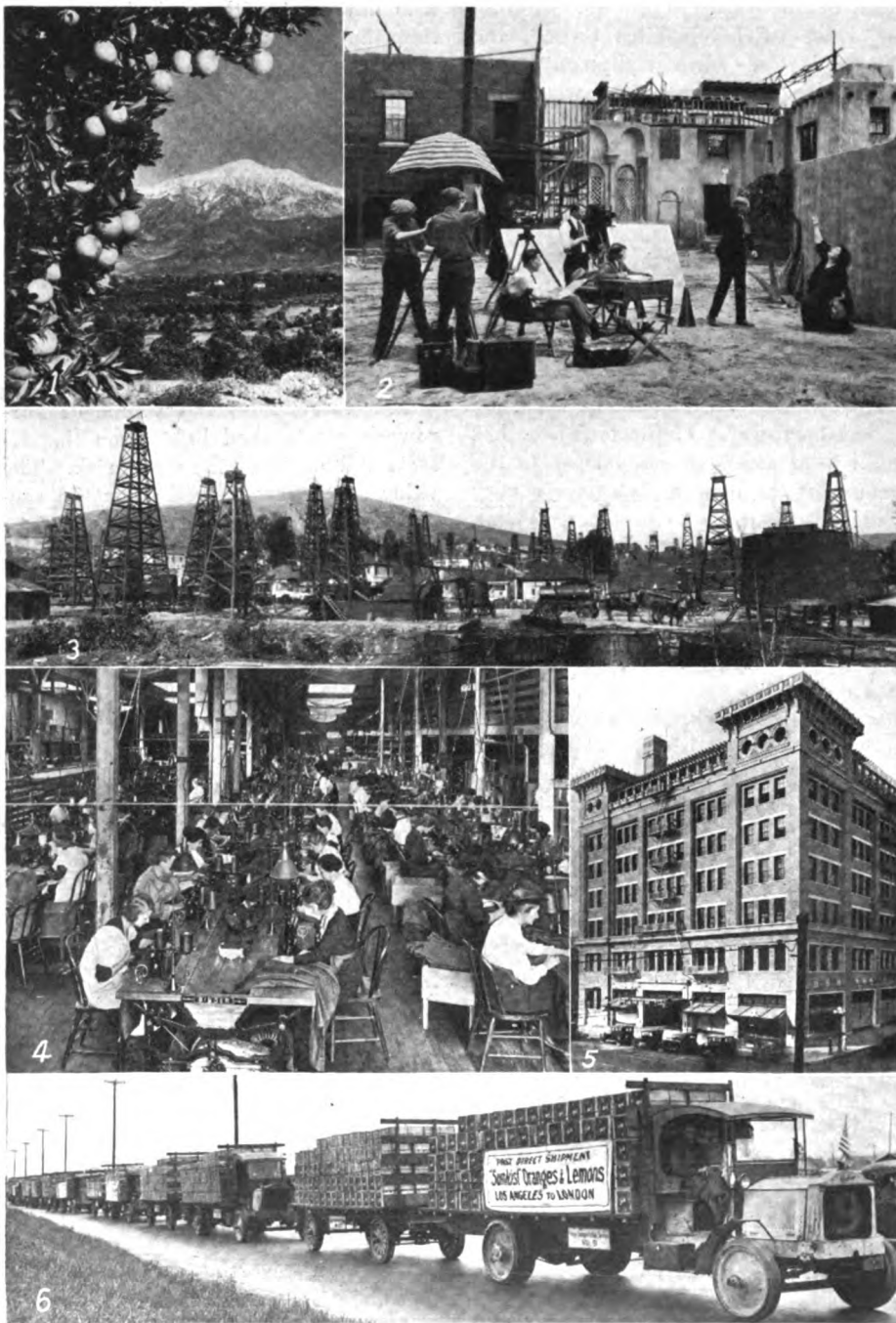
Loans secured by stock in small corporations are subject to the objection that it is usually difficult to find a buyer for such stock. Usually the officers and stockholders in such small corporations own the major part of the corporations' stock, and, by virtue of such ownership, draw salaries in excess of what they would ordinarily be paid for their services. Such conditions not only make the sale of the stock difficult, but also lessen the chances for the corporation's success.

Large additional loans to individuals

who have met with marked success in their business pursuits are frequently very hazardous. Usually the success leads the borrower to expand his business in order to reap larger profits. Where this expansion is made through current unsecured bank loans, caution should be exercised. Do the capacity of the borrower, the condition of the business and the outlook for the future, justify larger lines of credit? A common source of disaster to business activities is undue expansion by reason of temporary marked profits.

The value, kind and source of borrower's assets shed light upon the defects and merits of the credit risk. The value of the assets will show the success the borrower has attained. The class of assets will show whether they are adapted to his business activities. The source of the assets will reveal whether such assets were acquired by the borrower's business acumen, ability, integrity and industry; or whether they were acquired by inheritance, gift or windfall. Assets acquired other than by good business management or personal economy, do not necessarily indicate that the borrower possess satisfactory personal qualities. The general rule is that assets acquired by inheritance or gift or good luck, are soon dissipated. Where a borrower has made a satisfactory record over a moderate period of years, in annually showing a net increase in assets, it affords the strongest commendation as to his capacity, ability, integrity and industry, and usually entitles the possessor of assets so acquired to favorable credit consideration.

It takes more character to stand prosperity than adversity. Few are equal to conserving assets easily and quickly acquired by gift, inheritance or temporarily favorable business conditions. The source of the assets, from a credit man's viewpoint, is of equal importance with the value of the assets.



1. Orange groves with snow-capped mountains in background, near Los Angeles. 2. Los Angeles motion picture studio "on set." 3. A portion of the oil producing district within the city limits. 4. One of Los Angeles' garment factories. 5. Department store in Los Angeles. 6. Shipment of oranges from Los Angeles to London.



The recently completed Biltmore Hotel in Los Angeles, Calif.

Los Angeles Bids for Next A. B. A. Convention

By James E. Shelton

Vice-president Security Trust and Savings Bank, Los Angeles, Calif.

LOS Angeles has its hat in the ring for 1926. J. A. Graves, president of the Los Angeles Clearing House Association, has extended an invitation to the American Bankers Association to hold its 1926 convention in the southern California city, and has appointed a committee of leading bankers, with W. R. Morehouse, vice-president of the Security Trust and Savings Bank, as chairman, to help in securing the convention for Los Angeles. The largest delegation ever sent to a convention by Los Angeles will go to Atlantic City in September, and it is not unreasonable to expect that the former city will be favorably mentioned now and then as the convention progresses.

Only twice in the past fifteen years

has an A. B. A. convention been held on the Pacific Coast—in Seattle in 1915, and in Los Angeles in 1921. The Angelinos feel that five years is not too short an interval for another meeting. Their hotel facilities, always excellent, are greatly enlarged and there is plenty of room. Since the 1921 convention the handsome Biltmore Hotel has been built, affording a hotel that is considered as fine as any in the world, in the heart of the business and amusement district. With its great public rooms, paintings and frescoes, it is a very striking example of modified Renaissance architecture, and its decorations throughout give it a real distinction. As many as twelve hundred people can be comfortably accommodated in the banquet room, which has been



J. A. GRAVES

President Farmers National Bank, Los Angeles, Calif., and president of the Los Angeles Clearing House Association, which is inviting the next A. B. A. convention to that city

the scene of many convention banquets. The Biltmore alone has one thousand rooms for guests.

In addition to these and other advantages of Los Angeles, put forward by the Clearing House committee, are all the attractive features of southern California as a whole, which are remembered by those who attended the 1921 convention; the miles upon miles of excellent roads leading to the Pacific beaches, to the mountains, to the picturesque desert; the fragrant groves of orange trees with their background of blue and snow-capped mountains; all the pleasantries of scene and climate that have given southern California its reputation.

The motion picture studios of Hollywood and other parts of Los Angeles, now closed to the casual visitor, will be thrown open to bankers and their families if the A. B. A. powers-that-be decide upon Los Angeles for the 1926 meeting. The studios and the stars are almost without exception the first things that visitors in Los Angeles wish to see,

but admittance is, of necessity, strictly limited. In the event of an A. B. A. convention, however, the studios will open wide their doors upon the busy and colorful life within.

Since the 1921 convention, Los Angeles has made extraordinary progress, and the city today is vastly different from what it was then. Not only has the splendid Biltmore Hotel been built, but numbers of large buildings have sprung up in the business district. From the middle of 1921 to the middle of 1925, \$500,000,000 were spent in building construction. Los Angeles is now more metropolitan, and certainly more cosmopolitan. There is an added air of smartness, with new shops, cafes and hotels contributing to the city's reputation as an incomparable place for the entertainment of visitors.

The population of Los Angeles has grown from approximately 600,000 in 1921 to 1,000,000 today, or at the rate of 100,000 per year. Bank clearings have grown from \$4,211,000,000 in 1921 to \$7,194,000,000, in 1924, an increase of 70 per cent. Bank deposits have increased from \$501,405,000 to \$986,190,000, or 96 per cent. Since the time of the 1921 convention, 450,000,000 barrels of oil have been extracted from the ground, and Los Angeles fields are still producing 65 per cent. of the total of California petroleum output.

Nearly fifty country clubs, the majority of which have been established since 1921, are scattered through southern California, and their golf links, tennis courts and bathing pools are in daily use, since the sun shines over three hundred days in the year. Perhaps nowhere else in the world are golf links more plentiful or more beautifully situated, nearly all of them being in foothills with a view of high mountains. Among the new city club buildings completed since the last A. B. A. convention there are some buildings of rare beauty. Taking it all in all, Los Angeles is a more ideal place than ever for a convention.

Spend Your Vacation In Travel

See new sights, new scenery. Leave the humdrum of everyday life behind you and journey into a new world. This bank will show you how.

Our Save-To-Travel Club

will help you enjoy a new kind of vacation. Railroad trips, foreign travel, a tour of the country—all are within the average year's purse.

Come In Today and Let Us Show You How

THE FIRST NATIONAL BANK
OF RICHMOND, VIRGINIA
NINTH AND MAIN STREETS



How Much Will Your Vacation Cost?

Start Saving Now


The hot summer months are not far distant. Have you made plans for your vacation—financially? Are you going to be disappointed at the last minute because you haven't money enough for the trip you want to take?

Save To Travel

The easiest way to insure yourself a vacation is to join our Save-to-Travel Club today. The best known railroads and steamship lines will co-operate with you, through this bank, to make your vacation a success.

Ask Us About The Plan

THE FIRST NATIONAL BANK
OF RICHMOND, VIRGINIA
NINTH AND MAIN STREETS




Pay For Your Vacation In Advance

Enjoy two weeks, a month, two months, in freedom from care. Money matters won't worry you on your vacation if you are a member of our Save-to-Travel Club. You will have ample funds to pay for that long anticipated trip to the mountains, to the sea shore, or abroad.

Save To Travel

and let Autumn find you back at your desk refreshed and rejuvenated, with money in the bank.

THE FIRST NATIONAL BANK
OF RICHMOND, VIRGINIA
NINTH AND MAIN STREETS



Bank newspaper publicity on the theme of the Save-To-Travel Club

Save-to-Travel—The New Banking Program

A Plan for Saving to Stimulate the American People to Wider Travel

By Allan F. Wright

WHAT rational human being in this work-a-day world has not sustained the fond hope that some day he or she will be able to break loose from bondage and begin to discover something of the world's wonders by traveling abroad?

One's goal need not be as remote as might be supposed, however, provided one is possessed of reasonably provident habits. For a real seriousness of purpose for the year 1925 has marked the advent of a new factor in thrift—the Save-To-Travel Club. Originated and promoted by the Save-To-Travel Association, a new national body organized to "co-ordinate the forces of money saving and traveling, to encourage a broader minded and happier people," it is a genuine step towards a constructive program that will place world travel within the range of everyone's purse. In the same manner that the Christmas Club has proved an abundant source of savings by providing a fund to defray the expenses of the holiday season, so will the Save-To-Travel Club provide a basis for American banks to develop a broader field of saving effort along different lines—the business of saving to travel.

This new national movement has the active co-operation of twenty-seven steamship lines, embracing the membership of the North American Steamship Conference, and the principal American railroads, and although it has really been under way since only January 1 of the present year, it now has an active membership of 349 savings banks, national banks and trust companies who have taken a solicitous interest in the undertaking and seized the opportunity to be of service. The very auspicious beginning which the plan has had since its inception and promotion more than fulfills expectations and seems to prove conclusively the need for such a movement.

Plan Does Not Infringe on Personal Savings

This systematic method of saving to travel is not like robbing Peter to pay Paul for it does not infringe upon nor should it slacken the resolution to save for the personal reserve or rainy day account. It accumulates a certain amount of money from the family budget to be used for wider travel, but there is no obligation on the part of

and publicity it is to be given through the official insignia and slogan of the Association, "Save-To-Travel in a Member Bank of the Save-To-Travel Association," which will appear in the advertising copy, local and national, of all the affiliated transportation organizations. Every railroad station and steamship agency connected with the association will exhibit colorful posters setting forth the benefits of saving to travel. Sample publicity folders and circulars are furnished the member banks, and quantities may be printed locally, or ordered from the association at low cost. One bearing the caption, "How Far Will \$500 Take Me by Saving \$1.00 a Week?" is supplied to assist the prospective club member in determining how much he desires to save and where he desires to travel. A monthly publication, *Travel Talks*, containing a special section devoted to the development of Save-To-Travel business is also furnished to members and carries current news of the association. National travel contests soon to be inaugurated will also be outlined through this medium.

*What Some Member Banks Say
About Plan*

Due to the fact that the plan has been in operation but a comparatively short time, it is difficult to obtain any lengthy tabulation of results; but it is interesting, nevertheless, to see how this appeal of saving to travel somewhere affects the public mind, as revealed through a number of letters received from representative member banks who have recently instituted Save-To-Travel Clubs.

Miss Florence E. Stieler, manager of the new business department of the Railroad Co-operative Building and Loan Association of New York City, writes: "We have enrolled 450 members. We feel that this is especially good, since the only publicity it was given was a poster placed in one of our

windows for a month, and leaflets describing the club on our tables. An analysis of accounts shows that approximately 25 per cent. of the members did not name the amount which they desired to accumulate, saying that while they wished to pay a certain amount weekly, they wanted to be free to save more when possible. The average is over \$100. Several have designated their desire to save \$1000 and eleven to save \$500. There are miscellaneous amounts such as \$350, \$375, \$450 and \$600."

E. E. Kershaw, treasurer of the Commerce Trust Company of Baltimore, Md., writes: "At this time we are not in a position to properly pass on the value of this plan for savings, this for the reason that we have only been interested in the matter for some two or three weeks and have not yet received any of the advertising matter. I can say, however, that our letters addressed to a prospect list in this connection have, so far, produced very satisfactory results. To date our efforts have been for the purpose of interesting the Baltimore school teachers, and although but one letter has been sent, we have had a number of responses and opened a number of desirable accounts with average deposits ranging from \$25 to \$50 monthly. When the advertising matter is received and mailed I look for quite a large increase in our membership as the advertising pieces which I have seen are very well gotten up and should promptly arouse a desire for one of the trips described."

Arthur S. Van Winkle, president of the Empire City Savings Bank of New York City writes: "Our experience with Vacation or Save-To-Travel Clubs has, thus far, been rather limited. We have done very little advertising and consequently the accounts have been coming in rather slowly. As to the future prospects, I think they are very good. It is an idea that is bound to become popular and when we become more active in our advertising and push the matter a

little, as we expect to do shortly, I look for very favorable results."

Morton J. Klank, vice-president of the Southwark National Bank of Philadelphia, Pa., writes: "Having just joined the association, we are not yet in a position to write with any degree of authority as to our experience with this plan. I feel, as well as the other officers of this institution, that it is a workable plan of savings and should be beneficial from the standpoint of the banks, the steamship and railroad lines, and the members. We feel, from our experience in the steamship and travel departments (which departments are maintained and actively used by the patrons of this bank), that it will be most helpful to us. We are very much in favor of the plan, and we believe that the trips that are outlined in the magazine which is published every month should make a strong appeal to the masses and place them in a position to take a vacation which they probably could never arrange, if it were not for saving through such a club."

E. L. Forsythe, vice-president of the Central State Bank of Minneapolis, Minn., writes: "We feel that the possibilities for securing new savings accounts through an appeal of this kind offer an unusual opportunity, and intend to build up this new department of our savings in the very near future."

W. V. Wright, assistant cashier of the Western Savings Bank of Long Beach, Calif., writes: "This is a new departure for us but the whole staff is interested and we hope to develop some real good for all concerned. We are mailing out monthly a thousand of *Travel Talks* to a selected list, increasing it as fast as the demand warrants."

K. Council, manager of the savings department of the Interstate Trust and Banking Company of New Orleans, La., writes: "Our Save-To-Travel Club was started a little late, and we did not get as many accounts as we anticipated. Up to the present time, we

have 100 accounts and we are still working on them, and hope to get some more."

Noble R. Jones, savings executive of the First National Bank in St. Louis, Mo., writes: "The experience of the First National Bank with the Save-To-Travel Club up to this time is very limited; in fact, we are just getting under way, and have so far used no special advertising other than posters furnished us by the travel association. Our opinion, under the circumstances, would not seem to be of great value, but we here believe the plan to be fundamentally sound, and one that in time will become popular among selected classes, but we do not regard it as a plan that will be taken up to any great extent by the masses. We have recently installed a travel bureau sponsored by the American Express Company, and this, we hope, will work well with the Save-To-Travel Club idea when it gets under way."

Club Has Made Promising Beginning

The Save-To-Travel Club is worthy of high praise; it has made a very promising beginning; and to banks who fully appreciate the potentialities of the plan it offers a direct means of new business—an opportunity to give themselves to a new task in the stimulation of thrift by setting up the common sense purpose of travel. Over 5,000,000 Americans systematically saved over \$211,000,000 in Christmas clubs during 1923, in more than 5000 banking institutions who conducted them and in the ten years of the Christmas Clubs' existence over a billion dollars have been saved in this manner. A number of bankers who are conducting Save-To-Travel Clubs believe it altogether probable that they will become even more popular than Christmas Clubs because of the enjoyment and educational benefits to be derived from travel.

A depositor who has traveled as a result of a bank's stimulation to save,

the association points out, is pretty apt to become that bank's lifelong friend. The 10,000,000 people of foreign birth in America need little encouragement to travel back to their native lands to visit their dear ones. American banking institutions are learning more and more to understand the foreigner. This, then, is their opportunity to lend him a helping hand through the Save-To-Travel Association, which will assist him in planning trips with a view to minimizing expenses and providing a maximum of comfort and convenience.

As many banks are already transportation agents, selling travelers' checks and letters of credit, it is evident that the Save-To-Travel movement has for them undoubted profit possibilities. Considering the well-authenticated testimony furnished by member banks who are already operating Save-To-Travel Clubs and taking one thing with another it seems safe to infer that the movement is destined to become an important factor in banking, through the infusion of new blood into existing programs of thrift.



New Savings Bank Plan to Meet Building and Loan Association Competition

A NEW plan known as the "slow deposits system," providing an effective means by which a savings bank can meet the ever increasing building and loan association competition, has been formulated and put into operation by the Dollar Savings and Trust Company of Youngstown, Ohio.

To meet this competition the Dollar Savings and Trust Company inaugurated a new department called the investment deposit department, and offered to pay a 5 per cent. rate of interest on deposited funds. This is 1 per cent. more than the rate allowed on ordinary savings accounts. The plan was formulated by A. E. Adams, president of the bank.

The strength of the building and loan association, Mr. Adams believes, lies in the higher rates of interest they can pay without the necessity for maintaining legal reserves and meeting high overhead expenses. These advantages are offset and made possible by the fact that depositors may not withdraw at will. Building and loan associations now have more than \$4,000,000,000 in assets, as compared with \$1,137,000,000 in 1918.

A feature of the operation of this

investment department it that deposits are subject to indeterminate notice of withdrawal.

"We segregate all money and securities belonging to this department," said Mr. Adams, "and our contract with the depositor is that he is to be paid only out of these segregated items. Our practice will be to pay on demand whenever there is money in the department available for that purpose, and when ever there is not to require the depositor to wait until some of the loans in which his money is invested are collected. We carry no cash reserve in this department except the 3 per cent. minimum required by the Federal Reserve Act. This will permit us to invest substantially and keep the money invested all the time.

"In the first five days that the department was in operation it opened 350 accounts and took in \$700,000 in deposits. This, in view of the fact that Youngstown's population is only 150,000, would seem to indicate that people are not only willing but glad to do business under the conditions laid down, when assured of safety and a satisfactory rate of interest."

Bread and Butter

By Richard W. Saunders

AS we find ourselves in a world based upon bread and butter, relying upon those articles and their various derivatives to keep us alive day by day and, compelled, most of us, to give up the major part of our lives striving for bread and butter, we cannot but realize how many of the serious ills of life, as well as a few benefits can be ascribed to that source.

A "few" benefits, for all social intercourse can be traced back to the time when our ancestors, having killed say a mammoth, gathered around it to gorge themselves. But on the other hand, how many hardships the need of bread and butter has forced upon the world. It would hardly be an exaggeration to blame all wars, crime, sorrow and pain on it.

Wars have nearly always had an economic basis. When a nation or people outgrew its feeding place, it warred upon others, sometimes migrating a vast distance to do so. Even so-called religious wars had economic reasons underlying them, such, for example, as the payment of tithes. Our Revolutionary War was based on the tax question and our Civil War on the competition between free and slave labor. Well has Thorold Rogers named one of his books "The Economic Interpretation of History."

Brooks Adams in his "Civilization and Decay" and "The New Empire" shows how the great nations, one by one, have owed their supremacy to their being in the paths that traders were compelled to take when exchanging the products of the various parts of the earth. For example, Venice dominated when commerce went through her on its way to and from India, but her power passed to Portugal when the intrepid Portugese seamen found their way around the Cape. Bread and butter had found a new course and a new nation came into power until it also, for the same reason, lost its supremacy.

Crime is very largely due to the "desire to live" of the individual overcoming the restraining laws. Even when theft was punishable with death, thefts continued. Had the criminal enough bread and butter of his own, it is doubtful if he would covet and forcibly take that of his neighbors. Well fed stomachs do not belong to crime. At

any rate, unless it be for artificial crimes whereby the majority attempts, through the power of the state, to control the habits of the minority, the amount of crime would be considerably reduced.

"Life is a struggle," we often say. For what? "Bread and butter," is the answer in most cases, although, that achieved, we strive for the expression of higher thoughts in the form of literature or art or music. With our economic needs satisfied, the struggle does not seem anywhere near so intense. This, of course, does not touch on the importance of the spur of necessity forcing us to accomplishment.

So far as illness is concerned, it might be through lack of bread and butter, but just as frequently it is from too much. If, instead of eating so much, we put aside a bit, most of us would be far better off. A dollar's worth of bread in the bank is often far better than "on the hide," and although both seem to gather accretions, the bank method is usually the best. In fact, the stout man now-a-days finds himself very much out of date, but the man with the stout bank account seems to be more popular than ever. Popular with whom? Mostly with those who are looking for bread and butter.

On the other hand, bread and butter might well claim that most of these ills are due to mankind's not properly working out an ethical method of distribution. There is enough of the "staff of life" to keep everyone from actual need. Better methods of production are being steadily developed, but few improvements have been made in distribution. There is also to be considered the serious danger that with a margin of food, the population would immediately increase and a bad year's production would cause famine and misery, as it does, for example, in India. Proper restraints must go hand in hand with an increased food supply. Until absolute control is worked out internationally the present method seems to be the only one that is safe.

What is true of a nation is true of an individual. Control over the appetite is as necessary as any other restraint in life and leads to habits of economy and stored-up granary for future use.

The Career of William Kidd

Wealthy New Yorker, Ship Owner, Land Owner, Merchant,
Friend of Governors, Buccaneer, Pirate, Defender of
the Crown, and Highwayman of the Seas

By Withers Woolford

(Illustrations by Burriss Jenkins, Jr.)

(Continued from August number)

AFTER his supplies were replenished Kidd resumed his cruise. He was very anxious to renounce the career of piracy, which he had barely entered, and once more take up his position of privateer. But the crew had found piracy much more profitable than policing the seas and had no intention of returning to the ways of respectability. With this state of affairs existing, they encountered a vessel, the "Loyal Captain," which was unmistakably Dutch in build, flag, and rigging.

Kidd's crew clamored for the capture of the Dutchman, while he refused to consider it. A few of the ship's company stood with the captain. But the majority declared they would arm the boats and seize this prize. Standing squarely before the enraged crew, Kidd announced, "You may take the boats and go, but those who leave this ship shall never ascend its sides again."

One man, a gunner named William Moore, grew particularly violent. Knife in hand he approached the captain, hurling the most vituperative threats in his face. Captain Kidd was not a meek man. Seizing an iron-bound bucket, he swung it against the gunner's head. Moore fell senseless on the deck; the next day he died of a fractured skull.

The killing of William Moore was not premeditated murder; it was perhaps even necessary in quelling a mutiny, and certainly the discipline of the belaying-pin was common enough in those days. But, undoubtedly it was this blow that sent Captain Kidd to the gallows. At his trial but little evidence of piracy could be found, and the murder of William Moore was the most important

charge against him. Kidd always declared he had no intention of killing the man, but if he had, it would have been a virtuous act necessary to prevent piracy and mutiny.

Life on the "Adventure" was now very quiet. Three weeks passed before a sail was sighted. Then, one morning, a great mass of canvas loomed up on the horizon. Kidd hoisted the French flag and gave chase, over-hauled the ship and brought it to with a cannon-ball thrown across its bow. This ship was the "Quedagh Merchant," a very richly laden East Indian merchantman.

Kidd ordered the captain of the vessel to report to him. A small boat was lowered and brought a Frenchman to the "Adventure." Kidd learned that his visitor was not the ship's master and sent back for the latter. On this trip the small boat brought back Captain Wright, a red necked, beef eating, swearing Englishman, who had formerly been a tavern keeper in France. Wright pointed to the ensign Kidd was flying and claimed he only used the flag of France because it flew at Kidd's mast-head. He claimed his ship was of English charter, but Kidd swore the clearance papers were of French issue. Unfortunately, Kidd stuffed the papers into his jerkin without showing them to anyone else.

Captain Wright was put in irons and Kidd took charge of the "Quedagh Merchant." One of the ship's charterers was on board and offered to ransom the property for \$20,000, but Kidd refused the offer. His ship was leaky and badly in need of repairs. The "Quedagh Merchant" was a far superior ship and Kidd needed it, so the

crew was ordered into the small boats and set adrift at sea. Kidd transferred all his stores to the prize, a torch was applied to the "Adventure" and, in a short time, that ill-fated ship was no more.

Privateering was becoming profitable. Once more Kidd laid his course for the great rendezvous at Madagascar, where he heard there was a chance to take a real pirate. When he entered the harbor at Madagascar only one ship was in. They had heard of the expedition against the pirates and the sight of this beautiful, well-armed ship threw them in a panic. . . . They could not hope to stand up against such an enemy.

The pirates sent an ambassador to the "Merchant" to find out Kidd's intentions. According to testimony offered at Kidd's trial; he received these officers with open arms, drank with them, and accepted huge gifts of silk and spices. Kidd emphatically denied these statements and claimed that he could not capture the pirates, because: "The turbulent crew rifled my chest, stole my journal, and took possession of the ammunition. I was compelled to barricade myself in the cabin. The mutineers held the ship, and being beyond all control acted according to their own good pleasure. I was in no degree responsible for their conduct."

The captain's claim was not credited by the court. But it is, in some degree, borne out by the fact that ninety-five of his men deserted and joined the ship of a pirate; taking with them about \$100,000 of Kidd's treasure. This does suggest that Captain Kidd was not sufficiently piratical to suit his crew.

For several weeks Kidd stayed in this "den of pirates." While there, the treasure from the "Quedagh Merchant" was valued at \$400,000. In dividing the spoils, Kidd still assumed that he was acting for the London company and retained forty shares of the loot for his employers and himself.

The visit of Kidd and his men at Madagascar was celebrated by continuous feasting and drunken revelry. All

the while Kidd was recruiting a new crew. When his crew was again up to sailing strength, he spread canvas for the voyage to the West Indies . . . carrying his treasure.

* * * *

The voyage to the West Indies was long and tempestuous. Not a sail was sighted. Black clouds glowered down . . . the unforgiving sea rolled high, straining every plank in the ship's bottom . . . a wild wind whipped her canvas, ripped out the main-mast and tore at the rigging. Finally the wretched voyage was over and they made port in the most northern of the Caribbee Islands.

Here Kidd was greeted with the news that he had officially been declared a pirate. His conduct had been discussed in Parliament, and a committee was inquiring into the character of the company he served. A royal proclamation had been issued giving pardon to all pirates except William Kidd and a notorious buccaneer named Avery. And a British man-of-war was patrolling the seas in search of him.

Captain Kidd had counted on the richness of his captured treasure to retain the support of the distinguished men who had backed his enterprise. He now was informed that they intended to make him their "scapegoat." They had been so severely condemned that none were louder in howling to have all seas searched and the miscreant brought to justice.

The political complications, caused by Kidd's association with kings and nobles, gave him much more prominence than he deserved. Supposedly, he had been scouring the seas with one of the most powerful English ships, and had acquired enough wealth to found an empire. Politicians all over Britain set up a howl that the aristocrats were not satisfied to rob the people of their property and overtax them at home, but that even their trade was being plundered to make the rich more rich. What became of all this wealth? This question has



Knife in hand he approached the captain Kidd, seizing an iron-bound bucket, swung it against the gunner's head

set all manner of gullible people in both England and America to digging for pirate gold, which never existed.

Kidd did not understand the seriousness of the situation. He thought the whole matter could be explained away, if he could see his backers and regain their confidence; so he purchased a small, fast sailing sloop, the "Antonia" of Philadelphia, and transferred to it all his most portable treasure—gold dust, doubloons, jewels and silver. In this vessel, with a crew of forty men, he sailed for New York to see the Earl of Bellomont. The "Quedagh Merchant"

and twenty-two men he left under the command of a man named Bolton. Neither this ship, nor her cargo or crew were ever heard of again.

As he approached New York, Kidd became cautious. Instead of entering the harbor, he sailed around the east end of Long Island and into Oyster Bay. From here he wrote to the Earl of Bellomont and to his own family. In answer to these letters, a lawyer named Emmott came from New York and told Kidd that the Earl was in Boston. Kidd retained Emmott to act as his emissary and secure from Bellomont a promise

of safety, should he visit him in Boston. This messenger returned with the Earl's reply, "I will give Captain Kidd the promise of my protection, if his statements can be proved."

The Earl's reply did not greatly reduce Kidd's worries. He could only prove himself innocent of piracy by showing that his crew had mutinied. And the crew could hardly be expected to exonerate him by exaggerating their own guilt. However, Kidd started for Boston. When he got as far as Block Island, he stopped and wrote the Earl again, protesting his innocence. He also sent the Earl's lady a gift of jewels valued at several thousands of dollars.

Traveling under the protection of a Mr. Clark, Kidd's wife and children came to join him at Block Island. After their arrival Kidd set sail for Boston, but as Mr. Clark had to return to New York he was landed at Gardiner's Island—and for some reason Kidd deposited the greater part of his treasure with Mr. Gardiner, the proprietor of the island.

On July 1, 1699, Kidd entered Boston harbor. For nearly a week he visited with the Earl of Bellomont and went about Boston unmolested. On the sixth of July he was suddenly seized and placed under arrest. All the plunder on his ship and the treasure left at Gardiner's Island were immediately confiscated. In this treasure there were 1111 ounces of gold, 2553 ounces of silver, forty-one bales of goods, and seventeen pieces of canvas. Many rumors were abroad telling of three ships that had come from New York and taken away much of Kidd's treasure while he was at Block Island. Kidd admitted this, but said the goods belonged to his men and had been shipped by them. These rumors and the small amount of plunder in Kidd's possession led to the belief that a vast pirate treasure had been buried on the islands along the coast while Kidd was on his way to Boston.

Kidd and those of his crew who were arrested with him were kept in a Boston

prison until a warship could be procured to take them to England for

* * * *

Excitement ran high in both America and England. Kidd was supposed to have been in partnership with the King and several of the ministry. A month had elapsed since his arrest and he had not been brought to trial. The delay could easily be explained; the ship which was transporting Kidd had encountered foul weather and been forced to put back into port. But charges of collusion were freely made. It was openly claimed that, out of regard for their own reputations, the ministry would see that Kidd never came to trial.

By the time he got to England, Kidd had ceased to be regarded as an ordinary pirate and had taken on the dignity of one entitled to a state trial. He had become so much involved in politics that the House of Commons petitioned the King to postpone his trial until the next Parliament. Kidd and his companions were, consequently, confined to Newgate prison for a whole year before they came to trial.

The House of Commons impeached the Earl of Oxford and Lord Somers for their connection with Kidd and for their part in securing the extraordinary commission which had been issued to him. Popular feeling ran high. Political parties took sides. Rumors filled the air. It was confidently declared that the lords on trial were conniving with the ministry to have Kidd pardoned, so as to avoid the investigation which a trial would involve. These rumors aroused in the anti-ministry party a great desire to hang Kidd and, in that way, prove the guilt of the ministry. The ministers felt that Kidd must hang, to prove their zeal in punishing enemies of the Crown.

The Earl of Bellomont was taken sick and died in New York during March of 1700. In this way he escaped the impeachment which was hanging over his head.

It is quite probable Kidd was guilty,



A wild wind whipped her canvas, ripped out the mainmast and tore at the rigging

but it is very doubtful if his guilt has ever been proved. Every power in England was busy, for one reason or another, procuring evidence which would convict Kidd. He was permitted no opportunity to produce any papers or witnesses—nor was he granted the advice of counsel. His men turned states evidence and saved their own lives by taking Kidd's.

At one point in the trial, when it was quite evident he could not be acquitted, Captain Kidd gave credence to the rumors of buried treasure. He told of a fortune cached in America where it could never be found without his aid, and offered to recover this fortune for

the Crown if given his freedom to go to America. His plea was of no avail. No one was interested in Kidd's fortune. No one was very much interested in his innocence or guilt. The crimes for which he was being tried mattered little. Every one, at least in political England, was absorbedly interested in his death—one party because Kidd's body on the gallows would expose the villainy and cause the downfall of a ministry, the other party because his death would vindicate and justify the life of that same ministry.

A verdict of guilty was returned and William Kidd was "hanged by the neck until dead" . . . and became legend.

Commodity Classification of Acceptances

OF the bankers' acceptances purchased outright by the Federal Reserve banks in March and April of this year, 40 per cent in dollar value, were drawn to finance the marketing of cotton and grain, according to a statement by the Federal Reserve Board, based on a study which appears in the Federal Reserve Bulletin for August. Another 10 per cent. of the acceptances were drawn to finance the storage or movement of other American agricultural commodities, bringing the proportion of farm products among the commodities underlying purchased acceptances to 50 per cent. of the total.

During the two months included in this study the reserve banks purchased \$247,000,000 of bankers' acceptances, exclusive of acceptances bought under repurchase agreements. Of this amount \$87,000,000 was drawn to finance imports, \$77,000,000 to finance exports, \$59,000,000 to finance domestic transactions, of which a large proportion covered the storage of agriculture staples in elevators and warehouses awaiting export, and \$24,000,000 to finance the storage and shipment of goods between foreign countries.

Before the Federal Reserve System was established, this convenient and economical way of financing the marketing of crops by the use of American bankers' acceptances was not available, and a large part of our foreign trade was financed through the use of acceptances drawn on foreign banks, which involved the payment of commissions and discounts in foreign markets. The Federal Reserve Act made it possible for banks in this country to accept drafts and the Federal Reserve banks, by standing ready to purchase acceptances, have fostered an ac-

ceptance market in this country, the extent of which is indicated by the fact that there are now outstanding at different times of the year between \$600,000,000 and \$800,000,000 of bankers' acceptances.

Through the acceptance market, facilities have been also provided for financing the storage and shipment of American farm products by exporters and co-operative marketing associations at lower rates and more conveniently than was possible before.

The analysis made by the Federal Reserve Board shows that acceptances purchased by the reserve banks cover a wide range of different commodities. During March and April import acceptances covered about 600 commodities, and export acceptances covered over 250 commodities. The principal commodities underlying the \$247,000,000 of acceptances purchased by the reserve banks in March and April, combining acceptances in foreign trade and in domestic transactions, were as follows:

Cotton	\$74,836,000
Grain	27,180,000
Sugar	19,782,000
Coffee	17,752,000
Silk	15,082,000
Wool	11,431,000
Hides and skins	7,300,000
Copper	6,679,000
Lard and meat	5,323,000
Flour	5,266,000
Tobacco	4,195,000
Rubber	3,046,000
Cotton manufactures	2,337,000
Woodpulp	1,915,000
Lumber	1,886,000
Furs	1,688,000
Farm implements	1,235,000



Banking and Commercial Law

SPECIAL

**BANKERS
MAGAZINE**

SECTION

1810



1925

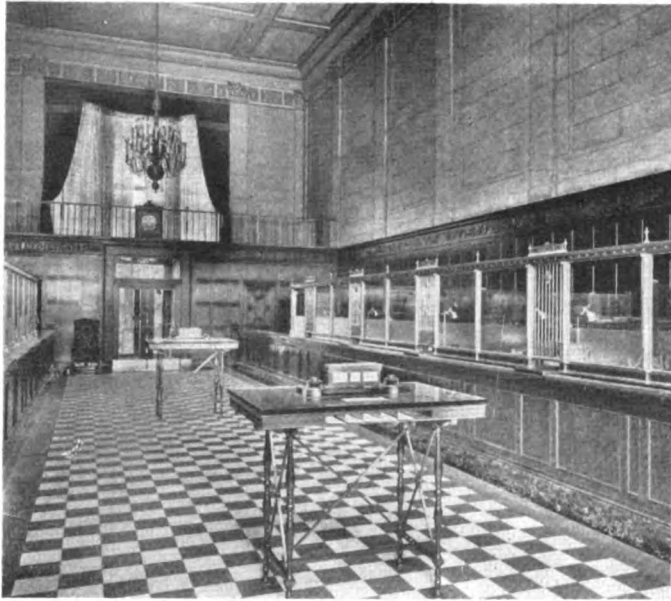
*A Distinctive Service for
Your New York Business*

**THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK**

Deposits, June 30, 1925, \$294,000,000

G. W. McGARRAH
Chairman of the Board

JOHN McHUGH
President



Main banking room of the First National Bank,
Terre Haute, Ind.

THE walls are wainscoted in genuine English oak. The counters are of the same material with base of black and gold marble and wickets of finely wrought bronze. The contrast of gold bronze against the background of rich brown oak adds an unusual note of charm and interest to this room.

*Design, Engineering
Service, Construction
Management by*

WEARY AND ALFORD COMPANY
Bank and Office Buildings
1923 Calumet Avenue
Chicago

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Deposit for Special Purpose

Pierson v. Swift County Bank, Supreme Court of Minnesota, 204 N. W. Rep. 81.

THE plaintiffs made a contract to sell their farm to a land agency and the latter drew a check for \$5020 against its account in the defendant bank, payable to the order of the defendant "for A. L. Pierson," one of the plaintiffs. The check was left with the defendant bank, with instructions to pay the amount to the plaintiffs upon the delivery of a satisfactory deed. The land agency drew against its account and, when the deed was received, the deposit was insufficient to meet the check. The plaintiffs sued the bank for the amount of the check upon the theory that the delivery of the check to the bank constituted a special deposit and that the bank was required to hold the amount for the benefit of the plaintiffs.

The court held that the deposit was one for a special purpose, but that the land agency could withdraw it at any time before the money was paid to the plaintiffs. The bank, consequently, was not liable to the plaintiffs.

Action by A. L. Pierson and another against the Swift County Bank. After verdict for plaintiffs, defendant appealed from order denying alternative motion for judgment non obstante or new trial. Reversed, and judgment entered for defendant.

OPINION

TAYLOR, C.—Plaintiffs, residents of Muscatine, Iowa, made a contract to sell a farm in Swift County, Minn., to the Wilmers Land Agency of Benson in that county. The Wilmers Land Agency in turn made a contract to sell the farm to George B. Bingham. It was arranged that the deed should run direct from plaintiffs to Bingham, and that Bingham should give back a mortgage to plaintiffs for the deferred part of the purchase price. A cash payment of \$5000 was to be made on March 1, 1920, at which time the deed and mortgage were to be delivered. On March 24, 1920, the land

agency deposited in defendant bank a check payable to the land agency for \$5720 drawn by Bingham on a South Dakota bank and the amount was credited to the checking account of the land agency. At the same time the land agency drew a check for \$5020 on defendant bank and payable to defendant bank "for A. L. Pierson." The next day, pursuant to instructions, defendant wrote to Thompson & Thompson, attorneys for plaintiffs at Muscatine, Iowa, stating that the land agency had deposited its check of \$5020 for the payment due March 1 and wished to examine the deed, and, if it was all right, would then make the payment; and asked that the deed be sent to defendant for collection with instructions in respect to recording the deed and the mortgage. On April 12, 1920, Thompson & Thompson wrote defendant:

Inclosed find warranty deed to George Bingham from A. L. Pierson which you are to deliver unto Mr. Bingham or his order upon his prior performance of the following conditions. * * *

We also inclose you the mortgage upon said lands to be filed by you in case Mr. Bingham accepts the deed upon the foregoing conditions in which event you are to file the mortgage of record keeping out such sums as will reimburse yourselves for any expense incident to this matter.

On April 14, 1920, defendant wrote Thompson & Thompson:

This will acknowledge receipt of your favor of the 12th inclosing warranty deed from A. L. Pierson and wife to George B. Bingham, also mortgage to be executed by Mr. Bingham and wife to A. L. Pierson.

We note your instruction and shall govern ourselves accordingly.

The land agency drew checks on its bank account continually, and when the deed arrived did not have sufficient funds on deposit to pay the check given to defendant to cover the payment due plaintiffs, and never afterwards had sufficient funds to pay this check. It had drawn out its entire deposit and closed its account long before the commencement of this action. During the summer of 1920, there was considerable

correspondence in respect to the payment due plaintiffs but without any result. In October 1920, one of the firm of Thompson & Thompson went to Benson and made an agreement with the land agency by which the land agency promised to make the delinquent payment and to complete the transaction in accordance with the terms then agreed upon. He did not see defendant, but thereafter wrote defendant stating the terms of settlement and giving defendant full instructions as to the manner in which it was to be carried out. The land agency, however, failed to perform any part of its agreement; and the check for \$5020, the deed and the mortgage still remain in defendant's possession, although defendant disclaims any interest in them or any right to retain them. In December, 1923, plaintiffs brought this action to collect from defendant the sum of \$5020, the amount of the check, claiming that delivering the check to defendant constituted a special deposit of the amount for which it was drawn and that defendant held such amount as bailee for plaintiffs.

The trial resulted in a verdict for plaintiffs, and defendant appealed from an order denying the usual alternative motion for judgment non obstante or for a new trial.

Plaintiffs concede that depositing the Bingham check and crediting the amount thereof to the account of the land agency created between defendant and the land agency the usual relation of debtor and creditor existing between a bank and its depositors. But plaintiffs contend that by delivering to defendant a check drawn on this account payable to the order of defendant, for plaintiffs with instructions to pay the amount thereof to plaintiffs on delivery of a satisfactory deed, the land agency created a special deposit to which plaintiffs became entitled when the deed was received by defendant.

The check was payable to defendant not to plaintiffs. We will concede, as claimed by plaintiffs, that it was equivalent to a deposit with defendant by the land agency of the amount thereof for the special purpose of paying the instalment due plaintiffs on delivery of a satisfactory deed conveying the property to Bingham. Plaintiffs forwarded the deed but required the performance of certain conditions before its delivery. In the view we take of the transaction, it is not necessary to consider the effect of these conditions, for title to the

deposit never passed to plaintiffs and defendant never held it as their agent or bailee.

The authorities cited by plaintiffs as supporting their contention may be divided into two classes. First: Those in which a bank, while holding a special deposit or a deposit made for a special purpose, became insolvent, and it was held that such deposit was not an asset of the bank and could be recovered from the receiver or other liquidator into whose possession it had passed. Examples of this class are: *Stein v. Kemp*, 182 Minn. 44, 155 N. W. 1052; *Stabbert v. Manahan* (Minn.) 203 N. W. 611; *Kimmel v. Dickson*, 5 S. D. 221, 58 N. W. 561, 25 L. R. A. 309, 49 Am. St. Rep. 869; *Stoll v. Meade County Bank*, 39 S. D. 136, 163 N. W. 565; *Ziegenhagen v. Suring State Bank*, 166 Wis. 22, 163 N. W. 184; *First National Bank v. Hummille*, 14 Colo. 259, 23 P. 986, 8 L. R. A. 788, 20 Am. St. Rep. 257; *Fogg v. Tyler*, 109 Me. 109, 82 A. 1008, 39 L. R. A. (N. S.) 847, Ann. Cas. 1913E, 41; *Titlow v. Sundquist*, 234 F. 613, 148 C. C. A. 379. Second: Those in which the bank had applied the deposit to some purpose other than that for which it was made and was held liable for the funds so diverted. The following are examples of this class. *Eshbach v. Byers*, 164 Ill. App. 449; *Cutler v. American Exchange Bank*, 113 N. Y. 593, 21 N. E. 710, 4 L. R. A. 328; *First National Bank v. Graham*, 85 Pa. 91, 27 Am. Rep. 628.

The rules applied in those cases are undoubtedly correct but the facts do not bring the present case within them. A deposit, made for a special purpose, remains the property of the depositor until applied to that purpose, and, until so applied, is held by the bank or other depositary as the agent or bailee of the depositor; and the depositor may withdraw it, or may revoke the authority to apply it to the specified purpose, at any time before it has been so applied. *Simonton v. First National Bank*, 24 Minn. 216; *Bank v. Higbee*, 109 Pa. 130; *McGorray v. Stockton Sav., etc., Soc.*, 131 Cal. 321, 63 P. 479; *Trustees Howard College v. Pace*, 15 Ga. 486; *Mayer v. Bank*, 51 Ga. 325; *Star Cutler Co. v. Smith*, 37 Ill. App. 212; *In re Davis* (D. C.) 119 F. 950; *Hutchinson v. National Bank of Commerce*, 145 Ala. 196, 41 So. 143; *City of Miami v. Shutts*, 59 Fla. 462, 51 So. 929; *Brockmeyer v. National Bank*, 40 Kan. 376, 19 P. 855; *Anderson v. Pacific Bank*, 112 Cal. 598, 44 P.

1063, 32 L. R. A. 479, 53 Am. St. Rep. 228; *Stoller v. Coates*, 88 Mo. 514; *American Exchange Bank v. Loretta, etc., Mining Co.*, 165 Ill. 103, 46 N. E. 202, 56 Am. St. Rep. 233; *Woodhouse v. Crandall*, 197 Ill. 104, 64 N. E. 292, 58 L. R. A. 385.

The making of the deposit in question was a matter wholly between defendant and the land agency. Plaintiffs were not parties to it and were not bound by it in any way. No action taken by the land agency and the defendant could make defendant plaintiffs' agent to receive payment. The deposit could not operate as payment until applied as such and accepted as such by plaintiffs. Defendant held it as the agent of the land agency which had the right to withdraw it or to revoke the authority given defendant at any time before it had been actually applied to the specified purpose. The land agency had withdrawn a part of the deposit before the deed arrived and thereafter withdrew the remainder. This operated to revoke the authority of defendant to apply it as originally directed. *Simonton v. First National*, 24 Minn. 216, and other cases cited above. As the land agency retained title to and control over the deposit and withdrew it before it had been applied on the payment due plaintiffs under the land contract, plaintiffs have no cause of action against defendant. The order appealed from is reversed and judgment will be entered for defendant.

❁

Bank Liable for Nominal Damages Only in Return- ing Check for Insuffi- cient Funds Through Mistake

Katz v. Pacific Bank, New York Supreme Court, Appellate Division, 209 N. Y. Supp. 497.

The defendant bank returned for insufficient funds a check drawn on it by the plaintiff. The action of the bank was due to a mistake on the part of one of its employes in charging against the plaintiff's account two checks drawn by another depositor of the same name. It appeared that the plaintiff was not a merchant or trader

and that the check was drawn in a personal transaction. It was held that, under the circumstances, there was no presumption that the plaintiff's credit had been injured and that he was entitled only to nominal damages in the sum of six cents.

Action by Samuel Katz against the Pacific Bank. From a judgment for plaintiff, entered on the verdict of a jury, and from an order denying defendant's motion for a new trial, defendant appeals. Judgment modified, and, as so modified, and order appealed from, affirmed.

OPINION

DOWLING, J.—This action was brought by the plaintiff, a depositor in the defendant bank, to recover the sum of \$10,000 damages claimed by the plaintiff by reason of the return of a check for \$750, dated May 7, 1920, drawn by the plaintiff on the defendant and returned by the defendant unpaid; the plaintiff claiming that, at the time when said check was presented at the defendant bank, said plaintiff had sufficient on deposit with the defendant to meet said check.

No special damages are alleged or proved.

The amended answer is a general denial of all the allegations of the complaint except the incorporation of the defendant and that the plaintiff was a depositor in the defendant bank at the time in question.

The answer also further sets up in substance that when the said check dated May 7, 1920, for \$750, drawn by the plaintiff to the order of Francis & Co., was presented to the defendant for payment, the check was properly refused payment, because there was not sufficient in the account of the plaintiff to justify its payment. That when the check for \$750, mentioned in the complaint, drawn by the plaintiff, was again presented to the defendant for payment, through inadvertence of the defendant's clerks, certain checks amounting to \$82.64 has been erroneously charged against the plaintiff's account, so that it appeared that the balance to the credit of the plaintiff at the time of the presentation of this check on the 10th day of May was only \$698.03. The check, therefore, being \$750, was returned marked "not sufficient funds," with the honest belief that there was not sufficient to the plaintiff's credit in the defendant bank to justify the payment of same. The return of said check was due

to inadvertence and mistake on the part of the defendant. That as soon as the error was discovered, the matter was called to the defendant's attention and the defendant forthwith rectified same.

Upon the trial it developed that a mistake had occurred twice, as the result of which two of plaintiff's checks were dishonored. This happened because of a confusion between checks drawn by plaintiff and others drawn by another depositor of the same name. The latter was doing business as the Illinois Radiator Company, though his checks were signed in his individual name. Two of these checks were thus accidentally charged against plaintiff's account, one for \$22.64 on April 29, the other for \$60 on May 6 or 7. It is claimed by defendant that the error was discovered the latter part of September or the early part of October, 1920, and that plaintiff was then notified that the amount of \$82.64 represented by these checks had been placed to his credit.

The defendant endeavored to raise an issue as to whether plaintiff had a sufficient sum on deposit to meet the \$750 check, even if credited with two checks. Plaintiff also testified that after the first instance of dishonor (on May 4, 1920), he called at the bank and advised them that he was issuing another check for \$750 and it was important for him that this check should go through without trouble, and he was advised by the bank official that he had a balance of \$772, and referred to a check of \$60, the drawing of which plaintiff denied, and it was recognized as a mistake; the amount being chargeable to the other Samuel Katz of the Illinois Radiator Company. This is denied by the bank official. But both issues must be deemed to be settled in favor of plaintiff by the verdict.

We have here a case of a check of plaintiff's dishonored through a mistake upon the part of the bank, due to the identity of the names of two of its depositors. The learned trial court charged the jury as follows:

It is an obligation resting upon the bank to honor those checks; but, as I say, if it occurs through a mere excusable mistake or accident or error of some kind, then the law says, "Well, the depositor may be injured, but unless he proves specifically how far he has been injured, he may recover only nominal damages"—six cents, we will say.

This plaintiff assumes the burden of prov-

ing more than a mere excusable mistake. He undertakes to prove that this was a persistent, obdurate, wilful neglect of the bank to honor the check after it had knowledge of an error in the plaintiff's account by reason of its charging to that account checks drawn by another person of the same name, in the bank.

Now, we come to what counsel have alluded to as the malice necessary to be shown. As has been correctly stated to you by one of counsel, it is not required that actual malice be shown, that the bank refused to honor the check because of some active purpose to injure the depositor, because of ill will toward him; that is not what we mean by malice in a case of this kind.

If after notice the bank persistently, obdurately, wilfully disregarded the rights of the depositor to have his check honored, then you may find malice sufficient to support a recovery in this case. I repeat, persistent, obdurate, wilful disregard of the rights of the plaintiff. That is what he must prove in order to recover substantial damages, and he is claiming substantial damages.

And when the jury returned, after a message that they found for the plaintiff but could not agree on the amount of damages, the learned court again charged them:

If it is an excusable mistake, then it is nominal damage. If it is more than that, if it is an obvious, wilful disregard of the plaintiff's rights, I will explain to you what duty a bank owes a depositor. If this thing was brought to the bank's attention, it was its duty to use all due diligence and due speed in rectifying the error. A depositor has a right to assume, if he has money in the bank, that his check will be honored, and dishonoring checks is something that honest and honorable men don't like to have happen to them. If you give a check, you want it to be as good as cash. If you give your check and it proves to be a bad check, as we would say, because of insufficiency of funds or no funds, it is something that is of some consequence, and if a bank when you have money there refuses to honor your check, it is a wrong for which the bank should be held accountable. Now what the damage is is entirely for you. Nominal damage applies when it is a mere accidental, excusable mistake or accident. If it was the dereliction of duty that I have mentioned in my main charge, then you get substantial damage, and that means compensatory damages, damages to compensate the plaintiff for the injury done.

To this charge there was no exception..

and it is therefore the law of the case for the purposes of this appeal. But I am unable to find any warrant in the evidence for the contention that this was a repeated, persistent, obdurate, wilful neglect of the plaintiff's rights upon the part of the bank; nor can I find any facts upon which malice can be imputed to it as a matter of law. The implied finding of the jury to that effect should be reversed, as without adequate evidence to support it, and the dishonor should be found to be the result of excusable mistake. In such a case nominal damages only are recoverable. The rule as to liability was thus laid down by Judge Cardozo in *Wildenberger v. Ridgewood National Bank*, 230 N. Y. 425, at page 427, 130 N. E. 600:

The dishonor of the checks was admittedly a wrong (*Citizens' National Bank of Davenport v. Importers' & Traders' Bank of N. Y.*, 119 N. Y. 195; *Burroughs v. Tradesmen's National Bank of N. Y.*, 87 Hun, 6, 156 N. Y. 663). The wrong, if wilful, charged the bank with liability for the consequences. In many jurisdictions the liability is the same whether the wrong is wilful or merely heedless (*Wiley v. Bunker Hill National Bank*, 183 Mass. 495; *Third National Bank v. Ober*, 178 Fed. Rep. 678; *Schaffner v. Ehrman*, 139 Ill. 109; *Fleming v. Bank of New Zealand*, 1900, A. C. 577, 587; 2 *Michie on Banks and Banking*, 1162, and cases there collated). In this state the liability is for nominal damages and no more, if the dishonor of the checks is the result of innocent mistake. That was the situation in *Clark Co. v. Mt. Morris Bank* (85 App. Div. 362; 181 N. Y. 533) where dishonor was due to the blunder of a book-keeper, who misread the plaintiff's balance. Sometimes we are told that to permit the recovery of substantial damages, the wrong must be malicious. This does not mean, however, that it must be the product of hatred or malevolence. It is the exclusion of liability for the consequences of accident or mistake. (*Davis v. Standard National Bank*, 50 App. Div. 210, 213; *Clark Co. v. Mt. Morris Bank*, 85 App. Div. 362; *Schaffner v. Ehrman*, supra.)

Furthermore, plaintiff neither pleaded nor proved special damage, and he was not a merchant or trader. He was not engaged in business for himself, but was employed by a drug company, of which he was treasurer and manager, and of which he was also a director and stockholder; but the check was not given in connection with the business of the company. In fact,

it was paid to a brokerage house with which he had personal dealings; but there was no claim that his account with them had been closed or that he had sustained any actual damage as the result of the dishonor of his check. In his testimony on cross-examination, referring to this account with defendant bank, plaintiff testified, explaining why he had no check book or stubs left in his possession:

The Court: You ought to have your stubs. Where is it?

The Witness: No, because it was more or less of a private account, and I didn't carry no business record of it. I just carried a memorandum to the effect I made a deposit and did not have the bank book with me.

In the *Wiley Case*, 183 Mass. at page 495, 67 N. E. 655, the court said:

In the case of a trader, injury to his credit may be inferred from the fact that he is a trader, and substantial damages may be found and given upon proof of that fact without anything more. In the case of a person who is not a trader, if no special damages are alleged and proved, nominal damages at least may be recovered.

Davis v. Standard National Bank, 50 App. Div. 210, 63 N. Y. S. 764, is relied on by respondent to support its position. There, however, the court said (at page 214, 63 N. Y. S. 767):

But it did appear that the plaintiff was engaged in actual business, and that it was in the course of his actual business that these checks upon the defendant had been drawn.

And again (at page 215, 63 N. Y. S. 768), the plaintiff therein is referred to as "a prosperous business man in good standing," who, it can be inferred, "has suffered damage to his credit, so that his status in that regard has been changed." None of these facts appear in the present case, and in so far as the court in the *Davis Case* declined to apply the rule of damages as applicable to a trader, the holding must be held to be erroneous in view of the latest pronouncement of the Court of Appeals on the subject in the *Wildenberger Case*.

It follows that the judgment should be modified by reducing the verdict in favor of plaintiff to six cents, nominal damages, and the judgment as so modified, and the order appealed from, affirmed, with costs to appellant.



New Home of the Head Office, Italian Savings Bank, New York

THIS building, situated at the corner of Spring and Lafayette streets (Cleveland Place) is now completed and a large proportion of the upper stories is already occupied. The bank will shortly move into its quarters on the main floor, mezzanine and basement. This building was erected and equipped under the supervision of the office of

C. P. H. GILBERT

ARCHITECT

Specialist in Bank Architecture

METROPOLITAN TOWER—MADISON SQUARE—NEW YORK

Banking Publicity

Special Section of The Bankers Magazine

SEPTEMBER 1925

"Oh, Mercy No!"

By T. N. T.

The author of this article is a well known bank advertising man. He prefers to sign himself with the pseudonym T. N. T., under which name his articles have previously appeared in BANKING PUBLICITY—not because he is either ashamed of this article or is at all insincere in what he says—but simply because what he has to say departs to such an extent from accepted advertising procedure.—THE EDITOR.

I AM not a banker—I am just an advertising man, and so I suppose I don't know what I am talking about.

But I have written some advertising for banks, and I have also written some advertising for merchants—and to speak crudely (as advertising men will, now and then—it's such a relief) what gets my goat is the positively distressing number of times that bankers wring their hands, shake their heads and say "Oh, mercy no!" in connection with new advertising ideas.

I think there is a rather sharp differentiation in the attitude of merchants and the attitude of bankers when it comes to appealing to the public.

The merchants say to their advertising men, "Sure, let's try anything we can—it may get business." The bankers say, "Let's not try anything—it may offend somebody."

One Result of the "Not Try Anything" Attitude

One striking result of this attitude is the tiresome uniformity of theme in savings advertising.

In the old days before I tried to write bank advertising, I wondered, with growing interest, why all savings advertising was positive instead of negative—that is, why all bank

advertising said, "Save your money—save, save, save!" instead of "Spend less—spend differently—or don't spend so much."

It seemed to me—it still seems to me for that matter—that bank advertising screamed to the countryside that mankind should save, without telling the poor souls how to go about it. Neither outdoor display nor newspaper advertising gave the individual any suggestions as to methods by which he might store away so many dollars per week, per month or year. It is true that bank advertising often said, "Send for booklet entitled 'How to Save Three Cents a Week on Dill Pickles,'" or "Consult Our Home Economics Bureau When They Are Not Out to Lunch"—or something of that sort. But apparently banks were actually afraid to come out in the open and tell people that about the only way to save money is not to spend it.

The "Don't Spend" Idea

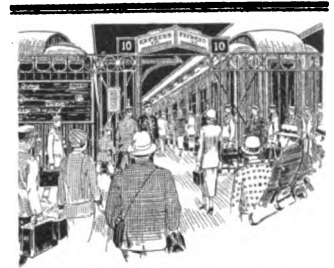
This "Don't Spend" idea attracted me very much. It seemed to me the biggest single opportunity open to banks to make their advertising have an actual practical use for the reader.

Thrift advertising must be general—whereas "Don't Spend" advertising may be specific.

You may tell a workman that "Thrift is the Foundation of all Fortunes"—but what might percolate with infinitely more success would be the slogan, "Buy 7 cent cigars instead of 10 cent cigars." Using a specific

article for which money is spent as an illustration, the "Don't Spend" idea might be gotten across. The workman might be persuaded to save 3 cents on every cigar he buys and put that 3 cents into a toy savings bank. There's an actual tangible program—in connection with only one thing, it is true, but a program which the workman might naturally extend to cover many of the articles for which he spends money.

Here are some of the things that might be mentioned as examples: Buying upstairs theater tickets instead of downstairs—shining your shoes at home—washing your own ma-



GOING AWAY? Make This Vacation "Worry-Free"

Just as wonderful days in the Berkshire Mountains are being made over the Mohawk Trail this year, thousands of Canadian lakes are getting both burgers and trout. The contents of a sporting machine are on loaning on the "New South of a Lake" beaches. The ring of lakes, all however, the of some open. All want to add new trails to the ring. Let every mountain road be built and through enjoyment.

Revolve to make this vacation "worry-free" by appointing the Franklin Trust Company your agent to handle your financial affairs, leaving alone or co-

gether with a party of your own designation. Through experienced officials and department managers, we have the very best and latest types of trails to be had, priced to the point of no compromise, under terms, discounts and interest rates and, for the entire affair, the service is as well as by far the best to be had in our business.

We have more offices in Pittsburgh and Chevrolet Service and four travel. Also located in Philadelphia's business centers, the Franklin Trust Company offers an extensive high type of Vacation Service to meet the most exacting of needs. Come in today and talk it over!

Capital and Surplus, \$1,000,000

Reserves over \$100,000,000

FRANKLIN TRUST COMPANY

Trusts, Loans, Savings, and Investment Services

100 Pine Street, Philadelphia, Pa.

Franklin Trust Company, Philadelphia, Pa.

Franklin Trust Company, Philadelphia, Pa.

Franklin Trust Company, Philadelphia, Pa.

AMERICA'S LARGEST EXCLUSIVELY DAY-AND-NIGHT BANK

A very good presentation of several ways in which bank service can aid in making vacations "worry free."

**The Experience of Maturity
with the Vigor of Youth**

Forty years of serving the growing needs of the Central South qualifies this institution with a maturity of judgment—both for the conduct of its business and counseling its clients.

Yet—its growth and development evidence that it has the vigor of youth with that extra energy essential to plan and execute.

Use this maturity of judgment and vigor for accomplishment in advancing your important plans.

"A Greater Bank for Greater Nashville"

The AMERICAN BANKS
NASHVILLE

Chattanooga National Bank American Trust Company
American National Company

The American Banks of Nashville, Tenn., have used this distinctive frame and signature cut in their advertisements consistently and for years. As a result the advertisements of this group are very readily recognizable at first glance.

chine—buying cotton shirts instead of silk ones, etc. Of course, these are rather exaggerated examples, but nevertheless there are an infinite variety of homely, specific illustrations of saving a few cents by not spending, or by spending less—and then putting that few cents into a toy bank and later into a regular savings account—until at the end of the year the ordinary man might point with the well known pride to the foundation of his fortune.

Buying on Time vs. Saving to Buy

A still more interesting possibility is the explanation of instalment buying. The bank might point out to the prospect that when he buys let us say \$500 worth of furniture on the instalment plan, he is paying at least 6 per cent. and probably 7 per cent. on his money. On

the other hand if he saves this \$500 in the bank first, the bank pays him 4 per cent. on his money in the meantime, so that the difference between saving in advance and buying for cash, and buying on the instalment plan and paying afterwards, is actually practically 10 per cent. of the purchase price. In the case of a \$500 purchase this would amount to \$50—no mean amount for the average individual.

Well, getting back to the subject—before I had done any advertising for banks, I though in my innocence that such an advertising appeal might be possible. My disillusionment was swift and sure.

"Oh, mercy no!" said the banker.

Of course you don't have to be told why. You know very well, that theoretically at least, if a bank ran an ad urging men

to buy 7 cent cigars, all the cigar merchants in town would hold up their hands in holy horror and claim that the bank was attacking their business, and immediately proceed to withdraw their accounts.

You know very well, of course, that any banker assumes that should the bank advertise "Buy cotton shirts and don't care what the neighbors think" that all the retail stores in town would descend upon the president of the bank in a delegation and demand a public apology for an attempt to ruin retail business.

Shall we say anything, do anything or even hint anything that might go so far as remotely to suggest that the public should not spend so much with various businesses as it now does?

"Oh, mercy no!" says the banker—and goes on saying "Save your money, for it looks like rain."

Now I am wondering whether the banker's objection to the "Don't Spend" type of advertising is justified.

What Would the Merchants Say?

In the first place, what would the merchants really say if the bank used such an appeal? Nobody knows. As far as I can find out, no banker has yet had the courage to try it.

In the second place the merchants themselves are just the people who are using this appeal over and over again every day in their newspaper advertising.

"Five dollar shirts, today special \$2.65," reads the ad. The immediate reaction of the public is "We save \$2.35 by buying those shirts."

In almost any newspaper you may find the retail advertiser saying, "You save so much on such and such a purchase."

Now no bank would adver-

tise "Do not spend at all." The bank would simply say, "We don't want you to go without the things that you are buying, but buy a little more carefully, a little more cheaply, and put the difference in the bank." And this is exactly the way saving is done in the ordinary household, and about the only way it can be done.

Stores Should Welcome Any Savings Approach That Succeeds

It seems to me that retail stores should welcome all savings advertising of all banks, no matter what the nature of the appeal—as long as it did the business. For after all, banks are building the purchasing power which makes possible the larger expenditures in the retail stores—the buying of such items as pianos, furniture, rugs, etc. I fail to see what

great difference it should make to the retail stores whether these articles are purchased from the stores on the instalment plan, or whether they are purchased outright by cash previously saved at the bank. A purchase is a purchase and the profit should measure accordingly.

However, all of the above is no doubt theoretical hodgepodge.

"I never saw a purple cow," nor do I ever expect to see a bank using consistently the "Don't Spend So Much" appeal in savings advertising.

Shall we take the chance of vexing our commercial customers?

"Oh, mercy no!"

Well, as I said before, I am not a banker—I am just an advertising man, and so I suppose I don't know what I am talking about.

Financial Advertisers To Meet In Columbus

Tenth Convention of the Financial Advertisers' Association Promises to be the Largest Yet Held

THE tenth annual convention of the Financial Advertisers' Association will be held in Columbus, Ohio, October 14, 15 and 16. An attendance of between 400 and 500 members is looked for.

Columbus was selected for the convention at a meeting during the sessions of last year at Richmond, Virginia, because of its accessibility to all parts of the country, making it a comparatively short trip for the largest percentage of those belonging to the organization.

Banking interests in Columbus are preparing for the meeting with an enthusiasm which promises that everyone going to the convention will be given a thoroughly enjoyable time.

R. H. Patton, head of the

National Bank of Commerce of Columbus, and president of the Clearing House Association, has appointed as general chairman for local arrangements President R. H. Schryver of the Citizens Trust and Savings Bank, an outstanding figure in the banking fraternity of Ohio. Mr. Schryver is organizing a group of committees which are expected to begin functioning without delay.

The first session of the Columbus meeting will be held on the morning of Wednesday, October 14. In order to promote the early arrival of a large number Mr. Schryver has indicated that the usual golf tournament will be held on the preceding afternoon, Tuesday, October 13. Blanks for the

Safe Real Estate Bonds for Careful Investors

A Booklet Every Careful Investor Should Read

CONTENTS:

- How a \$10,000 Note Was Invested during 47 Years without Loss of a Dollar
- The six factors that "make the success of income buying and when the age of principal being sold at all times"
- How "rapid and safe accumulation of wealth through successful investment becomes easy"
- "How an Accumulation \$10,000 to \$100,000 as a Moderate Salary"—the conservative method
- "50 Years of Income Experience with Chicago Real Estate Securities"
- Real Estate Bonds and Mortgages that have become widely recognized among conservative investors for their long established value.

INVESTMENT DEPARTMENT
of the
UNION TRUST COMPANY
MADISON AND DEARBORN STREETS, CHICAGO

ONE OF CHICAGO'S LARGEST AND MOST FAVORABLE INVESTMENT ORGANIZATIONS

A well arranged newspaper advertisement of a Chicago trust company seeking to arouse interest in, and inquiries for a booklet on the advantages of real estate bonds as investments.

registration of players will be distributed in the near future.

Some of the subjects to be discussed by experts of nationwide prominence are "Development of National Thrift," "How the Commercial Bank serves the Business Community" and "Why I picked a Particular Bank to Handle my Banking Business."

The general sessions will be devoted exclusively to the development of financial business through advertising, and one entire session will be devoted to investment advertising, one to savings advertising, one to commercial bank advertising and one to trust advertising. These departmental sessions will be "brass tack" affairs with general discussion from the floor supplementing the formal talks made by advertising men and women handling some specific phase of the subject.

Aside from the regular program of entertainment to be

formulated by the Columbus committees an event of unusual interest will be the football game to be played by Columbia University and Ohio State University in the famous Ohio Stadium on Saturday, October 17. It is understood that everyone electing to stay over for the game can have reservations made by a special committee if notice is given not later than Wednesday, October 14.

The hotel situation in Columbus assures more than adequate

facilities for the convention. Aside from the headquarters hotel, there are two splendid new structures recently completed offering every convenience required for such a meeting.

Columbus bankers regard this convention as one of the most important meetings to be entertained by the Middle West this year and are preparing to urge every financial institution in the Fourth Federal Reserve District to send representatives.

“ Knowing Their Stuff ”

By HERBERT V. PROCHNOW

Assistant Manager of Publicity Union Trust Company of Chicago

BILL Jones had made his purchase, received his change and was on the point of departure when the salesman played a trump. He picked an article that almost any one, doctor, banker, lawyer, janitor or motorist could use.

“If you have just a second,” he said, “I want to show you something interesting—a pair of pliers, different from any pliers you have ever seen.”

Before Bill Jones could get away from this section, he found himself holding a truly handsome and distinctive pair of pliers that gleamed like a piece of jewelry.

“Those pliers,” the salesman told him, “are hand-forged and hand-finished. They’re high-carbon steel. If I could break one of those handles I could show you a grain of steel as fine as the grain of a file. You know how ordinary pliers work loose at the pivot? The pivot wears and after it’s worn it jams. That’s because the holes are punched. The holes in those pliers aren’t punched; they’re drilled. Take a good firm grip on the handles. Notice how they fit your hand—how they

stick? See those little button-like things on the handles, with the little holes in the center? That’s the suction-grip idea. When you’re working around your car with those pliers and the handles become greasy they won’t slip. Notice the finish. Ordinary pliers rust. The nickel plating chips off. The nickel on those pliers will stick; and that’s because they’re hand-finished until they’re perfectly smooth and clean and then plated. There’s a pair of pliers that will last a lifetime. They’re guaranteed.”

Bill bought the pliers because the salesman knew his goods, and could and did tell Bill how they would meet his requirements. That example of “knowing your stuff,” given some time ago by a writer, is as applicable to banking as it is to any other field of business.

A knowledge of one’s goods is necessary, whether one sells pliers, bank service, golf clubs, hair pins, or ice cream sodas. The most successful bank, grocery store, hardware organization or other business is the one in which the employes have a thorough knowledge of their

◆

**It Benefits YOU
To Tie-Up With a Growing Bank
Account and Finance Your
Own Future**

What is a Bank Account?
An account is the best method of saving your money. It is a safe place to store your money and it grows by interest.

What Does it Do for Me?
It saves your money from being lost or stolen. It gives you a record of your money and it grows by interest.

How Much Money Do I Need?
There is no limit to the amount of money you can save. You can start with as little as one dollar.

What Percent Does the Bank Pay?
The bank pays you interest on your money. The more you save, the more interest you get.

Why Should I Use the Bank?
The bank is a safe place to store your money. It gives you a record of your money and it grows by interest.

How Can I Share in These Advantages?
You can start with as little as one dollar. You can save as much as you want. You can get interest on your money.

◆

The advantages of having a bank account are outlined in the above newspaper advertisement of a Bluefield, West Va., bank in a well condensed and easily readable and understandable form.

goods and therefore enthuse in their work, because they see the importance of its place in the business world and its value to individuals.

*Knowledge as an Aid to
Enthusiasm*

To know a little about any subject arouses at least some interest in it. To know all about a subject is to become enthusiastic regarding it. Selling without enthusiasm is selling under a decided handicap. Yet bank employes can only secure this valuable asset—enthusiasm—by having a complete knowledge of the services they sell. Men enthuse about science, birds, animals, and even bugs, simply because they know so many fascinating features about these subjects. You and I may stand and watch the Chinese flag unfold without getting particularly excited, but when the Stars and Stripes is unfurled to the wind all of us get a real thrill, simply because we know all about that flag, its history, the sacrifices

that have been made for it, and the ideals it represents.

The officers of a bank may know about the services the institution has to offer, but do all of the employes know their goods and appreciate the dozens of opportunities which arise every week to sell these bank services?

How many know about the historical development of the bank, the high ideals of its founders, the various officers and the nature of the services they give customers, the minimum checking balance and why the amount is fixed where it is, the rate of savings interest, savings interest dates, and what a joint savings account is?

How many know also that the bank has a partial payment plan of buying bonds, how it operates, and on what amount interest is paid? Does every employe know that the bank acts as executor of wills and why it is advantageous for a bank to so act instead of an individual? Do they know that every head of a family, every business concern and its heads, every owner of a business, and women who have been left perplexing property responsibilities are all prospects of some department and that they themselves might bring these prospects to the bank to see the proper officers? Do they really appreciate that almost every person in a community is at least a prospect for a savings account and that every one who has built up a sufficient cash reserve is a bond prospect whom they may sell?

The Things We Take for Granted

We assume also too often that the customer of one department knows all about the other departments. We take it for granted that when he walks by the investment department he knows good sound securi-

ties with an attractive yield are being sold there; that when he passes the trust department he knows just what can be done for him there, how they can conserve his property, protect his family, and look after his business. In other words we assume that he sees and understands what he looks at when he visits us for a few minutes in his daily or weekly trip to one of the departments, but we must remember that people do not see or understand as readily as that. They must be told a number of times, not only through printed advertising, but by efficient selling employes, before they actually comprehend the significance of each of the other departments and the services available there.

Merchandisers in other lines appreciate this perhaps better than bankers. A well known and successful mail order house describes hammers in its catalog as follows: "Full nickel plated, mahogany finished handles, forged from crucible cast steel. Faces and claws are tempered just right. Claws are split to a fine point. Handles are made of selected second growth hickory, put in with iron wedges so they will not become loose."

They might assume that the prospects could see that the claws of the hammer were split to a fine point without being told about it, even though they were looking right at the claws; but that feature, as well as others, is not impressed on the mind of the customer merely by seeing the picture or even the article itself. We have no right either to assume that our bank customers appreciate the ways in which we may serve them in our various departments where they have not established a banking relationship. The mail order house finds it decidedly profitable to stress the various sales points



A newspaper advertisement of a New York trust company offering on request a booklet giving a plan for the safeguarding of estates. Illustration and copy have been very effectively arranged in the layout.

of its merchandise, and banks can well afford to do the same through their employed staff as well as by printed advertising. One may even find a genuine desire and a real willingness to explain the bank's services, but a willingness to serve and advise without a thorough knowledge of the services is productive of little if any good.

Keeping Bank Employes Informed

In the Union Trust Company we prepared a number of folders for our employes, describing the various departments, the services available, those who can use these services, and some of the salient sales features. These folders, together with talks to the employes by the officers of the departments have been the means of disseminating a great deal of information and of developing aggressive salesmen in the bank. New business in all departments has been traceable directly to this increased knowledge of the employes and to the

additional effort they have put forth when they have found they were really salespeople of the first water.

In our savings folder, for example, we explain the advantages accruing to the persons having savings accounts, who are prospects, and why the Union Trust Company is the place to save. In other words, the possible prospects are pointed out to the employes and the selling points which make a customer out of the prospect are outlined. These folders covering each of our major departments gave the employes a new insight into their own work and an enthusiasm they might not otherwise have had. The

results have been very gratifying.

The Fruits of Knowledge of Services

In the drive for new business held this year, so called "inside" employes sold bonds, brought prospects into our trust department, secured commercial accounts, and started thousands of savings accounts. In one period of two weeks the employes alone, exclusive of officers, brought in over \$558,000 in new business.

A number of examples might be given in our own bank of individuals who know the goods they sell exceptionally well and

have achieved remarkable results. To illustrate: One guard secured in three months, eight new investment accounts to each of which he sold at least \$500 in bonds. One customer gave him a \$10,000 order. This was his new business record in only one department; his sales in other departments were equally good.

A thorough knowledge on the part of the employes of the services of the bank will yield big returns, not only to them individually in the pleasure of accomplishment, but also to the bank in increased efficiency and more intelligent service, all of which will reflect themselves in salaries and profits.

The "GETTING ON" CLUB
Puts Purpose into Saving No. 7

Begin Today to Save for

-  A HOME
-  LIFE INSURANCE
-  INVESTMENTS
-  A VACATION
-  TRAVEL
-  AN EDUCATION
-  MONEY

Save for a Purpose and You'll "Get On"

What is your object in saving?
 Do you want a Home?
 Do you want more Life Insurance?
 Do you want a good Bond?
 Do you want to go away for a Vacation?
 Do you want to Travel?
 Do you want to Educate your children?
 Do you want Money?

—•••—

We will be glad to advise with you about buying a Home; about Life Insurance; about Investments; about the cost of Travel; about Schools and Colleges; about Plans for Saving Money; about any Financial Matters.

The Bowery Savings Bank
 110 EAST 42nd STREET 130 BOWERY

We are open Mondays until 7 P. M.

The "GETTING ON" CLUB
Puts Purpose into Saving No. 5



More Than Just A Bank Account

We are often asked how a "Getting On" account differs from the regular savings account. This is how:

It isn't merely a bank account. It is a System For Saving.

You know how much money you are going to have in a certain time. You plan your weekly payments as you would plan to pay your rent.

If you neglect to make your payments we remind you, as you would be reminded of any obligation.

This plan sets up a goal and keeps you aiming at something definite.

That's different, isn't it?

Consult with our "Getting On" Club Department about this simple, happy plan for saving more money.

We are open Mondays until 7 P. M.

The Bowery Savings Bank
 110 EAST 42nd STREET 130 BOWERY

BOWERY SAVINGS BANK
 NEW YORK, N. Y.
 Please send me your leader "Save By a Plan."


NAME _____
 ADDRESS _____

Two unusually good savings advertisements of a series which one of New York's largest savings banks has recently been running in New York newspapers. These advertisements are very good examples of the strength which the presentation of the "definite purpose" idea in saving can add to savings copy.

A Plan

**that provides over
\$67,000 for your future**

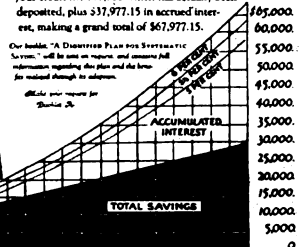
A CAREFUL study of the saving problem has resulted in a simple, straightforward plan which will meet most exactly the needs of the business and professional man. It will prove a lasting benefit to many who otherwise might accumulate little or nothing during the best earning period of their lives, simply through lack of some systematic saving effort. A constantly growing reserve of money brings a sense of security to the saver, protection to dependents, and contentment to the home.



Requirements—\$100 or more shall be deposited with us each month.
 Operation—Principal and interest as it accrues to be invested subject to our approval.
 Benefits—In 25 years, at a rate of 6%, you will have to your credit the \$30,000 which has actually been deposited, plus \$37,977.15 in accrued interest, making a grand total of \$67,977.15.

Our book, "A Dignified Plan for Systematic Saving," will be sent on request and contains full information regarding the plan and the basis for reaching through to success.

Address your request for booklet to:
 Trustee, Inc.




YEARS 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

To read the chart, select the desired year on the bottom, follow up vertical line to a horizontal curve, then horizontally to figures on the right. This will give you the net accumulation amount for any part of the 25 year period.

BOND DEPARTMENT

OLD COLONY

52 Temple Place



TRUST COMPANY

BOSTON, MASS. 222 BOSTON STREET
11 COURT STREET

The above advertisement of a Boston trust company appeared in Boston newspapers as part of a publicity campaign on two savings plans recently put into operation by the company. These two plans, and the campaign being conducted in their behalf, are described in an article appearing on this page.

Savings Plans For The Business and Professional Man

THE Old Colony Trust Company of Boston has recently put into operation two savings plans designed for business and professional men, one providing for security purchases through the medium of equal monthly payments of \$100 or more, and the other providing for the deposit with the company's safe keeping department of securities having a value of

not less than \$20,000. The customer can arrange a combination or variation of these plans to suit his needs.

The Old Colony instituted the plans on the conclusion that there is as yet no general appreciation of how rapidly an investment fund grows when payments are regular and the interest is compounded. It is the company's desire to reach

business and professional men and women and provide for them a simple means for systematic saving.

The company is conducting a publicity campaign, on the plans, which is based on a carefully and effectively prepared booklet entitled "A Dignified Plan for Systematic Saving," and, through a series of newspaper advertisements run in a comprehensive list of New England newspapers, both the booklet and the plans have been merchandized.


Regarding what the campaign has achieved, Raymond W. Stanley of the publicity department of the Old Colony says: "The results have been most gratifying, and we have been able to obtain many new customers who have taken out one of the plans without other sales effort on our part than that afforded by our publicity activities."

On accompanying pages are reproduced examples of two newspaper advertisements that have been used in connection with the plans.

A Dignified Plan

For Systematic Saving

Many business and professional men and women have long felt the need for a dignified plan for systematic saving that would be simple, free from existing care, and yet flexible enough to satisfy the requirements of each individual case. Therefore our new booklet, which is now ready for distribution, was prepared in detail on such plans. These may be combined or varied according to the different needs of the investor.



PLAN I Requires a regular monthly payment of not less than \$100. The accumulated savings on each payment will be reinvested.


PLAN II Requires the deposit with us of securities which have a net value of at least \$20,000. The accumulated savings will be reinvested and compounded.

A COMPLETE DESCRIPTION OF EACH PLAN IS GIVEN IN OUR NEW BOOKLET, WHICH IS NOW READY FOR DISTRIBUTION. IT IS FREE OF CHARGE ON REQUEST AND CONTAINS FULL INFORMATION REGARDING THE PLAN AND THE BASIS FOR REACHING THROUGH TO SUCCESS. ADDRESS YOUR REQUEST FOR BOOKLET TO: TRUSTEE, INC., BOSTON, MASS.

BOND DEPARTMENT

OLD COLONY

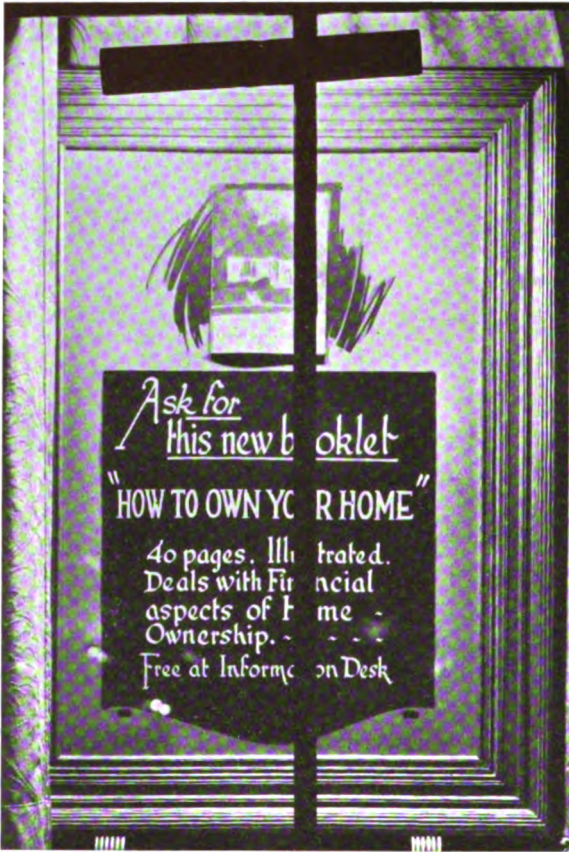
52 Temple Place



TRUST COMPANY

BOSTON, MASS. 222 BOSTON STREET
11 COURT STREET

Another newspaper advertisement run by the Old Colony Trust Company in connection with the two savings plans which it has recently put into operation.



Window display poster used by Denver bank as aid in getting distribution for booklet on home ownership.

A Poster Idea For "Selling" Bank Advertising Literature

By JOHN T. BARTLETT

THE bank's advertising department which gets up a new advertising booklet, gets it printed, and receives neat bundles in due time, often finds that the situation is comparable to that of the merchant who has purchased merchandise and stocked his shelves. The more difficult accomplishment is still to come—securing distribution.

Four hundred, six hundred, or a thousand or more pieces of bank advertising literature, placed in the hands of the right people, may have great produc-

tive possibilities. On shelves in the stock room, they are only something which takes up room, a liability.

Of course, promiscuous, hit-or-miss distribution can be easily had, but this is not wanted.

Posters are Both Economical and Effective

Posters are one of the most economical, and effective methods for "selling" bank advertising literature. If the institution has a display window, the

poster can be placed in that. If it has no window, there are the walls of the bank lobby, "position" reaching customers and visitors. A poster, or perhaps more than one, will be wanted in the lobby in any event.

Here it is an extremely simple matter for the bank visitor, curiosity or interest aroused, to step to the information desk and get a booklet. Unless some lobby advertising is used, however, it is a very easy thing for even a frequent bank visitor to completely ignore stacks of literature on the information counter.

Accompanying this article is reproduced a poster used by the United States National Bank of Denver, Colo., and designed to get distribution for a booklet on the financial aspects of home ownership. A principle of booklet distribution known for a great many years by experienced advertising men is demonstrated in the poster—namely, that in getting catalog or booklet inquiries results are obtained frequently in cases where the piece of literature referred to in the medium is reproduced. Below we have, in reverse plate effect, white lettering against dark, the text, "Ask for this new booklet, 'How to own your home.' Forty pages. Illustrated. Deals with financial aspects of home ownership. Free at information desk."

Small, but Important Points

This is a brief message, but it is written in such a manner as to create booklet requests. The booklet is referred to as "new." Right there is a little kink well known to advertising men who have distributed great quantities of catalogs and booklets by mail through advertising. The number of pages is given—suggesting that the re-

ipient will get a great deal, for nothing. Instead of saying simply, "Ask at information desk," the message says, "Free at information desk." That, too, is a little point to be observed carefully in distributing bank advertising literature through advertising. Don't leave it to the other party to assume that the literature costs nothing, or involves no obligation. National advertisers, for example, have long known that the inclusion of the words "no obligation," or, "free," in an inquiry coupon or prominently displayed in the advertising always adds to the number of requests. The same condition applies to bank advertising literature advertised on window cards or posters.



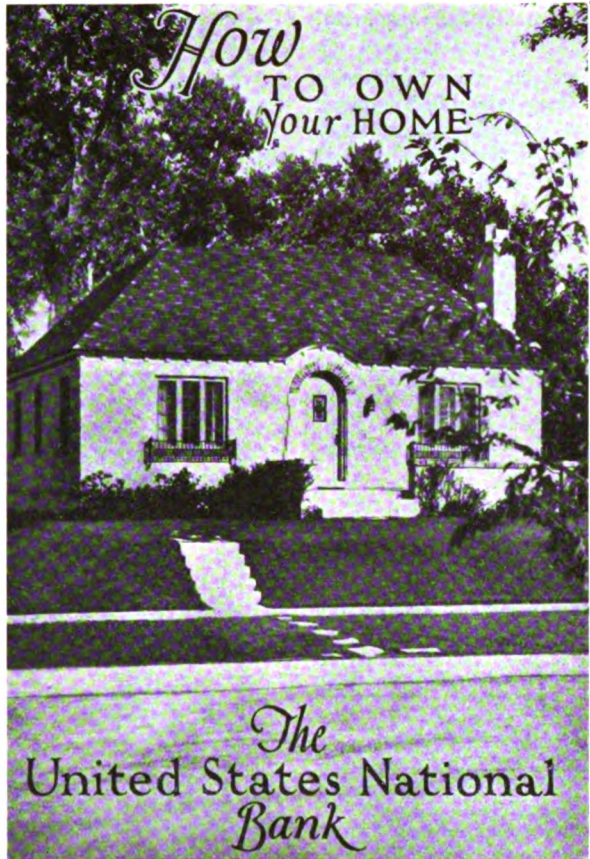
He Got The Ad.

THE fifteen-year-old son of a prominent New York banker is attending a well-known preparatory school where he has achieved the dignity of assistant business editor of the school paper. Part of his job is the soliciting of advertisements, some of which is carried on by correspondence. Judging by the character of one such letter, a copy of which found its way to the lad's father from the banker to whom it was addressed, the letter file of the youthful assistant business editor would make interesting reading for one of our humorous publications. With names changed to hide the identity of the parties involved, this particular letter follows:

May 13, 1925.

A. B. Blank,
Home National Bank,
Midhampton, Ohio.
Dear Sir:

Mr. Jones of Jones & Co., New York, gave me your name as one who might advertise in the "Dial" and as a result I am writing you this letter. I don't know what possible good an advertisement would do you, but I do know that it would do me a lot of good.



A reduced facsimile of the front cover of the "Own Your Own Home" booklet referred to in the article "A Poster Idea for 'Selling' Bank Advertising Literature" appearing on the accompanying pages.

Nobody here lives in Midhampton, but there is a chance of a graduate moving out there and he might open an account if you advertise.

I am enclosing two contracts which I hope you will fill out for a page and then sign right on the dotted line. A sample copy of the

"Dial" will be sent you on request.

Hoping to receive the signed contracts by return mail, I am
Very truly yours,

JOHN J. JONES,
Assistant Business Editor.

—The Wall Street Journal.



Increasing The Sales Of Travelers' Cheques Among College Students

THE Harvard Trust Company of Cambridge, Mass., recently adopted a novel and effective plan for increasing the sales of Travelers' Cheques and letters of credit among students in the "University City" at the close of the college year

through the use of a cartoon drawn in a general way after the manner of the well known Briggs. The cartoon in question is reproduced herewith. Regarding results which were obtained through the use of it, Arthur M. Wright, assistant

treasurer of the Harvard Trust, says:

"Here in the 'University City' the sale of Travelers' Cheques and letters of credit at the close of the college year is an item of considerable importance.

"Each year it has been our custom to use small space in the college and other papers, first on Travelers' Cheques and then on letters of credit. This year, however, obtaining a special list of students intending to travel, the following letter was used, each copy being personally signed.

March 31, 1925.

John Jones,
Weld Hall,
Cambridge, Mass.

Dear Mr. Jones:

To fully enjoy your summer vacation it is necessary that you carry your money in such a way that it is proof against theft, yet immediately exchangeable for cash in the currency of the various countries you visit.

There is no way so safe—so free from worry of proving identity—so economical, as HARVARD TRUST COMPANY LETTERS OF CREDIT AND TRAVELERS' CHEQUES.

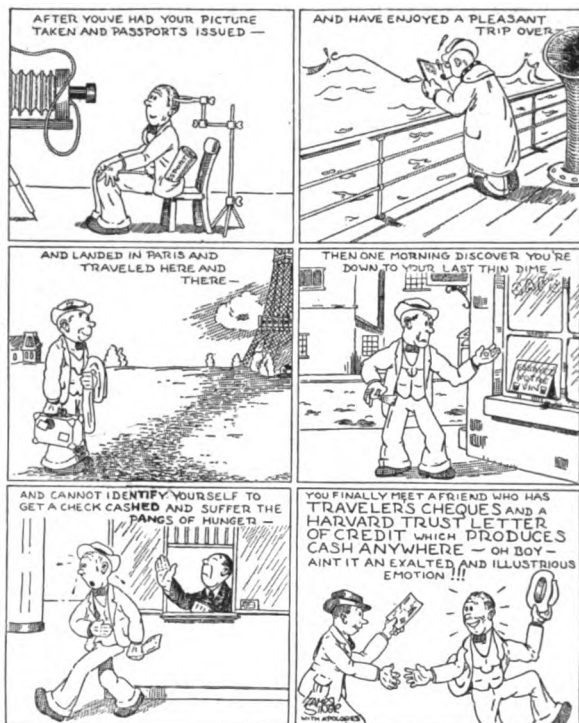
We have helped many travelers, who have complimented us upon our service. May we explain our system to you?

Very truly yours,

A. M. WRIGHT,
Assistant Treasurer.

"Two weeks after this letter was mailed, the 'Travelers' Cheques' cartoon was sent out to the same list as a follow-up. Our special list numbered only 350, and it was thought that this cartoon would be handed from one to another to cover many students at Harvard University.

"Bank advertising men have different opinions as to the wisdom of a conservative bank's using a cartoon. Let us say, however, that figures showing total sales of Travelers' Cheques in our Harvard Square office for the month of June, 1924, were something over \$53,700, and this year, following the



The above cartoon, described in the accompanying article "Increasing the Sales of Travelers' Cheques Among College Students" brought business to a Cambridge, Mass., bank at a negligible cost.

use of the same idea, sales from that office alone for the same month were \$71,210.

"As ideas and words were by the writer, and the sketches by

a young check-teller in our employ, costs were restricted to a plate at \$10. The printing amounted to \$5, and the postage to \$7."

How Banks Are Advertising

THE Union Trust Company of Detroit has published a booklet of unusual interest entitled "Home Ownership." This booklet contains five essays written by high school seniors who were awarded the \$5000 scholarships under the Union Trust's scholarship fund, the five prize winners receiving scholarships of \$1000 each. About 350 seniors participated in the contest which resulted in these five prize winning essays.

THE Bunker Hill branch of the American Trust Company of Boston has published an unusually attractive booklet entitled "A Century of Banking in Historic Charlestown." The booklet was issued to commemorate the one hundredth anniversary of the Bunker Hill branch of the American Trust, the one hundred and fiftieth anniversary of the Battle of Bunker Hill, and the one hundredth anniversary of the lay-

ing of the cornerstone of the Bunker Hill Monument. The booklet is distinguished by the reproduction of a number of very excellent examples of rare steel engravings portraying events of historic importance. The copy of the booklet includes both a very readable history of Charlestown and of the Bunker Hill branch of the American Trust Company during the one hundred years of the branch's activity.

THE Midland Bank Limited, London, has published a booklet "Landmarks in Picadilly." The booklet presents some exceptionally good views of the bank's new Picadilly office and describes the various facilities which this office offers to the bank's clients. The booklet has a very striking cover design and is an example of unusually effective financial publicity work on the part of a British bank advertiser.

THE Franklin Trust Company of Philadelphia publishes an interesting and well prepared booklet in colors, with attractive illustrations and arrangement of layout, which features the company's Front street office, now occupying the site of the historic "Old London Coffee House," famed in pre-Revolutionary days as a place of romance and adventure. The title of the booklet is "223 Years Ago And Today."

THE Hamilton National Bank of Chattanooga, Tenn., has published a booklet "A History of Banking in Chattanooga" which presents very interestingly and readably the growth, development and the changes in the financial institutions of that city for the last ninety-three years. The booklet is well printed and the text matter very well arranged.

MORRIS F. Fox & Co., investment bankers of Milwaukee, Wis., publish a booklet "Are You Getting Your Money's Worth?" which contains a number of charts showing various interesting facts about an investment account built by the company. The charts are very comprehensively presented.

THE monthly house organ of the Dairyman's Coast Bank of Valley Ford, Calif., entitled *Safety and Service*, presents a good example of how a bank in an agricultural community can aid in community development work through the medium of an interestingly written and instructive house organ. *Safety and Service* contains much useful information and many helpful suggestions for farmers.

THE investment banking house of Halsey, Stuart & Co. has recently published two commendable pieces of direct mail material having to do with matters of investment.

"Essentials of a Sound Investment Policy," is an attractively prepared and well written booklet, printed in large, readable type, and includes helpful chapters on distinguishing between investment and speculation; buying bonds that fit the particular investor's needs; importance of diversification of holdings; and the value of re-investing as funds are received from bond interest.

An "Analysis Sheet for the Determination of Investment Policy and Position," a helpful folder published by Halsey Stuart & Co., contains an analysis sheet making possible a complete self-analysis of investments on the part of investors whose problem is either that of conservation of investments already made or of further acquisition. In addition

to space allotted for listing bond holdings the sheet includes a chart for the analysis of these holdings through recapitulation according to types, maturity, geographical location and interest dates.

THE North-Western Trust and Savings Bank of Chicago publishes a house organ in the form of a folder which may be conveniently slipped into the pocket. This interesting little publication is called *Notes of Interest* and has a very good human interest appeal. Contents of the May number include "You Can't Get Away From Money," a dissertation on saving; "Glimpses of North-West Side History," an article about horse-car days on

(Continued on page 362)

July 2nd York's Capital Club PARK AVENUE STREET FARM, MAY 20th



If you are going to visit *Loch Lomond* or the *Cathedral Towns*;

if you should decide to look in on the Casino at *Nice*;

should the sands of *Deauville* prove alluring;

or if *Venice* gets the call;

WHEREVER you go—whether you travel in America, or abroad, the Seaboard Checkbook-Letter of Credit will eliminate the bother of carrying money and the trouble of securing cash in the foreign land. It is simple, so simple that you will find it easy to use. It is safe, for every cent of the face of the draft, after you have had been prepared for your trip.

Your Seaboard Checkbook-Letter of Credit consists of four letters of credit and a check book, all in one book, which you can use and cash in the foreign land. The agents of Seaboard have conducted their business throughout the world with integrity, honor and

checks. They carry with them into distant cities the prompt and reliable service of your own bank.

One of our officers will gladly suggest you with whatever amount you need of the popular new form of business currency.



THE SEABOARD NATIONAL BANK
INCORPORATED IN THE STATE OF NEW YORK

MEMPHIS BRANCH NEW YORK OFFICE CHICAGO BRANCH
 100 BROADWAY 60 BROADWAY 100 BROADWAY
 10th Floor 10th Floor 10th Floor

An unusually pleasing layout marks this New York bank's presentation in a newspaper advertisement of the service which the bank offers to travelers in the form of a combination of a check book and letter of credit.

Banking Publicity

RICHARD F. DURHAM, Editor

Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

SEPTEMBER 1925

SOME time ago the vice-president of a large and rapidly expanding bank in a city of over 200,000 population, who also directs the bank's publicity and does it in a most able manner, dropped by the editor's office. The conversation turned to the subject of bank emblems. The vice-president remarked that he had been trying for some time to find a suitable emblem for his bank, and that he had been quite unable to hit upon one that to his mind filled the necessary requirements. He said that his bank had made a public offer of a substantial cash prize for an idea that was deemed sufficiently good to use as a permanent emblem. Ideas poured in—good, bad and indifferent. But none of them was appropriate enough to make the bank feel warranted in adopting it. The last time the editor heard from this vice-president, he was still looking for an emblem. He said that he thought the idea would eventually come from someone inside the bank.

Where is the advertising manager who hasn't seen bank advertisements that impressed him as having some

unusually good qualities which stuck in his mind, only to forget the name of the bank or banks which ran them? An advertisement of a certain bank can sometimes be recalled to mind long after the name of the bank which ran it has been forgotten. A really distinctive emblem, easily remembered, and at the same time appropriate, would have gone a long way toward remedying such a situation. But distinctive emblems do not grow on trees. Symbols as effective as the Indian head of the National Shawmut, or the ear of corn of the Corn Exchange combine the necessary qualities of a good symbol with an effectiveness rarely found. These banks have been fortunate in being able to find symbols so peculiarly suited to their names. Not every bank can expect to find such an appropriate emblem.

But two things that every bank ought to be able to find are a distinctive signature cut and an appropriate and easily remembered frame for the bank's copy. These should be stuck to everlastingly, bearing in mind that the cumulative effect is just as important as the design itself in making the name of your bank remembered in connection with your advertising.

HOW long should the copy be in the newspaper advertisements of a

bank? No newspaper advertisement should be a word longer than is absolutely necessary. On the other hand there is such a thing as economy of words at the expense of clarity of context. Brevity at the expense of understandability is no gain. The chief thing is to present what you have to say in the fewest words which it is possible to use and at the same time make yourself clear at first glance.

It is a mistaken impression that people will necessarily pass an advertisement by simply because the copy happens to be somewhat lengthy. If the subject and its manner of presentation interest them, they will read what the advertisement has to say. Advertisements which are too long are those which take a hundred words to say what could be just as well said in thirty.



WHILE they may not agree with all that he has to say, the editor believes that readers will find T. N. T's article "Oh, Mercy No!" in this number of BANKING PUBLICITY both stimulating and thought-provoking. At any rate, as is evidenced by the change in the approach taken in the savings advertising of many of our savings banks today, and by their changed attitude toward "accepting" the deposits of the public, banks have long since real-

ized (or, at least some of them have) that it is not by standing back and waiting for the public to come to them that deposits are to be had in this day and time. The competition to separate people from their money waxes ever keener, and it is only through methods which involve some degree of aggressiveness that savings banks and savings departments of commercial banks and trust companies can hope to place on their books anything like a fair margin of potential savings business. To get people to save they must be made to *want* to save, just as they are made to *want* to buy radios, silk shirts and various other non-essentials. Most people will instinctively put their money where they get the most satisfaction out of it. They will save a dollar only when they are convinced that saving that dollar is more desirable than spending it.



THE editor feels that John T. Bartlett's article "A Poster Idea for 'Selling' Bank Advertising Literature" which appears in this number, is particularly timely in that it has to do with the highly important and often neglected business of getting distribution for booklets and folders which the bank has placed in its lobby, and which it is presumably anxious should be put to some use other than ulti-

Who's Who in Bank Advertising



F. LeMOYNE PAGE

Secretary Pennsylvania Trust Company, Pittsburgh, Pa.

MR. PAGE entered the employ of the Pennsylvania Trust Company in 1922, following his graduation from Princeton University, and assumed charge of the bank's publicity. In 1923 he was promoted to the office of secretary of the institution. He has sponsored a policy of consistent advertising since he has been with the company, and this policy has had due bearing on the increase in the bank's resources in the last three years from \$2,000,000 to \$6,500,000. Mr. Page has been very active in the planning and execution of bank window displays, and has been very successful in the organization and conduct of employees' new business campaigns. He planned and directed a successful musical comedy which was recently presented at Carnegie Hall in Pittsburgh by the employees of the Pennsylvania Trust. This show was staged as a preliminary to the opening of an employees' contest for new business. Mr. Page is the originator of the bank's employees' house organ, "The Pennsylvania Trust News." Last year a book written by him on financial publicity entitled "A Study in Bank Advertising" made its appearance.



No Business—and No Living Insurance

WHAT would happen to your home if business conditions should go against you for a few months—no more orders, or reduced salary, or even a "lay-off"?

Is your savings account large enough to provide real insurance against such an emergency?

If not, then ask us or write for our new booklet on "How to Make Your Home Secure."

Many people have very vague ideas about their savings accounts. They do not realize—as we do from seventy-five years' experience—that every man should have at least six months' earnings saved up—and always in the bank.

This is not guesswork. We have more than 100,000 depositors in this bank, and the facts we give you reflect their experience.

Let us explain in our booklet exactly why your savings account should be part of your insurance just as life insurance is part of your savings—exactly why, we call a six months' salary reserve

LIVING INSURANCE

EMIGRANT

INDUSTRIAL SAVINGS

51 Chambers Street **BANK** 43d St. & Lexington Ave.

This New York savings bank has capitalized its so-called "Living Insurance" savings plan in a series of very effective savings advertisements, of which the above advertisement is an example.

mately cluttering up the stock room. Mr. Bartlett sets forth an economical method, aside from news-

paper publicity and mailing lists, whereby distribution of bank advertising literature can be effectively aided.

How Banks Are Advertising

(Continued from page 358)

Milwaukee avenue, on which the bank is located; and "A Widow Wanted Advice," the story of what happened to a young widow with \$20,000 who inserted an advertisement in a newspaper asking for advice concerning its investment.

A NEW department of the bank known as the "Investor's Service" has recently been established by the Harvard Trust Company of Cambridge, Mass.

Following the appearance in the news columns of the establishment of the new service, a series of small advertisements regarding it—one column wide x 5 inches—was run in the *Boston Transcript* and local papers for ten consecutive days.

TWO folders recently published by the Chase National Bank of New York are "A Safeguard for Travelers' Funds," and "The Chase Letter of Credit." The former folder sets forth the advantages to travelers of the Chase letter of credit, and the latter reproduces in pictorial form a Traveler's Letter of Credit, a letter of identification, a list of Chase correspondents and a leather folder in which this material may be carried.

BANK ADVERTISING EXCHANGE

IN connection with **BANKING PUBLICITY** there is conducted a Bank Advertising Exchange, containing a list of names of bank advertisers willing to exchange advertisements, booklets and other publicity matter issued by them. Any subscriber who will agree to exchange advertising matter may be added to this list. A copy of this list may be had by any subscriber upon application.



Turning Promises Into Cash

A day and night force of 120 people are constantly working at high speed to get your collections turned into interest bearing cash. In many cases they save you from one to two days' interest.

The **UNION TRUST** *Co.*

CLEVELAND, OHIO

Resources over 300 millions

Why Unprofitable Accounts?

By F. D. Connor

Manager Business Extension Department Illinois Merchants Trust Company of Chicago

(From the Illinois Merchants Review)

THE average bank has too many small and unprofitable accounts, not to say "dormants"—inactives. Let us call such accounts "accounts that are not arriving."

There is a reason for everything. Many bankers complain because they have too many \$1.00 accounts—unprofitable business. There is a reason for this. In a great many cases it is the banker's fault. How many times have you read this statement, "You may start an account here as low as \$1.00." The public has interpreted this message literally and opened a new account with \$1.00 because that was the invitation.

I am not arguing against the opening of a new account with \$1.00, but after that, what? There has not been enough effort on the part of the bank to encourage the \$1.00 depositor to increase his balance with regularity. The banker's action seems to be "Now your name is on our books, you are a customer of our institution and the rest is up to you." Not so; the responsibility is on the banker. A systematic and careful plan of treatment should be in operation. The minute a new customer comes into the bank, he should be made to feel at home and encouraged in every way to build up his account. Place his name on the mailing list for regular follow-up literature. Of course, it was his intention to build up a savings account—that's the reason he started with \$1.00—keep him encouraged.

Need a New Slogan

Why not discontinue the old sign—"You may open an account here with \$1.00," for it no longer seems to interest the public. Let us then suggest a substitute that contains a constructive idea, for example—"Build a cash reserve fund for your future needs." This suggests a purpose; it denotes action; the word "build" indicates construction. The public is constantly asking "What is there in it for me—how do I profit?" It is up to the banker to "sell his goods." True, it may be harder to sell an objective—a definite goal—than to merely secure a new savings account, but in the last analysis, the result is more profitable to the customer, as well as to the banker. After all is said and done, the banker is looking for profitable business; he must not only look for it, but he must introduce ways and means that are informative. A very large percentage of people simply look upon a bank from two viewpoints—depositing, withdrawing—it is not enough.

"Save for a Purpose, Save by a Plan."

This mental condition should be capitalized. If this interest and encouragement is shown new depositors, the "dormant" list will be reduced to a minimum.

Encourage the depositor to set an objective, then do everything in your power to help him meet it. You will both profit.



International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
Boston

Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

PARIS CLEARING HOUSE RETURNS FOR FEBRUARY

The following table gives the Paris Clearing House returns of the general movement of funds of the principal banks during the month of February, 1925—

	Arretrés	Débits et Crédits
Société Générale	4,112,057,293 00	
Banque Nationale de Crédit	4,020,000,001 13	
Banque de Paris et Pays Bas	3,807,311,020 00	
Crédit Commercial Français	3,058,364,606 00	
Barclays Bank (France) Ltd.	2,479,240,827 00	
Equitable Trust Co.	2,294,538,129 32	
London National Foreign Bank Ltd.	2,282,271,461 00	
Credit Lyonnais	2,186,796,236 81	
Guaranty Trust Co.	1,448,171,384 30	
Banque Française et Ital. pour l'Amérique du Sud	1,402,351,084 85	
Washington For Bank Ltd.	1,298,282,943 20	
Banque Belge et d'Étranger	1,239,815,450 81	
Banque de Union Parisienne	1,177,149,455 77	
Banque Anglo-Améric.	1,000,113,960 86	
National City Bank of N.Y. (France)	1,053,384,814 08	
Banque de France	945,971,689 83	
Banque Nationale Française du Commerce Extérieur	817,092,988 31	
Crédit Industriel et Commercial	870,962,417 89	
Banque de Marseilles	755,928,831 00	
Banque Ind. de Commerce	741,079,522 49	
Banque des Pays du Nord	648,731,078 00	
American Express Co. Inc. (Paris)	610,457,854 14	
Banque des Pays de l'Europe Centrale	581,184,093 63	
Banque Générale du Nord	564,540,500 41	
Crédit du Nord	616,892,443 08	
Banque Transatlantique	481,296,227 00	
Crédit Postal d'Algérie et de Tunisie	478,474,973 00	
Banco di Roma	408,555,435 92	
Morgan Hazen & Co.	387,892,057 23	
Soc. Anonyme de Crédit Industriel et de Dépôts	398,720,132 85	
Banque d'Alsace et Lorraine	380,107,911 78	
Banque de Bâle	383,712,460 89	
Banque de Paris	354,509,408 09	
Compagnie Algérienne	348,916,277 74	
Banque E. Dussan et Cie	220,072,988 04	
Crédit Américain	226,436,174 43	
Labrousse et Cie	223,001,718 41	
Banque et London & South America, Ltd.	218,908,081 80	
Soc. Centrale des Banques de Province	205,070,388 07	
Société Marseillaise	141,110,783 03	
Guinand Andre & Co.	107,089,028 74	
Banque Algérienne et Franc.	88,115,586 31	
Int. Parisienne de Banque	72,773,412 38	
Banque Fran et Hollandaise Américaine	68,880,136 03	
Total 24 jours	19,300,900,018 00	
Bills presented for Clearing House (U.S.)	24,649,800,022 03	
Average per day	1,021,075,000 91	

LES BANQUES SONT EN BONNE SAISON

From the Paris edition of the New York Herald

From twelfth to fourth in Paris clearings

AMONG the forty-six principal banks in the Paris clearing house, the Paris Office of The Equitable has ranked from twelfth to fourth in clearings during the past eighteen months.

By using the foreign banking services of The Equitable you benefit by the prestige and good will it enjoys to an unusual degree among foreign banks and business men.

THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

UPTOWN OFFICE
Madison Ave. at 45th St.

IMPORTERS AND TRADERS OFFICE
217 Broadway

FOREIGN OFFICES

DISTRICT REPRESENTATIVES

- LONDON: 10 Moorgate, E.C.2
- Bush House, Aldwych, W.C.2
- PARIS: 23 Rue de la Paix
- MEXICO CITY: 48 Calle de Capuchinas

- PHILADELPHIA: Packard Building
- BALTIMORE: Calvert and Redwood Sts.
- CHICAGO: 105 South La Salle St.
- SAN FRANCISCO: 485 California St.

U. S. Foreign Loans for First Six Months of 1925 Total Over Half Billion

Flotations for First Six Months Considerably in Excess of Same Period for Last Year, But Below Last Six Months of 1924.

Estimates Now Place Total Foreign Investments at \$9,500,000,000

THE par value of foreign securities publicly offered in the United States during the first six months of 1925 amounted to \$551,591,000 as compared with \$379,700,000 for the corresponding period of last year, according to Theodore R. Goldsmith of the Finance and Investment Division of the Department of Commerce. The amount of new capital, arrived at by deducting refunding issues from the total, amounted to \$437,266,000, or more than double that for the first six months of 1924. There was also a large increase in the number of issues. Up to July 1 of this year, sixty-three foreign issues were brought out as compared with forty issues offered during the first half of 1924.

The volume reached did not, however, keep pace with the total attained during the last half of 1924, amounting to \$830,087,000, of which \$652,087,000 represented new capital.

Foreign Industry Receives Larger Share

Loans to governments and enterprises enjoying a governmental guarantee again formed a large proportion of the total, amounting to \$416,671,000 of which \$312,171,000 was new capital. Of corporate issues, totaling \$134,980,000, new loans accounted for \$125,095,000. These figures represent a marked increase in the proportion of foreign corporate financing. During the entire year 1924, corporate loans amounted to \$150,000,000, or less than one-seventh of the total, while they represented about one-fourth of the total for the first half of 1925. The increase in the actual amount of such issues over the

first half of 1924 was about \$85,000,000. European corporations received \$48,100,000, most of which will be used as working capital. German industry alone received \$36,000,000 for this purpose.

Geographical Distribution

Europe was the largest borrower during the first half of 1925 with a gross volume of loans amounting to \$237,600,000; Latin America came second with \$151,081,000; and Canada took third place with \$131,910,000. Whereas Asia led last year with \$125,000,000, consisting of one loan to the Japanese Government, it was fourth this year, having received only \$31,000,000.

No loans to foreign governments have been offered in the United Kingdom so far this year. British dominions and colonies floated loans in London amounting to £28,123,800 during the first half of this year, while foreign corporations received £5,187,900, making a total for all foreign loans of only £33,311,700 (\$160,000,000); or about one-third of the amount offered in this country. Foreign loans publicly offered in the United Kingdom during the first half of last year amounted to £61,201,600 (\$244,800,000), of which £37,955,500 went to the dominions and possessions, while £16,025,200 was for the account of foreign governments and foreign corporations received £7,220,900.

The return to the gold standard in Great Britain was accompanied by a restrictive policy with regard to foreign loans.

Bankers Credits not Included

A number of foreign loans, placed privately, such as \$5,000,000 State of



EXPORTING

MICHIGAN'S merchandise is in demand throughout the entire world. It is shipped to every port. Each nation buys something from Michigan.

Department of Commerce figures show that this demand for Michigan products reached \$177,876,654. last year.

This Bank is an important link in the exporting of Michigan merchandise. It offers unequalled facilities for serving all having business throughout the world originating in the Great Lakes Region.

FIRST NATIONAL BANK

DETROIT MICHIGAN

The First National Bank, the Central Savings Bank and the First National Company of Detroit, are under one ownership.

Bremen one-year notes have been excluded from the total. Bankers' credits such as those for \$40,000,000 to the Danish Government for exchange stabilization, the \$50,000,000 Revolving Credit to the three Italian banks of issue, for the same purpose and the \$300,000,000 credits to the Bank of England and the Government of the United Kingdom in connection with the return to the gold standard, have been omitted. In addition, some direct industrial investments have not been included.

Our Total Foreign Investment Now
\$9,500,000,000

Our foreign investment at the end of 1924 amounted to \$9,090,000,000, according to the estimate based upon the

best information available, published by the Department of Commerce in the "Balance of International Payments of the United States for 1924."

Although the reduction in outstanding foreign loans during the first half of 1925 through the operations of sinking funds and the repayment of maturing obligations has been considerable, other investments and loans placed privately doubtless have offset these. Therefore, it seems safe to assume that our foreign investments have increased by at least \$437,000,000, the amount of new capital flotations so far this year.

Our total foreign investments, exclusive of the amounts owed our Government by foreign governments, therefore, amount to around \$9,500,000,000 at the present time.



United States Trade With Europe Shows Big Increase

First Five Months of 1925 Reveal Encouraging Trend Compared With Similar Period of Last Year. French and German Trade Noteworthy

INCREASED sales and purchases of merchandise characterized United States' trade with Europe during the first five months of 1925, according to the European Division of the Department of Commerce. A growth in volume of trade amounting to \$276,074,000 took place when 1925 business, both exports and imports, totaled \$1,631,339,000, as compared with \$1,355,266,000 for 1924.

Our exports to Europe during the early months of this year amounted to \$1,127,366,000, close to more than a \$200,000,000 increase over the corresponding five months of 1924, when they reached valuations of \$915,222,000, or a gain of 4 per cent. Total United States' shipments abroad during the time under

discussion amounted to \$2,055,160,000, as against \$1,782,734,000 during the 1924 five-months period. Thus, it is seen that our increased shipments to Europe accounted for 55 per cent. of our exports to the whole world. In addition, our purchases from European countries for the same period, making up 29 per cent. of our total world imports during the five months in question, showed an increase of \$63,930,000, or 15 per cent. in totaling \$503,974,000, compared with \$440,044,000 for the earlier period.

Improvement in Europe Caused Increased American Shipments

General financial, economic and commercial improvement in Europe caused



SEAMANSHIP AND A NATION OF MARINERS

FROM the far-off time when Jacques Cartier sailed his brave little boat out of grey old St. Malo harbor to find the thousand-mile St. Lawrence on the other side of the world, the men of Brittany have always been sailors. The quickest of the little feet in sabots are always set apart to seek the sea . . . and the fairest of the little faces under the wide lace caps always grow up to wait for them.

Today, you'll find the French sailor in the steaming harbors of Indo-China—and round by Madagascar—you'll find him in blue Tahiti and lazy Martinique—in Algiers and Tunis, in the street of the mosque—you'll see him in New York and Shanghai, in Tokio and Marseilles—wherever the French flag flies over a French colony or a French ship.

The Compagnie Générale Transatlantique (French Line) alone has a hundred and ten ships on the seven seas, with thousands of these sturdy French seamen manning them. And in the great ship yard at St. Nazaire in Brittany, more ships are being born every year. . . .

When you go to France, sail with a French crew. You'll never find better sailors. They serve with the French Line because these boats are France afloat and, by one of the quickest and easiest routes, reach the land of the Tri-color.

Walk into France at the French Line gangplank in New York . . . at Havre, the port of Paris, just another gangplank . . . then the boat train—and in three hours you're in Paris.

French Line

Compagnie Générale Transatlantique
19 State Street, New York



Offices and Agencies in Principal Cities
of the United States

AMERICA'S TRADE CURRENTS

FROM every commercial center of importance in the United States and in the world — currents of trade flow to and from New York.

The Irving-Columbia's Out-of-Town Office is a contribution to the promotion of this commerce. This Office, in the Woolworth Building, New York City, is a banking unit de-

voted to facilitating the business interests of customers outside of New York. Its officers, by maintaining close personal contact with all parts of the country, keep constantly informed on business conditions in various sections, and thus are able to give to each transaction the understanding so important in correspondent banking.

IRVING BANK-COLUMBIA TRUST COMPANY

New York

the increased American shipments. In the case of Great Britain the steady improvement of the pound sterling, with an absolute absence of widespread fluctuations advanced our trade with that country. Furthermore, a tone of confidence was injected into British buying because of the anticipated return of the pound sterling to the gold standard. United States exports to Great Britain were \$423,253,000 during January-May, 1925, as against \$344,142,000 during the corresponding months of 1924. Our imports from that area were \$172,175,000 this year and \$148,820,000 last year. These exports registered a gain of \$79,111,000 which was partly countered by a gain of \$23,355,000 in imports from the same field.

Our increased exports to the United Kingdom were covered by larger shipments of raw cotton, leather manufactures, bacon, raisins, motion picture films, and pig and sheet lead. Paper, refined sugar and tobacco showed decreases.

French purchases of American products showed about a \$14,000,000 increase over the 1924 period, amounting to \$120,303,000 this year as against \$107,008,000 last year. Our imports from France this year were \$65,178,000 and last year \$61,562,000. Among the minor countries, the greatest in-

crease was noted in our trade with Greece, exports amounting to \$8,867,000 the first five months of this year, and \$3,731,000 last year, and American imports from Greece amounting to \$16,107,000 against \$8,147,000 last year. Greater shipments of Greek tobacco account for our heavier imports from Greece, and our larger shipments of foodstuffs and machinery to that country account largely for the increase in our exports to Greece.

Italian industrial activity was sustained at an unusually high level during the first five months of 1925, with a corresponding increase in Italian export trade. The increased industrial activity in Italy accounts for the larger shipments of American products to that country, as it is dependent altogether on foreign sources for its raw materials, as well as relying on the United States for the greater portion of its food supplies, such as wheat, barley, rye and oats. During the first five months of 1925 our shipments to Italy jumped \$32,662,000, amounting to \$104,975,000 as against \$72,313,000 last year. Our imports from Italy this year amounting, though less drastic, increase of approximately \$15,500,000—American imports from Italy this year amounting to \$44,738,000 as against \$29,175,000 last year.

*Volume of Trade With Germany an
Outstanding Feature*

One of the outstanding features of our trade with Europe is to be found in the enormity of our commercial transactions with Germany. Germany now stands as our third largest market and during the first five months of 1925 took \$206,518,000 worth of our products, showing an increase of \$19,000,000 over the corresponding period of last year, when our exports to that country amounted to \$187,256,000. United States imports from Germany this year amounted to \$57,580,000 against \$52,791,000 last year. Most of the American exports to Germany were financed by American credits, for the most part of a short term character, but increases in both exports to and imports from Germany are a direct result of the increased business activity in that country, which is due to the tem-

porary stability of conditions which has been established there.

In the case of The Netherlands, industrial and commercial activity has been on the increase since the beginning of the year, and Dutch imports from America, as well as their exports to this country, increased at a very rapid rate. Belgian business, on the other hand, showed exactly the opposite trend, and industrial conditions stand there at a lower ebb than they did one year ago, with a corresponding labor unemployment constantly on the increase.

The trade of the United States with Europe has reflected, in a large measure, improved industrial conditions in that area. General currency stabilization has directed European buying on more normal plans, and in anticipation of better commercial conditions generally, European buying of raw materials for further manufacture has been on the increase during the period under consideration.



Review of Countries

Great Britain

REGARDING the grave industrial situation which Great Britain is facing at the present time, with the depressed condition of the leading industries, a further serious increase in unemployment resultant therefrom, and the threat of strikes or lockouts on a large scale, the current number of *Lloyds Bank Monthly* remarks:

Some considerable amount of grave anxiety has been in evidence during the last few weeks with regard to the industrial conditions of the country, an anxiety for which, unfortunately, a great deal of justification exists. Since the beginning of the year trade, on the whole, has disappointed the expectations then held of a probable steady appreciation, and in place thereof a gradual depreciation has taken place. Possibly the most spectacular of the various exhibitions of the trouble is the very heavy unemployment, as shown by the fact

that during the past twelve months the unemployed register shows an increase of over 250,000, and at the present time totals over 1,290,000. Serious as this is, and great as is the uneasiness caused thereby, nevertheless it may easily be that the coming weeks will provide still greater cause for serious consideration.

The cause of the increase in unemployment is naturally the state of depression prevailing in the main industries of the country—in coal, in iron, in shipbuilding, in shipping, in engineering and in transport. In three of these the employers—in coal mining, in engineering and in railways—are asking their workers to face actualities in the interests of the community, and agree to reductions in wages, a lengthening of the hours of work or a combination of both.

It will be evident, therefore, that the position facing the nation is one that calls for the exercise of great tact and patience if the situation is to be saved from becoming worse and thereby causing the unemployment figures to become still higher.

*Reparations and the Recovery of
Germany's Trade*

The current number of the *Monthly Review* of Barclay's Bank Limited, says, in part, in an article on the subject of reparations and the restoration of Germany's foreign trade:

As Sir Josiah Stamp pointed out in his address to the International Chamber of Commerce, it is necessary to remember that all economic life between nations involves a choice between benefits. If, in the desire to foster home markets and develop national industries, difficulties are placed in the way of Germany's restoring and promoting her foreign trade, the extent of the receipt of reparation payments must be adversely affected, while, in addition, trade restrictions against Germany will probably accentuate that country's competition in other markets, because the tendency will be for a larger volume of her products, many of which are very similar to our own, to seek an outlet there.

It must be remembered that the intention of the Dawes scheme was that the burden which should rest upon the German taxpayer should be commensurate with that borne by the Allied taxpayer, and in so far as this object is attained, German traders should, from the point of view of taxation, not have any advantage over Allied competitors. Germany, therefore, may only be able to re-establish and extend her export trade on a scale sufficient to ensure adequate reparation payments, by means of an intensified industrial effort designed to increase her sales in the world markets. If this objective is to be achieved, it may be necessary to widen the range of Germany's products and for the Allies to co-operate in extending her markets, while in addition, Germany may have to be content to accept longer working hours or a lower standard of living than those ruling in other countries and may also have to increase her industrial organization and efficiency.

With over 1,000,000 unemployed, however, this country will, notwithstanding some risk of diminution in the ultimate reparation receipts, no doubt be more concerned with increasing its own exports, both in existing and in new directions, than in helping Germany to restore her foreign trade.

External Lending on the Gold Standard

On the question of external lending now that Great Britain has returned to gold, the current number of the *Monthly Review* of the Midland Bank, Limited, says:

It may be well to outline the precise steps by which, with a gold standard in

You are
cordially invited

— to use our organization for purchase and sale of well-secured bonds. Offices and representatives at your service.



NEW YORK NEW ORLEANS
CHICAGO SAN FRANCISCO
BOSTON PHILADELPHIA
LONDON MONTREAL
TOKIO

operation, overseas lending is adjusted to capacity to lend. If a greater amount is lent abroad than domestic savings and the condition of trade warrant, then by reason of the excessive supply of sterling in foreign hands the exchange value of the pound will tend to fall. Contemporaneously commodity prices here will rise and gold will tend to flow out. The result will be an increase in interest rates in this country, rendering borrowing dearer. Thus not only will the overseas borrower be required to pay a higher rate of interest for any new loan contracted, but he will receive a smaller amount of actual goods and services for the money borrowed, for prices in this country will have risen. The evil of excessive borrowing, if it occurs, will bring about its own cure. Intending borrowers will be deterred and the volume of capital raised for abroad will be curtailed, adjusting the balance between the amounts lent and the amounts available for lending.

In the present state of our export trade, therefore, now that we have restored the gold standard, it might prove advantageous to remove the embargo on foreign loans, which may well constitute one of the checks upon business recovery. But another check may be mentioned, of equal or perhaps even

NEW YORK AGENCY

THE BANK OF CANTON

200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK

Correspondents in Important Centers of the World

greater importance. And here we are referring not only to the export trade but to trade and industry as a whole. It is absolutely essential that no transaction representing a real addition to the volume of business should be prevented for lack of credit facilities. It is conceivable that at the present time the banks might find it difficult to finance any substantial expansion of trade, and it is of the utmost importance to remember that their power to lend can be preserved only if the basis of credit is maintained. Two ways of broadening the cash basis are theoretically possible, and in either case the initiative lies with the Bank of England. It can increase bank cash by purchasing gold, securities or bills; or by increasing its loans. The purchase of gold, however, in present circumstances, may not be practicable; the other courses are always open. Whether they are followed is a question for the bank to decide, but the fact remains that, within the limits of a prudent banking policy, the lending powers of the banks should be maintained at a level adequate for all the current requirements of trade.

The Dependence of Iron and Steel on Other Industries

On the subject of the basic importance of the iron and steel industry and its dependence for prosperity upon the prosperity of other industries, the *Review* of the Westminster Bank Limited quotes from remarks made forty years ago by Sir Lothian Bell to the effect that, "iron, being wanted for almost every industry, is the one factor upon whose head the misfortunes of all the other industries ultimately fall; if the cotton trade is bad, the cotton spinners require less machinery; if the mineral trade is bad, the railways require a smaller amount of accommodation, fewer rails are required, and less rolling stock; and the

same observation applies with regard to ships." The review then goes on to say that:

This dependence of the iron and steel industry on general conditions of prosperity has long been recognized by economists who, especially in the days before index numbers were so common, accepted the production of pig-iron as the best single indication of industrial prosperity, and often spoke of the "pig-iron barometer." While the iron and steel industry gives direct employment to some 800,000 work-people and indirectly in raising coal, iron ore, limestone, and in assembling the materials to 200,000 more, the numbers employed in the industries consuming iron and steel as their principal raw material, such as shipbuilding, engineering, vehicles, etc., total approximately 1,500,000, or five times as many as those who derive their living directly from the industry. The problem requiring solution is whether anything can be done which will diminish unemployment and improve the conditions of those engaged in the iron and steel trade without adversely affecting the far greater number who use iron and steel as their principal raw material.

England Reduces the Bank Rate

On August 6, the Bank of England reduced its discount rate from 5 to 4½ per cent., taking the financial community by surprise. One writer described it as "the completest surprise experienced since the war." The prevailing opinion seems to have been that the bank would wait until autumn, to see whether a revival of trade would not take place by that time. The last previous change in the rate was the advance from 4 to 5 per cent. in March of this year, following the advance of the



ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	-	-	-	-	-	\$2,000,000
Surplus and Profits	-	-	-	-	-	5,900,000

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revolvable Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.
55 Maiden Lane New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	



Foreign Banking

Complete facilities for financing all types of international transactions in dollars or foreign currencies. ∴ ∴

INTERNATIONAL ACCEPTANCE BANK, INC.

PAUL M. WARBURG
Chairman

F. ABBOT GOODHUE
President

52 Cedar Street, New York

rediscount rate of the New York Federal Reserve Bank from 3 to 3½ per cent.

This advance and the resumption of the gold standard which followed in April have been bitterly criticized by many English economists, particularly J. M. Keynes. Mr. Keynes (who, it will be remembered, is an advocate of a "managed currency") maintains that the raising of the bank rate in March discouraged industry, both sentimentally and by increasing the cost of credit, and was a primary cause of the trade reaction which ensued. Furthermore, as the natural effect of a higher bank rate is to decrease the amount of credit or purchasing power, and so to bring down prices, he holds that the high rate and the resumption of the gold standard are responsible for the declining price level in England, which has also contributed to the trade depression. It has been suggested by some that the reduction of the rate at this time is a concession to this point of view. If so, it seems to indicate a tendency on the part of the Bank of England to emulate our Federal Reserve System and fix its rate not only on the basis of sound finance

but also with a view to political conditions.

A much more rational explanation of the reduction ascribes it simply to the fact that the bank now feels that normal conditions have been almost attained and that the restrictions which were imposed as protective measures to maintain the gold standard are no longer necessary. In "Domestic and Foreign Exchange," Cross says, "If one were to plot two curves showing the fluctuations in the bank rate and the flow of gold, the results would clearly show that, as a rule, when gold flows into England the bank rate drops, and that when gold flows out of England the bank rate rises." That is just what is happening now. Since the re-establishment of the gold standard, England has imported over £8,500,000 of gold, and the Bank of England now holds the largest amount of gold in history. The reserve ratio is almost 82 per cent., the highest it has been for nine years. With such conditions, and with an easy money market, the reduction of the bank rate is quite a natural thing, and involves no change of the traditional policy.

There is much speculation as to the pos-

BANK OF ATHENS

Established in 1893

Capital and Surplus : : Dr. 95,000,000
 Resources more than : : Dr. 1,306,000,000

Head Office: ATHENS, GREECE

NEW YORK AGENCY: 25, Pine Street

LONDON OFFICE: 22, Fenchurch Street

BRANCHES

<u>GREECE</u>	Castoria	Gythion	Patras	Tripolitza
Aegion	Castro	Hydra	Piraeus	Tsotyliion
Agrinion	Cavalla	Ithaca	Potamos	Volo
Amalias	Chalcis	Jannina	Preveza	Xanthi
Amphissa	Chio	Kiato	Pyrgos	Xilocastron
Argos	Corfu	Kyparissia	Rethymo	Zante
Argostoli	Corinth	Lamia	Salonica	<u>EGYPT</u>
Calamata	Cozani	Larissa	Samos Vathy	Alexandria
Calavryta	Dedeagatch	Levadia	Sorovitch	Cairo
Candia	Dimitsana	Limni	Sparta	Port Said
Canea	Drama	Megalopolis	Syra	<u>CYPRUS</u>
Carlovassi	Florina	Mitylene	Thebes	Limassol
Carpenissi	Gargaliani	Nafpactos	Trikkala	Nicosia

OVER 80 CORRESPONDENTS THROUGHOUT GREECE

The Bank transacts every description of Banking business in Greece, Egypt and Cyprus.

Special facilities granted to American Banks for their drawings in Drachmae and U. S. Dollars on the Head Office, Branches and Correspondents in Greece.

sible effect of the reduction. It is known that due to the comparatively high money rates in London, much money has found its way from New York to London. One authority places the amount at over \$400,000,000. With the firmer money rates that are now appearing in New York, and the reduction in London, it is expected that this money will now return to New York, as soon as it is free (most of it said to be in three months' bills). If this happens, it should result in a stimulation of the New York bond market.

Another effect (due partly to the restrictions on foreign loans on the part of the United States Government) may be the diversion of many foreign loans to the London market. If this should occur on a large scale, it might cause an outflow of gold, and make it necessary for the Bank of England to use the \$300,000,000 credits arranged for with J. P. Morgan & Co., and the New York Federal Reserve Bank at the time of the re-establishment of the gold standard.

The immediate effect of the reduction of the bank rate was a wave of optimism and an advance in security prices on the

London stock exchange. It will be interesting to watch the effect of the new rate on sterling exchange.

Germany

THE monthly report of the Direction der Disconto-Gesellschaft, Berlin, on economic conditions in Germany for the month ended June 30, 1925, says, in part:

The characteristic features of the present position of German industry are the increasingly dull markets in many trades and, as a consequence of this, a continually growing shortage of money in many businesses. Owing to the difficulty of finding markets the lack of capital makes itself clearly felt. What prevents deals being concluded is neither lack of demand nor high prices, but much more often the fact that the seller finds it impossible to accept the conditions of long term payment which the buyer demands. There are complaints from all branches of industry about the way payments are dragged out. The final cause of all these difficulties is, now as before, the complete inadequacy of the available capital. In the autumn of 1924 this inadequacy was

Commonwealth Bank

Spring Street and Bowery

First Avenue Office
77th Street and First Ave.

Bronx Office
155th Street and Third Ave.

Lexington Office
Lexington Ave. at 57th Street
New York

Resources over \$19,000,000.00

Member New York Clearing House
Member Federal Reserve System
New York State Depository

Complete Foreign Banking Facilities
Correspondents in All Parts of the World

counteracted for a time by the flow of foreign capital into the country, but it made itself felt more than ever as soon as the flow become noticeably less generous.

Figures are again available for a reliable estimate of the current development on the capital market as the banks have again begun to publish balance sheets every two months and the savings-banks also give regular information regarding the amount of money on deposit and current account. The Reichsbank, the private banks with authority to issue notes, the Rentenbank and the Gold Discount Bank still have an undesirable prominence, compared with the ordinary private banks, as the principal sources of credit in the banking world. Lately, however, there has been a change in the situation to the advantage of the private banks. The Reichsbank has not given up its system of rationing credits, which it has practised for more than a year now; it has on the contrary shown that it desires to make its chief activity the control of money and currency and to regard the granting of credits as the secondary function which it ought to be.

For the present, however, industry will have to continue to draw on the "primary" credit from the Reichsbank as long as the formation of capital within the country has

not progressed sufficiently to provide a much greater supply of "derived" private credit. Credits advanced by the Reichsbank in the form of bills and advances on goods and shipments amounted on March 31, 1925 to 1,605,000,000 reichsmarks; on April 30, 1925 to 1,573,000,000 reichsmarks; and on May 30, 1925 to 1,676,000,000 reichsmarks.

Similarly, there has been no increase worth mentioning since the beginning of the year in the total amount of industrial credits granted by all banks with authority to issue notes (including the Rentenbank); it has remained at a figure round about 2,500,000 reichsmarks. The demands of the state have also remained unaltered at about 1,800,000 reichsmarks. The increase on the other hand of the amount of money in circulation from 4,491,000,000 reichsmarks on March 31, to 4,775,000,000 reichsmarks on the last day of May is to be explained by the fact that, apart from a rise of 71,000,000 reichsmarks in the amount of credits granted, the deposits at the Reichsbank were drawn on considerably as a result of the general shortage of capital. During the period in question, the daily calls on these accounts, which are in the names of private individuals as well as of the state, decreased by a good 160,000,000 reichsmarks.

BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited

Bombay (India)

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

The State of Germany's Basic Industries

In spite of the continued improvements in the German finishing trades, the severe crises in the coal, iron, machinery, and shipping industries have resulted in a basic depression of economic conditions, according to the European Division of the Department of Commerce. The coal industry now has more than 11,000,000 metric tons of stocks on hand representing approximately 170,000,000 marks of frozen operating capital. The situation has necessitated a reorganization of the coal syndicate and the closing down of marginal mines, including shafts of the Harpener Bergbau A. G., Recklinghausen.

German foreign trade figures for May show continued improvements in exports which totaled 782,000,000 marks as compared with 672,000,000 in April. The export level is now approximately 87 per cent. of the 1918 monthly average after a gradual rise from 65 per cent. at the beginning of 1924. Imports maintain their high level,

about 140 per cent. of the 1918 monthly average, and amounted to 1,084,000,000 marks in May as compared with 1,080,000,000 in April. The resultant trade balance deficit for the past six months under these conditions approximates the record import surplus for the whole of the previous year, totaling 2,700,000 marks.

Continuation of the present credit rationing policy is necessary to the maintenance of financial stability, the president of the Reichsbank states, and Reichsbank commercial and industrial credits will continue to be limited to 2,500,000,000 marks.

France

THE situation with regard to possibilities of a debt settlement between France and England, and France and the United States, as it stood at the end of July, is very interestingly set forth in a special cable to the *New York Times* from Edwin L. James under date of July 31. The cable reads as follows:

It is entirely unlikely there will be a debt settlement between Paris and London before debt negotiations between Paris and Washington. That is the main conclusion to be drawn from the suspension in London on July 30 of conversations relative to the French debt to England.

The French Finance Ministry states that there has been no break. While there is no good reason to doubt that statement, it could not be translated into meaning there has been any agreement, except an agreement to disagree for the time being. Between the lines one may see that, in the circumstances, the British Government is quite content to wait to see what progress Washington makes with Paris. That this is a good surmise is indicated by the fact that the maximum annual payment from

Niederösterreichische Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve

220 Billiards of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5 = £1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C.2

France ever mentioned by the English was £20,000,000, and in recent talks they stood on that figure.

Of course, if the unexpected had happened and France had made an offer close to British desires it would have been accepted, and, on the other hand, if France had found at London a chance to settle on a basis which she would have regarded as a good lever to use at Washington a settlement might have been found. But a considerable gulf separated what England asks and what France offers, and it may now almost be assumed England will tarry in expectation of applying to the French debt proportionate, *pari passu* treatment of a possible Franco-American agreement.

French Offer That Was Rejected

No announcement has been made of what France offered England, but as near as can be gathered the French offer was £3,000,000 annually directly from France, plus a theoretical equivalent in German marks of £6,000,000 to be assigned to Great Britain from the French share in reparations. The French consider this represented an offer of £9,000,000 a year, but the British are maintaining their figure of £20,000,000 against French expectations that it would be low-

ered. They replied that for the French offer to be worth £9,000,000 a year France would have to guarantee the conversion of German marks, and that without that the English would not regard the potential £6,000,000 of reparations as worth more than 50 per cent. Therefore, they figured the French offer as it stood at £6,000,000, less than they regarded would fit into the Churchill offer that England would accept, from friend and foe alike on the Continent, what she pays America annually, or £35,000,000.

It is understood in the French capital that England is ready to accept £15,000,000 a year from France to be applied toward the English payment to the United States, and to be reduced currently in proportion as England collects from her other allies and from Germany.

The French feel that a settlement on such a scale as this with England would seriously hamper their getting what they hope from Washington, because the French debt to England and America being somewhat nearly equal, and negotiations with England starting from a basis of reduction of the French debt by at least England's 22 per cent. share in reparations, the French count on a reduction of at least 50 per cent. in the debt to London. If the English debt

The CRUISES SUPREME 1926

AROUND the WORLD

*Sailing Eastward
from New York Jan. 14th
on the famous Cunarder*

"FRANCONIA"

As to ship, equipment, management, cuisine, service and value this world cruise stands beyond compare.

By sea and by land — 30,000 miles—133 days—a wonderful world panorama; each country is visited at a time of the year when climatic as well as other conditions offer their greatest attraction.

Complete Guide Book, depicting the full itinerary is now ready; let us send you a copy.

Fares cover all shore excursions

THOS. COOK & SON

NEW YORK
585 Fifth Avenue
DOWNTOWN OFFICE
253 Broadway

to the MEDITERRANEAN

on the White Star "Ship of Splendor"

"HOMERIC"

the largest, most modern, most replete and most luxurious steamer sailing to the Mediterranean:

From New York January 23rd

Supreme in every detail: in the superb specially chartered ship; in the cruise management and in the entertainments aboard and ashore.

The itinerary covers the widest field of worth-while points, including sixteen days in Egypt and Holy Land; optional visits to Paris and London on the homeward trip; also stop-over privileges.

Cook's Fleet of Nile Steamers and Dahabeahs stands foremost on that river.

Philadelphia Boston Chicago
St. Louis San Francisco
Los Angeles Toronto Montreal
Vancouver

is reduced 50 per cent. they would agree to pay £15,000,000 a year, or \$75,000,000. It would be extremely unlikely that they could obtain from America's settlement on the basis of \$100,000,000 a year, which M. Caillaux regards as the maximum payment to the United States. It is reasoned here that £15,000,000 a year to England and £20,000,000 to the United States, a total of £35,000,000, is what England now pays America, and that if England, with her great foreign interests, finds it burdensome to pay this sum, France, bearing the load of reconstruction, could not pay it. And thus the French have material for an argument they will surely present at Washington—that France's capacity for payment must be considered, and considered not only by one debtor but by both debtors, contending that America cannot refuse to a war ally the treatment she recommended France to accord to the former common enemy.

Reparations Still a Factor

In this connection, reparations are bound to come up, for while M. Caillaux has given up hope of connecting directly payments from Germany to payments to America, one does not have to be an economist to see that reparations must be considered as a factor in any estimate of France's capacity to pay.

M. Caillaux's chief concern is to keep France from being caught in what the French fearfully regard as a squeeze play, analogous to that by which England and America got them to renounce their claim on the Rhine in exchange for a treaty guaranty which did not materialize; they do not want to be left holding the bag in case of Germany's failure to carry out the Dawes Plan. It seems to them, that after repairing themselves the damage everybody did in the war, they are being asked by America to pay whether Germany does or not, and told by England they must pay if Germany does not. The composite French reply to this proposition is, "Jamais de la vie," which, translated into American means, "Not on your life."

This is M. Caillaux's nightmare. He knows, whatever he may do at home, if he commits France to paying England and America, even if Germany does not pay, his reputation as a financial wizard will be drowned in the swelling conviction that he is a worse post-war politician than he was a pre-war.

M. Caillaux's personal idea is that the French people can pay 2,000,000,000 or 2,500,000,000 francs annually toward settling with England and America once reconstruction work is completed, which will be in a

Your Paris Correspondent

More of your clients are visiting Paris now than ever before

Are they receiving the personal service to which they are accustomed at home?

We understand their problems and can do much to render their visit more pleasant



Mail Facilities for Clients

**Direct Correspondents
Throughout Europe**

The Travelers Bank
20 Place Vendôme
Paris

Bankers Correspondence Invited

couple of years, and if Germany carries out the Dawes Plan. He wants Washington and London to agree, not to a Dawes Plan for France—one must not apply the same terms to the conquered and victorious nations—but he wants done for France the most important thing the Dawes Plan did for Germany, that is to regulate the transfer of these francs so as not to hurt French exchange. In arriving at this figure of about \$125,000,000 at the franc exchange M. Caillaux planned ninety-five to the pound. He counted on settling with England for about \$25,000,000 a year, with the rest for America. He counted that of the \$160,000,000 England pays annually to Washington, Great Britain's 22 per cent. share of reparations should yield \$125,000,000 and France would pay \$25,000,000, leaving England to get the small remainder from Italy, Russia or anybody else who owed her money. The higher English demand has, of course, affected the plan, so that after all, as it looks now, the whole business will depend on what is done at Washington.

The personnel of the French mission which is expected to go to Washington in

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	\$15,000,000	(£3,000,000)
Capital Subscribed	9,000,000	(£1,800,000)
Capital Paid-up	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits	7,291,105	(£1,458,221)

BANKERS:—Bank of England; Midland Bank Limited

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

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

September is not yet announced. M. Caillaux has said he will go for a short while if he can get away. There are important political considerations and the Finance Minister's departure for the American capital may well depend on developments here as well as in Washington between now and leaving time. The measure in which the Finance Minister would desire the credit of an acceptable settlement with America is also the measure of his disinclination to run the danger of failure to make a settlement or to be manipulated into making a settlement by which he would pledge France to pay the United States whether or not Germany pays France.

Italy

THE month of July in Italy was marked by the resignations from Premier Mussolini's Cabinet of Finance Minister de Stefani and Minister of National Economy Nava. Premier Mussolini accepted both resignations and has appointed, as successors to the two resigning ministers, Senator Count Volpi as Minister of Finance and Deputy Belluzzo as Minister of National Economy. Count Volpi is a Venetian financier, and was the negotiator of the Italian-Turkish Peace Treaty in 1912. Later his administration as Governor of Tripoli was very successful. Deputy Belluzzo is an engineer and leaves a professorship at the Polytechnic School in Milan to enter upon his new duties. A radio to the *New York Times* under date of July 26 remarks that "the first statement of Finance Minister Volpi on the financial situation does not differ much from the declarations made, just before he retired, by former Minister de Stefani." The article goes on to say that:

The budget shows a surplus of more than 200,000,000 lire. This surplus will be maintained next year and the public debt decreased by 6,000,000,000 lire of revenue. The budget shows a constant increase in expenditures, but these are chiefly for new public works. National savings have increased greatly.

Sweden

THE quarterly report of the Skandinaviska Kreditaktiebolaget, Stockholm, on economic and business conditions in Sweden for the second quarter of 1925, says, in part:

While the industrial situation can scarcely be said to have undergone any marked change either for better or for worse, the harvest prospects, owing to the favorable weather, are promising. According to the official returns for May, the harvest of autumn cereals is likely to be considerably above medium, whilst a good yield is expected of cereals, grass, and root-crops. After some weeks of drought there has been a good deal of rain in the latter part of June, whence the prospects of a good harvest were at the end of the quarter still favorable.

As regards industry, the figures for unemployment in the trade unions have decreased as is usual at this time of the year, and are, moreover, lower than at the same period last year. After the settlement of the big labor conflicts at the beginning of the quarter, peace has prevailed on the labor market, and none of the large branches of industry show any unemployment to speak of. Nevertheless the labor exchanges report that the relation between the supply and demand for labor is now more unfavorable than at the same period last year. It may be inferred from this that unemployment among unorganized

1839—1925

Banking in the Levant

THE Ionian Bank Limited since its establishment 86 years ago has always been an important factor in the economic development of the Levant.

The Organization of this British Bank is at the disposal of American Banks interested in trade and finance in the Near East.

IONIAN BANK LIMITED

TOTAL RESOURCES OVER £6,500,000

HEAD OFFICE—LONDON

GREECE

TURKEY

EGYPT

workers must be on a somewhat larger scale than in the trade unions. It has been pointed out that many of these unemployed are young men and women who did not reach a "working" age till the period of depression and have since failed to find employment.

On the basis of the directors' reports published during the quarter, a summary of the profits and losses of a number of large industrial companies has been compiled—companies whose aggregate capital at the end of 1924 amounted to more than 2,100,000,000 kronor. From this "specimen test," which, however, comprises a considerable part of Swedish industry inclusive of the firms with the largest capital, it appears that the losses were as numerous last year as in 1923: on a rough estimate, the balance sheets of one company out of every five showed a loss. The total net profits in 1924 were about 16 per cent. larger than in 1923. Seeing that the increase in output was probably of about the same dimension, and as Swedish industries in 1923 were saddled with unproductive expenditure during the protracted labor conflicts, the increase in profit would obviously have been larger, had not the sale prices in some cases fallen. The conditions last year in this respect were particularly unfavorable for

the timber companies, and for the same reason the iron industry showed losses or meagre profits. Firms engaged in the earth, stone and textile industries showed smaller returns last year, whereas the wood pulp mills, the foodstuffs, leather, rubber, and chemical industries as a general rule improved their position. There was also a considerable improvement in some engineering workshops.

The Swedish level of prices is in close conformity with that of the United States, and the maintenance of the gold standard has apparently not required any bolstering up on the part of the Riksbank. The foreign currency reserves and gold held by the Riksbank on June 13, totalled 368,000,000 kronor, as compared with 368,500,000 kronor at the beginning of the quarter and 370,200,000 kronor on April 1, 1924, when the gold standard was restored. The note circulation, on the other hand, has been reduced from 557,200,000 kronor on the last-mentioned date to 473,400,000 kronor on June 13, 1925. The recent prolongation for one year of the Riksbank credit of \$25,000,000 with the National City Bank of New York must, in view of the strong financial position of the bank, be regarded merely as a measure of precaution, the purpose of which is chiefly psychological.

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kreditkassen

First established
private bank in
Norway

**BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED**

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

**The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company**

Denmark

A STATEMENT issued on July 29 by the Guaranty Company of New York regarding an offering in the United States of \$30,000,000 Kingdom of Denmark thirty-year $5\frac{1}{2}$ per cent. external gold bonds, reads as follows:

A syndicate, headed by the Guaranty Company of New York, and including Dillon, Read & Company and the Union Trust Company of Pittsburgh, is offering today (Wednesday, July 29, 1925) \$30,000,000 Kingdom of Denmark thirty-year $5\frac{1}{2}$ per cent. external gold bonds, maturing August 1, 1955, at $99\frac{1}{2}$ and interest. Inquiry for substantial amounts originating from abroad has resulted in arrangements for a simultaneous offering in Holland by Messrs. Lippman, Rosenthal & Company, De Twentsche Bank, Rotterdamsche Bankverein and Labouchère & Company, at $99\frac{3}{4}$ and interest, Amsterdam terms, and for placing bonds in Switzerland through a group of Swiss bankers, headed

by Crédit Suisse. Proceeds of the loan, in large part, are to be used to retire on October 15, 1925, at 110 and interest, the outstanding 8 per cent. dollar bonds issued in 1920, which bonds will be accepted in payment at a price equivalent to a 4 per cent. interest yield basis, computed from the date of payment for bonds allotted to October 15, 1925.

The bonds are not redeemable prior to August 1, 1930, and a sinking fund will be set aside semi-annually sufficient to retire the entire issue by maturity, to be applied either to purchase of bonds at not exceeding par and interest, or to their redemption by lot.

Denmark is an intensively developed agricultural country, more than 80 per cent. of the land being productive. Dairy farms are scattered through rich pasture lands and their products supply the neighboring industrial countries, particularly Great Britain, but Danish dairy products have a world-wide market. Through advantageous location of the capital, Copenhagen, which is a free port, Denmark also carries on a large commercial and transit business in Scandinavia and the Baltic countries. The

BANQUE CHRISSOVELONI

Head Office: BUCHAREST, ROUMANIA

New York Agency, 115 BROADWAY

Capital Lei 200,000,000 Resources Lei 1,200,000,000

Established 1848

Affiliated Banking Houses in PARIS and VIENNA

Branches in CONSTANTINOPLE and all over Roumania

COMPLETE FOREIGN BANKING SERVICE

Correspondence invited from those interested in Central Europe and the Near East
RADU IRIMESCU, New York Agent

The Yokohama Specie Bank, Ltd.

[Yokohama Shekin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed		.. Yen	100,000,000
Capital paid up		.. Yen	100,000,000
Reserve Fund		.. Yen	80,500,000

(\$0.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Fongtien	Hongkong	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hamburg	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tsinan
Calcutta	Hankow	Kebe	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton	Harbin	London	Newchwang	Saigon	Sydney	Vladivostok
Changchun				Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

foreign trade is relatively large. Total imports last year amounted to \$524,000,000, converting Danish currency at the current rate, and total exports to \$478,000,000 leaving a small import balance of \$46,000,000, as is customary in such a well developed country.

The Government is stable and all financial matters are in the control of elected representatives of the people. Estimates for the present fiscal year provide current revenues in excess of current expenditures, and they are expected to be within \$623,000 of meeting all expenditures, including those for capital account. At the close of 1924, the debt of Denmark, at par, amounted to \$303,600,000, or about \$90 per capita. A large part of this debt was contracted for revenue producing expenditures, such as railroads, telegraphs, telephones, harbors, etc. The Government's assets, at par, are valued at \$447,300,000, an amount largely in excess of the total debt. There is a metallic reserve of about 45 per cent. held against currency notes outstanding, and in consequence of improving economic conditions, the Danish krone has steadily appreciated during the last two years. It is worth today about 23¾ cents in gold, which is 91 per cent. of par.

Norway

THE monthly report on economic conditions by the Bank of Norway, Oslo, for the month ended June 30, 1925, says, in part:

During the month of June the money market showed increased activity owing to the repayment by the Government of internal loans. The repayment was in part effected by means of the proceeds of a 5½ per cent. loan of \$30,000,000 contracted in the United States. There was an expansion in the note circulation of the Norges Bank toward the end of the half-year, but the total is on a lower level than at the corresponding date last year. Deposits increased substantially and reached a maximum since June 1923. There was equally an advance in loans and discounts toward the end of the month, but they still remain below last year's figures and the increase is of a temporary nature.

The improvement in the value of the krone continued, and during the last fortnight the recovery became rather sharp under the influence of supplies of exchange coming from abroad. On the basis of New York quotations the krone reached 66.9 per

The Punjab National Bank, Ltd.

Established 1895

Head Office: 25, The Mall,

LAHORE, INDIA

Tel. Addresses: "Stability" for head office and branches; "Clearance" for Bombay, Lahore City, Amballa Cantonment and Peshawar Cantonment only.

Capital (Issued)	Rs. 1,00,00,000
Capital (subscribed)	50,00,000
Capital (paid-up)	30,65,568
Reserves (Dec. 31, 1924)....	25,70,000
Deposits	6,28,06,910
Total Resources	7,18,66,697

LONDON AGENTS—Midland Bank Limited, 5, Threadneedle St., London E. C. 2.

BRANCHES—Amballa City, Amballa Cantonment, Amritsar, Bombay, Calcutta, Cawnpore, Delhi, Dera Ismail Khan, Ferozepore City, Gojra, Gujranwala, Hoshiarpur, Hyderabad, Hafizabad, Jammu, Jhelum, Jullundur City, Karachi, Kasur, Lahore City, Ludhiana, Lyallpur, Meerut City, Multan City, Montgomery, Okara, Patiala, Peshawar City, Peshawar Cantonment, Quetta, Rawalpindi City, Sargodha, Sialkot City, Simla, Srinagar.

Banking Business of every description transacted.

GOVIND DASS, BHAGAT, M.A., LL.B.,
Secretary

cent. of the par-value on June 30 as against 63.1 per cent. on May 31, 61.5 per cent. on April 30 and 57.1 per cent. on February 28. The upward movement is stronger than justified by the economic situation, and there are consequently growing chances for a reaction.

The bond market was active with higher quotations for krone bonds and weaker tendency for sterling bonds. The value of the turnover on the Oslo Exchange doubled in June. The volume of transactions in shares did, however, not exceed that of May, although there was an increase in the index of quotations.

The decline in the price level continued. The official index of wholesale prices was two points lower at 260 (prices in 1913 = 100). The cost of living index fell from 262 in May to 259 in June (prices of July 1914 = 100).

There was a reduction in the volume of the foreign trade and more especially in imports. The total surplus of imports for the period January—May 1925 amounted to 147,700,000 kroner; viz., a monthly average of 29,500,000 kroner, compared with 269,500,000 kroner in the corresponding period of

1924 (monthly average 58,900,000 kroner).

The depression is still predominant in the freight market, and rates are low with reduced demand.

The yield of the spring cod-fisheries exceeds the annual output of all recent years, except 1911-13 and 1924. Up to date the first hand value of all the cod-fisheries represents a total amount of 61,000,000 kroner as compared with 60,900,000 kroner on June 30, 1924 and 26,900,000 kroner in 1923. The output of the mackerel-fisheries is disappointing, whereas the salmon-fisheries have been going on fairly well.

The crop situation is good all over the country.

Industries are feeling the stagnation of the summer months, and in addition to the general dullness, the effect of the rise in the krone presents a serious obstacle to exports. The factories have, however, been well occupied.

June brought a decrease in unemployment, the number of unemployed in the whole country being approximately 15,000 against 16,300 in May of this year. Inclusive of persons engaged in relief work the figure will be 18,000 as against 20,300 in May 1925 and 15,400 in June 1924.

Austria

THE report of the Mercurbank, Vienna, for 1924 contains interesting references to the past economic crisis and the present condition of the country. This report says, in part, that Austria has suffered, during the greater portion of 1924, under a severe economic and financial crisis, which has spread to practically all neighboring countries. Everywhere the symptoms were identical; viz., decreasing consumption, curtailed production, numerous failures, high money rates and a slump in securities, carrying them, in many instances, way below their intrinsic value. The effects of the crisis in Austria were intensified by the fact that the country had hardly overcome the after-effects of inflation.

Since the beginning of the current year, conditions seem to be on the mend and, to all appearances, the danger point of the crisis has been passed. Deposits in commercial and savings banks are increasing; the money market shows greater ease which is reflected in the repeated reduction of the bank rate; commercial failures have diminished; the balance of trade shows increasing exports and decreasing imports; a number of industries are well supplied with orders; and the outlook for electrical

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:
HELSINKI
(Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk.	- - -	150,000,000
Reserve Fund and Profits Fmk.		115,000,000
Deposits etc. (31/12 '24) Fmk.	-	1,704,000,000

All descriptions of banking business transacted

Telegraphic address: KANSALLISPANKKI

works and machine factories has brightened up, owing to the impending use of a part of the funds of the League of Nations Loan for the electrification of certain lines of the Austrian Government Railroads. In connection therewith a decrease in the number of unemployed is bound to come. There is considerable encouragement in the fact that foreign capital which, during the period of depression, has been rather reticent towards Austrian business, is beginning to find its way once more to this country.

Politically, the Austrian Government has been striving to comply with the desires of the great powers and to maintain friendly relations with the neighboring states. There is no cause for exaggerated optimism; nor does it seem justified to give way to the dark pessimism displayed in certain quarters. Austria has proved its economic vitality by overcoming both inflation and the latest economic crisis. The elimination of weak economic organizations, particularly of unsound post-war concerns, is no cause for regret. Austria has been through a process of purification and that which survives has proved its right to continue its existence.

Fully aware of their economic responsibility, the leading financial institutions have shouldered a large part of the burden, bearing the brunt of the economic crisis. They satisfied the legitimate though greatly increased credit requirements of trade and industry without in any way endangering the safety or liquidity of the deposits entrusted to them. The stability of the Austrian currency, which is now generally acknowledged, has been of paramount importance in overcoming the crisis.

Australia

THE \$75,000,000 issue of Commonwealth of Australia 5 per cent. thirty-year external gold bonds, offered in New York on July 20 by a syndicate headed by J. P. Morgan & Co. was largely oversubscribed, and the books were closed within an hour.

The following statement in connection with the issue, prepared from information furnished by the Right Hon. Sir Joseph Cook, High Commissioner for the Commonwealth of Australia in London, was given out on the occasion of the offering:

Aktiebolaget Unionbanken

Successors to Wasa Aktie Bank (established 1879), Abo Aktiebank (established 1896), Landtmannabanken, Aktiebolag (established 1910)

Head Office in Helsingfors (Finland)

Offices in Wasa and Abo and Branches at 54 other places in Finland

Capital - - - Fmk. 100.000.000

Funds - - - - " 56.000.000

Telegraphic Address "Unionbanken"

Banking business of every description transacted

The Commonwealth of Australia is comparable with the Dominion of Canada in area, resources and importance to the British Empire. The present estimated population is 5,900,000 persons.

The private wealth of Australia was estimated in 1921 to be \$10,540,000,000 or \$1932 per capita, in addition to some \$3,406,000,000 of public wealth. It should be remembered that both the Commonwealth and states own and operate various public utilities, such as railways, telephone and telegraph systems, water conservation works, etc. The value of assets in cheque-paying banks at December 31, 1924 was \$1,633,124,534, and the amount of deposits in savings banks \$841,236,899, or \$145 per inhabitant.

The value of the various classifications of Australian production for the year ended June 30, 1923, according to the official estimates, was as follows:

Agriculture	\$ 409,677,000
Pastoral	440,589,000
Dairy, poultry, etc.	211,897,000
Forests and fisheries	52,835,000
Mining	98,868,000
Manufacturing (process only)	599,494,000
Total	\$1,813,360,000

The value of the manufacturing output of the Commonwealth for 1923-1924 was \$1,696,353,000.

Credit Rating

The present loan is the first external loan which the Commonwealth has issued outside of the London market, where its securities enjoy the highest credit. Loans of the Commonwealth issued in London constitute a legal investment for trustees in Great Britain, in accordance with the requirements of the Trustee Act, 1893, and of the Colonial Stock Act, 1900. The latest Commonwealth loan was issued in London in November, 1924, at a price to yield 4.90 per cent., and the two preceding loans, in May 1924 and October 1923, at prices to yield 5 and 5.07 per cent. respectively.

Purpose of Issue

Through the issuance of this loan, of a £5,000,000 loan in London, and of a long-term conversion loan to be issued in Australia, the Commonwealth is providing for the refunding of short-term war debt which matures in December 1925.

Government Debt

The debt of the Commonwealth of Australia as of March 31, 1925, was as follows:

External debt in hands of public (payable in London)	\$ 282,351,498
Debt to British Government (to be amortized by 1956 under a funding agreement of 1921)	428,726,995
Internal debt	1,390,681,271
Total gross debt	\$2,101,759,763

The foregoing represents the entire indebtedness of the Commonwealth as it has no guarantees outstanding. It should be noted that \$343,341,624 of the total gross debt has arisen from advances made to various Australian states.

The Commonwealth has established sinking funds for its public debt under the National Debt Sinking Fund Act 1923, Section 9 of which provides among other things that:

The Treasurer shall pay into the trust fund, under the head of the National Debt Sinking Fund:

(a) In each financial year for a period of fifty years, commencing with the financial year 1923-1924, a sum of \$6,083,125.

(b) In each financial year for the said period of fifty years a sum equal to ½ per cent. of the net debt created in that financial year and in any financial year prior thereto and after June 30, 1923.

The above act was recently amended empowering the Treasurer to pay such sum in addition to the above as he may determine.

The average rate of interest borne by the entire debt is less than 4.85 per cent.

A/B Nordiska Föreningsbanken

(in Finnish: O/Y Pohjoismaiden Yhdyspankki)

The Greatest Private Bank in Finland, formed from the Amalgamation in 1919 of Föreningsbanken i Finland and Nordiska Aktiebanken för Handel och Industri

PAID-UP CAPITAL and RESERVES: Fmk. 320,000,000

Head Office:

HELSINGFORS

52 Branches all over the country

Telegraphic Address: UNITAS

PRINCIPAL NEW YORK CORRESPONDENTS

The National City Bank

Chase National Bank

Irving Bank-Columbia Trust Company

Guaranty Trust Company

Government Revenues and Expenditures

The ordinary revenues and expenditures of the Commonwealth during the past five fiscal years are shown in the following statement:

Years ended June 30	Ordinary revenues	Ordinary expenditures
1921	\$318,841,439	\$314,493,119
1922	315,821,474	316,842,953
1923	314,962,970	309,998,410
1924	321,272,718	332,604,709
1925	334,800,000*	325,200,000*

*Partly estimated

These figures do not include expenditures for public works or for certain non-recurrent charges consequent upon the war (including part of the cost of repatriation of Australian troops), which have been met from loan funds, such expenditures in the year ended June 30, 1925 having been approximately \$40,300,000. The ordinary expenditure figures include, however, all recurring charges for interest, sinking fund, pensions and other charges consequent upon the war, together with part of the cost of repatriating Australian troops and some capital expenditures on public works.

Monetary System

The monetary unit of Australia is the pound sterling, the gold standard having

been restored on April 28, 1925, co-incidentally with similar action in Great Britain, by the removal of restrictions on the export of gold. The Commonwealth Bank has the sole power of note-issue and on April 30, 1925 had \$276,856,285 of notes in circulation, against which it held a gold reserve of \$124,979,287, or over 45 per cent.

Foreign Trade

Prior to 1913, Australia normally had a favorable trade balance, the average annual surplus of exports over imports in the ten years ended December 31, 1913 having been \$68,314,000. During the war years as a whole, a large surplus of exports was reported; since 1918, due largely to trade dislocations resulting from the war, the trade balance has fluctuated widely, an excess of imports having been recorded in the years ended June 30, 1921, 1923 and 1924. In the year ended June 30, 1925, exports amounted to \$815,000,000 and imports to \$770,000,000, the excess of exports being \$45,000,000 (figures partly estimated) and indicating a return to the normal favorable trade balance of pre-war years. The value of the total trade of Australia in the fiscal year just ended was larger than in any previous year in its history.

INCASSO-BANK AMSTERDAM

ROTTERDAM-THE HAGUE

36 other Branches throughout HOLLAND

Established 1891

Paid-up Capital	:	:	:	:	Fl. 25,000,000
Reserve Fund	.	.	.	.	Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: **INCASSOBANK**

Japan

THE demand for funds for the mid-year Japanese settlements caused a sharp rise in outstanding note issues of the Bank of Japan, the total for June 30 having been 1,403,000,000 yen, a jump of 214,000,000 yen over May and of 86,000,000 yen over the corresponding period last year, according to cable advices to the Department of Commerce at Washington from Tokio. These settlements also caused a marked increase in bank clearances, the total for the month having been 7,850,000,000 yen, more than 2,270,000 yen above the May total.

The total national debt of Japan amounted to 4,962,000,000 yen at the end of June, an increase of 11,000,000 yen compared with May. The June total includes domestic loans of 3,457,000,000 yen and foreign obligations of 1,505,000,000 yen. In comparison with the previous month there were increases of 8,000,000 yen and 3,000,000 yen in domestic and foreign loans, respectively.

Postal savings deposits at the end of June totaled 1,134,000,000 yen, an increase of 6,000,000 yen over May and the highest total recorded during the past eighteen months.

Investments of capital during June totaled 137,100,000 yen, according to the report of the Japan Hypothec Bank. The distribution was as follows: government loans, 45,000,000 yen; municipal issues, 1,900,000 yen; company debentures, 69,900,000 yen, and capital stock payments, 20,300,000 yen. In comparison with May the total showed a decline of 51,400,000 yen, there having been substantial decreases in government loans, municipal issues and capital stock payments, but an increase of over 5,000,000 yen in company debentures.

The Electric Industry in Japan

Burnett Walker, vice-president of the Guaranty Company of New York, recently returned to the United States from an extended trip including Japan, where he spent several weeks, first investigating and then negotiating with certain Japanese electric

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed . .	Frs. 60,000,000
Capital Paid Up . . .	Frs. 30,000,000
Reserve	Frs. 10,000,000

Branches:
BRUSSELS — OSTEND
CORRESPONDENTS
AT ALL BANKING POINTS

power companies in respect to financing in the American market. Mr. Walker is quoted as saying that:

One of the most impressive things in Japan is the manner in which the business men of that country and those connected with the financial end of the Government are leaving no stone unturned to make conditions favorable for investment, especially by the American and British, in the soundest of Japanese industries, such as the hydro-electric and electric distributing companies.

With the aid of Japanese experts, Mr. Walker and his party made a study of the laws and general business and governmental conditions as they affected the electrical industry of Japan. He said there were some changes in the laws which the Japanese public utility men are expecting to be made, but these changes are largely to conform more closely to American practice in certain respects. The attitude of the Government and Japanese business men, their laws, and all other elements of the situation make a basis which is exceedingly favorable to the interests of our investors who hold Japanese electric securities. Mr. Walker says:

The visitor to Japan is struck immediately by the extensive use of electricity. There is today probably a larger proportion of houses lighted by electricity in Japan than in any other country in the world, not even excepting the United States, and practically all large manufacturing establishments use electrically driven machinery.

In 1920, Japan was surpassed in total electric output by only the United States and Germany, and since 1920 the development of the industry in Japan has been very rapid. The total capital invested in 1923 in the Japanese electric enterprises, including privately owned electric railways which frequently do a substantial power and light business, was very substantially in excess of a billion dollars.

That electricity is so generally used in Japan is the result, in part, of economic circumstances, most of the country being richer in water power than in coal or other fuel; but another and strong reason for this development is that the Japanese people are adapting western methods to their situation at an astounding rate.

The electric power and light business as a public utility is almost as old in Japan as in any other country, having had its inception in 1887.

In Japan, as is becoming more and more

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Saesrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

true in the United States, the electric business of the country is now, to a large extent, under the control of a few large well managed companies. Three of these companies are already known in this market and a fourth is expected to do financing here in the near future. These companies not only rank high in the best informed quarters of London and New York, but also in Tokio, where the financial and business community consider each one as eminently sound and representative of their best form of enterprise. The greater part of the development of the electric industry in Japan has been financed by the Japanese themselves, mainly through issues of common stock.

It is quite interesting in Japan to find how many of the managerial staff and engineers have had training in American universities and in our big electrical companies. A large part of their machinery, also, has been purchased in this country. The appearance of their plants, therefore, is what one finds in our large well managed units in the United States.

RECIPROcity

IS THE SECRET
OF OUR
SUCCESS

OUR CLIENTS
HAVE
AND WE

CONFIDENCE

IN US
IN THEM

GUAYAQUIL
ECUADOR

BANCO DE DESCUENTO

China

REGARDING the cancellation by the United States Government of the final instalment of China's indemnity for the Boxer outbreak, an *Associated Press* statement dated July 20 says:

China's debt of \$6,137,552, the final instalment of its indemnity for the Boxer

outbreaks, was wiped off the slate on July 20 by the United States Government.

The money will be used for educational purposes, under direction of a board appointed by the Chinese Government, made up of American and Chinese citizens.

President Coolidge, in remitting the debt at this time to the troubled nation, acted under authority granted by Congress more than a year ago. The Chinese Legation, taking note of the action today, declared it would go far toward further cementing the friendship of the two nations.

"The Chinese people," the legation said, "will never forget this extraordinary act of justice and good will on the part of America. It is safe to say that the gratitude of the Chinese people for the generous act will not fail to manifest itself in various ways in the future relations of the countries."

The statement declared that twenty-four years ago, when the powers exacted the indemnity, "the American Government protested strenuously against this unjust proceeding but without avail," and that ever since, it had maintained that the indemnity should be returned to China solely for that nation's benefit.

China's indemnity to the United States originally was fixed at \$24,000,000, but Congress in 1908 ordered a large part of it eliminated.

Trade With Sweden

Aktiebolaget

Göteborgs Bank

Gothenburg and Stockholm

SWEDEN

Established in 1848

Own capital Kr. 78,750,000
(over \$20,000,000)

Through our many branches and correspondents all over Sweden we are able to offer every accommodation possible for banking transactions in Sweden.

Cable address: Götabank

International Banking Notes

The statement of condition of the National Bank Limited, of London and Dublin, for the half-year ended June 30, 1925, shows total assets of £44,413,079, deposit, current and other accounts £38,340,892 paid-up capital £1,500,000, and reserve fund £1,225,000. Net profit for the half-year, after meeting all expenses, and including

UNION BANK OF SWITZERLAND

(UNION DE BANQUES SUISSES)

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - -	Swiss Francs	16,500,000
DEPOSITS - -	Swiss Francs	438,103,000
TOTAL ASSETS -	Swiss Francs	586,297,000

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano,
Locarno, Vevey, Chaux-de-Fonds, etc., etc.

The Bank will be pleased to act as *paying agents for
Letters of Credit, Travellers' Checks, etc.*

Well equipped to handle your
Swiss banking business

£29,539 brought forward from last account, amounted to £216,346. This amount has been disposed of as follows:

	£
To a dividend for the half-year at the rate of 14 per cent. per annum	88,375
To income tax and contingencies account	35,000
To reserve fund	25,000
To reduction in bank premises	25,000
To staff widows' and orphans' fund	12,000
Carried forward to next account	30,971

⊙

The statement of condition of the Westminster Bank Limited, London, for the half-year ended June 30, 1925, shows total assets of £298,307,672, current, deposit and other accounts £269,015,340, paid-up capital £9,051,718, and surplus £9,051,718. The bank has declared an interim dividend of 10 per cent. for the half-year on the £20 shares, and a maximum dividend of 6½ per cent. on the £1 shares for the same period.

⊙

Announcement has been made of the retirement on pension of one of Australia's most prominent and respected bankers, C. A. B. Campion, manager of the London branch

of the Commonwealth Bank of Australia, who has held this position since the opening of that branch. In recognition of his services he has had conferred upon him the honor of Officer of the Order of the British Empire. His five sons all served in the British Army. He is a Fellow of the Institute of Bankers and of the Royal Economic Society.

⊙

The statement of the Netherlands Trading Society, Amsterdam, for the year ended December 31, 1924, shows total assets of fl. 616,613,101, fixed deposits fl. 115,358,565, current accounts fl. 278,881,154, paid-up capital fl. 80,000,000, and reserve fund fl. 48,196,861. The net profit for the year amounted to fl. 6,459,146, out of which, after providing for the statutory reserve to the extent of fl. 491,829, a dividend of 7 per cent. was declared.

⊙

The statement of condition of the National Bank of New Zealand, Limited, London, for the year ended March 31, 1925, shows total assets of £17,371,871, deposit and current accounts £10,822,911, paid-up

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

capital £1,500,000, and reserve fund £1,470,000. The net profit for the year, after providing for all expenses, and including

£155,558 brought forward from previous account, amounted to £435,384. An interim dividend at the rate of 12 per cent. per



The architect's sketch of the new building now under construction for the Union Bank of Scotland, Limited, Glasgow. The Union Bank of Scotland, Limited, is one of the few remaining independent banks in Scotland, its business connection dating back fully 200 years, although the bank has been doing business in its present form only since 1830

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)
Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: MANILA, P. I.

BRANCHES: ILOILO, CEBU, ZAMBOANGA



William T. Nolting President
Joseph F. Marias Vice-President
Fulgencio Borromeo Vice-President
R. Moreno Secretary
D. Garcia Cashier
E. Byron Ford Chief, Foreign Department
S. Freixas Chief Accountant
P. J. Campos Manager Iloilo Branch
J. M. Browne Manager Cebu Branch
J. M. Garcia Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

annum, paid in July last, absorbed £88,686, and the sum of £40,000 was placed to premises account, leaving available for distribution the sum of £806,697. This amount has been disposed of as follows:

	£
To payment of a dividend at the rate of 12 per cent. per annum for the year ended March 31, last	90,000
To payment of a bonus of 2 per cent.	30,000
To reserve fund (bringing it to £1,480,000)	10,000
To pension and gratuity fund	9,000
Carried forward to next account	167,697

In May last, 200,000 new shares were offered to shareholders of the National Bank of New Zealand, Limited, at a premium of £2 10s per share, in the proportion of one share for every three shares held. The new shares have been allotted and the premium amounting to £500,000 has been carried to the reserve fund, raising it to £1,980,000.

The statement of condition of the P. & O. Banking Corporation Limited, London, for year ended March 31, 1925 shows total assets of £17,156,484, current, deposit and other accounts £9,419,041, paid-up capital

£2,594,160, and surplus £160,000. The net profit for the year, after providing for all expenses, amounted to £186,214, added to which £17,567 brought forward from previous account, made available for distribution the sum of £158,782. This amount has been disposed of as follows:

	£
To reserve fund	25,000
To writing off premises account	5,000
To a dividend for the year at the rate of 5 per cent. per annum	106,198
Carried forward to next account	17,584

The directors of Lloyds Bank Limited, London, have declared an interim dividend for the half-year ended June 30, 1925, of 1s. 8d. per share, being at the rate of 16 2/8 per cent. per annum, payable, less income tax, on and after August 1. This is the same as a year ago.

The statement of the Munster and Leinster Bank Limited, Cork, for the half-year ended June 30, 1925, shows total assets of £27,118,460, deposit, current and other accounts £25,391,429, paid-up capital £500,000,



Bush House, London, the building shown above, was formally opened on July 4, with addresses by Earl Balfour and Irving T. Bush. It is intended as a memorial of the friendship between the English speaking peoples. The building was designed by Helmle and Corbett, London, and the sculpture group above the entrance is the work of Malvina Hoffman of New York

and reserve fund £1,635,000. The net profit for the year, after providing for all expenses, amounted to £92,996, added to which the amount of £44,033 brought forward from last account, made available for distribution a total of £137,030. This amount has been disposed of as follows:

	£
To a dividend for the half-year at the rate of 18 per cent. per annum	45,000
To reserve fund	35,000
To reduction of premises account	10,000
Carried forward to next account	47,030



The boards of directors of Lloyds Bank Limited, London, and the Bank of British

West Africa Limited, London, decided to amalgamate their businesses in West Africa, effective as of May 30 last. The businesses of these banks are now carried on in the name of Lloyds Bank Limited. Lloyds has retained the services of the principal officials of the British Bank of West Africa Limited in Egypt, and two directors of the British Bank of West Africa Limited have joined the Egyptian committee of Lloyds Bank Limited in London.



The statement of condition of Barclays Bank Limited, London, for the half-year ended June 30, 1925, shows total assets of

Rotterdamsche Bankvereeniging

Rotterdam Amsterdam

The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States

J. Enderman, 31 Nassau Street, New York

£333,769,972, current, deposit and other accounts (including balance of profit and loss) £298,947,270, paid-up capital £15,592,372, and reserve fund £8,250,000. Out of the profits for the half-year, an interim dividend has been declared at the rate of 10 per cent. per annum on the "A" shares, and 14 per cent. per annum on the "B" and "C" shares respectively, subject in each case to deduction of income tax.

⊙

The sixty-first annual report of the Bohemian Discount Bank and Society of Credit, Prague, for the year ended December 31, 1924, shows total assets of kc. 4,082,970,073, total deposits kc. 736,016,941, paid-up capital kc. 200,000,000 and reserve fund kc. 144,631,790.

⊙

The statement of condition of the Union Bank of Australia, Limited, London, for the year ended February 28, 1925, shows total assets of £46,727,082, total deposits £33,995,484, and paid-up capital, reserve fund and undivided profits £8,005,401. The

net profit for the year, after providing for all expenses, and including £90,003 brought forward from previous account, amounted to £680,401. An interim dividend paid in January last, absorbed £225,000 of this amount, leaving available for distribution the sum of £455,401. This sum has been disposed of as follows:

	£
To reserve fund (increasing it to £4,150,000)	100,000
To a final dividend of 7 per cent. per annum	262,500
Carried forward to next account	92,901

On October 25, 1924, the directors of the Union Bank of Australia, with the approval of the shareholders, issued 100,000 new shares (£5 paid), the proportional allotment being one new share for six existing shares. This made the bank's final dividend for the year ended February 28, 1925, payable on the paid-up capital of £3,500,000.

⊙

The statement of condition of the Manchester and County Bank Limited, Manchester, as of June 30, 1925, shows total

We are pleased to announce that
we have moved to our new building where it will be our
privilege to continue serving our many friends

BANCO DE PONCE

PONCE, PORTO RICO

Capital	-	-	-	-	-	\$ 750,000.00
Surplus	-	-	-	-	-	\$ 175,000.00
Assets	-	-	-	-	-	\$5,000,000.00

We solicit your collections.

Correspondence invited.

assets of £21,805,850, current, deposit and other accounts (including the balance of profit and loss) £19,595,950, paid-up capital £1,092,040, and reserve fund £1,025,000.

©

The statement of condition of the Skandinaviska Kreditaktiebolaget, Stockholm, as of June 30, 1925 shows total assets of kr. 975,786,872, total deposits kr. 876,441,458, and paid-up capital and reserve fund kr. 182,000,000.

©

The statement of condition of the Amsterdamsche Bank, Amsterdam, for the year ended December 31, 1924, shows total assets of fl. 433,276,036, current, deposit and other accounts fl. 186,975,823, paid-up capital fl. 55,000,000, and total reserves fl. 45,500,000. The net profit for the year, after providing for all expenses, amounted to fl. 6,197,038. This sum has been disposed of as follows:

	fl.
To a dividend at the rate of 7 per cent. per annum	4,125,000
To reserve fund	500,000
To remunerations under article 50 of articles of association	728,663
To dividend and remuneration taxes	440,318
Carried forward to new account	403,056

©

The seventy-fourth annual report of the Royal Bank of Australia, Limited, Melbourne, Victoria, for the half-year ended

March 31, 1925, and including London branch figures to January 31, 1925, shows total assets of £7,231,741, government and other deposits £6,902,519, and paid-up capital and reserve fund (including balance of profit and loss) £1,439,397.

©

The statement of condition of the China and South Sea Bank Limited, Shanghai, for the year ended December 31, 1924, shows total assets of \$41,764,037, deposits \$9,017,477 (as against \$5,940,995 for the corresponding period in 1923), paid-up capital \$7,500,000, and reserve fund \$335,329. The net profit of the bank for the year, after meeting all expenses, amounted to \$1,126,516. This sum has been disposed of as follows:

To general reserve	\$112,651
To regular dividend	312,547
To special reserve	70,000
To extra dividend	437,404
To directors' and supervisors' fees	31,565
To staff bonus	167,829
Carried forward to next account (plus the balance of \$8922 carried forward from 1923)	13,439

©

The statement of condition of the In-casso Bank, Amsterdam, for the year ended December 31, 1924, shows total assets of fl. 125,803,875, current and deposit accounts fl. 66,568,401, paid-up capital fl. 25,000,000, and reserve fund fl. 5,861,700. The net profit for the year amounted to fl. 3,361,810.

THE ~~GUARANTY~~ TRUST CO.

_____ 19__

TO → _____

WE ARE CHARGING YOUR ACCOUNT TODAY FEE 50 CENTS

ON ACCT OF YOUR CHECK IN FAVOR OF _____

RETURNED BECAUSE OF INSUFFICIENT FUNDS.

AMOUNT OF CHECK \$ _____ BY _____

AS ORDERED BY CHECK # _____

A cut of the form used by the Guaranty Trust Company, Cambridge, Mass., to charge for overdrafts. Form courtesy of A. E. Martell Co., Keene, N. H.

Penalizing Chronic Overdrawers

Cambridge Bank Devises Effective Method of Reducing Overdrafts Through a Service Charge

THE problem of what to do to stop overdrafts has always been a puzzling one to banks. In many cases the overdrafts are due merely to carelessness, oversight, or inexperience on the part of the customer. Many people do not realize that their overdraft, while it is a small thing, is only one of the many that the bank has. The bank cannot disregard them, for it is prohibited by law from allowing them. To be tolerant of overdrafts is not sound banking.

Many methods of remedying or preventing this abuse have been tried. Some banks remind the customer, by a polite but firm letter, each time he overdraws, that they do not like overdrafts. The most effective method for a chronic overdrawer is to ask him to withdraw his account. But this is not a very satisfactory method in these days of keen competition for accounts.

The Guaranty Trust Company of Cambridge, Mass., has hit upon what seems to be a particularly effective method of treatment for these accounts. Like almost all banks, it has been more or less bothered with customers who have made it almost a habit to draw against insufficient funds. "We tried various methods in attempting to minimize this practice," says Clarence S.

Farnum, assistant treasurer, "and finally adopted a form of service charge which has been very successful. We use this charge as well as the regular service charge for a checking account. If a check is presented through the clearing and is returned by the bookkeeper for insufficient funds, the offending account is immediately charged fifty cents. If there is more than one check, the charge is fifty cents for each check. Even though the account may be made good during the day, the charge stands.

"We use a very convenient form, made by A. E. Martell Company of Keene, N. H. This is made in triplicate; the original being a notice of the charge, which is sent to the customer; the duplicate a tissue sheet for our permanent records; and the triplicate, a charge ticket from which the bookkeeper makes his charge.

"This has resulted in building up the delinquent accounts to a great extent. There have been very few closed out because of the charge."

A cut of the form mentioned by Mr. Farnum is shown at the top of the page. Only one is shown, although the forms are made up three to a sheet, and in pads, with duplicate and triplicate under the original.





AN interior view of the new banking room of the Union Savings Bank and Trust Company, Steubenville, Ohio. This room is the result of a very interesting problem in remodeling whereby the size of the building was increased 100% without the necessity of the bank's at any time removing from the premises.

Thomas M. James Company

3 Park Street, Boston

342 Madison Ave., New York

Architects and Engineers

We would be glad to help you solve your
bank building problem

Write us for booklet

Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, **THE BANKERS MAGAZINE**, 71-73 Murray Street, New York.—EDITOR.

Balance Sheet Items—Part III

THE accompanying article is the sixth of a series by the Credit Editor on credit and credit department methods. In the April issue there was a discussion of two of the usual types of business organizations, i. e., the proprietorship and the partnership along the lines of the division of ownership. In the May issue, the corporate form of business organization was covered. In the June issue there was a discussion of the trial balance, the balance sheet, and profit and loss figures. In the July issue, the balance sheet was taken up, and the form of balance sheet approved by the Federal Reserve Board was given. The discussion of balance sheet items was continued in the August issue.—THE EDITOR.

design a form to be used by banks for ordinary commercial customers.

While the Federal Reserve form is a good one for this purpose, it is the writer's idea that one can be devised containing some improvements.

As previously mentioned, the Federal Reserve form includes in the assets the items of notes receivable discounted, and in the liabilities a contra item, which is not customarily handled in this way. The writer believes also that certain headings and captions might be changed to advantage, as shown in the accompanying suggested form.

NOW that we have reviewed the Federal Reserve form of balance sheet and the various general balance sheet items, perhaps, before leaving the balance sheet, it would not be amiss to

The balance sheet and questionnaire as set up here are rather lengthy containing items in detail as well as full questions. They have been given in this manner to afford a complete set up, which can be cut down, if desired. However, it must be remembered that the banker usually re-

ASSETS

Cash (Schedule A):		
1. Cash on hand		
2. Cash in banks		
Notes receivable and trade acceptances (Schedule B):		
3. Notes receivable from customers for merchandise sold		
4. Trade acceptances		
Total		
Less:		
5. Reserve for bad debts		
Accounts receivable (For merchandise sold—Schedule C):		
6. Under three months old		
7. Three months to six months old		
8. Over six months old		
Total		
Less:		
9. Provision for discounts		
10. Provision for bad debts		
Merchandise (Schedule D):		
11. Raw material		
12. Finished goods and goods in process		
Securities (Schedule E):		
13. United States bonds		
14. Stock exchange issues		
15. Other current securities		

The **FIRST**
NATIONAL BANK of
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New England business, send it to us. With ten offices covering the city and direct collection facilities throughout this section, we afford quickest and best service. Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

Other current assets (Schedule F):

- 16.
- 17.

Sinking fund assets:

- 18. Contra liability carried in quick liabilities

Total current assets

Other receivables (Schedule G):

- 19. Due from officers, stockholders and directors
- 20. Due from subsidiaries and affiliated companies
- 21. Other receivables

Total

Less:

- 22. Provision for bad debts

Land, buildings and equipment:

- 23. Land used for plant
- 24. Buildings used for plant
- 25. Machinery and tools
- 26. Furniture and fixtures
- 27. Other land, buildings, etc.

Total

Less:

- 28. Reserve for depreciation

Investments (Schedule H):

- 29. Stocks of subsidiary companies
- 30. Bonds of subsidiary companies
- 31. Other investments

Deferred assets:

- 32. Prepaid expenses, interest, taxes, insurance, etc.
- 33. Bond discount

Miscellaneous:

- 34. Patterns and drawings
- 35. Copyrights and trademarks
- 36. Good will

Other assets (Schedule I):

- 37. Cash surrender value of life insurance
- 38.
- 39.

Total assets

LIABILITIES

Unsecured notes payable (Schedule J):

- 40. Notes payable to banks
- 41. Notes sold through broker
- 42. Notes payable for merchandise
- 43. Notes payable to officers, directors and stockholders
- 44. Other notes payable

Acceptances:

- 45. Bankers acceptances
- 46. Trade acceptances

Accounts payable (Schedule K):

- 47. Accounts payable for merchandise
- 48. Accounts payable to officers, directors and stockholders
- 49. Other accounts payable

Total

Less:

- 50. Allowance for discounts

Secured liabilities (Schedule L):

- 51. Obligations secured by receivables
- 52. Obligations secured by merchandise
- 53. Obligations secured by collateral

Portion of fixed debt to be retired during coming year

Other current liabilities (Schedule M):

- 54.
- 55.

Total current liabilities

Fixed indebtedness (Schedule N):

- 56. Straight mortgage
- 57. Mortgage bonds
- 58. Chattel mortgage
- 59. Debenture bonds
- 60. Other funded indebtedness

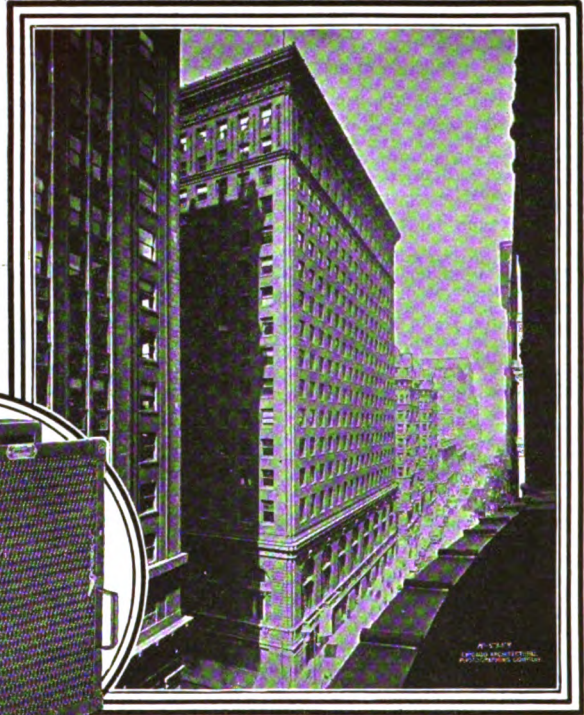
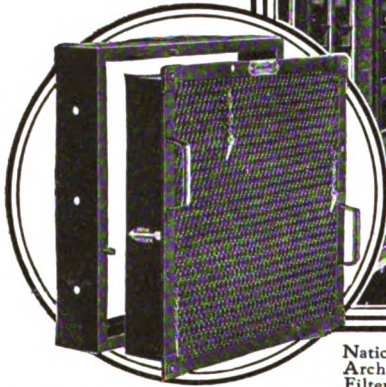
Total

Less:

- 61. Portion to be retired during coming year carried above

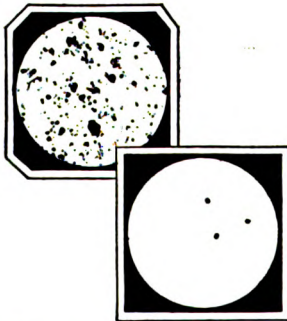
REED AIR IS CLEAN AIR

Illustration below shows a complete Reed Air Filter unit—one of a battery through which the National Bank of the Republic receives pure, healthful air at the rate of 68,000 C. F. M. (REED AIR FILTERS—Patents, May 16, 1922, Feb. 12, 1924, Nov. 18, 1924. Other patents pending.)



National Bank of the Republic, Chicago. R. E. Pingrey, Architect; C. D. Allan, Mechanical Engineer; Reed Air Filters installed by Narowitz Heating and Ventilating Co.

REED FILTERS *Replace Old System in*
Large CHICAGO BANK



Which kind of air does your bank breathe? Illustrations above were made from microscopic photographs of ordinary city air before and after passing through Reed Air Filters which remove 97% of all dust, soot and bacteria.

EDWARD P. VOLLERTSEN, Controller of the National Bank of the Republic, Chicago, believes in choosing employes wisely and then taking care of them. It was significant, therefore, that this institution should have recently selected Reed Air Filters as the best method obtainable for preventing vitiated air and encouraging good health, energy and accuracy among its workers. There are sound, economical reasons why so many well known banks are using Reed Air Filters. Let us tell you more about them. No obligations.

REED AIR FILTER COMPANY, *Incorporated*
225 Central Ave., Louisville, Ky. 50 Church St., New York
Offices in Principal Cities

Reed Air
TRADE MARK
filters ALL METAL

Liabilities of any other nature:

62. ....	.....
63. ....	.....
Total liabilities .....	.....

Minority interest subsidiary companies:

64. Capital stock .....	.....
65. Surplus .....	.....

Net worth corporation

66. Preferred stock (less treasury stock) (par value \$.....) .....	.....
67. Common stock (less treasury stock) (par value \$.....) .....	.....
68. Appropriated surplus .....	.....
69. Capital surplus .....	.....
70. Earned surplus .....	.....
Total .....	.....
Less:	
71. Deficit .....	.....

Individual or partnership:

72. Net worth (representing money paid in) .....	.....
73. Net worth (representing earnings) .....	.....
74. Net worth (from other sources) .....	.....
Total .....	.....

QUESTIONNAIRE

Schedule A:

Accounts are maintained with the following banks:

Bank	City	Bank	City
.....
.....
.....
.....

Schedule B:

Are any of these receivables past due?..... If so, what amount?..... Are all due within a year?..... What portion is secured?..... By what?..... What amount of receivables have been discounted?..... What has been the maximum amount of receivables discounted?.....

Schedule C:

What are usual selling terms?..... Is the provision for bad debts considered ample?..... What amount of receivables has been assigned?.....

Schedule D:

How is raw material valued?..... How are finished goods and goods in process valued?..... Is all merchandise fresh stock and readily salable?..... If not, what amount is carry-over or obsolete stock?..... What is the basis of valuation of such merchandise?..... What amount of your inventory do you consider slow moving? (explain)..... What insurance do you carry on merchandise?..... Who took inventory?..... Is any merchandise held in trust or under consignment?.....

Schedule E:

What is the issue of the U. S. bonds?.....

Give details of stock exchange issues and other current securities.

Amount owned	Issue	Company	Valued at
.....
.....
.....
.....

Schedule F:

The items included under the caption of "other current assets" are as follows (Give full details.):

Schedule G:

Does the company make a practice of advancing to officers, directors and stockholders?..... To what extent does it advance in this connection?..... How do the amounts due from subsidiaries and affiliated companies arise?..... Give details of total item of receivables from affiliated companies.

Name of company	Amount due
.....
.....
.....
.....

An unequalled record of safety.

It is about sixteen years since first mortgage real estate bonds, as they are now known, were placed on the market.

From that day to this no investor has ever lost a dollar in real estate bonds issued by the leading houses in this field.

During these sixteen years there have been two financial crises, one panic, one war and two periods of inflation and boom. Prices on the stock exchange have melted like snow in the sun—millions have been lost—banks have failed—businesses have stopped, but real estate bonds have paid interest and principal promptly and faithfully.

What other securities, except U. S. Government Bonds, can show a like record of safety?

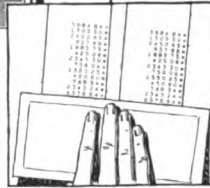
This unequalled record is not difficult to understand when one considers that real estate mortgage bonds are secured by income-earning properties in busy, thriving cities all over the country. Because they are secured by the "basis of all wealth," real estate, and are as sound as the foundations of our national economic and social life.

Yet they should be purchased only from houses with the experience, personnel and character to issue this specialized type of security. By dealing with such houses—and with them alone—investors will continue to say, "I have never lost a dollar in first mortgage real estate bonds." G. L. Miller & Co., Inc., 30 East 42nd Street, New York City. Offices and representatives in principal cities.





The expensive
"call-back" way



The speedy
Dalton way

Cuts checking time in half!

.. an exclusive advantage of the New Dalton "MULTIPLEX"
Bank Ledger Posting and Statement Machine

THINK how much time will be saved by eliminating the present expensive "call-back" system! Think how much easier and speedier it will be to place two tapes containing duplicate items side by side, and visually check the figures. The time of one operator is saved entirely.

This quick and easy checking method is offered in the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine—a bank bookkeeping machine that checks its own work. Through the use of the exclusively Dalton Proof Totalizer and a Proof Tape, upon which new balances are automatically printed, the machine furnishes automatic printed proof of all postings, thereby saving an additional amount of time. This is how the Dalton does it.

Checking Work by Proof Totalizer

This New Dalton is provided with an extra totalizer that automatically accumulates both checks and deposits as the run is made. At the end of the run, the machine automatically prints the total of checks and deposits, which is checked against the predetermined total.

Checking Work by New Balance Proof Tape

In addition to the Proof Totalizer, the Dalton also provides, without effort or thought on the part of the operator, a proof tape consisting of an itemized list of new balances. When the operator has finished posting, the new balance proof tape is torn off and preserved for checking against a similar proof tape which is made automatically incident to the statement run of the same items. These two tapes are placed side by side and balances thereon visually checked without calling back. This system (1) saves the time of one operator required under the old call-back system; (2) makes ledgers available at all times for reference purposes, in that they are never tied up by the call-back; (3) fixes responsibility for correct posting of ledgers and statements on a single operator.

Have a Demonstration!

Yet these are only a few of the many exclusive advantages of the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine. To learn about them all, phone the nearby Dalton Sales Agent. Or write for illustrated booklet which explains in detail this latest and newest Dalton.

Dalton

THE DALTON ADDING MACHINE SALES COMPANY
Cincinnati, Ohio, U. S. A.

Agents for Canada: The United Typewriter Co.; Toronto, and Branches
Sales Agencies in ALL the Principal Cities of the World

Adding—Calculating . Bookkeeping . Statement and
"Cash Register" Machines

Federal taxes:

What provision has been made?

Suits and judgments:

Have you any pending or unsatisfied?

Maximum and minimum debt (during the past fiscal year):

	Maximum date	Minimum date
Banks .....	.....	.....
Trade .....	.....	.....
Others .....	.....	.....
	Total maximum.....	Total minimum.....

ceives a statement about once a year and he is then entitled to the full details.

Many concerns have their books audited, and usually in these cases the banker does not submit his own form, although many times it is done to secure details not contained in the accountant's report.

A good complete audit gives the data outlined in the balance sheet and questionnaire above, and in the case of a concern which does not have its books audited, the banker is entitled to at least the same amount of information.

This questionnaire gives a good idea of general questions with regard to the balance sheet items, and will end for the present our review of the balance sheet.

We shall take up later the analysis of the balance sheet from the standpoint of comparison of items, ratios, etc.

In the next issue, the profit and loss statement will be discussed.

Questions and answers on bank credit problems follow as usual and will continue each month.

QUESTION: I have read, with interest, your various articles appearing under "Questions and answers on bank credit problems" and was attracted by the answer to the question appearing on page 89 of the July issue. The changes reflected in this statement are indeed difficult to explain without seeing a detailed balance sheet and profit and loss statement, and your answer needs, therefore, to be conditional, but on the basis of the facts given, it is rather difficult to see how the changes could be attributed to your last two explanations. Each of these precludes a reduction in net worth unless accompanied by a reduction in fixed assets, which item is reported to have shown practically no change. There is a possibility that merchandise has

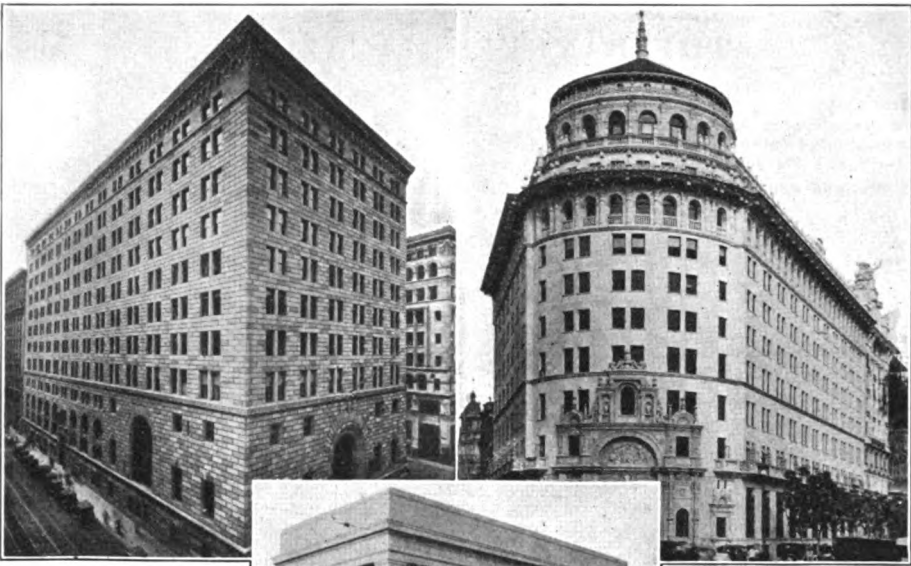
been written up and a reserve set up on the liability side, but not labeled as a reserve for inventory, and, therefore, not considered a charge against current assets in the inquirer's analysis, but even then it would need to be charged against the only remaining group of assets; namely, fixed, and this would, of course, lower the fixed assets, which is again in contrast with the actual changes shown.

Also, if the increase in working capital was brought about through failure to show full indebtedness, net worth would show an increase in place of the reported reduction. Could not the inquirer be induced to submit comparative statements without disclosing the name of the company, and, if he so chooses, disguising the amounts, but preserving the exact relativity of one item to the other?—A. F. H.

ANSWER: Upon receipt of the inquiry, which read; "In looking over the balance sheet of a company, I notice that the fixed assets remain practically unchanged from one year to the other, that net worth shows a reduction of about \$20,000, but that the net working capital shows an increase during the same period of about \$40,000. How would you account for this substantial increase in working capital?" I prepared the following:

	A	B
Current assets	\$114,000	\$154,000
Fixed assets	70,000	70,000
	\$184,000	\$224,000
Payables	- 0 -	- 0 -
Slow debt	?	?
Net worth	\$184,000	\$224,000
	\$184,000	\$224,000
Current assets	114,000	?
Current liabilities	- 0 -	?
Net working capital	114,000	154,000

This shows fixed assets unchanged, net worth reduced \$20,000, and working capital increased \$40,000. You are quite correct in assuming that the last two explanations given in my answer precluded a reduction in net worth (from the facts given) unless



Above: First National Bank of Boston, Boston, Mass. York & Sawyer, Architects. Built by Stone & Webster, Inc.

Above: First National Bank of Boston, Buenos Aires. Chambers & Thomas, Buenos Aires, Architects. York & Sawyer, New York, Consulting Architects. *Left:* Exchange National Bank of Tampa, Fla. Welles Bosworth, Architect.



“Uniformly and entirely satisfactory...”

“...Their (Stone & Webster’s) skill and reputation for fair dealing are, of course, a matter of common knowledge. We feel strongly they have brought to bear on the job a very unusual degree of ability and the result is excellent. Our relations have been uniformly and entirely satisfactory. In fact, we have entrusted them with the erection of a similar building in Buenos Aires.”

The First National Bank of Boston
B. W. TRAFFORD, Vice-President

STONE & WEBSTER

INCORPORATED



NEW YORK, 120 Broadway
PHILADELPHIA, Real Estate Trust Bldg.
PITTSBURGH, Union Trust Bldg.

BOSTON, 147 Milk Street
CHICAGO, First National Bank Bldg.
SAN FRANCISCO, Holbrook Bldg.

accompanied by a reduction in fixed assets, which item is reported to have shown practically no change. My answer read as follows: "Working capital may be increased in several cases; i. e., new money, profits, decrease in slow assets due to their liquidation and the transfer of funds to current assets. In the above, you mention that the company shows a decrease in its net worth, and it is, therefore, natural to assume that the working capital increase is not due to any new money or profits. You also mention that the fixed assets remain practically unchanged, and it is, therefore, right to assume that no funds were received from this source to contribute to working capital. You do not make any mention as to whether there has been any increase in the fixed indebtedness of the company, which would naturally contribute to the net working capital. However, if there is no increase from this source, it would appear that there was a write-up in one of the current asset items, probably merchandise, or full indebtedness was not shown. It would be very

interesting to receive complete profit and loss figures for a period of two or three years to compare the company's purchases, sales, cost of doing business, etc., for each year, and to also apply the gross profit test."

I realized in preparing the answer that the information I had was meagre, and from what I could gather, attributed it at the time to the creation of a fixed debt. However, feeling that the inquirer would not have overlooked so important a change as this, and assuming that perhaps some fact had been misstated, I mentioned the various things that might change working capital and thought he could figure out his own solution therefrom without wasting time and causing a delay. Many times questions are received, and the information given is of such a character that it is difficult to answer in a direct manner. In such instances, the answer cannot, of necessity, be direct to the point. If I can obtain figures of the company, I shall do so and write further on this.



Helping the Men to Carry the Load

Contribution of Women Bank Executives to the Profession

OF the 8,500,000 women employed in various occupations in the United States today, the banking profession has its share of progressive and representative women. Yes, banking—that profession so close to the heart of man—has slowly, but surely, opened its doors to women. There are 2100 women bank officers employed in banking institutions in our country. They have titles as varied as their duties. Several are bank directors. A few are bank presidents. A great many are cashiers, assistant secretaries, and managers of women's departments. All are executives, helping the men in shouldering the growing financial burden of our country. Banks have gradually recognized their added responsibilities and have selected women to fill executive posts in order that they, the banks, may better handle business matters pertaining to women.

The banker studies statistics. He knows that 85 per cent. of the family income is

spent by the American woman. She deserves consideration. And she is given it by having one of her sex to deal with if she prefers. There are many women who prefer to do business with a man, and vice versa. How many people realize that 75 per cent. of the savings accounts in the United States are in the names of women? They are. Many more women are handling personal household accounts through checking accounts than in former years. Women are traveling more than ever before and using travelers' cheques and letters of credit. Many a woman who obtained a first taste of investment buying when she purchased Liberty Bonds is now buying other stocks and bonds and securities. Now she needs a place to keep her securities, therefore she rents a safe deposit box.

And so to meet the trend of the times, banks are increasingly employing women executives to sell the bank's service to women.



MRS. WILLIAM LAIMBEER

President Association of Bank Women, and assistant cashier National City Bank of New York



MISS JEAN ARNOT REID

Vice-president Association of Bank Women, and manager women's department Bankers Trust Company of New York

And as every salesman knows, when once the buyer has entered the door, half the battle is won.

The work of the woman bank executive, is educational not only for women but for the men as well. Men must be taught to realize that the women of their families should learn to use the bank to its fullest capacity. Women must be taught how to use all of the bank's facilities.

The Association of Bank Women, a national organization composed of women bank executives with headquarters in New York, was formed in 1921, to encourage mutual helpfulness and co-operation among its members with the end in view of making themselves increasingly valuable to the institutions with which they are associated; to help not only its members but other women wishing to take up the same type of work, to take advantage of opportunities which may come to the attention of the association from time to time; at all times to uphold the dignity and integrity of women associated with or employed by banks.

The membership is divided into seven regions: New England, Mid-Atlantic, South-

ern, Lake, Mid-West, Western and South-western, each under the leadership of a vice-president. This plan was adopted in order to better co-ordinate the work and the interest of a section, and to bind it more closely to the central organization.

The association, while still very young, numbers 172 members, representing twenty-eight states and 101 cities.

The Third Annual Convention of The Association of Bank Women will be held at Atlantic City, N. J., September 28 to October 1, 1925 inclusive, simultaneously with the convention of the American Bankers Association.

The program, as tentatively outlined, is so arranged as not to conflict with the important sessions of the A. B. A. convention, and includes conferences on "New Business—Bank Development," "Recent Trust Legislation," "Women, Business and Banking," and the reports of the regional vice-presidents.

Already some seventy-six women from nineteen states and forty cities have signified their intention of attending.

Foresight or Folly in Automobile Financing?

By H. Bertram Lewis

Vice-president Hare & Chase, Inc.

AN industry in its twenty-sixth year is not too young to have precedents, but the evolution of the motor car and the expansion of its market have been so rapid that no one stage in the process has been like any other. Each new situation has been a problem in itself with no close parallel in retrospect to point out the solution.

The quarter century of progress from the days when buying an automobile was a sporting adventure for the rich, to the present stage wherein the workman motors to his job, has been for the automotive manufacturer one long series of sudden readjustments with no past history capable of serving as a guide. And now that the period of stabilization has arrived, he again faces new conditions. In many ways they are more difficult conditions than at any former stage, and are totally strange to him because his entire career to date has been given over to the building of a market that seemed to have no limit; whereas today, with the habit of growth still upon him, he can only make headway in the face of a demand at last limited in its increase approximately to the rate of growth of the population.

Obviously the individual manufacturer cannot expand at the former rate without forcing contraction upon some of his competitors. He is checked for the moment unless he can continue to grow at their expense. So he on his part and they on theirs are locked in a grim battle of wits to contrive new expedients whereby the old process of enlargement can be continued. The more resourceful are certain to win and go ahead—the less resourceful to lose and gradually fade from the picture. In the meantime, naturally enough, each will try every trick of mental fence he can remember or devise—some destined to prove helpful and some harmful both to their proponents and to the industry at large.

It is natural enough that in this process variants of the traditional time payment arrangements should be considered. The growth of the business to its present leading

position among all manufacturing industries is chiefly attributable to its use of the time payment appeal—which, according to the conservative survey of the National Automobile Chamber of Commerce, figures in 65 per cent. of all its sales, and must, therefore, be largely responsible for the production of more than 2,000,000 units per annum.

Time sales, indeed, may be considered chiefly accountable for the fact that automobile prices today average 29 per cent. below the pre-war level, while the average price of all other commodities exceeds that level by 67 per cent. A factor of such influence is a very logical subject of special consideration at the present juncture. And because of its influence, any misconceptions as to the basis upon which its successful utilization rests may have far reaching harmful consequences.

The intensity of the competition between manufacturers, the prevailing state of easy money, and the large number of finance companies operating in the automotive field combine to induce experimentation in the direction of lower rates and easier terms; and it is well, before this trend makes too great headway to be checked, that we should consider where such tendencies may lead.

The time payment business being essentially one of credit, it is proper to approach such a question with an adequate definition of credit, a statement as to the purpose of credit thus extended, and a review of the possible consequences of violating the principles which underlie sound credit work of this description.

Broadly speaking, the function of credit may probably be best described as that of making true worth liquid. Instrumentalities for this purpose are almost as old as commerce and have taken many forms. In all ages the value of credit has been a stimulus to the production of wealth by permitting a rapid turnover of capital and, so long as it can serve that purpose with safety, it renders an inestimable economic service. Whenever its utilization ignores



Meriden Savings Bank, Meriden, Conn.

The new individual bank building of the Meriden Savings Bank, Meriden, Conn., is considered one of the finest in the state. Italian in design, it is constructed of materials of the very highest quality.

HOLMES & WINSLOW

Specialists in Bank Architecture

134 East 44th Street - - - - New York

the fundamental necessity of true worth as a background, it causes proportionate economic injury.

Credit in the automotive field in theory serves two purposes. (1) It enables the buyer of true worth (the responsible citizen of dependable earning power, a good credit record, and some accumulation of capital) to have the benefit of motor transportation while earning the price of his car—and thus keeping his principal intact; (2) It permits the manufacturer to market his product in volume at prices reflecting the great economies of mass production, to give employment to a vast army of workmen, and to stimulate activity and employment in dozens of related industries.

That the use of credit in this field has been tremendously successful in promoting these objects there can be no manner of doubt. Time sales of new motor vehicles today exceed \$2,000,000,000 in value per annum, and the yearly output has increased almost ten-fold since the time payment stimulus was first applied. Every buyer of true worth may today own a motor car without drawing on his capital to make the purchase. It seems reasonable to believe that, without the volume of production permitted by time buying, automobile prices would be nearly double their present scale. The automotive business has become first in point of value of production among all manufacturing industries in America. The buying power created by its prosperity has been a stabilizing factor in dozens of contributory lines.

Probably more money is being kept in circulation, more capital turned over, and more wealth produced under the automotive stimulus today than ever before in the history of the world from the influence of any other single industry, for as motor buying has increased so have all forms of invested wealth. During the past ten years, savings deposits have nearly trebled in volume, in the number of individual accounts, and in the amount of deposit per capita; life insurance in force has gained in slightly greater proportion; and building and loan associations even more. Never in history have there been so many small investors in corporation securities. Since the war it may almost be said we have become a nation of capitalists.

The argument in favor of soundly regulated automotive credits seems unanswerable. The bases of such credits, as here-



© UNDERWOOD & UNDERWOOD

H. BERTRAM LEWIS

Vice-president of Hare & Chase, Inc.

tofore permitted, have been (1) a responsible buyer; (2) a product of merit and ready resale value; (3) a sufficient cash payment to keep the seller's equity within protective limits, and to give the buyer a compelling mercenary incentive to pay the balance due; (4) regular monthly payments sufficient in amount to reduce the seller's and increase the buyer's equity faster than any possible rate of market depreciation in the car, such payments terminating within the safe and wholesome limit of twelve months. Under such terms, losses have been minimal, rates moderate, and the market condition, in general, sound.

But the intense competition now gaining headway for the lion's share of a stabilized market is introducing new and exceedingly doubtful factors into the situation. Not many weeks have passed since a plan was announced for one prominent car permitting down payments that range from \$12.60 to \$115. True, this revolutionary proposition required the buyer to furnish two endorsers for his note, which few buyers who would profit by such terms could readily provide. But the very announcement had its dangers, and, as was to be expected, similar plans were soon produced locally in which the three name paper requirement was waived.

Prior to this innovation the standard

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
500 Fifth Avenue
New York

Booklet on Planning & Equipping of Banks will be sent on request

down payment ratio among the stronger companies had been $33\frac{1}{3}$ per cent. of the time price. Here and there $33\frac{1}{3}$ per cent. of the cash price (30 per cent. of the time price) was beginning to gain acceptance. But, following the notice of this new basis, all sorts of departures from sound practice began to present themselves, going even so far as to permit \$70 down on a \$1000 car with no security whatever, other than a precarious equity in the car itself and the buyer's unprotected note. Twenty-five per cent. down payments became matters of quite common report in some sections and paper running up to eighteen months began to be freely accepted (and in some cases solicited), even by companies of national repute. A recent communication on this subject, circulated among all finance companies listed in the automotive field, has produced evidence of such practices from every main geographical section of the United States. The extraordinary unanimity of the replies in the description of

existing conditions proves conclusively both the general prevalence of such conditions, and their comparatively recent introduction into the scheme of things.

It seems a matter of pressing importance that the banks, which provide most of the money that is being used for credits on this basis, should have a clear picture of the situation and of some of its possible consequences. Effective regulation can only originate with them, and unless such regulation is applied, there is no influence in sight to check the process. Extensive plant enlargements, necessitating materially increased outputs by prominent manufacturers, certainly forecast no diminution in the competitive ardor of the industry. Dealers' allotments in several lines for 1926 are reported as having been doubled, and if these allotments are sold it will be largely to persons who are now using other cars. To make the grade the factories must press the dealers, and the dealers will whipsaw the market with every sales expedient in their repertoire.

The successful groups will drive their competitors in desperation into efforts to go them one better at every turn. And the weaker finance companies, being in the same state of mind, will surely collaborate. The vicious circle thus created is too obvious to require demonstration. But a description of its inevitable effects upon the automotive market will indicate both its economic hazards and its utility as a long swing sales stimulant.

Consider first the matter of rates—which all agree should be as low to the public as adequate representation and efficient service permit. Given an equal basis in these respects, rates depend more on credit experience than on any other single factor. Low down payments and terms of improper length invite proportionately higher collection costs; more repossessions, with all the added expense incidental thereto; and a higher percentage of losses—conditions which lead unavoidably to higher rates. And the great injustice of such a trend lies in the fact that responsible buyers must also pay these rates to support the higher proportion of irresponsibles introduced into the situation by this acceptance of undue risks. That low down payments and longer terms produce additional risk is not a matter for argument. Any experienced finance man the country over will concede it. In the matter of increased rates, it is

Rivet-Grip. Really Protects Vaults

YOUR vault when reinforced by the Rivet-Grip System is a maze of intricate, interlocking heavy steel frames—impenetrable by ordinary methods of burglarious attack. Corners and door connections, inherent weak spots with all other types of reinforcement, are equally as strong as the door.

Rivet-Grip Bank Vault reinforcement is so flexible of design that it is readily adapted to any type of vault—the smallest or the largest. Banks of all sizes in all parts of the country are adopting Rivet-Grip as the most effective, most economical type of reinforcement known.

The Rivet-Grip Handbook on modern methods of bank vault reinforcement is yours for the asking. If you are building or remodeling your bank, write for it today.

The Rivet-Grip Steel Company

Representatives in all principal cities

2741 Prospect Avenue Cleveland, Ohio

chiefly the public that suffers, for higher rates do not necessarily mean fewer sales. But the factory and the dealer pay the price of credit laxity in the effects of more numerous repossessions.

A repossessed car has to be resold—and whether the dealer has it or the finance company, it becomes a definite obstacle to business, because its sale is preventing the sale of some other used car that the dealer has taken in trade. Used cars must be handled in fully 75 per cent. of all new car sales today and in a great majority of used car sales as well. Before the dealer fully liquidates one such transaction he may have handled three or four cars besides the one he originally took in trade. Any clogging of the used car market is a serious matter to him; and eighteen months' paper promises on the average, nearly twice as many repossessions pro rata as twelve months' paper; so that when the dealer offers longer terms he is losing in the one market more than he gains in the other.

Another form of backlash is the loss of prestige that always results to any line in which many repossessions occur. The buyer who loses his automobile through delin-

quency finds it easier to blame the car than to admit his own improvidence. He sets up a smoke screen of abuse that condemns the product, the dealer and the factory and when the chorus of such knockers become numerous enough it never fails to impress the public and injure the reputations of all three in that neighborhood.

The factory, on its part, may easily be led into serious overproduction if it relies on the first effects of a lowered credit standard in determining its rate of output. Undoubtedly the initiation of more liberal terms increases volume of sales. But acceptance of that volume by the manufacturer as a guide in laying out his future manufacturing schedule would lead to pitfalls, for the output resulting from that basis of figuring would come head-on in the dealer's salesroom against a flood of unprecedented repossessions and the dealer would have to reduce his allotment or go under from inability to sell it. It is costly business to everybody concerned to cut production sharply just after accelerating it, and any manufacturer who estimated his market by such unreliable indications as over-stimulated time sales, would ultimately

pay through the nose for his miscalculation.

Still another adverse market effect of enticing the prospect to invest beyond his means is the consequent diminution of interest by the public at large in the used car as such. Every man prefers a new car. Make it too easy for him to put one in service and nothing else appeals. He may buy a used car if the saving is great enough but not otherwise. The used car market will be hard hit from this side also, if credit forcing tactics are at all generally applied. Since inability to handle used cars at prices satisfactory to their owners, or to sell them promptly when secured are both hindrances to new car business, the conclusion is unescapable that the ultimate effect of too liberal terms would ultimately be a sharp curtailment of sales.

In its general effect, the low down payment and long term proposition opens up the way for the thriftless type of purchaser to take on many small obligations simultaneously instead of assuming but the one and cleaning it up before undertaking others, which is all he can attempt to do if the one makes sufficient demand on his current funds. Obviously the credit structure as a whole is much sounder when the average time buyer of a motor car has no other time payments to meet, than when he has also been enticed to take on a radio set, a washing machine and an encyclopaedia on the same income.

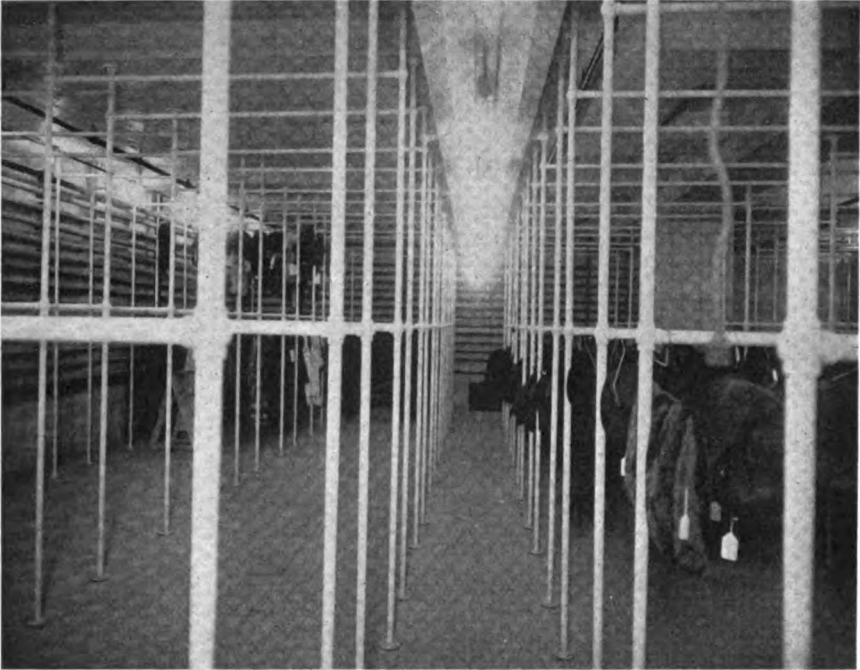
Competition on the basis of rates is the logical bedfellow of competition in terms, and inasmuch as an adequate rate is necessary to support an adequate service—as every banker knows—competition in rates, too, is, beyond a certain point, a destructive tendency. Automobile financing is only in part a discounting operation. Both the automobile dealer and his customer require far more of the finance company than the mere absorption of their paper, and the true value of the facilities of the finance company both to the trade and to the public is in the efficiency, resourcefulness and human quality of its service. Eliminate these attributes wholly from financing and it becomes a dry-as-dust affair, too mechanical to be the vital selling asset that it can and should be made. A rate war among finance companies would also react against motor vehicle sales and might eventually drive into other fields a considerable proportion of the money needed to underwrite them.

As indicated above, the banker holds the most effective check against these unwholesome trends. Next to his influence, the most powerful is that of the automobile manufacturer. And if no higher motive than self interest could be summoned to the question by either party, the argument in favor of prompt measures would be overwhelming on that ground alone. For unprofitable rates and destructive terms by the finance companies will unquestionably eliminate many of them from the field altogether and deprive a proportionate number of banks of a most valuable and lucrative class of paper, while the factories will find such abuse of credit facilities the most destructive boomerang they could possibly lay hand to.

Since the flood gates have only been opened, the tendency can be checked before much damage has been done if the corrective measures are prompt. There is absolutely no fundamental need for an industry so prosperous to force its market. Among producers generally the automobile manufacturer is the most envied of men. His business has flourished while most others have lagged. By many he is actually held responsible for the relative sluggishness of others' lines. He is charged with pilfering more than his share of the consumer's dollar. Albeit there is a quick and convincing answer to that indictment, he is certainly in no need of artificial stimulants to hold his own.

And on the present basis, a safe and ample rate of growth seems assured by the normal rate of increase in the population and the gradual advance in the level of individual prosperity. Unremitting sales effort based on more scientific methods of market analysis will keep the automobile industry moving comfortably forward with no repercussion to fear. The greatest days in all industrial history seem to lie ahead in the automotive field, if not blighted by over-ambition.

The industry stands today definitely at the crossroads between wisdom and folly as to the use or abuse of its most effective merchandising asset, with a perceptible inclination to take the backward path. Its true friends at this juncture are those who point out the dangers of this way and fight for a truly and safely progressive policy. The future is brilliant with promise if rational counsels prevail.



The fur storage vault of the Greenwich Trust Company, Greenwich, Conn., designed by Alfred C. Bossom, bank architect and engineer, New York. The vault was built and installed by the York Safe and Lock Co., York, Pa.

Fur Storage as a Bank Service

By Alfred C. Bossom, architect and A. W. W. Marshall, Vice-president of the Greenwich Trust Company, Greenwich, Conn.

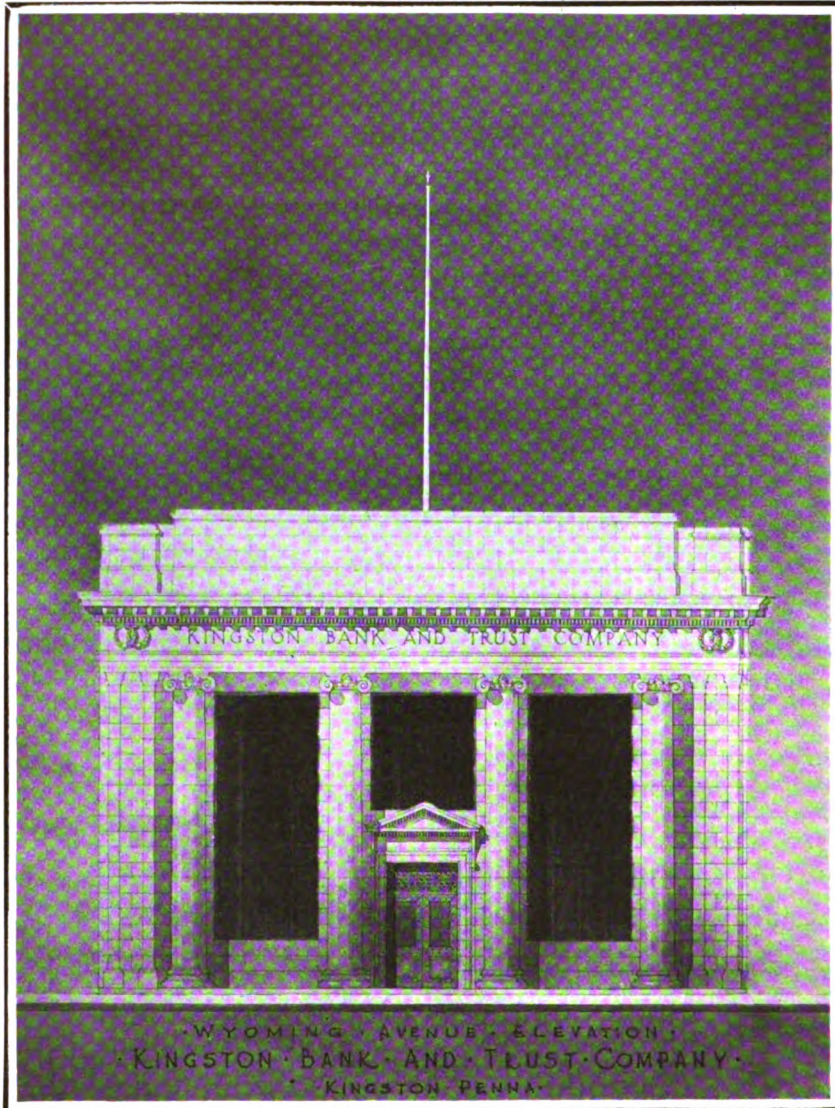
BANKS year by year are providing more service and conveniences for their clients. All of these facilities cause some form of expense and although most of them eventually pay, it is not always easy to show just how much they do so in cold figures. The storing of furs, a new departure for bankers, is a type of service, however, which should yield profits, especially in prosperous suburban communities.

When the Greenwich Trust Company, Greenwich, Conn., in 1916, retained the author as the architect of its new building, it asked him to devise facilities for storing the wraps and fur coats of its women clients. One of the first financial institutions in the country to install fur storage, its experience in making this accommodation profitable in itself and as a means of promoting good will will be undoubtedly of practical interest.

Greenwich is a thriving Connecticut city of about 7000 inhabitants, situated twenty-eight miles northeast of New York City. It sends many commuters to the metropolis and its "Bankers' Special" has long been a feature in modern passenger traffic. Many wealthy men who are in business in New York make daily trips on the fast expresses.

Many of the well-to-do families of Greenwich were accustomed to store their furs in New York City. This they were finding inconvenient because, in order to get the furs out of the vaults, they had to give twenty-four hours' notice, while the calling for them or having them shipped made for further inconvenience and delays.

The officials of the trust company, therefore, decided to utilize part of the basement space of the new building for fur storage. The first installation necessarily was a small one, as the project was experimental. The original cold storage vault was 16 by 18



Any information desired regarding the building
or the banking equipment may be obtained
by writing to either the bank or the architects.

MORGAN, FRENCH & CO., INC.

ARCHITECTS AND BANK ENGINEERS

19 WEST 44TH STREET

NEW YORK

feet The whole equipment, including the refrigerating machinery, racks for hanging the furs, cork insulation for the walls and such details cost \$7500. The interest on this investment at 6 per cent., therefore, was \$450, while the depreciation was relatively small. The expense of maintaining the vault was not more than \$1 a day. This included electricity, ammonia gas, water and incidentals. The janitor of the building looked after the machinery and the upkeep of the vault as part of his regular duties. A capable young woman was made custodian of the vault. She received the women clients, checked up the condition of the garments, and kept the records. The company's income from its cold storage fur vault that first year was \$2500. As the clients greatly appreciated this service, and it served also as a valuable advertising feature, the returns even on the first year were fairly satisfactory.

Meanwhile, the fur storage business rapidly increased and the small vault was always crowded. Not only the women patrons of the bank sent their wraps, but the men found the vaults admirable refuges for their fur coats, and even for their evening clothes of broadcloth.

Business increased so much that, in 1923, the company had to enlarge its fur storage room to the size of 37 by 45 feet. The cost of the addition was only \$5420 including a very large vault door, for the machinery and the pipes and insulation of the older part were still in excellent condition. The total expenditure on plant to date, therefore, has been approximately \$13,000. The vault was built and installed by the York Safe and Lock Company, York, Pa.

The income from the fur vault by 1924 had risen to practically \$4000 while the cost of maintenance had not appreciably increased. Last year the Greenwich Trust Company stored 800 coats, 300 muffs and neckpieces, thirty or so fur robes and incidentally many portieres and Oriental rugs. The present facilities were not designed for the storage of Oriental rugs, but, as many of the residents of Greenwich desired to put these valuable fabrics in storage while they used floor coverings of lighter and cooler texture in the summer time, the

bank was glad of the opportunity of serving them. The rugs are rolled up and placed on the floor. If there were room in which to hang these products of the Eastern looms, no doubt the cold storage business of the company would be very much larger. Even with the increased space, the bank has been obliged to turn away a good many customers.

So far the service has been conducted on the most satisfactory basis. There has been no damage from moths, because a uniform temperature of twenty-eight degrees above zero (Fahrenheit) is maintained under thermostatic control—four degrees below the freezing point.

Every season an expert furrier from a well known New York house goes to the trust company to clean, heat and inspect the furs and he gives them whatever special treatment is required. Complaints have been very rare, which is saying a great deal, in view of the large number of garments and their great variation in style and texture. Several customers found that their velour coats trimmed with fur had wrinkled from hanging, but means have been found to prevent a recurrence of that.

The rates charged for storage are as follows:

Three per cent. upon the valuation of single articles, valued \$25 to \$250.

Eight dollars on valuation of \$300.

Nine dollars on valuation of \$400.

Two per cent. on valuation of \$500 and over.

Minimum charge to be \$1.00

Since the Greenwich Trust Company put in its novel department, many other institutions have followed suit. Inquiries concerning its installation are being constantly received, and building committees from banks frequently go to Greenwich to inspect it. The Huguenot Trust Company, at New Rochelle, N. Y., has similar facilities, installed under the supervision of A. C. Bossom.

From the point of view of accommodation and utility, as well as of direct monetary returns, the fur storage department is an important and valuable trust company feature, especially in the suburban zones.





st

**St. Louis'
Largest Bank**

Renders to Bank Cor-
respondents a Service
unsurpassed by that
of any Bank in the
United States.

*Over 60 Years' Experience in Hand-
ling Out-of-Town Bank Business.*

WRITE US



Broadway / / Locust / / Olive

Banking and Financial Notes

SPECIAL

**BANKERS
MAGAZINE**

SECTION

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

River National Bank, that the purchase of the Bowery Bank was due to the illness of J. Stanley Foster, president of the Bowery Bank, who was to become chairman of the

CONVENTION DATES

American Bankers Association—At Atlantic City, Sept. 28-Oct. 1.

Association of Bank Women—at Atlantic City, Sept. 28-Oct. 1.

Savings Banks Association of the State of New York—At Rye, N. Y., Oct. 14-16.

CHEMICAL NATIONAL, NEW YORK, INCREASES SURPLUS

The Chemical National Bank of New York has transferred \$1,000,000 from earnings to surplus, bringing the surplus up to \$16,500,000. The capital of the Chemical National is \$4,500,000.

OLD CORNERSTONE FOUND AT BANK OF AMERICA, NEW YORK

Workmen demolishing the old structure of the Bank of America, New York, recently uncovered the cornerstone containing copies of New York City newspapers of November 16, 1888, various papers and notices pertaining to the bank, etc. The contents of the box will be deposited in the museum and library of the bank, when its new building is completed.

BANCITALY BUYS BOWERY BANK, NEW YORK

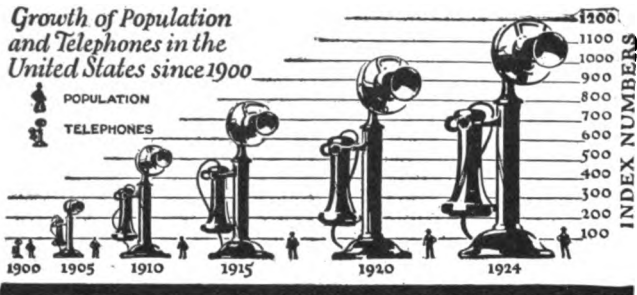
The Bancitaly Corporation of New York has bought control of the Bowery Bank of New York, and will merge it with the East River National Bank, New York, which it also controls, under the name of East River Bowery National Bank. It was announced by A. H. Giannini, president of the East



A. P. GIANNINI

Chairman Executive Committee of the Bank of Italy, San Francisco, Calif. The Bancitaly Corporation, New York, which is closely associated with the Bank of Italy, recently purchased the Bowery Bank of New York

board of the merged institution, but who died about a week after the purchase. He wished to retire from active participation. The Bowery Bank, established in 1865 had



Population Outstripped

ALTHOUGH the nation's population since 1900 has been increasing a million and a half a year, the telephone has had a greater growth.

In the past twenty-four years the number of telephones has increased eleven-fold.

Today our country has 63% of the world's telephones. New York City alone has more than all Great Britain. New York and Chicago have more than the four continents of Asia, Africa, South America and Australasia.

There are 16,700,000 telephone stations in this country, involving 48,000,000 miles of telephone wire and a personnel of 350,000 people. Bell System property on Dec. 31, 1924 had a book cost of \$2,266,923,466.

This nation-wide plant and its wide-spread service underlie Bell System securities.



The stock of the A. T. & T., parent company of the Bell System, can be bought in the open market to yield a good return. Write for information.

**BELL TELEPHONE
SECURITIES CO. Inc.**

D.F. Houston, President
195 Broadway NEW YORK



*"The People's
Messenger"*



*Pride Mark
of a
Real Bank*

Big Enough—to handle any financial transaction, national or regional, in an efficient manner.

Small Enough—to consider every account as deserving our best efforts, knowing that our growth depends on our customers' success.

Old Enough—to apply to your bank-building problems 67 years of practical banking experience.

Young Enough—in spirit to bring the enthusiasm of aggressive officers and a progressive board of business men into action in behalf of our patrons.

Strong Enough—to offer the basis of absolute confidence in our resources of more than \$100,000,000.00.

The National Bank of Commerce
which is affiliated with the Federal Commerce Trust Company
in St. Louis

been in control of the Foster family for three generations.

The purchaser, the Bancitaly Corporation, is closely affiliated with the Bank of Italy, San Francisco, which will be remembered as the \$400,000,000 institution which A. P. Giannini, formerly its president, gave to the employes when he retired, saying that his success was due to their loyal service.

A. H. Giannini, president of the East River National Bank, was elected president of the Bowery Bank. The present office of the Bowery Bank on Grand street will probably be retained as a branch of the East River National.

NEW YORK TITLE AND MORTGAGE COMPANY INCREASES STOCK

The New York Title and Mortgage Company, New York, will increase its capital stock from \$7,500,000 to \$10,000,000, by the issuance of 25,000 shares of \$100 par value. Stockholders will be given rights to subscribe for one share of the new stock for each three shares of old held, at a price of \$365 per share. The increase of stock is to take care of increasing business, due

to the great building program around New York which requires financing.


CUNARD STEAMSHIP COMPANY ISSUES CONSUL LIST

The Cunard Steamship Company, Limited, New York, has recently reissued, in pamphlet form a consul list of foreign government representatives in New York City, corrected to July, 1925.

MANY CHANGES AT CHASE NATIONAL BANK, NEW YORK

Edward R. Tinker has become chairman of the executive committee of the Chase National Bank, New York, and Robert L. Clarkson assistant to the president and a director. Joseph C. Rovensky and Benjamin E. Smythe were appointed assistant vice-presidents, Frank M. Totton and Henry Rauh assistant cashiers, and Otto T. Kreuser an assistant manager of the foreign department.

In the Chase Securities Corporation, Mr. Tinker resigned as president to become chairman of the executive committee, and was succeeded by Halstead G. Freeman.



DONSTEEL

VAULT DOORS

WE are the sole manufacturers licensed to use
DONSTEEL in Bank Vault Construction.

The ONLY metal that

1. Cannot be penetrated by
OXY-ACETYLENE TORCHES
2. Cannot be penetrated by **DRILLS**
3. Cannot be shattered by **EXPLOSIVES**
in a burglarious manner.

THE MOSLER SAFE CO.

375 BROADWAY, NEW YORK, N.Y.
 FACTORIES - - HAMILTON, OHIO.

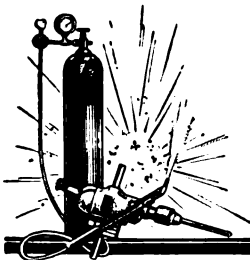
Branches in all principal cities

BOSTON
 CINCINNATI
 PORTLAND
 PITTSBURGH

BALTIMORE
 ST. LOUIS
 SEATTLE
 DALLAS

CHICAGO
 LOS ANGELES
 ATLANTA
 CHARLOTTE

KANSAS CITY
 SAN FRANCISCO
 NEW ORLEANS



Mr. Clarkson became vice-chairman of the executive committee. Mr. Freeman, Mr. Clarkson and George Benard were added to the board of directors. Frank Callahan, formerly with Rushmore, Bisbee & Stern, was elected vice-president and Henry G. Fahlbusch became secretary.

Mr. Tinker came to the Chase National in 1912 as a vice-president. In 1917, he became a vice-president of the Chase Securities Corporation as well. In 1921, he retired from the bank to become president of the securities corporation, which position he now leaves to return to the bank as chairman of the executive committee.

Mr. Freeman joined the Chase Securities Corporation in 1918 as a vice-president and held that position until his recent advance to the presidency.

Mr. Clarkson joined the securities corporation in 1919, and was made a vice-president in 1921, from which position he now moves to assistant to the president of the bank.

**NATIONAL CITY BANK, NEW YORK,
OPENS ANOTHER BRANCH**

The National City Bank, New York, recently opened its seventh local branch at Park avenue and Fifty-seventh street, New York. Due to its location close to the shopping district, special attention is to be given to the women's department, under the supervision of Mrs. William Laimbeer. The branch is in charge of J. L. Harrison.

**MERCANTILE BANK OF THE
AMERICAS PAYS IN FULL**

The Mercantile Bank of the Americas, New York, which was organized in 1915 by a group of New York banks interested in financing foreign trade, and which became involved through frozen credits in 1921, necessitating the formation of a syndicate to advance \$35,000,000, has paid the final dividend in liquidation of these advances. The syndicate, which felt at the time of the advances that the money would never be returned, has been repaid 100 cents on the dollar.

**UNTERBURG SUCCEEDS FAUST AS
HEAD OF NATIONAL BUTCHERS
AND DROVERS**

Israel Unterburg has been elected president of the National Butchers and Drovers Bank, New York, to succeed Richard J. Faust, resigned.

**ELK STREET MARKET BRANCH OF
PEOPLES BANK OF BUFFALO**

¶ Within this Circle is the Wholesale Fruit, Produce, Butter and Egg, Poultry and Grocery District of Buffalo. Also here are located Brokers in the above lines, and the Cold Storage Houses.

¶ Our location insures speedy handling of collection items.

**THE PEOPLES BANK
OF BUFFALO**

**ROUSSMANN JOINS HAMILTON
NATIONAL, NEW YORK**

Frederick L. Roussmann, who was for many years a vice-president and director of the Fifth National Bank, New York, has been elected vice-president in charge of new business of the Hamilton National Bank, New York.

**KIDDER PEABODY ACCEPTANCE
PROMOTES ASPDEN**

William Aspden has been promoted from secretary to vice-president of Kidder Peabody Acceptance Corporation, New York.

**GUARANTY TRUST GIVES EM-
PLOYES UNEXPECTED BONUS**

Employees of the Guaranty Trust Company, New York, and affiliated companies recently received extra compensation of from 8 per cent. of the salaries received from January 1 to June 30, 1925, for

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NOBMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

employees in service for two years or more to 5 per cent. for employes who had been in service for ten years or more.

AMERICAN EXCHANGE-PACIFIC BANK MERGER COMPLETED

The actual consolidation of the American Exchange National Bank with the Pacific Bank, both of New York, which was referred to in these columns in June was ac-



LEWIS L. CLARKE
President American Exchange-Pacific
National Bank, New York

complished early in August. The consolidated institution has capital stock of \$7,500,000, surplus of \$8,500,000, and total



ORION H. CHENEY
Formerly president of the Pacific Bank, New
York, and now vice-president in charge of
branches of the new American Exchange-
Pacific National Bank, New York

resources of over \$241,000,000. It has six branches, in addition to the main office. Lewis L. Clarke, formerly president of the American Exchange National Bank is president of the new American Exchange-Pacific National Bank; and O. H. Cheney, formerly president of the Pacific Bank, is vice-president of the consolidated institution, in charge of branches.

The Pacific Safe Deposit Company has been organized as an adjunct of the new institution. It has received permission to open three branches.

Herbert N. Armstrong, who was asso-

Coming to Buffalo ?

Are any of your customers coming to Buffalo or to Niagara Falls this year? If they are, send them to the Marine Trust Company. We shall be glad to serve them and show them every courtesy on your behalf.

MARINE TRUST COMPANY of Buffalo

*Resources over
One Hundred Sixty Millions of Dollars*

ciated with the American Exchange National Bank, has resigned as assistant vice-president, in order to devote more time to his personal affairs.

Byron M. Huyler and Harold D. Pennington have been appointed assistant cashiers, and Edwin L. Moran has been appointed an assistant trust officer.

WHEATON JOINS NATIONAL CITY

Charles F. Wheaton has been appointed assistant trust officer of the National City Bank, New York.

GUARANTY TRUST WINS BANKERS ATHLETIC LEAGUE CUP

The baseball team of the Guaranty Trust Company of New York, by winning the championship of the Bankers Athletic League this year for the third consecutive time, has taken permanent possession of the league's championship trophy, a handsome silver cup presented for the competition by President L. L. Clarke of the American Exchange-Pacific National Bank. The Guaranty team finished the 1925 schedule undefeated.



The Bankers Athletic League baseball championship cup, presented by Lewis L. Clarke, president American Exchange-Pacific National Bank, New York, permanent possession of which was won by the team of the Guaranty Trust Company, New York.

The next sporting event to be held under the auspices of the Bankers Athletic League

HARE & CHASE, Inc.

Automobile Finance

PHILADELPHIA

BALANCE SHEET, JUNE 30, 1925

ASSETS

Current Assets:

Cash (Including \$2,097,641.85 Deposited as Col- lateral to Notes Payable)	\$4,381,728.55	
Notes Receivable	19,389,088.92	
Accounts Receivable	55,395.30	
		\$23,826,212.77
Investments		446,831.52
Real Estate	\$125,000.00	
Less Depreciation of Building	2,400.00	
		122,600.00
Furniture and Fixtures	\$47,395.76	
Less Depreciation	15,103.03	
		32,292.73
Deferred Charges		339,805.92
Total		\$24,767,742.94

LIABILITIES

Current Liabilities:

Notes Payable—Secured	\$18,125,934.02	
Accounts Payable and Accrued Interest	67,491.10	
		\$18,193,425.12
Preferred Capital Stock, 8%, Cumulative (50,000 Shares of \$100. each Authorized and Issued)		5,000,000.00
Common Capital Stock (Authorized 150,000 Shares, Without Par Value; Outstanding 125,000 Shares)		1.00
Reserves (Including Provision for Unearned Finance Charges)	\$711,717.38	
Surplus	862,599.44	
		1,574,316.82
Total		\$24,767,742.94

OFFICERS

ALFRED G. HARE, President	
CHARLES R. JONES, Vice-President	F. B. HAYS, Vice-President
EMLEN S. HARE, Vice-President	H. BERTRAM LEWIS, Vice-President
RANDALL CHASE, Vice-President	J. H. R. CROMWELL, Vice-President
C. G. BATSCHLET, Treasurer	
L. S. WILLIS, Secretary	

DIRECTORS

WILLIAM ADAMSON
HARRY G. ANCKER
GORDON BAKER
DONALD BAYNE
RANDALL CHASE
PERCY H. CLARK
J. H. R. CROMWELL
HORACE E. DODGE

CHRISTIAN FEBIGER, JR.
ALFRED G. HARE
EMLEN S. HARE
CHARLES R. JONES
EDWARD H. LYCETT, JR.
FRED C. NEILL
J. L. OAKES
FRANK SILVERS



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000
Surplus and Profits - 9,000,000

E. F. SHANBACKER
President

The
FOURTH STREET NATIONAL BANK
Philadelphia

will be the annual golf tournament, which will be open to bank teams composed of clerks only. It is expected that this tournament will be held early in September.

UNITED STATES RUBBER EARNINGS GAIN

Net income of the United States Rubber Company, after all charges, for the six months ending June 30, 1925, amounted to \$5,875,204, as compared with \$4,422,487 for the first six months of 1924, an increase of over 32 per cent.

The balance sheet as of June 30, 1925 showed current assets of \$124,073,421, and current liabilities of only \$17,751,028.

APPOINTMENTS AT EQUITABLE TRUST

The Equitable Trust Company of New York has appointed R. C. Adams and E. J. Quintal vice-presidents; and P. W. Trudeau, H. A. Rich, C. E. Puckhafter, W. H. Eddy, J. Y. Robbins and A. E. Bates assistant vice-presidents.

BANKERS GOING TO EUROPE

Dr. Henry A. E. Chandler, economist of the National Bank of Commerce in New York; Jay D. Rising, vice-president National Park Bank, New York; H. G. Stenson, assistant to the president Coal and Iron National Bank, New York; F. W. Gehle, vice-president Mechanics and Metals National Bank, New York; Thomas A. Reynolds, vice-president National City Bank, New York; Frederick C. Mills, president Union Square Savings Bank, New York; and Charles H. Sabin, chairman of the board Guaranty Trust Company, New York, recently sailed for Europe.

BANKERS RETURNING FROM EUROPE

Gates W. McGarragh, chairman of the board Mechanics and Metals National Bank, New York; John E. Potter, president Potter Title and Trust Company, Pittsburgh, Pa.; John G. Kelly, president Braddock National Bank, Braddock, Pa.; Walter E. Frew, president Corn Exchange Bank, New York; J. H. Perkins, president Farmers' Loan and Trust Company, New York; Clifford P. Hunt, vice-president Chemical National Bank, New York; and Challen R. Parker, vice-president Guaranty Trust

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

Company, New York, have recently returned from Europe.

HASKINS LEAVES CHATHAM PHENIX NATIONAL BANK AND TRUST

Bert S. Haskins has resigned as vice-president of the Chatham Phenix National Bank and Trust Company, New York. Mr. Haskins came from St. Louis in 1905 to become an assistant cashier in the old Phenix Bank. When it was consolidated with the Chatham, he became cashier, and later vice-president and director. He had charge of the internal management of the bank and branches.

LARGE INCREASE IN GENERAL MOTORS EARNINGS

Earnings of the General Motors Corporation for the first six months of 1925, after taxes and depreciation amounted to \$46,082,236, as compared with \$27,066,990 for the same period in 1924. After deducting preferred dividends, the earnings were equal to \$8.19 per share on the common stock for the first six months of 1925, as compared with \$4.57 per share for the first six

months of 1924. According to Alfred P. Sloan, Jr., president of the corporation, this is the most satisfactory statement both with respect to earnings and general position, that the General Motors Corporation has ever made.

TO CORRECT AN ERROR

It was mentioned in these columns last month that Lucien Veil had been appointed an assistant cashier of the New York Trust Company, New York. The item was in error. It should have stated that Lucian T. Zell had been appointed assistant treasurer of the New York Trust Company, New York.

POLK HEADS NATIONAL CITY, TROY, N. Y.

William F. Polk has been elected president, and J. Frank Beebe cashier of the National City Bank of Troy, New York.

UTICA BANK CHANGES NAME

In order to make its name more descriptive of its work, the Utica City National Bank, Utica, N. Y., has changed its title to the Utica National Bank and Trust Company.

Complete Banking and Trust Service

at

Five Convenient Locations

Main Office: 55 Cedar St.

Branches:

Broadway at 73rd Street

125th St. at Eighth Ave.

Madison Ave. at 74th St.

Lexington Ave. at 47th St.

**UNITED STATES
MORTGAGE & TRUST COMPANY**
New York

FIRST NATIONAL, COOPERSTOWN, N. Y., INCREASES SURPLUS

At the recent meeting of the board of directors of the First National Bank of Cooperstown, N. Y., \$50,000 was transferred from earnings to surplus, increasing that item to \$200,000. Surplus has been doubled since February 1, 1923.

SWAN SUCCEEDS DUNN AS PRESIDENT OF CHEMUNG CANAL TRUST

Frederick Swan has become president of the Chemung Canal Trust Company, Elmira, N. Y., succeeding Edward J. Dunn, who resigned to devote his entire time to other large interests in Elmira.

NEW BANK IN PATERSON, NEW JERSEY

A new bank has been organized in Paterson, New Jersey, under the name of the Broadway National Bank. William E. Walter, president of the National Bank of America, Paterson, is chairman of the board; William B. Mackay, Jr., of Hackensack, is president; C. Walter Lotte and

George W. Renkel are vice-presidents; F. P. Hofmayer is cashier, and C. R. Vollaro is assistant cashier.

MERGER IN PITTSBURGH

Peoples Savings and Trust Company, Pittsburgh, Pa., has acquired the Anchor Savings Bank, and will operate it separately, with the group of eight other banks known as the associated banks of the Peoples Savings and Trust Company.

DOLLAR SAVINGS AND TRUST, PITTSBURGH, PROMOTES BAKER

Clyde H. Baker has been elected assistant secretary of the Dollar Savings and Trust Company, Pittsburgh, Pa. He entered the bank in 1918 as a bookkeeper and has passed through the positions of receiving teller and paying teller to his present official position.

A UNIQUE RECORD OF SERVICE

At a recent meeting of the board of directors of the First National Bank, Mc-

Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

Donald, Pa., the attention of the directors was called to the fact that thirty-three years ago the offices of president, cashier, and assistant cashier were filled by Edward McDonald, G. S. Campbell, and Miss Ida V. Steen, respectively, and that these same persons have filled these same offices since that time and still hold them.

New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island.

LAWRENCE RESIGNS AS BANK COMMISSIONER OF MAINE

Fred M. Lawrence has tendered his resignation as bank commissioner of Maine. His term expired on May 6, but he has continued in office pending the naming of a successor. Mr. Lawrence plans to establish a law office in Portland, in partnership with State Senator Harry L. Cram of that city.

I. B. A. GOVERNORS' MEETING

The board of governors of the Investment Bankers Association of America was held recently at the summer home of John W. Prentiss, at Eastern Point, Gloucester, Mass. Plans for the annual convention of the association to be held at St. Petersburg, Florida, December 7-11 were discussed, committee reports prepared, and the list of nominations for officers for next year was prepared. This list included: president, Ray Morris, Brown Brothers & Co., New York; vice-presidents, Arthur H. Gilbert, Spencer Trask & Co., Chicago; J. W. MacGregor, Glover & MacGregor, Pittsburgh; Tom K. Louis; Pliny Jewell, Coffin & Burr, Inc., Boston; Eli T. Watson, Watson, Williams & Co., New Orleans; secretary, Frederick R. Fenton, Fenton, Davis & Boyle, Chicago; and treasurer, Frank M. Gordon, First Trust and Savings Bank, Chicago.

Mr. Morris was born in New Haven in 1878, was educated at Phillips Andover

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djörup & McArdle**

42 Broadway, New York

SERVICE CHARGE FOR ITEMS RETURNED UNPAID

Write for your sample

A. E. MARTELL CO., . . . KEENE, N. H.
BANKING FORMS OF MERIT

Academy and Yale, receiving a Master of Arts degree for special graduate work in economics. He served from 1903 to 1910 as managing editor of the Railroad Gazette. In 1911 he joined White, Weld & Co., New York, and continued there until 1920. In 1921 he became a partner of Brown Bros. & Co., New York.

THE HALF-YEAR IN NEW ENGLAND

The New England letter of the First National Bank of Boston, recently issued, in reviewing general business for the first half of 1925 says:

"The first half of the year has been characterized by a heavy volume of production and well-sustained consumption, while prices, which showed slight recessions during the early part of the period, have lately become more stabilized. Business in general has been better than was generally believed, and pronounced improvement in sentiment is apparent in New England and other sections of the country.

"Manufacturing activity for the most part has been unusually active. Some slackening is noticeable in iron and steel operations, but the decline has been more gradual than a year ago, and pig iron production in June was 30 per cent. above June, 1924. Motor vehicle production for the first six months was the highest on record, and the outlook for the remainder of the year is promising. Building operations in June improved, contrary to the usual seasonal movement. Contracts awarded since the first of the year are 15 per cent. above a year ago, with no indications of a material decline in the immediate future.

"The relative stability now prevailing is attributed in part to a growing tendency among manufacturers to study the trends of production, consumption, stocks and prices. The main groups of industry, through their respective trade associations, are now actively engaged in compiling and disseminating such information. The latter half of the year opens with an auspicious setting, with trade in a good position to take advantage of favorable developments."

OLD COLONY TRUST, BOSTON, OPENS NEW BRANCH

The Old Colony Trust Company, Boston, Mass., has recently opened a new office at 167 Summer street, to provide banking facilities for the wholesale shoe, leather and wool district. The branch is in charge of Rowe A. Gladwin, formerly manager of the Temple place office of the Old Colony.

Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATES

Farm Mortgage Bankers Association of America—at Nashville, Tenn., Sept. 8-10.
Kentucky—at Louisville, Sept. 15-16.
Investment Bankers Association of America—at St. Petersburg, Fla., Dec. 7-11.

CAPTAIN CHARLES A. LYERLY

Capt. Charles A. Lyerly, president of the First National Bank, Chattanooga, Tenn.

Bank of Charleston

National Banking Association

Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . . \$1,500,000.00
Resources . . . \$12,500,000.00

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1865

with

EXPERIENCE — Over *fifty-nine*
years

STRENGTH — Capital and Surplus
\$4,000,000.00

OFFICERS — Experienced, capable and
well versed on conditions
and credits thruout this
territory :

invites your business

JOHN M. MILLER, JR.
President

Resources over \$33,000,000

died on August 10, at the age of seventy-eight.

He was born in Enterprise, Mo., in 1847, and educated in the public schools. He was, however, forced to leave school at the age of fifteen to help support the family. He began work as a clerk in a store, saved a small sum, and had a store of his own in Enterprise until 1880. He then moved to New Orleans, to engage in the wholesale dry goods business with the late John P. Richardson.

In 1884 he moved to Jackson, Miss., and organized the First National Bank of Jackson, serving as vice-president for three years. He resigned to go to Chattanooga in 1887, where he organized the Chattanooga National Bank, and was its president for eighteen years until it was merged with the First National Bank. He then was elected president of the First National Bank, to succeed T. G. Montague, and served in this capacity until his death.

BANKING INNOVATIONS IN LOUISVILLE

The Louisville National Bank, Louisville, Ky., has instituted a plan to make small

loans to wage earners having a good record, but no tangible security. The plan involves having two indorsers on the note of the borrower and weekly or monthly repayments of the loan—very similar to the Morris Plan.

The Louisville Trust Company, Louisville, Ky., has opened an insurance department to write fire and casualty insurance. It is in charge of Fellmer Hoeing, who was formerly with the Kentucky Actuarial Bureau and later was state agent for the Fidelity Phenix Fire Insurance Company.

CORNISH LEAVES AMERICAN SOUTHERN TRUST

Edward Cornish has resigned from the chairmanship of the board of the American Southern Trust Company, Little Rock, Arkansas. Mr. Cornish came to Little Rock from Monticello, and began his banking career as a bookkeeper later joining with J. L. England to form the Cornish and England Bank. When this dissolved, he organized the American Bank, which was later merged with the German National Bank and the old Bank of Commerce.

Mr. Cornish will devote his time to the

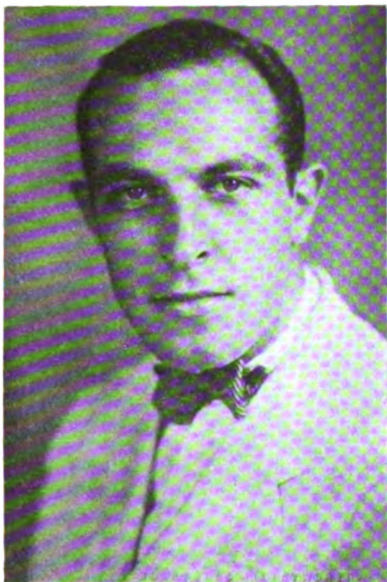
activities of the National Cottonseed Products Corporation of Memphis, Tenn., of which he is president.

CALDWELL JOINS UNION NATIONAL, HOUSTON

Thomas J. Caldwell has been elected vice-president of the Union National Bank, Houston, Texas, and a member of the board of directors. Mr. Caldwell was formerly vice-president of the Federal International Banking Company, New Orleans, La.

NEW TRUST OFFICER FOR FIRST NATIONAL OF TAMPA

J. H. L. Janson has been appointed trust officer of the First National Bank, Tampa, Florida. Mr. Janson was educated in the George School of Technology at Atlanta, and the Cleveland Law School. He served



J. H. L. JANSON

Recently appointed trust officer of the First National Bank, Tampa, Fla.

in the Navy during the war. He has been connected with the Cleveland Trust Company, Cleveland, Ohio, for a number of years prior to joining the First National of Tampa, and is an expert in trust, estate, and tax matters.

Light and Power Utilities

Specializing in organizing and extending plants, including the planning of new layout and equipment. All work done promptly and well.

Harold A. Danne
Engineer

41 PARK ROW, NEW YORK

Tel. Cortland 2142

SEXTON HEADS ARKANSAS BANKERS ASSOCIATION

G. H. Sexton, cashier of the Arkansas Valley Bank, Fort Smith, Ark., has been elected president of the Arkansas Bankers Association.

BANKERS GOING TO EUROPE

Robert F. Maddox, chairman of the board of the Atlanta and Lowry National Bank, Atlanta, Ga., and W. O. O'Connor, president of the Republic National Bank, Dallas, Texas, recently sailed for Europe.

LOUISIANA BANKERS AID CON- SERVATION

It is reported that the bankers of Louisiana are now putting into the mortgage given by a borrower on timber lands, the following clause:

"The mortgagor does hereby further bind himself to put his waste or idle lands not suitable to agriculture to trees and to pro-

SOMETHING NEW!

Definite Purpose Club

Can be opened any time, for any amount. Just what you need
to get new savings accounts. Ask for particulars.

OUTCAULT ADVERTISING COMPANY

221 EAST 20th STREET, CHICAGO, ILL.

tect all forest trees and tree seedlings growing on any of the above-described lands, and he further pledges that fires or other destructive agencies will be prevented wherever possible."

This is another item in the evidence of a growing spirit of social responsibility among bankers.

FOSTER A VICE-PRESIDENT OF CONTINENTAL TRUST

Robert Foster, Jr., has been elected vice-president of the Continental Trust Company, Baltimore, Md., and also vice-president of the Continental Company, a subsidiary.

PATTON LEAVES PLANTERS NATIONAL

Henry C. Patton, vice-president of the Planters National Bank, Richmond, Va., has resigned, due to ill health. Mr. Patton came to the Planters National from the First National Bank of Danville, in 1920, to take charge of the credit department.



Middle States

Comprising Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri.

CONVENTION DATES

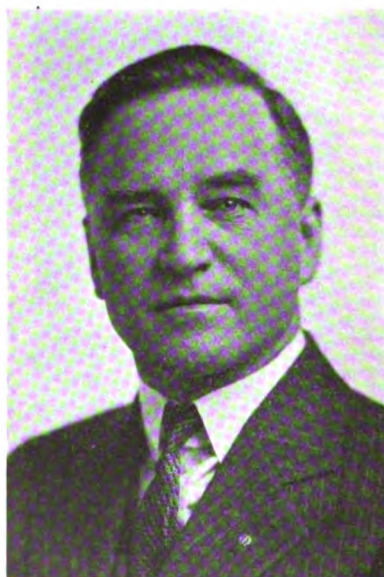
Indiana—at West Baden, Sept. 16-17.

Financial Advertisers' Association—at Columbus, O., Oct. 14-16.

Morris Plan Bankers Association—at West Baden, Ind., Oct. 26-28.

KAREL HEADS WISCONSIN BANKERS ASSOCIATION

At the recent annual convention of the Wisconsin Bankers Association, the following officers were elected: President, L. Albert Karel, president State Bank of Kewaunee;



L. ALBERT KAREL
President State Bank of Kewaunee, Wis., and
recently elected president of the Wisconsin
Bankers Association

waunee; vice-president, Knute Anderson, cashier Union National Bank, Eau Claire; and treasurer, H. Haslett, cashier Citizens State Bank, Loyal.

Mr. Karel was born in Kewaunee, was educated in the University of Wisconsin,

Complete Private Wire Service—Direct B/L and Collection Facilities



*Thoroughly Organized
to Reduce the Time
on Items in Transit
for Correspondents
Everywhere*

FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

**UNION TRUST
COMPANY
CHICAGO**

For 56 Years One of Chicago's Most Favorably Known Commercial Banks



Double-Safe Loans On Celotex Houses

Your loan is doubly safe when the collateral is a house built with Celotex Insulating Lumber.

There's greater safety of the principal, because Celotex houses are stronger. They depreciate less quickly than houses of ordinary construction.

And your interest payments are safer because Celotex insulation saves the tenant's money. It stops avoidable heat waste—reduces fuel bills enough each year to help pay the interest on several thousand dollars.

Celotex is used as sheathing in place of lumber; and inside the house, plaster is applied directly to its surface. Used in these ways, Celotex adds both strength and heat insulation, at no extra building cost. It is the only insulating material that makes houses stronger.

Ask your architect, contractor or lumber dealer about the advantages of Celotex insulated homes. And write for our valuable new building book, explaining insulation fully.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

CELOTEX
INSULATING LUMBER

"There is a use for Celotex in every building"



“Cooked” Air

“Cooked” air is the term used by scientists for the devitalized product of ventilating systems of the usual type.

The Smithsonian Institution at Washington, the Government Scientific Bureau, has stated that one-third the deaths in the United States are caused by respiratory diseases due to bad heating and ventilation; or, in other words, due to “cooked” air in one form or another.

Nevertheless, “cooked” air is the fashion; monumental buildings are evidently not considered in good taste unless the air in them is thoroughly devitalized, and even the humble home has its pipeless furnace.

By the Gerdes Method of Ventilation healthful and invigorating *unheated* fresh air is diffused without causing draft or chill. The cost of a Gerdes System or of an Electric Window Ventilator is repaid many times in increased efficiency and better health.

Results are unequivocally guaranteed. Reports and proposals made without obligation or charge. Booklet containing references of the highest character sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

and got his first banking experience in Chicago, where his father was also a banker. Later he returned to Kewaunee, and is now president of several banks and a trust company in northeastern Wisconsin.

The Wisconsin Bankers Association has a 100 per cent. membership. It does extensive work through its group and county associations along the lines of bank protection (against burglary and hold ups); making a service charge for checking accounts uniform throughout the state; standardization of bank forms; bank taxation; and agricultural and dairying promotion.

STATE BANK SUPERVISORS RE-ELECT McLAUGHLIN

At the recent convention of the National Association of Supervisors of State Banks at St. Paul, George V. McLaughlin, of New York, was re-elected president. Other officers re-elected were: First vice-president, Grant McFerson, Denver; second vice president, Peter G. Cameron, Pennsylvania; third vice-president, Charles McKee, Arkan-

sas; and secretary-treasurer, R. T. Sims, New Orleans.



GEORGE V. McLAUGHLIN
Superintendent of the Banking Department of the State of New York, and recently re-elected president of the National Association of Supervisors of State Banks

**MISS REYNOLDS CHAIRMAN OF
FINANCIAL GROUP OF SPECIAL
LIBRARIES ASSOCIATION**

At the recent business meeting of the financial group of the National Special Libraries Association at Swampscott, Mass.,



MISS MARGARET REYNOLDS

Librarian of the First Wisconsin National Bank, Milwaukee, Wis., and recently elected chairman of the financial group of the Special Libraries Association

the following officers were elected: Chairman, Miss Margaret Reynolds, librarian First Wisconsin National Bank, Milwaukee, Wis.; vice-chairman, Miss Alice M. Scheck, librarian First National Bank, Los Angeles, Calif.; and secretary, Miss Eleanor Cavanaugh, librarian Standard Statistics Company, New York.

"INVESTMENT DEPOSIT" PLAN SUCCESSFUL IN YOUNGSTOWN

Mention was made in these columns in August of the plan of two banks in Youngstown, Ohio, to pay 5 per cent. interest on "investment deposits" in order to meet the competition from building and loan associations. It is reported that in

the first three weeks after the plan was announced, the two banks received over \$1,000,000 of such deposits.

TWEEDY IN CHARGE OF GUARANTY COMPANY'S CHICAGO OFFICE

A. W. Tweedy, assistant vice-president of the Guaranty Company of New York, succeeded Arthur G. Cable as manager of the Chicago office. Mr. Tweedy has been with the Guaranty Company for six years, in the Boston office and in the New York office, serving at the latter office as district sales manager and manager of the city sales force.

ST. PAUL BANK CHANGES NAME

The Merchants Trust and Savings Bank, St. Paul, Minn., has changed its name to Merchants Trust Company, in order to avoid confusion with the Merchants National Bank, with which it is affiliated.

A WOMAN BANK PRESIDENT

Mrs. Myrtle S. Bradford has been elected president of the Bradford National Bank, Greenville, Ill., to succeed her late husband, John S. Bradford. She has had considerable banking experience as a director. She has also been a school teacher and Chautauqua lecturer.

Mr. Bradford was the third generation of his family to be president of the Bradford National Bank, which was started in 1868 by his great grandfather.

BANKERS GOING TO EUROPE

Allard Smith, vice-president Union Trust Company, Cleveland, and George B. Morley, president Second National Bank, Saginaw, Mich., recently sailed for Europe.

OTTE RETURNS FROM EUROPE

Hugo E. Otte, president of the National Bank of the Republic, Chicago, recently returned from a trip to England, Scotland, France, Germany, Switzerland, Holland, Norway and Sweden.

MARRIOTT CELEBRATES FIFTIETH YEAR OF SERVICE

A. R. Marriott, vice-president of the Chicago Title and Trust Company, Chicago, and an authority on abstract methods and Chicago real estate history, recently completed his fiftieth year of service. He was

presented with a chest of silver, a platinum watch, and a silver service by his associates.

A NEW INVESTMENT BANKING FIRM IN CHICAGO

William A. Wrigley, Jr., John Hertz, A. D. Lasker, John R. Thompson, Lawrence Stern, and other business leaders in Chicago have formed an investment banking company to be known as Lawrence Stern & Company. It will do a general investment banking business, specializing in the underwriting and wholesale distribution of real estate mortgage securities.

Mr. Stern was formerly a vice-president of S. W. Straus & Company.

The new firm has aroused much interest, for the wholesaling of real estate bonds on the scale contemplated by the new company is a new departure in investment banking. Up to the present time, there has been practically no wholesaling of these bonds, the bonds being distributed usually through the retail sales organization of the house purchasing the issue.

NEW PRESIDENT FOR MERCHANTS NATIONAL, INDIANAPOLIS.

John P. Frenzel has been elected president of the Merchants National Bank of Indianapolis, Ind., to succeed his brother, the late Otto N. Frenzel. Mr. Frenzel entered the Merchants National in 1867 as a messenger. In 1885 he was elected cashier, and seven years later, at the age of twenty-eight, he became president. In 1902, he resigned to become president of the Indiana Trust Company, which is affiliated with the Merchants National. He now returns to the presidency of the Merchants National Bank, and will be succeeded as president of the Indiana Trust Company by Fred C. Dickson.

MORISON CHAIRMAN AGENCY DIVISION CLEVELAND ADVERTISING CLUB

Francis R. Morison, financial advertising specialist of Cleveland, Ohio, has been elected chairman of the new agency division of the Cleveland Advertising Club. The division is representative of the leading advertising agencies operating in the Cleveland field.

NEW OFFICERS CLEVELAND A. I. B.

The following officers of the Cleveland Chapter of the American Institute of

A Specialized Service

for Banks and Bankers
which is the result of more
than sixty years of experi-
ence is offered by

The First National Bank of Chicago and the First Trust and Savings Bank

Complete facilities are
provided for active and
inactive accounts, collec-
tions, bills of lading, in-
vestments and foreign
exchange transactions.



FRANK O. WETMORE,
Chairman

MELVIN A. TRAYLOR,
President

**Combined Resources
Exceed \$350,000,000**

STEEL-STRONG
COIN WRAPPERS and Bill STRAPS
 HIGHEST GRADE
 BEST QUALITY
 MADE FROM THE WORLD'S FINEST KRAFT
 SOLD IN ALL CITIES
 BY BANK STATIONERS
 Write for catalog illustrated in colors
 THE CL. DOWNEY CO. 945 Clark St. CINCINNATI, O.

Banking have been elected for the ensuing year: President, William P. Abbott, Central National Bank; first vice-president, William J. Dunn, National City Bank; second vice-president, H. T. Jameson, Union Trust Company; treasurer, O. L. Rieder, Pearl Street Savings and Trust Company, and chief consul, J. P. McKenney, Guardian Trust Company.

PROMOTIONS AT LIBERTY CENTRAL TRUST, ST. LOUIS

G. B. Trigg has been elected cashier and Arthur P. Miller, C. A. Tacke and Harry C. Hartkopf have been elected assistant cashiers of the Liberty Central Trust Com-



G. B. TRIGG

Recently promoted from assistant cashier to cashier of the Liberty Central Trust Company, St. Louis, Mo.

pany of St. Louis. Mr. Trigg is a native of Virginia, and was educated at the University of Virginia. He joined the Liberty Central Trust Company in 1910 and has been an officer since 1921, when he was appointed an assistant cashier.



Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska.

CONVENTION DATES

Wyoming—at Casper, Sept. 16.
 New Mexico—at Las Cruces, Sept. 21-22.
 Nebraska—at Omaha, Oct. 21-22.

PORTLAND BANK MERGER

The United States National Bank, Portland, Oregon, has bought the Ladd and Tilton Bank of Portland, the second oldest bank on the Pacific Coast. The merger will make the United States National the largest financial institution north of San Francisco, and West of Minneapolis, with combined deposits of about \$59,000,000. The Ladd and Tilton Bank was formerly owned by Charles Pratt & Co., of New York, who feel that they are too far away to continue active direction of the bank.

CALIFORNIA BANK ISSUES MONTHLY REVIEW

The California Bank, Los Angeles, Calif., is issuing a monthly review of business conditions, called *Trade Trends*. A particularly interesting feature is the "Barometer of Business" on the last page, which gives monthly figures for thirty-seven different indicators, grouped under volume of trade, financial indicators, security prices, foreign exchange, price indexes, and commodity prices.

IRELAND SUCCEEDS MALPAS

E. B. Ireland has succeeded F. C. Malpas as manager of the Portland branch of the Canadian Bank of Commerce.

THE exterior with stone of polished Concord granite and cut cast granite is designed with extreme care as to beauty and proportion.

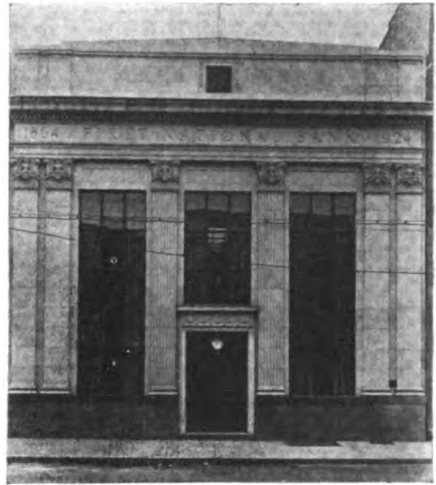
The interior, carried out in marble and bronze, is representative of the most complete modern banking home of its size and every possible convenience for both the customers and details of banking business has been provided in a manner which reflects sound judgment and experience.

*Designed—Built—Equipped
by*

The Griswold Building Co., Inc.

**SPECIALISTS IN
Designing—Building—Equipping
BANKS**

101 Park Avenue, New York City



**First National Bank
Milton, Pa.**



D. H. LIGHTNER

**Cashier Citizens Trust and Savings Bank,
Aberdeen, S. D., and recently elected president
of the South Dakota Bankers
Association**

LIGHTNER HEADS SOUTH DAKOTA BANKERS ASSOCIATION

At the recent convention of the South Dakota Bankers Association, held in Brookings, S. D., the following officers were elected: President, D. H. Lightner, cashier Citizens Trust and Savings Bank, Aberdeen; vice-president, Arthur Chambers, vice-president Hudson State Bank, Hudson; treasurer, John Barton, cashier Security National Bank, Sioux Falls; and secretary, L. J. Welch, of Mitchell.

Mr. Lightner was born in Youngstown, Ohio, in 1884, graduated from Oberlin College in 1906, and came to New York with the Lumber Insurers General Agency in 1907. In 1911, he left this position to become cashier of the Citizens Trust, which position he now holds. He has been active in the work of the South Dakota Bankers Association for some time, serving on several committees. He was recently appointed by Governor Gunderson to serve as a member of the Depositors Guaranty Commission—advisory to the Superintendent of Banks.

Ideal Summer Vacations **BERMUDA** *Only 2 Days from New York*

Spend **YOUR** Vacation
in Bermuda

8 Day Tours \$90⁰⁰

and Up—Including all Expenses for
Steamer, Hotel and Side Trips
Longer Tours in Proportion



Bermuda is COOL in Summer.
Average Summer Temperature 77°

ALL OUTDOOR SPORTS

Golf, Tennis, Motor Boating,
Sailing, Bathing.

No Passports Required.

SAILINGS TWICE WEEKLY

Via Palatial Twin-Screw, Oil-Burning Trans-
Atlantic Liners

S. S. "FORT VICTORIA"
S. S. "FORT ST. GEORGE"

For Illustrated Booklets write to

FURNESS BERMUDA LINE

34 Whitehall St., New York
or any Local Tourist Agent

Savings Bank; and treasurer R. D. Davis, vice-president Citizens Trust and Savings Bank.

The work of the association is devoted to teaching thrift in the schools and has been very successful. Up to July 1, 1925, thirteen junior high schools and 161 elementary schools had added thrift to their curricula. Over 65,000 school saving bank accounts had been opened, with total deposits of almost \$700,000.

CALIFORNIA BANK BUYS NORTH-EAST BANK, LOS ANGELES

The California Bank, Los Angeles has assumed control of the Northeast Bank of Los Angeles, following its policy of extending its service by branches. G. C. Lingle, former president of the Northeast Bank has been succeeded by Gordon C. Smith, formerly comptroller of the California Bank.

VANDENHOOK HEADS MONTANA BANKERS ASSOCIATION

At the recent annual convention of the Montana Bankers Association, the following officers were elected; president, Charles Vandenhook, president Commercial National Bank, Bozeman, vice-president

NEW OFFICERS FOR HELLMAN BANK

E. C. Clayton has been appointed manager of the Sixth and Main streets branch of the Hellman Commercial Trust and Savings Bank, Los Angeles, Calif. H. H. Ashley has been appointed trust officer, and H. A. Reed comptroller at the head office.

NEW OFFICERS OF LOS ANGELES BANKS SCHOOL SAVINGS ASSOCIATION

A. H. Thomas, junior vice-president of the Pacific-Southwest Trust and Savings Bank, Los Angeles, Calif., has been elected president of the Los Angeles Banks School Savings Association, to succeed W. R. Morehouse, vice-president of the Security Trust and Savings Bank, Los Angeles. Other officers elected were: vice-president, J. W. Lewis, assistant cashier Union Bank and Trust Company; secretary, H. B. Kelly, cashier, Hellman Commercial Trust and



CHARLES VANDENHOOK
President Commercial National Bank, Bozeman, Mont., and recently elected president of the Montana Bankers Association

J. K. Heslet, assistant cashier W. A. Clark and Brother, Butte; and secretary-treasurer John Romersa.

CAMPBELL PROMOTED

Robert J. Campbell has been promoted from assistant treasurer of the Fidelity Savings Trust Company, Kansas City, Mo., to vice-president in charge of out-of-town



ROBERT J. CAMPBELL

Recently elected vice-president in charge of out of town bank accounts of the Fidelity National Bank and Trust Company, Kansas City, Mo.

bank accounts of the Fidelity National Bank and Trust Company, Kansas City, Mo. Mr. Campbell was born in 1891 in Kansas City, and has lived there all his life. He was educated in the public schools and Kansas University. He has been associated with banks ever since the beginning of his business career, and has been assistant treasurer of the Fidelity Savings Trust Company since 1919.

Dorman H. O'Leary has been elected assistant treasurer of the Fidelity Savings to succeed Mr. Campbell.

The stockholders of the Fidelity National

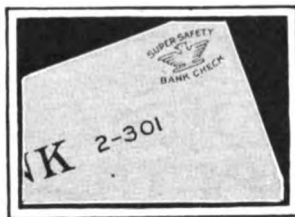
New Idea Increases bank deposits by millions

THERE is now appearing in the leading national magazines an immense educational program on banking. Every month these articles are read by 20,000,000 people whose incomes are sufficient to be desirable depositors.

In your community this plan benefits YOU

Men and women in your city are reading this advertising because it is intensely interesting. It shows them the important part their bank plays in making them financially independent. It is creating new bank depositors in every locality in America. *It is making present customers decidedly more valuable.*

At the same time these 20,000,000 people are being shown the protection from fraud which Super-Safety Bank Checks give. And what ordinarily is an item of merely bank supplies—just checks—now is given a business building value.



Other ways to increase deposits

So that you may receive in your locality the greatest possible benefit from this national campaign, we offer you without charge a very remarkable plan. A complete year 'round advertising campaign for you to run in your own local papers over your own name.

One of the leading advertising organizations in America prepared this material. You could not possibly obtain it in any way other than through our co-operation. It includes many business building plans which have been tested and proved profitable by leading banks. Some have increased their deposits by thousands of dollars.

Let us tell you about these plans more fully. How they will help your own bank. Write immediately.



BANKERS SUPPLY COMPANY, Division THE TODD COMPANY
5951 So. State Street, Chicago
Business-Building Merchandise for Banks
New York Rochester CHICAGO Denver Dallas

**ONE BANK COVERS THE
LOS ANGELES
METROPOLITAN DISTRICT**



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest percentage, wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

**SECURITY
TRUST &
SAVINGS BANK**

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$200,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

Bank and Trust Company own all the stock of the Fidelity Savings Trust Company.

Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. Tyson

WHILE there is no official statement, it is generally accepted that the King Government, which is nearing the end of its term, will go to the country this fall. A federal election is always a more or less disturbing factor in business even though there may be no major economic issues at stake and this is particularly the case under the conditions prevailing. The crop outlook indicates a marked improvement in the agricultural situation and other current developments are regarded as constructive, but taxation is recognized as one serious drag on business. This is not only felt in the levies themselves but in the uncertainty in framing industrial budgets. Bankers point out that with the still high level of costs, and the additional need for some further adjustment in manufacturing output in relation to postwar markets, a definite budget is essential to sound finance and this is almost impossible to work out where there is uncertainty regarding the Government's program.

Under these conditions an election in which the tariff and taxation in general will be an issue is bound to be, to some extent, disturbing even though, as previously stated, the Government is making no radical proposals but is rather asking a continued term in order to have an opportunity for giving a further trial of the fiscal policy which it adopted when it came into power four years ago. This policy, while it has not involved any sweeping change in the principle of protection, which for many years has been recognized in varying degrees by both parties when in power, has involved the reduction of the tariff on the implements and machinery of production and in other ways has facilitated importation of manufactured products. There is a strong feeling in the industrial and busi-

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department
Standard Bank of Canada
TORONTO

Capital Paid Up - - - - - \$4,823,400
Reserve Fund and Undivided Profits 3,051,110

ness community that Canada should adopt a stronger protective policy and this will be a plank in the election platform of the Conservative opposition. The question of taxation is likely to be made a particular issue, too, because of the reductions which have been made and the further reductions which are proposed in surtaxes and general income taxes in the United States.

This question of taxation directs particular attention to the country's transportation problem. That some real effort will be made in the near future to reduce the heavy deficits which the country is being called upon to pay in connection with the National Railways is indicated by the fact that a special committee was appointed by the Senate of Canada to inquire into and report upon the best means to relieve the country from this burden. The committee reported that inquiry made clear that the increasing obligations of the country on account of the National Railways were causing much national concern. The addition to the nation's obligations through the Canadian National Railways during the last six years amounts to more than \$710,000,000. There is no assurance, the committee says, that under the present system, this schedule will materially decrease in the near future.

The committee made a number of proposals recommending the merging of the National Railways and Canadian Pacific to be operated under a board of fifteen directors named by the Canadian Pacific, the Canadian National and the Government, and reorganization of capital, the C. P. R. to be guaranteed the dividend on its stock and a dividend to be paid to the

Government on the capital of the National Railways in the event of its being earned. The committee made the point that there could be no relief from taxation and no move towards a reduction in rates and fares until something is done to work out the railway problem along the lines suggested. While there is great difference of opinion as to the soundness of the committee's proposals, there is a growing conviction that something must be done.

A new classification in freight rates has been ordered by the Dominion railway board, and promises advantages to shippers, and some reduction in commodity costs to the public. The freight rate situation is a very complicated one on account of pre-war agreements made on the basis of mileage existing at that time, increased costs of providing service since the war and the lower all-water rates between Atlantic and Pacific points via the Panama Canal. The railway board is continuing its work of classifying rates and some satisfactory adjustment of the unsatisfactory situation which has prevailed for some years is looked for.

Canada is looking for trade benefits from the new agreement made between this country and the British Islands of the Caribbean which resulted from the conference recently held at Ottawa. The agreement provides trade concessions on both sides looking to mutual advantages and covers arrangements for improving steamship services between Canada and the Indies.

An encouraging development has been the increasing strength of the Canadian dollar in New York. The premium is fractional but the mere fact that the Canadian

1865



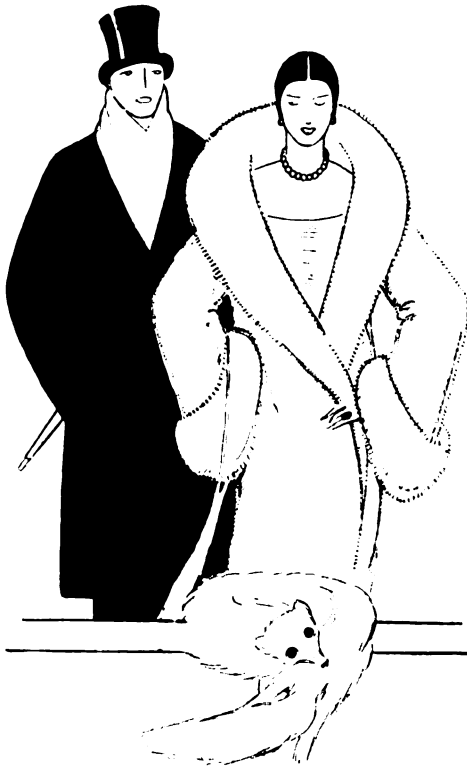
1925

ESTABLISHED OVER HALF CENTURY

C. C. SHAYNE & CO.

Importers and Manufacturers of

Strictly Reliable Furs



WHATEVER the new mode calls for, interpreted in garments that meet every requirement for day or evening wear, our collection of the season's most fashionable models is worthy of your consideration.

**COATS
WRAPS
SCARFS
JACQUETTES**

IN EVERY DESIRABLE FUR

126 WEST 42d STREET . . . NEW YORK

dollar is quoted above par in New York is regarded as a remarkable indication of the country's ability to maintain the national credit. Canada has had a favorable balance of trade now for fourteen consecutive months. This is an unusual record because there is generally a drop to the unfavorable side of the balance in the spring when exports are curtailed pending the reopening of navigation.

In addition to the balance of trade, bank clearings and bank debits, employment figures, building permits and other indicators are favorable. On the other side is a business situation which is relatively somewhat disappointing. Taxation is undoubtedly a factor in this connection and there is also in evidence a reluctance on the part of the agricultural community, particularly in western Canada, to take advantage of the increased power indicated by the crop prospects until these prospects are actually realized. Banks and commercial houses are generally restricting credits based on anticipated crop returns in view of past experience and the tendency which has been general in the West to finance on anticipated profits. For several years the West has had debt-paying crops and the feeling is that a good harvest this year should do something more than wipe off obligations.

COMMERCE APPOINTMENT

In banking circles much interest attaches to the announcement of the appointment of G. R. Cottrelle to the head office staff of the Canadian Bank of Commerce. While nothing has been given out as to Mr. Cottrelle's new duties, it is assumed that he will rank high among the officers of the bank and in thus making an appointment from a field outside the organization and outside banking an interesting departure has been made. Mr. Cottrelle has been

treasurer of the Independent Order of Foresters and a member of the executive and investment boards and he has played an important part in bringing the somewhat tangled financial affairs of that society to a sound position.

ROYAL-UNION MERGER APPROVED

The shareholders of the Royal Bank of Canada have approved the purchase of the Union Bank of Canada. The board of directors will be increased from twenty-two to twenty-seven members. The capital stock will be increased by \$5,000,000 to \$30,000,000 by the issue of 50,000 shares from time to time under the direction of the board. In moving for the ratification of the merger agreement, Sir Herbert Holt, president of the Royal Bank, said:

"In moving this resolution, I desire to inform the shareholders that the purchase of the assets and business of the Union Bank of Canada on the terms set forth in the agreement which is presented to you today for ratification, has received the most careful consideration of your directors and the executive officers of the bank. Although we have 539 branches in Canada and the Union Bank has 309 branches, there are only fifty-one duplications, and the new offices which we will acquire will substantially augment our connection throughout the entire Dominion. The great majority of the branches at points where both banks are represented and which will be amalgamated are in the larger centers, where the cost of operation is heavy, and very considerable saving will be effected through the consolidations. By reduction in overhead charges, economies in management and closing of branches where duplication occurs, we expect to add considerably to the earning power of the bank."





The new building of The First National Bank of Boston, Buenos Aires branch. The building was designed by Chambers & Thomas of Buenos Aires, with York & Sawyer of New York as consulting architects. It was constructed under the supervision of Stone & Webster, Inc., of Boston

The First National Bank of Boston, Buenos Aires Branch

ONE of the most interesting developments in banking since the United States began to take an interest in banking in foreign fields has been the branch established by The First National Bank of Boston in Buenos Aires and the building which houses this branch, considered to be the finest building in South America and one of the finest bank buildings in the world.

When the Buenos Aires branch outgrew its rented quarters, it was decided to purchase land and build a home. The architects engaged were Chambers & Thomas of Buenos Aires, with York & Sawyer of New York as consulting architects. The site selected was a triangular lot on the corner of Calle Florida, Calle Bartolome Mitre and Avenida Roque Saenz Pena, a very good location, as Calle Florida is the main shopping street and Bartolome Mitre is the main banking street. The Avenida Roque Saenz Pena is a wide avenue recently cut through to relieve traffic on the narrower streets, and gives ample parking space. All building on this avenue is regulated by special building ordinance, which governs the height of the building and makes the use of cornices and balconies of certain widths obligatory.

The facade of the building is an adaption of the classical Spanish Renaissance style of architecture. At the height of 108 feet is a story of arches with a decorative cornice, behind which the uppermost story forms an attic, while a dome roofed with Spanish tile is located on the Calle Florida corner. The main entrance doorway is 65 feet high, with ornamental sculpture work in Indiana limestone. The remainder of the facade, up to the first floor level is of Cosquin granite. Above that, white artificial stone plaster has been used.

Entering the building through the four-ton bronze door which operates vertically by an automatic elevator, at the main entrance, one comes into the main banking room. Its 14,500 feet of space are floored with Norman flashed mosaic tile, laid in a herringbone pattern, giving a combination of colors to harmonize with the Spanish style of architecture. Around the outside of the public space are the paying and re-

ceiving tellers, the foreign department, the discount department and the bond department, who must necessarily be in close contact with the public. The cages for these departments are specially lighted by means of the Frink system of tubular lamps with specially designed reflectors, which concentrate the light on the desk space without harm to the eyesight.

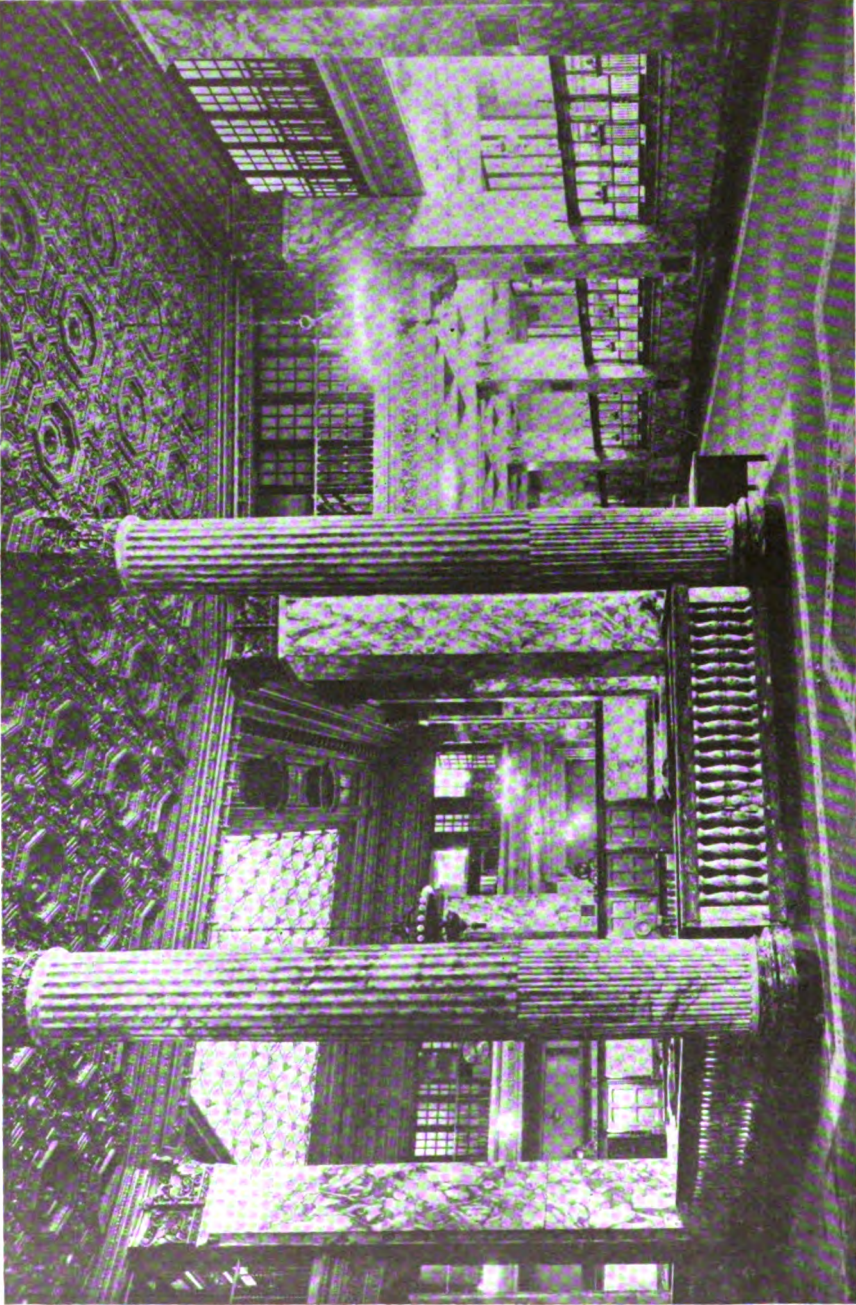
In the foreign exchange department an exchange traders' table has been installed with forty outgoing telephone lines to other exchange brokers, banks, etc. This table provides for six operators, and is so arranged that a call on any one of the forty lines can be answered on either of the six positions. A call can also be held or transferred from one position to the other, or a conversation can be listened to on as many of the positions as desired.

In the center of the public space, under a large skylight of leaded glass, are the desks of the sub-managers, so located that they can observe what is going on in the bank, and be easily accessible to the public. Several conference rooms adjoin the sub-managers' space.

Two special elevators communicate with the mezzanine floor, on which are located the vice-presidents' suite, the commercial department, the correspondence department, the visitors' room, inspector's office, bookkeepers, and other offices. The directors' room, which is also located on the mezzanine, is reached by a special elevator, located in the vestibule of the main entrance. Complete installations of automatic telephones, pneumatic tubes, and telautographs connect up all departments of the bank.

The eight upper floors are divided into offices for rental purposes. The entrance to this section of the building is on the Avenida Roque Saenz Pena, and the offices are served by four high speed elevators, located in the vestibule of this entrance. The main staircase of the building, which reaches from sub-basement to roof, is situated at the interior end of this vestibule. It is isolated from the elevator vestibules on each floor by fireproof doors with wired plate glass.

In the vestibule of the main entrance to the bank is located a stairway leading to the



View of public space, The First National Bank of Boston, Buenos Aires branch, as seen from the entrance



A view of the public space of The First National Bank of Boston, Buenos Aires branch, looking from the mezzanine floor toward the entrance, showing the sub-managers' space in the center

basement, where the savings department, information department, legal department, and collection department of the bank are located. Beneath the basement, is a sub-basement, containing the vault and safety deposit department, with an independent entrance and elevator. The vault is of the latest fire and burglar proof type, and far surpasses anything of its kind in the Argentine. The walls are built of concrete $2\frac{1}{2}$ feet thick, reinforced with $\frac{3}{4}$ inch steel bars. The rectangular doors, which are of cast steel, are solid metal 24 inches thick from face to bolt work. The frames are also cast steel, made in one piece. Each door with its frame weighs about twenty six tons and is provided with four time locks. The vault is steel lined, and is divided into three compartments; two for the use of the bank, and one for safety deposit boxes, of which there are 2800. Metal lockers are provided for the storage of cash and securities. There are telephones installed in the vault, and it is protected by the latest burglar alarm devices. The usual coupon rooms are provided for the convenience of depositors. The vaults were furnished by the York Safe and Lock Company, York, Pa.

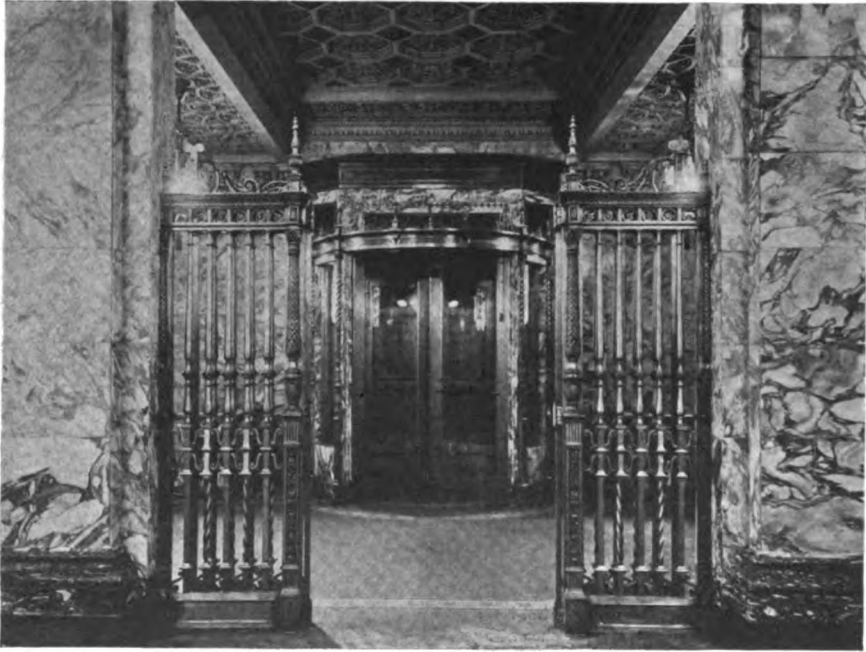
In the sub-basement are also located the files, printing press, carpenters' workshop, and the light and heat installations for the building.

The basement and sub-basement are mechanically ventilated by means of two large blowers fitted with air washers and heaters. The combined capacity of these two blowers is 80,000 cubic feet of air per minute. The air, after being washed, is distributed by means of large horizontal asbestos board ducts. The used air is extracted by means of twelve small extractor fans, distributed throughout the basement and sub-basement.

The building has a total frontage of 375 feet on the three streets, and has twelve floors, with a total floor area of 214,000 square feet. The four banking floors occupy 70,000 square feet of this, leaving ample space for future growth. The building is of fireproof construction with steel doors and windows throughout. It was constructed under the supervision of Stone & Webster, Inc., of Boston.

The head office of The First National Bank of Boston traces its ancestry back to the early days of the United States Government. In 1784, a charter was issued in Boston to the Massachusetts Bank. This bank included John Hancock, the first Governor of the State of Massachusetts, among its directors.

The Massachusetts Bank was first authorized to accept total deposits not exceeding \$2,500,000. In 1863, Congress passed the



The entrance to The First National Bank of Boston, Buenos Aires branch, as seen from the main banking room

National Bank Act, and in the same year, under the provisions of the act, the Safety Fund Bank, founded in 1859, became The First National Bank of Boston. The Massachusetts Bank also made use of the franchise granted by the same act, and became known as the Massachusetts National Bank. For almost forty years these two institutions remained in the field as rivals until, in 1903, the same group of interests assumed control of both and they were amalgamated under the name of The First National Bank of Boston.

The Federal Reserve Act of 1913, for the first time in United States history, permitted national banks to accept foreign drafts other than sight drafts, and to open foreign branches. This act thus enabled the banks to issue letters of credit and generally to engage in foreign banking. Taking

advantage of this privilege The First National Bank of Boston opened its Buenos Aires branch on July 14, 1917.

The development of the Buenos Aires branch was rapid, one of the principal factors being the great increase of trade in wool and hides between the Buenos Aires and Boston markets. With the increasing business, the number of employees in the branch grew from 16 to 350, and the quarters which had been rented became inadequate, hence the necessity for a new building.

The regular financial statements of The First National Bank of Boston cover all offices, including Havana and Buenos Aires. That of June 30, 1925, shows capital \$20,000,000, surplus and profits \$23,341,227, deposits \$279,478,551, acceptances executed \$19,741,326, and total assets \$373,418,056.





Interior of the main banking room, Trenton Trust Company, Trenton, N. J., as seen from the main entrance

New Home of Trenton Trust Company Opened

THE Trenton Trust Company, Trenton, N. J., has recently opened a fourteen-story bank and office building. It is located on a plot 145 by 60 feet, at the intersection of West State street and Chancery Lane. It was the wish of the president of the company, H. A. Smith, and the board of directors, that the design of the new building should show the wide reach of Trenton as a typical New Jersey community. In order to accomplish this, the architect, Alfred C. Bossom, of New York City, designed the building after the Italian Renaissance style of architecture, as suggesting the spirit of enterprise shown by such cities of medieval Italy as Florence, Venice, and Genoa which were noted, as Trenton is today, for their useful and artistic manufactures. This idea is further carried out by adorning the facade of the building with numerous tablets symbolizing various Trenton industries, in the same manner as it used to be the custom to place the coats of arms and insignia of the merchants and the guilds on the fronts of buildings in medieval Italy. For example, the wire

drawing industry in Trenton is symbolized by showing the outline of Brooklyn Bridge; another tablet shows kilns to symbolize the pottery industry; and still another shows the clustered chimneys of huge industrial plants.

Besides the fourteen stories of the building above the curb, there are several below the street level. The foundation rests on gneiss of unusual hardness, in which are veins of quartz, a rock which crops out in several parts of the State of New Jersey. The windows of the bank on the Chancery Lane side are 18 feet in height, and have bronze frames and highly polished plate glass, giving ample light during the day.

The building has a broad portal, enclosed in Tavernelle marble and bronze grilles in which are heavy panes of glass. Passing through the door, one enters a broad foyer, at the end of which is the entrance to the main banking room. To the left is the corridor leading to the battery of elevators serving the upper part of the building.

The 12 foot door, through which one



The new building of the Trenton Trust Company, Trenton, N. J., designed by Alfred C. Bossom, bank architect and engineer, New York



The entrance to the new building of the Trenton Trust Company, Trenton, N. J.

enters the main banking room is guarded by massive bronze gates, which are pushed back into a pocket in the walls when the bank is open. The banking room is 42 feet wide at the front, and widens out to 60 feet at the center. It is 92 feet long and 26 feet high. The general scheme of decoration is Italian Renaissance, to conform with the rest of the building. The rich coffered ceiling was designed after that in the historic Church of the Badia, in Florence. The floor is of Roman travertine; the wainscoting of Tavernelle marble; and the inner walls are of Caen stone. The counters and screens are American walnut, on a base of marble.

A few feet from the entrance to the main banking room, is an information desk, with an attendant to direct customers to the proper windows and departments. Immediately back of the information desk are several check desks, and the usual facilities for the convenience of customers. The public space of the main banking room is 22 feet wide. At the right, near the entrance, is the president's office, a consultation room, and the officers' space. Further back, on the right side are the cages for the cashiers and tellers. On the left of

the public space are the savings department, the home savings department, the trust department, and the women's de-



Interior of the main banking room, Trenton Trust Company, Trenton, N. J., looking toward the entrance



Entrance to the vault of the Trenton Trust Company, Trenton, N. J. Vault was built and installed by the York Safe and Lock Co., York, Pa.



Directors' room of the Trenton Trust Company, Trenton, N. J.



The conference room of the Trenton Trust Company, Trenton, N. J.

partment with a reception and retiring room. The directors' room is at the rear, in a direct line from the front entrance. There is also a mezzanine floor at the rear of the main banking room, providing additional offices and working space.

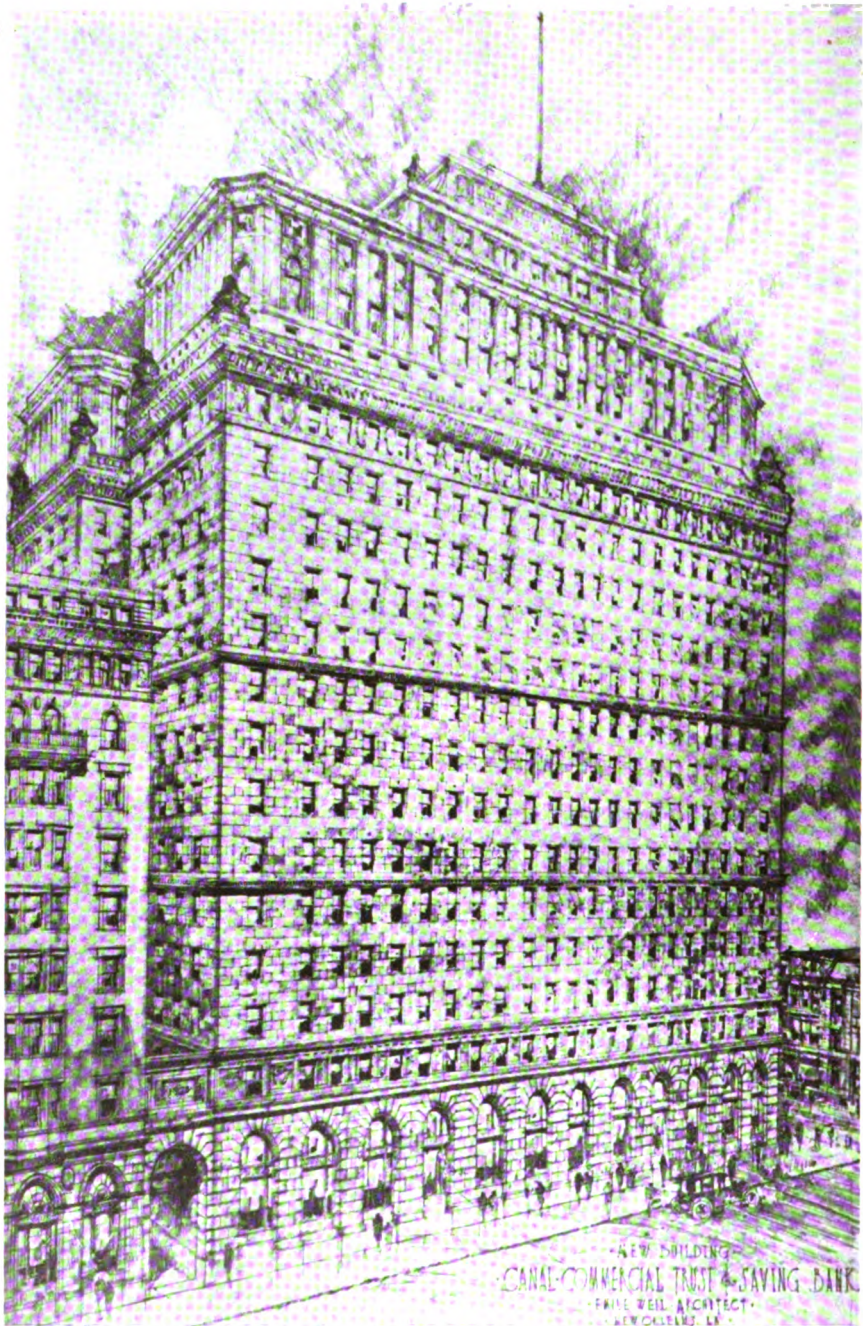
In the center of the public space, near the rear, is a stairway leading to the safe deposit vaults in the basement. There complete facilities are provided, including nine coupon booths, and some especially large safe deposit boxes for the use of corporations. The vaults are placed on the hard quartz rock, and are protected by a shell of reinforced concrete, with steel rods, connected to sensitive electrified wires which quickly give an alarm if the shell is tampered with by burglars' tools. The safe doors, composed of interlocking parts of chrome steel, weigh thirty tons, but are so balanced as to swing easily, when open. The vaults were furnished and installed by the York Safe and Lock Co., York, Pa.

The work space in the main banking room is floored with rubber tile, and the partitions have been carefully arranged, so as to eliminate, in so far as it is possible, the distracting din that is so often present in banks.

The bank is also equipped with a ventilating system, which furnishes fresh air, warmed or cooled as may be necessary, through ducts located at the bottom of the walls, in order to keep the banking room comfortable both in winter and summer. The used air is drawn off through registers concealed in the panels of the ceiling.

The bank will also be equipped to serve its customers by night as well as by day, through a chute in the corridor of the building, for the automatic receipt of deposits. Checks placed in a special box or a stout envelope can be deposited thus. While the cover of the chute is raised, an alarm bell rings, notifying the watchman. The deposit slides down the chute and into a safe. The chute is additionally protected by a small hinged trap which swings inward only.

The upper floors of the new building are already much sought after for office space, due to the advantageous location of the building. Each floor has twenty-two rooms, served by four high powered elevators. The upper part of the building is designed with the same care and completeness as is the portion devoted to the bank.



The architect's sketch of the four million dollar structure on which construction will soon be started for the Canal-Commercial Trust and Savings Bank, New Orleans, La. The building was designed by Emile Weil.

Some Recent Bank Building Operations

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

Canal-Commercial Bank, New Orleans, Building \$4,000,000 Structure

THE Canal-Commercial Trust and Savings Bank, New Orleans, has taken a ninety-nine year lease on the corner of Carondelet and Baronne streets, and will erect thereon an eighteen story bank and office building. An architect's sketch of the proposed building is shown on the opposite page.

A careful survey was made of conditions in New Orleans before deciding on so large a structure, and it was found that practically all the office buildings are now filled, so that with the regular growth of the city, the eighteen story structure will be fully justified. In addition to the banking quarters, the building will have 300,000 square feet of rentable space.

The architecture of the building will be of the early Italian Renaissance type, with the exterior of buff limestone. The interior will be of marble and bronze. The bank itself will utilize the first three floors. It will also use the basement for safe deposit and security vaults.

The building was designed by Emile Weil. Demolition of the present structures is to begin October 1, and as soon as the site is cleared, actual construction on the new building will begin.

Gastonia, N. C. Gets New Bank Building

THE Citizens National Bank, Gastonia, N. C. recently formally opened its new banking home, a picture of the interior of which appears on the following page. It is a three story structure, with large col-

umns running through the second story. These columns are capped with ornamental stone work, hand carved after the stone was in place.

The front of the building is of Indiana limestone, with a base of North Carolina granite. The interior is finished in classic design. The floors and wainscoting are of marble, and the ceiling of ornamental plaster, with the ornamental work brought out in gold leaf. The fixtures are of cast bronze, on a marble base.

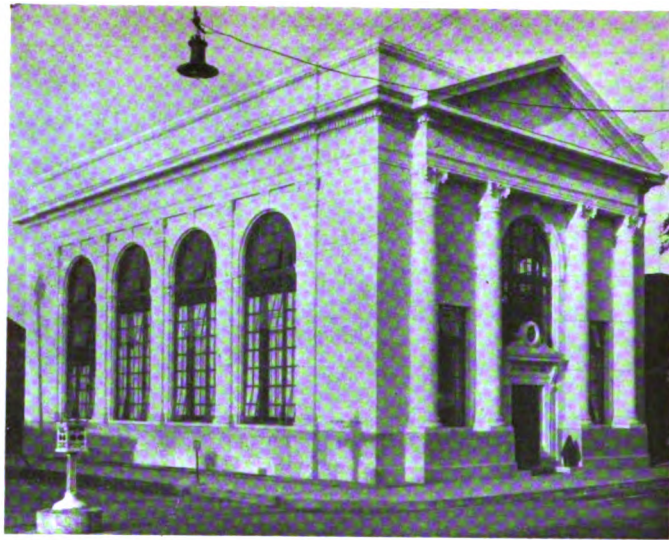
The vault door which is shown in the background of the picture was made by the York Safe & Lock Co., York, Pa., and has a solid steel thickness of twelve inches, weighing over 44,000 pounds. The walls are of re-inforced concrete. The building was designed by White, Streeter & Chamberlain, of Gastonia, N. C.

The Citizens National Bank was organized in 1905, and has shown a steady growth since that time. A. G. Myers, president of the bank, and a member of the executive council of the American Bankers Association, has been with the institution since it was organized.

Riverhead Savings Bank Has Prominent Location

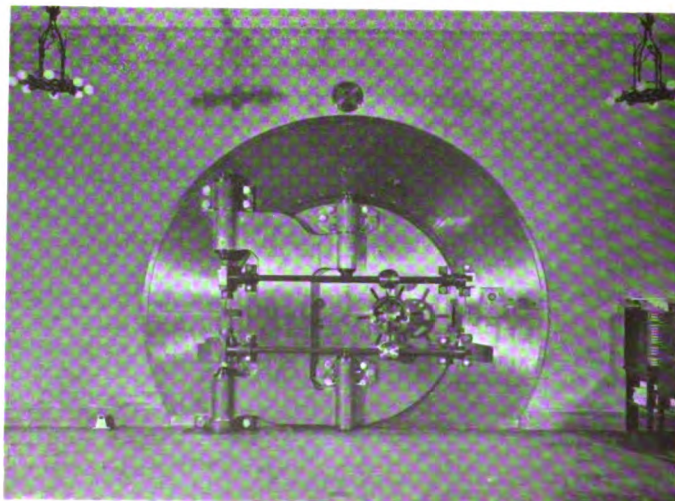
THE Riverhead Savings Bank, Riverhead, L. I. recently moved into its new building located on the most prominent corner in town. It occupies a site 50 by 85 feet. The building is totally detached, and has daylight from all sides. The base of the building is of Bethel white granite, and the superstructure is of white Dover marble, setting off the classic design of the building. The window sashes and frames are of solid cast bronze, with pivoted sections operated on ratchets for ventilation purposes.

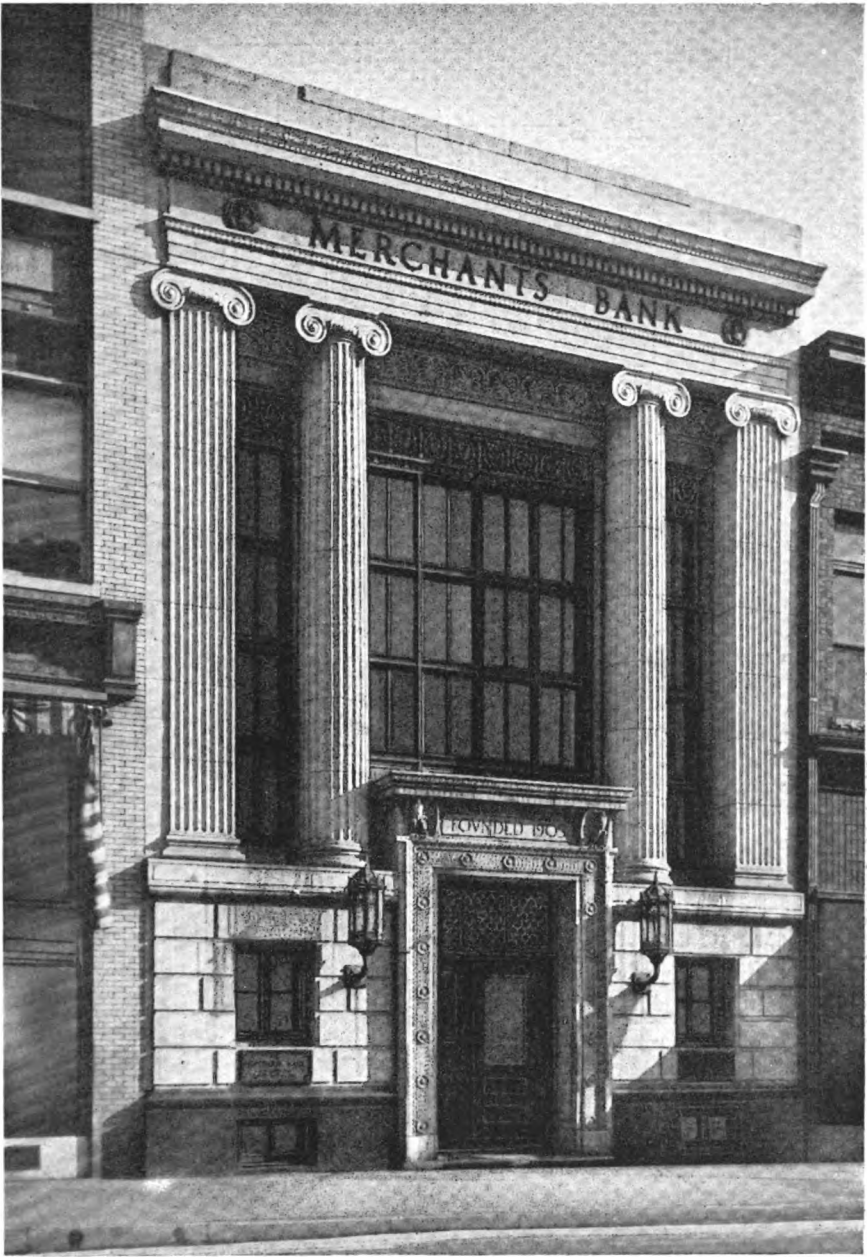
Exterior of the new building recently completed for the Riverhead Savings Bank, Riverhead, L. I. The building was planned and constructed under the supervision of Holmes & Winslow, bank architects and engineers, New York.



An interior view of the new building of the Riverhead Savings Bank, Riverhead, L. I., designed and constructed under the supervision of Holmes & Winslow, bank architects and engineers, New York.

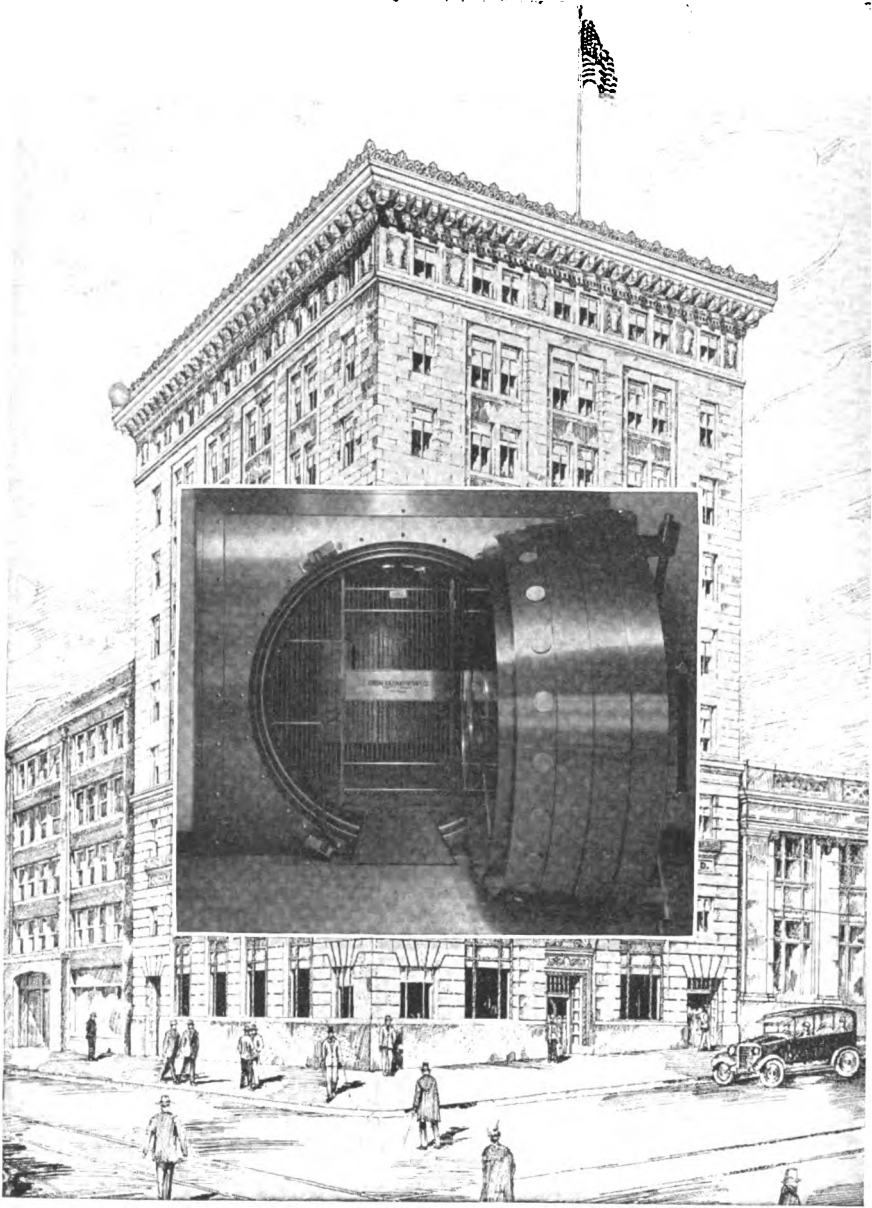
The door of the vault of the Pennsylvania Company for Insurances for Lives and Granting Annuities, Philadelphia, built and installed by the Mosler Safe Co., Hamilton, O., embodying Don-steel in its construction.





THE black and white marble front of the building of the Merchants Bank, Durham, N. C., stands out in pleasing contrast to the dark exteriors of the other buildings in the same block. This is another addition to the modern Southern bank buildings designed and erected by

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



New building of the United States Mortgage Bond Co., Detroit, Mich., designed by Harry S. Angell, Architect of Detroit. All vault work was installed by

Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

Principal Offices: New York, Boston, Chicago, San Francisco, Birmingham, Pittsburgh

Agents in Shanghai, Manila, Tokio, Havana

Cable Address "Fireproof" New York

The Herring-Hall-Marvin Safe Co. for nearly a century, has built and will always continue to build the same undeviating quality into its product.



Interior of the new building recently formally opened by the Citizens National Bank, Gastonia, N. C. The building was designed by White, Streeter & Chamberlain of Gastonia, N. C. The vault which shows at the rear of the photograph was built and installed by the York Safe & Lock Co., York, Pa.

The banking screen in the interior is of Tavernelle Claire Italian marble, as is the wainscoting. The floor of the public space is of Tennessee marble slabs, and the flooring of the officers' quarters is of terrazzo. All the cabinet work is of mahogany finish.

The work space is in the center of the room, with the public space extending on both sides. The work space is floored with rubber tile.

A trustees' room, a conference room, and a girls' rest room are located on the mezzanine floor in the rear.

The architects for the building were Holmes & Winslow of New York.



Peoples National, Lynbrook, Building New Home

ON the accompanying page is shown the architects' sketch of the new building which the Peoples National Bank, Lynbrook, L. I., is having built. It is to be of the Ionic style of architecture, and



The new building soon to be erected for the Peoples National Bank, Lynbrook, L. I. The building was planned and will be erected under the supervision of Morgan, French & Co., Inc., bank architects and engineers, New York.

Exterior of the Cumberland National Bank before recent alterations by the Griswold Building Company, Inc., New York, specialists in bank building and designing.



Exterior of the Cumberland National Bank, Bridgeton, N. J., after recent alteration.

Interior of the Cumberland National Bank, Bridgeton, N. J., after alteration by the Griswold Building Company.



will contain three mezzanine floors, one in the front, providing the directors' room, and two in the rear for machine room and for the other activities of the bank.

The interior will be floored with pink Tennessee marble, and the counter will be of imported marble, surmounted by a bronze screen of special design. In the rear of the bank will be provided a safe deposit vault, with coupon booths and other accommodations for customers.

The building was planned by and will be erected under the supervision of Morgan, French & Company, bank architects and engineers, New York.



Cumberland National Bank, Bridgeton, N. J.

A COMPANYING illustrations show the possibility of alterations, additions, and re-equipment as applied to the remodeling of two separate buildings of distinctly different architectural character erected in 1887 into a modern banking home.

The exterior design has been carried out to conform with the original architecture of the building and an expanse of steel framed windows on all sides of the building provides a well lighted and ventilated interior, an important item in the efficient functioning of the bank's business. While the architecture of the remodeled building could not follow any one order, a satisfactory result has been obtained in presenting a banking home of cheerful and refined appearance.

The interior has been entirely redecorated, rearranged, and re-equipped so that every requirement of modern banking service has been adequately met for both the present and future. Spacious and conveniently planned quarters have been provided for every department of the bank and a large public lobby, with Terrazzo flooring, will prevent congestion at all times. A decorative scheme incorporating the elements of refinement, richness, and the tone of a home, creates a most favorable impression. The counter-screen is of an imported marble, surmounted by bronze trim and wickets. Mahogany check desks serve the clients needs in the public lobby.

The safe deposit and security vault located in the rear of the banking room, is constructed of 18 inches of solid reinforced concrete with a laminated steel lining, and

guarded by a round 10 inch solid steel door equipped with modern time locks. The vault is still further protected by the most modern of electric burglar proof protection, while the bank is also equipped with an additional daylight holdup alarm system. Coupon booths and the safe deposit department adjoin the vault. The vaults were built and installed by the York Safe & Lock Co., York, Pa.

The basement is utilized by the bank's large heating plant, storage vaults, stationery and other rooms for storage purposes. In the remodeling, the building was reconstructed of fire proof materials throughout.

This banking home was designed, redecorated, re-equipped, and reconstructed in its entirety by the Griswold Building Company, New York, who are specialists in designing and building banks.



Bank Building Notes

Thomas M. James Company, bank architects, Boston and New York, have just awarded contracts for the new building of the Union Institution for Savings, to be built on the former site of the bank on Tremont street, Boston, at a cost of \$500,000. The building will be of limestone, eight stories above the banking floor, and the interior will be in marble and bronze, with complete modern equipment.



The Equitable Trust Company, New York, which some time ago leased the Mills Building to build a monumental bank building on that site, has sold the twenty-five story building it now occupies at 37 Wall street, to the Broadway-John Street Corporation. It will, however, continue to occupy its present quarters until the completion of its new building in 1928.



The Cleveland Trust Company, Cleveland, O., is constructing a new building for its Lorain branch. The building will be constructed of Lorain County sandstone front, two stories high, and the interior will be finished in Botticino marble, with marble and bronze counter screens.



The Central Mercantile Bank, New York, is doubling its present quarters in order to take care of its increased business.



The architects' sketch of the building now under construction which will house the Fifth avenue branch of the Farmers' Loan and Trust Company, New York. The building was designed by Starrett & Van Vleck, New York.

The Edwardsville National Bank, Edwardsville, Illinois, has an interesting historical painting over the entrance to its vault. The painting shows Macine, Chief of the Kickapoo Indians, with a band of his followers at Fort Russel, ceding their rights to all lands east of the Mississippi.

The Amalgamated Bank of New York has taken a thirty-one year lease on the five story Tiffany Building at the corner of Union Square and Fifteenth street, and will remodel the main floor into a modern, completely equipped banking establishment.



The Balance of Trade Myth

By BENJAMIN M. ANDERSON, JR.

Economist of the Chase National Bank, New York

IN the nineteenth century it became a commonplace in England that the so-called favorable balance of trade was a myth. As England lent capital abroad, as she increased her shipping services for the outside world, as she became the international banker receiving banking profits for financing of trade of other countries, as her insurance companies did business all over the world, and as her emigrants to foreign lands remitted funds to their families left behind, her trade balance turned from a favorable to an adverse balance and she realized that she was growing rich as a result. So far from losing gold in this process she gained gold. Gold came to England in whatever quantity she needed. Money rates in England were lower than in most other parts of the world. She had an abundance of gold as well as an abundance of goods, though she was never guilty of the folly of allowing gold to pile up idle in quantities vastly in excess of her need for it. Being a creditor nation with an adverse trade balance proved to be a very comfortable position indeed.

In 1913, among the countries with the so-called favorable balance of trade were the United States, Brazil, British India, Russia, Haiti, and Guatemala. They had favorable trade balances, excesses of exports over imports, because they were in debt to foreign countries, especially to England and France. Their people were unable to consume all that they produced because they had debts to pay. The larger national income of Great Britain as a result of American remittances enabled the British people to buy more American goods than they would otherwise have bought. Consumption and enjoyment in America were less and consumption and enjoyment in Britain were greater than would have been the case if these British-held American securities had been suddenly wiped out.

Germany alone in the days before the war used to receive an adverse balance of trade of approximately 1,500,000,000 gold marks. She received the goods easily, without strain on the exchange markets, without strain in her commodities markets. This is nearly \$400,000,000 a year, not much less than the amount of our prewar favorable trade balance. It is only 40 per cent. less than the 2,500,000,000 gold mark export surplus which the whole world will be called upon to receive from Germany if the Dawes Plan schedules work out. The United Kingdom, before the war, received an excess of approximately \$1,000,000,000 in goods per annum, an amount equal roughly to our own present day favorable trade balance. France, The Netherlands and Switzerland also had unfavorable trade balances—because, as creditors, they could afford them.

When goods come into a country in payment of debts, they do not diminish demand for domestic products; rather they increase the total purchasing power within the country by an amount which carries the existing volume of buying and the new buying in addition. If, for example, French goods come into the United States, are sold in our markets for dollars, and the dollars turned over by the French Government to our Government in payment of interest and principal on debt, our Government may do one of three things with the money. (a) It may remit taxes, permitting our people to buy more goods. (b) It may pay off public debt, thus putting new funds into the capital market which likewise are invested and spent. (c) It may engage in new governmental expenditure, which again increases the total expenditure within the country. In no one of these cases is the domestic demand for domestic products lessened by the import of goods in payment of debt.

BOOK REVIEWS AND NEW BOOKS

MORE PROFITS FROM MERCHANDISING. By Edward A. Filene. Chicago: A. W. Shaw Company. Price, \$2.50.

WHILE this book is written from the viewpoint of a retail merchant, it should be of interest to all who are concerned either directly or indirectly with the sale or distribution of goods. Mr. Filene's treatise deals with the scientific control of inventory so as to avoid the economic losses which come from overstocked or understocked goods. He has worked out a system which he calls the Model Stock Plan, which, by means of scientific analysis and control, enables the merchant to maintain a maximum rate of turn-over at a scale of prices which should produce a profit.

For the purpose of determining price lines he divides the customers of the retail store into three groups determined by their purchasing power—the poorer customers, the average customers and the wealthier customers. For the benefit of these three groups he advocates three separate price lines as follows: First, the "cheapest price full line." This includes ordinary articles for the poorer customers and cheaper articles for the average customers. This group attracts the cheaper buyers who find here articles which they want priced at amounts that they consider ordinary. This group also attracts the average customers who are looking for articles somewhat below the prices which they would consider ordinary. Secondly, the "best selling full line." This group contains articles which are considered expensive to the poorer customers but which attract them when they are looking for more expensive articles. It also contains ordinary articles for the average customer group who find here articles priced at prices which they expect to pay. In this group also the wealthier customer finds articles at prices which he or she considers cheap. Thirdly, the "highest price full line." This group includes expensive articles for the average customer and ordinary articles for the wealthier customers.

It will be seen that by this system of pricing each group of a store's customers finds a level of prices to suit its buying habits.

Bankers, who are concerned with the financial problems of retail trade, will find in this book a great deal of useful information and many valuable suggestions.

+

PRINCIPLES OF INVESTMENT. By A. M. Sakolski. New York: Ronald Press. Price, \$4.50.

IN this volume the author has endeavored, as he states in his preface, "to present in non-technical terms the principles which all investors must master. His aim has been to present the underlying economic theory as it is worked out in the actual practice of investment institutions today."

Part I gives a general survey of the whole subject, with special emphasis on the development and place of investment in the field of business and its relation to other economic, legal and social institutions. The fundamental principles of the subject are presented in this part, along with a description of investment machinery, as a preparation for later analysis of the various classes of investments.

The classification of investments followed in Parts II, III and IV is in accordance with common usage, and their arrangement—commercial and real estate loans, civil loans, corporation securities—is based upon their historical and economic significance. Part IV includes chapters on financial and insurance company stocks, which because of their greatly extended distribution among the public in recent years, have come to occupy a distinctly important place in the investment field.

Mr. Sakolski devotes a chapter to the securities of financial institutions and states that the attractiveness of bank stocks as investments has been growing in recent years although "the methods of studying and the means of determining the investment merits of bank stocks has as yet received but slight attention from investment organizations." He then proceeds to show how a bank's statement should be analyzed.

The book contains as an appendix a series of problems and questions which should be

useful to the student in testing his grasp of the subject and which should also add to the value of this work for text book purposes.

+

BUSINESS CASES AND PROBLEMS. By Leon Carroll Marshall and others. Chicago: University of Chicago Press. Price, \$3.00.

THE "case method" of teaching business administration has been in use by the University of Chicago for some time. This volume comprises ten actual, concrete business cases involving a wide range of business problems including marketing and finance. The method used is to state in detail a given problem facing an actual business concern and then proceed to show how the problem was solved. This book should prove useful to students of business and to instructors in courses of business and bank administration.

+

THE MAN NOBODY KNOWS. By Bruce Barton. Indianapolis: Bobbs Merrill. Price, \$2.50.

THIS book was written by Bruce Barton as a protest against the average Sunday School concept of Jesus Christ. In his introduction this is how the author explains how he came to write it:

A little boy sat in Sunday School, thirty years ago, and looked at three pictures on the wall. One of them showed Daniel in the lions' den. The boy liked Daniel. He liked David, too. David was a fighter . . .

But the third picture showed a pale young man, with flabby forearms and a meek, sad expression.

Sunday was *this* man's day; it was wrong to feel happy or to laugh on Sunday.

Years went by, and the boy grew up. He got to wondering about Jesus. He said to himself:

"It is strange that a leader who is represented as a weakling should have had such an influence. Only strong, magnetic men inspire great enthusiasm and build great organizations. Yet *he* built the greatest organization of all."

And so the man wiped his mind clean of pictures of Jesus. He began to read what the men who knew Jesus personally said about him. The result is amazing!

Was Jesus a weakling? He pushed a plane, swung an axe. He was a successful carpenter. He slept outdoors wherever he could. He could face a furious mob, and overawe every man in it.

A killjoy! He was the most popular dinner guest in Jerusalem. He was criticised because he spent so much time with publicans and sinners and because he enjoyed society too much.

A failure? He picked up twelve ordinary men and forged them into an organization that conquered the world. . . .

Some day, said the man to himself, there will be a book about the real Jesus. But no book came. The man grew impatient, he determined to try to write the book himself.

That is how this volume came to be.

THIS book does not claim to be a theological treatise or a "Life of Jesus" but a sincere attempt to portray the human qualities of the man that should make Him as vital an every-day influence and inspiration to the modern business man as he was to His contemporaries in Galilee. In this, as in all of his writing, Mr. Barton displays his remarkable ability to make his subject both dramatic and compelling.

+

SHIPPING DOCUMENTS. By A. J. Hodgson. London: Effingham Wilson. Price, \$1.25.

THIS is an English publication but should be of interest to all who are concerned with international commerce. It discusses the following documents: the invoice, the bill of exchange, the bill of lading and the insurance policy. Current practice as regards each of these documents is described with citations of various law cases involving legal aspects to be considered. The Appendix contains the text of the Carriage of Goods by Sea Act of 1924.



New Books

PURCHASING POWER OF THE CONSUMER; A Statistical Index. By William A. Berridge and others. Chicago: A. W. Shaw. Price, \$4.00.

FUNDAMENTALS OF BUSINESS ORGANIZATION.

By Webster Robinson. New York: McGraw-Hill. Price, \$2.50.

EFFECTIVE REGULATION OF PUBLIC UTILITIES.

By John Bauer. New York: Macmillan. Price, \$2.50.

MATHEMATICS OF ACCOUNTING. By A. B.

Curtis and J. H. Cooper. New York: Prentice-Hall. Price, \$5.00.

REAL ESTATE ADVERTISING. By Ward C.

Gifford. New York: Macmillan. Price, \$4.00.

ELEMENTS OF THE MODERN BUILDING AND

LOAN ASSOCIATION. By H. F. Clark and Frank A. Chase. New York: Macmillan. Price, \$4.00.

THE NEW INTERNATIONAL YEAR BOOK; A

COMPENDIUM OF THE WORLD'S PROGRESS FOR THE YEAR 1924. New York: Dodd Mead. Price, \$6.75.

THE A. B. C. OF STOCKS AND SHARES. By

H. Parkinson. New York: Longmans. Price, \$1.25.

THE RETAIL METHOD OF INVENTORY. By M.

P. McNair. Chicago: A. W. Shaw. Price, \$2.00.

THE SELECTION AND CARE OF SOUND INVESTMENTS. By Arthur Hobart Herschel.

New York: H. W. Wilson. Price, \$4.00.

THE ACCOUNTANTS' DIRECTORY AND WHO'S

WHO. By Rita Perine Merritt, ed. New York: Prentice-Hall. Price, \$10.00.

THE COST OF LIVING IN THE UNITED STATES.

New York: National Industrial Conference Board. 247 Park Ave. Price, \$2.50.

**Dont's**

DON'T accept explanations of irregularities too readily, however plausible. Investigate fully. A case in mind is where a teller showed a shortage of \$9000, and with the help of a friendly customer made this ap-

pear as an error. The directors believed the story of this teller and customer and the matter was dropped. One year later this teller pleaded guilty to the embezzlement of approximately \$200,000. At the time of the \$9000 irregularity there existed a shortage of approximately \$100,000 which he had well concealed.

+

DON'T fail to see that all paid notes are properly canceled with a large stamp across the face and that all payments on account of notes are endorsed.

+

DON'T fail to verify the signature on large notes.

Are You Interested in Banking Books?

Send for our new catalogue giving a complete list of all of our banking books. Find out how any banker can examine these books at his own desk without cost or obligation.

Bankers Publishing Co.

71 Murray Street

New York

PAPER

Convince yourself

Get an estimate on National Safety Paper as against a plain paper of *equivalent quality* checks. You can then decide whether the protection which National Safety Paper will give you and your depositors is worth the slight additional cost.

A check on National Safety Paper is protected against alteration with chemicals, eraser or knife. An attempted change leaves a glaring white spot in the paper, which is instantly detectable.

Write for our book "The Protection of Checks."

George La Monte & Son


FOUNDED 1871

61 Broadway, New York

*National Safety Paper is also made in Canada
by George La Monte & Son, Ltd., Toronto*



BANK of the MANHATTAN COMPANY

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.*

RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, Toronto, Canada

A. W. AUSTIN, President

D. A. BOBERT, Vice-Pres. & Gen. Mgr.

C. S. BLACKWELL, Chairman of the Board

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

STEPHEN GIRARD—SEAMAN



THE first venture of young Stephen Girard had to do with ships and cargoes, and throughout his career his fortunes were always closely bound up with the sea. He conducted his vast and far-flung enterprises, as he piloted his ships, with courage, prudence and decision. His affairs were always ship-shape; his vigilance unflinching.

For three generations, through ever-changing conditions, successive administrations of this bank have held steadfastly to the course charted by Stephen Girard; with a steady hand on the helm and a sharp watch ahead.

THE GIRARD NATIONAL BANK

PHILADELPHIA

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

OCTOBER 1925

No. 4

OCT 28 1925

Convention Number American Bankers Association Golden Anniversary

Fifty-first Annual Convention of the
American Bankers Association
Golden Anniversary Foundation
Scholarships

Federal Reserve System
Banker-Farmer Relations

FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y.
UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U S A

PUBLISHED MONTHLY BY
THE BANKERS PUBLISHING CO.

W. C. WARREN, PRES.

W. H. BUTT, VICE-PRES.

K. F. WARREN, TREAS.

J. R. DUFFIELD, SEC.

BOSTON

NEW YORK

CHICAGO

J. P. MORGAN & CO.

Wall Street, Corner of Broad

NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.

Foreign Exchange, Commercial Credits.

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

Offers these

Services to

Banks,

Corporations

and

Individuals



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$29,000,000

100 Broadway

57th St. & Fifth Ave.

40th St. & Madison Ave.

SEEKING NEW BUSINESS ON OUR RECORD

Experience

EXPERIENCE, in any business, is important, but in the banking business, which is the channel through which all other businesses are conducted, experience is imperative. The Chemical places at the disposal of its depositors the cumulative, uninterrupted experience of one hundred and one years!

**THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK**

**B'WAY at CHAMBERS, FACING CITY HALL
FIFTH AVENUE at TWENTY-NINTH STREET
MADISON AVENUE at FORTY-SIXTH STREET**

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE *and* 46th STREET

SEVENTH AVENUE *and* 32nd STREET

DIRECTORS

Charles Scribner	Joseph D. Oliver
Richard Delafield	Lewis Cass Ledyard, Jr.
Francis R. Appleton	David M. Goodrich
Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus *and* Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by
THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAG," NEW YORK

Volume CXI

OCTOBER 1925

No. 4

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	471
The Belgian Debt Settlement—Decrease in Membership in the Federal Reserve System—Will "Wall Street" Pass?—Why Banks Fail.	
The Golden Anniversary Convention of the American Bankers Association	475
The General Sessions	479
The Golden Anniversary Foundation Scholarships	485
Fund of \$500,000 to be Given by A. B. A. to Provide 100 Scholarships for Economic Study.	
Resolutions Adopted by the Convention	491
Association Recommends Indeterminate or Ninety-nine Year Charter for Federal Reserve System. Urges Elimination of Federal Estate and Gift Taxes, and of Inheritance Taxes by States on Intangible Property of Non-Residents.	
✓ McFadden to Concentrate on Branch Banking Bill	493
Will Sidetrack Bill to Amend Federal Reserve Act Until Bill Amending National Bank Act Passes Congress.	
✓ The Federal Reserve System	497
The perpetuation of the system was the topic most discussed at the convention.	
Banker-Farmer Relations	503
Lowden Sees Increasing Evidence of Bankers' Interest in Agriculture; Says Farmers' Troubles are Not Over. Otis Finds Farmers' Outlook Hopeful. Gordon Urges Co-operative Marketing.	
The President's Address	By William E. Knox 507
Fifty Years of American Banking	By Lewis E. Pierson 513
Clearing House Section Meeting	523
Work of the Section for the Year Reviewed. Much Emphasis Placed on Necessity for Service Charge. Extension of Examiner System Urged.	

(Contents continued on page vii)

The Age of a Bank

TO be distinguished for age alone is, in a man, a distinction of doubtful value. But age by itself confers eminence upon a Bank, for it implies not only the experience that comes with years, but survival amid competition, and is a guarantee of permanence.

To the Bank of New York and Trust Company belongs the honor of being the oldest Bank in the City. Its Banking Department, founded in 1784, antedates even the Constitution of the United States itself. Its Trust Department was established in 1830, at a time when the wealth of the City was only beginning to be great enough to justify an organization devoted principally to the care of Estates.

In addition to a thorough familiarity with the banking and fiduciary business of the present day, the Bank possesses the honorable tradition and the sum of the experience of one hundred and forty-one years of service.

May it not serve you?



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office
149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited.

RESOURCES OVER QUARTER BILLION DOLLARS

1864

*Comprehensive
Foreign
Banking
Service*



1925

*Traveler's
Checks
Foreign
Currency*

61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafield
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY

NEW YORK

PLAZA OFFICE
5th Ave. & 60th St.

42ND STREET OFFICE
Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER

NATIONAL BANK

OF THE CITY OF NEW YORK
Established 1851

OFFICERS

- | | |
|---|--------------------------------------|
| WILLIAM WOODWARD
PRESIDENT | |
| E. HAYWARD FERRY
VICE PRESIDENT | |
| HENRY P. TURNBULL
VICE PRESIDENT | WILLIAM E. CABLE, JR.
CASHIER |
| SAMUEL WOOLVERTON
VICE PRESIDENT | J. NIEMANN
ASST. CASHIER |
| JOSEPH BYRNE
VICE PRESIDENT | WILLIAM DONALD
ASST. CASHIER |
| CHAS. H. HAMPTON
VICE PRESIDENT | GEORGE E. LEWIS
ASST. CASHIER |
| JOSEPH S. LOVERING
VICE PRESIDENT | FREDERICK A. THOMAS
ASST. CASHIER |
| JAMES P. GARDNER
VICE PRESIDENT | WALTER G. NELSON
ASST. CASHIER |
| FOREIGN DEPARTMENT | |
| WILLIAM H. SUYDAM
VICE PRESIDENT AND MANAGER | WILLIAM B. SMITH
ASST. CASHIER |
| | WILLIAM H. ALLEN
ASST. CASHIER |

Capital \$5,000,000
Surplus and Profits 2,500,000

The "Hanover" is New York Correspondent of over 4000 Banks

CONTENTS—Continued

	Page
Savings Bank Division Meeting	529
Plan for Increasing Interest to Savers, and Attack on Building and Loan Association Methods Feature Meeting. Thomas F. Wallace is New President, and W. R. Morehouse Vice-President.	
Trust Company Division Meeting	539
Trust Service Graphically Illustrated. Work of the Division Described. Service Trust Companies Have Rendered to Community.	
Community Trust Conference	545
State Bank Division Meeting	550
Outline of a Uniform Code of State Banking Law Described—Resolution Passed Opposing Branch Banking.	
Tilson Believes Tax Revision Assured	554
Says High Surtax Rates Will Go in Coming Session of Congress.	
National Bank Division Meeting	555
Tilson Advocates Abolition of Inheritance and Gift Taxes. National Banks Losing Ground, Says Mattson; Dawson and Johnson Tell Why.	
State Secretaries Section Meeting	563
Record Attendance—McFadden Bill Explained—Formation of Clearing House Associations Urged—Methods of Observing Thrift Week.	
Convention of Association of Bank Women	567
Record of Past Conventions	570
Banking Publicity	571
"Personal Solicitation As a Part Of The Trust Selling Campaign" by Theodore Tefft Weldon—How Banks Are Advertising—Editorial Column—Who's Who in Bank Advertising.	
Retailers Expect Record Christmas	584
Banking and Commercial Law	587
Important decisions of current interest handed down by state and Federal courts upon questions of the law regarding banking and negotiable instruments—Pass Book Notice Relative to Out of Town Collection Items.	
Are Cotton Goods Unpopular?	590
International Banking and Finance	593
"The Financial Situation of France" by Emile Daeschner—Review of Countries—International Banking Notes.	
Some Bank Credit Problems	623
"The Profit and Loss Statement," the seventh article of a series by the Credit Editor of THE BANKERS MAGAZINE on credit and credit department methods.	
Banking and Financial Notes	633
Items of current interest to bankers about banks and banking in every section of the country are included in this department each month.	



Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

THE BANK FOR BANKERS

Just as you understand the situations affecting business in your community, so do our officers appreciate the problems concerning our correspondent banks.

Years of experience in acting as a New York depository for hundreds of out-of-town banks have enabled us to develop a service which is not only friendly but efficient.

The
COAL & IRON
NATIONAL
BANK

OF THE CITY OF NEW YORK

Liberty and West Streets

Personal Service Headquarters



“Get ‘Bill’ Robinson and you’ll get game”

UP in one of our northern counties everybody knows “Bill” Robinson. Natives there will tell you that “Bill” knows every inch of the country-side. He knows every thicket, every ravine, every spring. He knows all the haunts and habits of game and birds.

In those parts, it’s a by-word, “Get ‘Bill’ Robinson and you’ll get game.” He knows!

Perhaps it seems a long jump from rough-and-ready “Bill” to a conservative old banking institution like the Seaboard, but actually his faculty of being an accurate guide closely parallels one of the most valuable services we render to our customers.

We are in a position to give them

valuable assistance in the matter of investments. Through our Statistical Department and our connections we have unusual facilities for obtaining complete and specific information about securities.

We do not have securities to sell. Our investigations are not limited to a relatively small number of securities in which we may happen to have had a financial interest. Our advice, therefore, is disinterested.

This service serves as a check on your own judgment of securities, and supplements your regular sources of investment information. It should be of great assistance to you in securing a substantial, safe yield from your capital. It is offered free to Seaboard depositors.

THE SEABOARD NATIONAL BANK of the City of New York

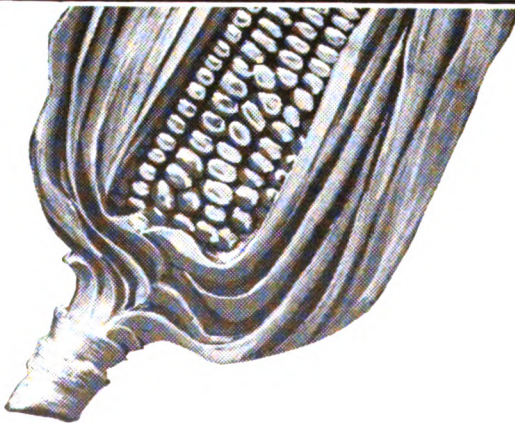
115 BROADWAY

BROAD AND BEAVER

24 EAST 45TH ST.



Convenient for all
CORN EXCHANGE NATIONAL BANK
PHILADELPHIA
MAIN OFFICE CENTRAL CITY OFFICE
Chestnut Street at Second 1510-12 Chestnut Street



The Publisher's Page

IT was necessary, because of lack of space, to omit from this issue a number of interesting features of the convention at Atlantic City. However, these are being held, and will appear in the November number. They include excerpts from the address on "Consolidation of the Railroads" by Oscar W. Underwood, U. S. Senator from Alabama; excerpts from the address on "Representative Government versus Direct Democracy," delivered by Martin W. Littleton before the general session of the convention; and "It Looked Like Real Money—But It Wasn't," a description by Richard F. Durham of the very interesting display of counterfeit money at the convention. The display was in charge of Joseph A. Kavanagh of the U. S. Secret Service.



THE November issue will contain the concluding article of Frank S. Wetack's series on "Country Bank Credits." It takes up "Some Aspects of Collateral in Country Bank Credits," and discusses the marketability of the borrower's assets, the over-extended man as a credit risk, pointing out, in conclusion, the two fundamental principles "Remember, when times are good, they will not always stay good," and its opposite "Remember, when times are bad, they will not always stay bad."



THE sudden death of William Jennings Bryan occurred so late in August as to make it impossible to include a satisfactory review of his career in the September number. His influence, however, on banking in the United States has been so great that it was deemed wise to recall it to the minds of bankers at this time. According-

ly, the editorial column of the November issue will contain an estimate of "Bryan's Place in History."



THE newspapers of some weeks ago carried the obituary of Victor F. Lawson, publisher of the Chicago Daily News. Probably few people noticed, however, that his will left the estate, including the newspaper, to be administered by the Illinois Merchants Trust Company. This created a very interesting situation, and has caused wide discussion. The question "Can a Trust Company Successfully Administer a Great Newspaper?" will be discussed in an article in the November number. The article will include numerous comments by the press of Chicago.



THE judges have made their decision on the papers submitted in the prize contest. The names of the winners will be published in the November number, along with the article which won first prize.



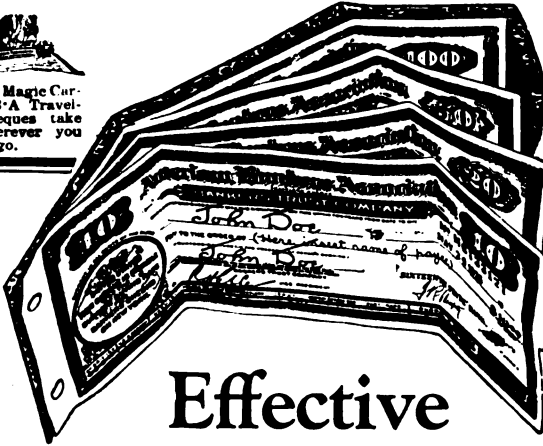
THE annual convention of the Financial Advertisers' Association was held at Columbus, Ohio, on October 14-16. This is a meeting of a great deal of interest to all interested in bank advertising. The proceedings will be reported in detail in the November issue.



THE advent of January 1, 1926, will mark the beginning of the eightieth year of publication of THE BANKERS MAGAZINE.



Like the Magic Carpet, A·B·A Travelers' Cheques take you wherever you want to go.



Effective Protection

For Your Customers Carrying

A·B·A **American BANKERS Association** **Cheques**
"TRAVEL MONEY"

1. Engraved and printed by the most modern manufacturing methods.
2. Surrounded with every safeguard known to modern banking practice.
3. Protected against forgers and other crooks by expert detective service.

Proof of the effectiveness of these measures is the fact that A·B·A Travelers' Cheques have never been successfully counterfeited.

This care on our part works to the direct benefit of all banking institutions selling A·B·A Travelers' Cheques—the *most widely used* travelers' cheques.

Write us for literature and further information

The Agent for the Member Banks for the payment of all American BANKERS Association Travelers' Cheques is

BANKERS TRUST COMPANY

NEW YORK

PARIS

LONDON

MODERN FACILITIES

Local clearing house development, the Gold Settlement Fund, and improved collection arrangements generally, have reduced the time once required to convert checks into available funds.

What of your "collection" items?

Immediate attention by night or day, direct routing, continuous service in the matter of advices, all items received at par—are some of the exceptional facilities enjoyed by our correspondents.

THE PHILADELPHIA NATIONAL BANK

Capital, Surplus and Profits, \$17,000,000

To help you advertise
Holiday Remittances Abroad

We have prepared three beautifully illustrated display cards calling attention to the bank's services in remitting Christmas money to relatives and friends in Europe. They can be used to advantage in the lobbies and on the counters of any bank as our name does not appear on them. We shall be glad to send you a set upon request without the least obligation.

Foreign Department

**THE NORTHERN
 TRUST COMPANY**

CHICAGO

Capital, Surplus and Undivided Profits Over \$7,000,000

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

Pine Street, Corner William
 NEW YORK

BONDS FOR INVESTMENT

Harris, Forbes & Company
 Incorporated
 Boston

Harris Trust & Savings Bank
 Bond Department
 Chicago



Investment Service for Banks

THE Bond Department of the Illinois Merchants Trust Company is organized to give trained counsel and complete service in all matters pertaining to bonds. Banks and Investment Houses located anywhere in the country may, without obligation, look to us for suggestions as to the most desirable current investments, for the disposal of bonds they now own, for information relative to issues in which they are interested, or for any other service which our long experience and complete facilities enable us to render.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

BUFFALO TRUST COMPANY

Named for the City it Serves

RESOURCES MORE THAN \$60,000,000

ONE of the nation's larger banks which is growing at a rate unparalleled in the banking history of the Niagara Frontier.

Modern service is the reason.

Oldest Trust Company in Western New York

Close to the Soil

TEN and one half billion dollars is the estimated price farmers and cattle men of the United States will get for their products this year. Agriculture and the cattle business are making a heavy contribution to prosperity.

Farm production is the key to the business situation. Students of economics and business watch it closely.

Allied with the business of production is the business of distribution. Chicago, for instance, is outstanding as a distributing center for the products of farm and range. Its grain market is the largest in the world. Millions of dollars worth of wheat, corn and oats are bought and sold every day on the Chicago Board of Trade.

As a market for packing house products, Chicago is first. Into its stock yards come great herds of animals to supply meat foods for millions of people at home and abroad.

This business is natural to Chicago. Its rail and water routes make it the undisputed center of the important business of feeding the nation.

But transportation is only one factor. Chicago's superior banking facilities are indispensable and integral.

Consonant with the needs of Chicago's business, the Continental and Commercial Banks have invested capital exceeding 60 million dollars and resources of 550 million. They serve every kind of business, and by reason of their intimate connections with markets, farms and range are in a large sense close to the soil.

***The* CONTINENTAL *and* COMMERCIAL BANKS**

CHICAGO

**INVESTED CAPITAL
OVER 60 MILLION**

**TOTAL RESOURCES
OVER 550 MILLION**



Meeting the Needs of a Greater Philadelphia

Capital and Surplus \$3,750,000.00
Resources over . \$30,000,000.00

FRANKLIN TRUST COMPANY

Southwest Corner Fifteenth and Chestnut Streets

West Phila. Office **Front Street Office** **Germantown Office** **Frankford Office**
 Fifty-second and Market Sts. Front and Market Sts. 5708 Germantown Ave. Frankford Ave. and Paul St.
PHILADELPHIA, PA.

America's Largest Exclusively



Day - and - NIGHT Bank



NORFOLK, VIRGINIA

Organized 1885

UNITED STATES DEPOSITORY

Capital - - - - \$1,000,000
Surplus and Profits \$1,310,000

W. A. GODWIN President
A. B. SCHWARZKOPF Vice-President
J. B. DEY, Jr. Vice-President and Cashier
C. S. WHITEHURST Vice-President
I. T. VAN PATTEN Asst. Cashier
E. D. DENBY Asst. Cashier
R. H. MOORE Asst. Cashier
H. B. REARDON Auditor

The Oldest National Bank in Eastern Virginia

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.

PRESENTED TO THE CORPORATION OF
NORFOLK BY 'L' GOV ROBERT DINWIDDIE
MAY 1763



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds \$400,000,000
Corporate Funds - \$1,521,000,000

GIRARD TRUST COMPANY

BROAD AND CHESTNUT STREETS • • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street



Detroit—

The Peoples State Bank with its large resources has aided greatly in the development of Detroit's citizens and industries.

May we serve your banking needs, in this, the most prosperous city in the world.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

DETROIT, MICHIGAN

Branches Throughout Detroit

RESOURCES OVER \$150,000,000

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System



Capital - - - \$1,000,000.00

Surplus - - - 300,000.00

DR. L. A. BIZE _____ President
 W. W. TRICE _____ Vice-President
 ISAAC MAAS _____ Vice-President
 L. L. BUCHANAN _____ Vice-President
 D. H. LANEY _____ Cashier
 W. W. BLOUNT _____ Assistant Cashier
 EUGENE KNIGHT _____ Assistant Cashier
 C. E. HESTER _____ Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made

Let us send you the most interesting banking biography—



The late James B. Forgan

The Table of Contents includes: Preface; Five Generations; My School Days; My Apprenticeship and Early Business Training; Leaving Home; My Experience as a Clerk in the Bank of British North America; My Career in the Bank of Nova Scotia; My Connection with the Northwestern National Bank of Minneapolis; My Career in the First National Bank of Chicago; The Se-

BANKERS everywhere are reading the life story of America's best loved banker—told by himself in a simple, unassuming and yet wholly captivating style. Let us send you for examination a copy of

Recollections of a Busy Life

By James B. Forgan

The lighter details of the author's experiences as well as the more serious side make this book of interest to all bankers. The youngsters will receive inspiration from the author's account of the reasons for his success and the older generation will enjoy his recollections of banking days of the past.

curity Bank of Chicago and its Ally, the Second Security Bank of Chicago; Chicago Clearing House Committee; Currency Commission; American Bankers Association; My Connection with the Federal Reserve System; Activities Outside of the Banking Business; Moral Reflections; Some of Mr. Forgan's Public Addresses.

The book is attractively bound in full green leather and each copy contains a special page personally autographed by the author. As only a few autographed copies are left we urge you to act promptly and send for yours today.

BANKERS PUBLISHING CO., 71 Murray St., New York

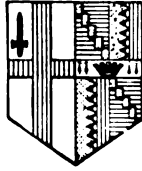
If you wish to examine this interesting book at your own desk sign and mail the coupon today

BANKERS PUBLISHING COMPANY,

71 Murray Street, New York.

You may send me on 5 days' approval a copy of "Recollections of a Busy Life" by James B. Forgan. At the end of 5 days I will either pay you \$6 or return the book.

Name _____
Bank _____
Address _____



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2

Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland.

Glyn, Mills & Co.

(Established 1753)
Registered with unlimited liability, 1885
Incorporating

CHILD & CO. and HOLT & O.
(Established before 1600) (Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents

Head Office - 67, Lombard St. London, E. C. 3

Childs Branch - - - 1, FLEET STREET, LONDON, E. C. 4

Holts Branch - 3 & 4, WHITEHALL PLACE, LONDON, S. W. 1

Current and Deposit Accounts opened on the usual terms.

The Bank has Agents or Correspondents in all the principal cities or towns throughout the World, and can provide Banking facilities for its customers wherever desired. Letters of Credit and Circular Notes issued on our Foreign Correspondents and Agents throughout the World.

Currency Drafts obtained; Remittances mailed and Telegraphic Transfers made to all parts of the World.

Foreign Currency Accounts opened.

Purchase and Sale of Stocks, Bonds and Shares effected and custody of securities undertaken.

Dividends, Annuities, etc., received; forms authorising their receipt supplied, and coupons collected for customers.

Recovery of Income Tax and Preparation of Income and Super-tax Statements undertaken. The Bank has a special department to advise and assist customers on questions relating to Income and Super-tax.

The duties of Executors and Trustees undertaken.

Navy and Prize Agents. Salvage claims preferred.

DRESDNER BANK



Head Office:

BERLIN W 8
Behrenstrasse 35-39



*Branches in about 100 towns,
including*

**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:

PROEHL & GUTMANN

Telegrams: Dresdagent



Head Office:

LONDON, E.C. 3.

Over 1,650 Offices in
England and Wales, and
several in India, Burmah
and Egypt.

(31st December, 1924.) (\$5=£1.)

DEPOSITS, &c. \$1,707,171,660

ADVANCES, &c. \$823,571,655

The Bank has Agents
and Correspondents
throughout the British
Empire and in all parts
of the World, and is
closely associated with the
following Banks:—

The National Bank of Scotland Limited.
Bank of London & South America Limited.
Lloyds & National Provincial Foreign Bank Ltd.
The National Bank of New Zealand, Limited.
Bank of British West Africa, Limited.
The British Italian Banking Corporation, Ltd

Facilitate Your Canadian Collections

THE BANK OF TORONTO

Incorporated 1855

Offers to Banks and Business Houses in the United States and Foreign countries prompt, accurate, satisfactory service through its branches at

*Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia*

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000

JOHN R. LAMB
*General
Manager*



Reserves
\$7,000,000

Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000

Surplus and Profits \$726,000

Resources \$8,622,663

WM. H. FOLTS, President
JOHN H. CHILES, Vice-President MORRIS HILFELD, Vice-President
T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
S. B. ROBERDEAU, Asst. Cashier LEFFLER CORBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

H. A. WROE, President
R. C. ROBERDEAU, Vice-Pres. L. J. SCHNEIDER, Vice-Pres.
A. D. THOMPSON, Vice-Pres. L. D. WILLIAMS, Cashier
H. PFAEFFLIN, Asst. Cashier D. H. HART, Jr., Asst. Cashier

For Prompt and Best Service Send Your
Texas Items Direct to the

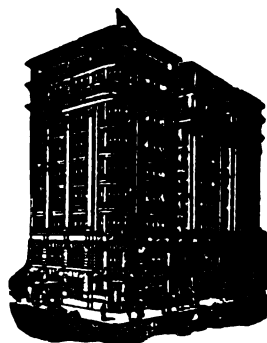
American National Bank

AUSTIN, TEXAS

Capital, \$300,000

Surplus, \$800,000

Directors' Responsibility Over \$8,000,000 United States Government Depository
Will remit in New York, Boston, Chicago, St. Louis, Kansas City
or New Orleans Exchange when requested. We have unsurpassed
facilities for collecting on all banking points in Texas.





ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

GENERAL MANAGER'S OFFICE: TORONTO, ONT.

J. A. McLEOD, General Manager

NEW YORK AGENCY - - - - 49 WALL STREET

P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E. C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
Royal Bank of Scotland**

**NEW YORK—Bank of New York & Trust Co.
National Bank of Commerce in New York**



*Over 900
Sources of
Information
at Your
Service*

YOU may at all times obtain from us reports on Canadian and foreign markets, economic conditions and information concerning tariff rates and the documentation and financing of foreign shipments.

Our information is gathered direct by the Managers of our 900 branches, which serve every important centre in Canada from coast to coast, also in Cuba, the British and French West Indies, Central and South America, as well as in London, Paris, Barcelona and New York.

American business men who are interested in trade with Canada or any of the countries in which our branches are located, are invited to write to our New Business Departments either in New York or at Head Office in Montreal.

The Royal Bank of Canada

Head Office
Montreal

In New York At
68 William St.

Resources Exceed 700 Million Dollars

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) \$7,000,000
 Reserve Fund 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE-PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER

H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents**UNITED STATES**

New York—Bank of the Manhattan Co.
 Boston—National Shawmut Bank.
 Philadelphia—Fourth St. National Bank
 Buffalo—Marine Trust Co.
 Chicago—First National Bank.
 San Francisco—Wells Fargo Bank &
 Union Trust Co.
 Seattle—Seattle National Bank.
 Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
 Scotland—The Commercial Bank of Scot-
 land.
 Ireland—Northern Banking Co., Limited,
 Belfast, and Branches.
 FRANCE, BELGIUM and
 SWITZERLAND
 Lloyds & National Provincial Foreign
 Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed	\$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 30th June, 1925	290,254,305

\$5=£1

375 BRANCHES AND SUB-BRANCHES.

*All descriptions of Banking, Trustee and Foreign
 Exchange Business Transacted.*

The Bank is prepared to act as Agents for Foreign Banks
 on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

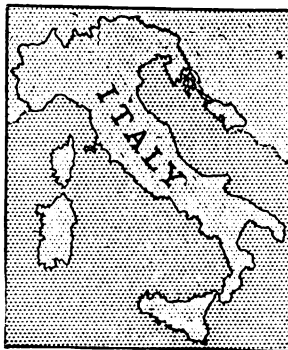
Over 60 Branches and Agencies Throughout Italy



COMO OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.



The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.

Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 468,462,200

Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO

LIMA, PERU

Established 1889

Capital Fully Paid Lp. 500,000,000

Surplus . . . Lp. 589,553,670

BRANCHES

Callao—Arequipa—Chincha Alta—Mollendo—Trujillo

Representatives for the U. S. A.

Banca Commerciale Italiana

Agency in New York - - 62-64 William Street

Phone: John 1000



BANKER & TRADESMAN

New England's Leading Business Weekly—Covers
the Business, Financial and Real Estate News of
the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.

Commerz-und Privat-Bank Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R.M. 63,000,000

All Banking Transactions

Extensive Trade Information Service

Cable address for main offices and branches

"HANSEATIC"

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000

Head Office

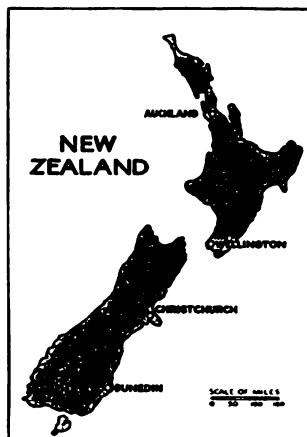
8 Moorgate Street, London, E. C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY



83 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

(Affiliated with Barclays Bank, Ltd.)

Subscribed Capital	.	.	£1,800,000
CAPITAL PAID-UP	.	.	£ 600,000
Reserve Fund	.	.	£ 720,000

Head Office : 37 to 39 King William Street
 London, E. C. 4

BRANCHES

EGYPT. Alexandria, Cairo, Port-Said, Suez, Tantah,
 Zagazig, Mansourah, Assiut, Beni-Suef, Minieh,
 Musky.

SUDAN. Omdurman, Khartoum, Port Sudan, Makwar,
 Wad Medani.

PALESTINE. Haifa, Jaffa, Jerusalem, Nazareth.

MEDITERRANEAN. Malta, Gibraltar.

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed.....Yen 60,000,000
Capital Paid Up.....Yen 52,500,000
Reserve Funds.....Yen 14,180,000

KOJURO NAKAGAWA, Esq.
 President

HIROZO MORI, Esq.
 Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.

TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyen.

CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.

OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

K. YAMAMOTO, Agent

London Office: 25 Old Broad Street

Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

The Sumitomo Bank, Limited

Cable address: "Sumitbank" ESTABLISHED 1912
(Successors to The Sumitomo Bank)

Capital Subscribed . . .  . . . Yen 70,000,000
Capital paid up " 50,000,000

Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President
K. YUKAWA, Esq., Managing Director S. YOSHIDA, Esq., Managing Director
N. YATSUSHIRO, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (2)	Kyoto (2)	Nagoya
Shimonoseki	Moji	Hiroshima (2)	Hakata	Hyogo	Niihama
Kurume	Kure	Wakamatsu	Kokura	Yanai	Onomichi

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay
Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo
Bank of Seattle, Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues
Commercial and Travellers Letters of Credit available in all important parts of the
world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed . . .  . . . Yen 100,000,000.00
Capital Paid-Up Yen 60,000,000.00
Reserve Funds (June 1924). Yen 47,100,000.00

Head Office : TOKYO, JAPAN

(No. 1 Suruga-cho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq.

N. KIKUMOTO, Esq.

H. KAMESHIMA, Esq.

R. IMAI, Esq.

New York Agency, 61 Broadway, New York City

Home Branches:

Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji,
Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru,
Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches:

Bombay

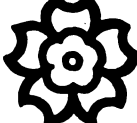
London

New York

Shanghai

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		. . . Yen 80,000,000
Capital Paid-Up . . .		. . . Yen 50,000,000
Total Resources . . .		. . . Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUK'

Y. KATAYAMA

Directors
I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

- CHOSEN:** (*Korea*) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.
MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.
JAPAN: Tokyo, Osaka, Kobe, Shimonoseki.
CHINA: Shanghai, Tsingtao, Tientsin, Tsinat.
SIBERIA: Vladivostok.

New York Agency, 165 Broadway
H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,900,000.00
DEPOSITS (June 30, 1925)		172,915,129.34

Yukinori Hoshino, Esq., Managing Director
Seishichi Kawakami, Esq., Managing Dir.
Hikotaro Ohmura, Esq., Director
Shikazo Sato, Esq., Director
Manroku Matsui, Esq., Auditor

Chusuke Yoshii, Esq., Managing Director
Seijiro Glon, Esq., Director
Tadanosuke Emura, Esq., Director
Kyuemon Hirooka, Esq., Auditor
Kin-ichiro Hoshijima, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

**General Banking, Foreign Exchange and Trust
 Business Transacted**

New York Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 American Express Co.
 Irving Bank-Columbia Trust Co.
 Guaranty Trust Company of New York

London Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 Midland Bank Ltd.
 Bank of London and South America, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office: Athens

*Branches: Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Tricala, Mytilene, Canea, Zante, Plomari and Tripolitza*

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

*Correspondents in the principal towns of Greece and in foreign countries
throughout the world*

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURA-
 BAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA,
 CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CAL-
 CUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and
 Correspondents in the East, on the Continent, on Great
 Britain, Africa, America and Australia, and transact
 Banking Business of every description.

LONDON CORRESPONDENTS:

The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office:

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's,
 Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

NATIONAL PROVINCIAL BANK

LIMITED

Established 1833

(\$5=£1)

Subscribed Capital - - -	\$218,085,400
Paid-Up Capital - - - -	47,397,080
Reserve Fund - - - -	47,397,080

Head Office: 15, BISHOPSGATE, LONDON, E. C. 2

UNION BANK OFFICE: 2 Princes Street, London, E. C. 2;

OVER 1,100 OFFICES in ENGLAND and WALES

The Bank offers special facilities for the conduct of accounts of
Colonial and Foreign Banks

AFFILIATED BANKS

COUTTS & CO., GRINDLAY & CO., LTD.

ASSOCIATED BANKS:

Bank of British West Africa, Ltd.
Lloyds & National Provincial Foreign Bank Ltd.

P. & O. Banking Corporation, Ltd.
The British Italian Banking Corporation, Ltd.

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ESSAME Assistant Manager—W. A. LAING
Secretary—F. H. McINTYRE

193 Branches throughout Australia and New Zealand, viz.:—

In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western
Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of
Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits
issued available throughout the World.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth,
United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			<u>\$675,606,797.21</u>

Cable Remittances made to, and drafts drawn on United States,
Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE
NATIONAL BANK OF AUSTRALASIA
LIMITED

ESTABLISHED . . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)	\$50,000,000
Capital Paid Up	\$20,000,000
Reserve Fund	\$11,500,000
Total Assets March, 1925	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager E. H. WREFORD	Deputy Chief Manager JAMES WILSON	Chief Inspector J. A. G. HADLEY
Inspector and Manager, Foreign Department: E. J. OSBORNE		

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank,
Limited

Authorized Capital	\$15,000,000
Paid-up Capital	\$7,500,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,100,000

HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
and 370 Branches and Agencies in Australia

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. **BILLS NEGOTIATED** or sent for **COLLECTION**. **REMITTANCES** made by **TELEGRAPHIC TRANSFER**. **WOOL** and **PRODUCE CREDITS** arranged. **LETTERS of CREDIT** and **DRAFTS** issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.
CHICAGO—First National Bank.
SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital - - - - - £4,000,000
Reserve Fund - - - - - £3,700,000
Reserve Liability of Proprietors
under the Charter - - - - - £4,000,000
£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2

EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

<p>VICTORIA Melbourne: 394 & 396 Collins St.; 384 Elizabeth St.; 71 Collins St. East Brunswick Burnley Coburg Collingwood Elsternwick Footscray Malvern Middle Brighton Port Melbourne Prahran St. Kilda Williamstown Bairnsdale Ballarat Benalla Bendigo Bright Castlemaine Charlton Chiltern Cobram Corryong Drouin Eura Fish Creek Foster Geelong Katamatite Kingston Korolt Korong Vale Koroomburra Leongatha Mirboo North Mooroopna Morwell Nathalia Numarkah Port Fairy (Belfast) Rutherglen</p>	<p>Victoria, Contd. St. James Sale Shepparton Stawell Strathmerton Tallangatta Terang Traralgon Tungamah Walwa Warragul Warrnambool Wedderburn Welshpool Wycheproof Yackandandah Yarram Yarrawonga</p> <p>NEW SOUTH WALES Sydney: Martin Place; 85 Pitt St.; 535 George St. So.; Wentworth Ave.; 236 William Street Bondi Junction (Castlereagh St.) Hurstville Kogarah Leichhardt Marrickville Newtown North Sydney (84 Mount St.) Petersham Albury Ballina Bathurst Bega Bellington Berrigan Blayney Broken Hill Cessnock</p>	<p>N. S. Wales, Contd. Cootamundra Corowa Cootwell Dorrigo Dubbo Forbes Glen Innes Goulburn Grafton Grenfell Hamilton Howlong Jerilderie Kempsey Kyogle Lansore Maitland (West) Maitland (East) Moree Murwillumbah Muswellbrook Narrabri Narromine Newcastle Nowra Orange Parke Peak Hill South Grafton Stroud Tamworth Tullamore Wagga-Wagga Wee Waa Young</p> <p>QUEENSLAND Brisbane Cairns Charters Towers Chillagoe Cooyang Crow's Nest Harborton Hughenden</p>	<p>Queensland, Contd. Ipswich Kingaroy Longreach Maryborough Oakey Richmond Rockhampton Roma Toogoolawah Toowoomba Townsville</p> <p>SOUTH AUSTRALIA Adelaide Koorina Mount Barker Port Lincoln Port Pirie Wirrabara</p> <p>WESTERN AUSTRALIA Perth Albany Beverley Bunbury Fremantle Gnowangerup Kalgoorlie Moora Northam Wagin Wickiepin</p> <p>TASMANIA Hobart Burnie Deloraine Devonport Fingal La Trobe Launceston Sheffield Stanley Ulverstone Wynyard</p>
---	---	--	--

Branches in New Zealand

<p>Wellington Ashburton Auckland Christchurch Dannevirke Dunedin Eltham Featherston Feilding Gisborne Gore Hamilton</p>	<p>Hastings Hawera Invercargill Kaitia Levin Mania Mangonui Marton Masterton Matamata Morrinsville Napier</p>	<p>New Plymouth Otaki Palmerston Nth. Patea Raetihi Rotarua Stratford Taihape Taumarunui Taunanga Te Aroha Te Kuiti</p>	<p>Temuka Te Puke Timaru Waipawa Waipukuruan Waioa Wanganui Waverley Whakatane Whangarei</p>
---	---	---	--

Principal Correspondents in North America

<p>CANADA: Bank of Montreal Canadian Bank of Commerce</p> <p>UNITED STATES: Bank of New York & Trust Co., New York Hanover National Bank, New York National Bank of Commerce, New York</p>	<p>UNITED STATES, Contd.: National City Bank of New York Continental & Commercial Nat. Bk. of Chicago Illinois Merchants Trust Co., Chicago National Bank of the Republic, Chicago Fourth Street National Bank, Philadelphia Wells Fargo Bank & Union Trust Co., San Francisco</p>
---	---

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers. Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorised Capital - - - - -	£10,000,000
Subscribed Capital - - - - -	£8,916,660
Paid-Up Capital - - - - -	£2,229,165
Reserve Fund - - - - -	£2,893,335
Uncalled Capital - - - - -	£6,687,495
	£11,809,995

**BANKING BUSINESS TRANSACTED
IN ALL PARTS OF THE WORLD**

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch : 9 Northumberland Avenue, W. C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolingsiel

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

Branches and Agencies Throughout
SOUTH and EAST AFRICA

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in { Bank of British West Africa, Ltd.
New York { Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		\$80,750,000



Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager

AUSTRALIA
 Pop., 6,000,000; area, 2,974,581 sq. miles; sheep, 78,803,000; cattle, 14,350,000; horses, 2,400,000; imports, \$702,849,265; exports, \$595,837,035.

Annual Value of Australia's Products

Agriculture	\$420,910,000
Pastoral	457,375,000
Dairying	217,708,370
Mining	101,580,800
Manufacturing	1,632,185,000
Total	\$2,830,659,170

Head Office—George St., Sydney London Office—29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London

Cable remittances made to and drafts drawn on Foreign Places DIRECT

Foreign Bills Negotiated and Collected.

Letters of Credit Issued.

NEGOTIABLE THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York : Standard Bank of South Africa, Ltd.
 National City Bank of New York
 National Bank of Commerce in New York

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Specialized Service to Banks



Guaranty Trust Company of New York

MAIN OFFICE: 140 Broadway

FIFTH AVENUE OFFICE: Fifth Ave. and 44th St.

MADISON AVENUE OFFICE: Madison Ave. and 60th St.

NEW YORK

London Offices:

32 Lombard St., E. C. 3 50 Pall Mall, S. W. 1

Bush House, W. C. 2

Paris: 1 & 3 Rue des Italiens *Brussels:* 156 Rue Royale

Liverpool: 27 Cotton Exchange Buildings

Havre: 122 Boulevard de Strasbourg

Antwerp: 36 Rue des Tanneurs

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

OCTOBER 1925

VOLUME CXI, NO. 4

Editorial Comment

The Belgian Debt Settlement

WHETHER the terms of the settlement of the debt of Belgium to the United States will receive the approval of Congress and of the people remains to be seen. Presumably the Debt Funding Commission and President Coolidge, after a careful consideration of the matter, must have made the best arrangement they could under all the circumstances. Without expressing an opinion as to these terms, it may be said that the clearing up of the European debts to the United States is something to be greatly desired. So long as these debts remain in a nebulous state, a cloud must hang over the credit situation in Europe. Fresh loans will be required by some of the debtor countries, and by others in the same quarter of the world. These can be had, if at all, only on very disadvantageous terms so long as several of the debtor countries remain comparatively indifferent regarding the debts already due to this country.

The European debt problem presents many difficult aspects, and a frank discussion of them all would probably serve no useful purpose but might engender ill feeling on both sides of the Atlantic. Not unlikely, however, the matter may come up in Congress, and as some of the members of this body are not distinguished for their reticence we may have the various phases of the problem brought to public attention. As a practical matter, if America cannot get a settlement consistent with her own ideas of justice, she will have to

take what she can get. Terms cannot be made here impossible of being carried out in the debtor countries. We shall have to accept such settlement as is economically possible and politically practicable. No doubt the debtor countries will benefit by a settlement already too long postponed. Let us hope that their gain may be ours also.



Decrease in Membership in the Federal Reserve System

FOR the first quarter of 1925 a net loss of fifty-six banks was reported in the membership of the Federal Reserve System. This period is too short, and the number of losses too small, to show any decided or permanent tendency in the system's numerical strength. Furthermore, the loss in numbers does not necessarily mean a reduction of the aggregate resources of the member banks. Consolidation of existing banks may reduce the number of members, their aggregate resources either remaining the same or showing an increase. In fact, the reduction in membership as reported above was largely due to the consolidation of existing banks, there having been twenty-seven mergers of member banks since the end of 1924. Of the net reduction of fifty-six in the membership, thirty-three were national banks and twenty-three state banks. Membership may be reduced either by failure, liquidation or by consolidation in the case of

national banks. A state bank may lose its membership from any of these causes, and in addition it may voluntarily withdraw from the system, a privilege denied to the national banks.

As stated, these figures do not afford an adequate basis for judging even of the future numerical strength of the Federal Reserve System. They simply indicate that for a very limited period the number of member banks decreased. Subsequent quarters and years may tell a different story.

The really significant fact in considering the composition of the Federal Reserve System is that of the total membership of 9531 at the end of the first quarter of 1925, some twelve years since the Federal Reserve Act was passed, 8010 are national banks, whose membership is compulsory, and only 1521 state banks, whose membership is voluntary. In other words, all the existing national banks are members, while there are approximately 20,000 state banks outside the system. But in considering this number, it must be remembered that not all the state banks possess the requisite capital for joining the system. Allowing for this, there is nevertheless an overwhelming percentage of the state banks remaining outside the Federal Reserve System when they might be members if they so desired. Why do they not join? Probably because they are unconvinced that they would be better off than they now are. Some of the advantages of membership they may have by using the facilities offered them through member banks. They probably consider themselves more independent by remaining on the outside. Some of them may consider they can use their capital more profitably than to accept the 6 per cent. which is all the Federal Reserve Act permits on the capital required to be contributed by member banks.

It may be that many banks stay out of the Federal Reserve System owing to the fact that nobody has taken sufficient pains to explain to them the solid advantages which membership con-

fers. If this is the case, it is a situation admitting of easy remedy.

Should the branch banking system gradually make its way in this country, the numerical strength of the Federal Reserve System will be greatly reduced, for the tendency of this change will undoubtedly be in the direction of fewer banks.

Whether it is desirable that all the banks in the country should be members of the Federal Reserve System is a debatable question, to say the least. For the chief objects of the system—a more efficient utilization of reserves for the purpose of furnishing notes, and re-discounting—contributions of a moderate sum by all the leading banks would probably be ample. At present the Federal Reserve System would seem to have less to fear from leanness than from fatty degeneration.



Will "Wall Street" Pass?

TO have proposed such a question a generation ago would have been regarded as an impertinence, but recent developments in New York's financial districts give it a lively interest. As there was a time when Wall Street merely marked the boundary dividing the main part of New Amsterdam from hostile Indian territory, and the wall was a protection to the Dutch settlers contentedly smoking their pipes, so conceivably this famous financial locality may in time become the abode of dealers in second-hand clothing or other shabby and inexpensive commercial wares. Of course, this can hardly be regarded as an immediate possibility, and should not lead the banks to sacrifice any of their present realty holdings. But even if such a startling change should occur, it would be no less strange than that which has taken place in the new uptown financial and commercial district within a comparatively recent period, and which is still

going on. Wall Street remains the center of nation-wide and international banking, and will perhaps keep this supremacy indefinitely. But many of the great financial concerns have gone uptown, while the remarkable commercial development in that quarter of the city has compelled the banks to provide imposing bank structures and elaborate equipment to meet these growing needs. Brooklyn, with its vast home population, is also developing one or more banking districts of importance.

The growth of cities has inevitably brought about the creation of additional commercial and financial districts, and this in turn called for enlarged banking facilities. These could be provided only by organizing new banks or by establishing branches of banks already in existence. The former process was the more expensive. This development perhaps largely explains the agitation now going on in behalf of the extension of branch banking.

In the minds of many political agitators "Wall Street" has long symbolized every sort of financial iniquity; and should that locality lose its banking prestige, these gentry would be deprived of one of their chief political assets. This would really be too bad. Fortunately, the danger is not imminent. It will probably be a long while before a visitor from the mid-west sits on a pillar of Brooklyn Bridge and points to Trinity's crumbling tower as marking the gateway of a once famous financial district.



Why Banks Fail

IT is reported that Professor Sprague of Harvard University has been commissioned by the Comptroller of the Currency to make a thorough study of the cause of bank failures. As Professor Sprague is a competent observer and an economic authority, his report upon this matter should be of great value.

The scientific mind takes this view of all ills: find out their causes, and remove them. This process is appealing from its very simplicity and apparent efficacy.

Immediate causes of bank failures are not far to seek. A bank fails when there is a deficiency of assets as compared with liabilities. The means of payment are below the demands. This does not necessarily imply an actual shortage of cash at the moment of failure; for a bank may have plenty of money on hand obtained by a sacrifice of its assets or by borrowing, yet if its loans and investments will not yield enough to meet the demands, failure must ensue.

The real point which the Comptroller wishes Professor Sprague to ascertain is, why do banks reach a position where there is a deficiency of assets.

In various reports the Comptrollers of the Currency have analyzed and classified the causes of bank failures: so many due to incompetence, so many to dishonesty, etc. Evidently the present Comptroller is not satisfied with these explanations.

Without in the least attempting to anticipate Professor Sprague's report, it may be said with a considerable degree of confidence that banks fail because of improper management. This may be a platitude ("a term used to describe something which everyone knows but has forgotten"); but it covers the subject nevertheless. Manifestly, a bank rightly managed will not fail, unless we consider the exceptional case of flood, fire, earthquake, robbery, or some other calamity which may destroy everything the bank has. These are not the ordinary causes of bank failures, however, and they may be dismissed from consideration.

But if it be admitted that improper management is the underlying reason for the failures of banks, we have not reached the root of the difficulty, which is to find out how incompetent men come to be entrusted with the responsible duties of managing banks. Having found this out, the next step is to

provide the means whereby the incompetent manager may be kept out and the competent manager placed in charge.

In any system of banking it will not always be possible to assure this result, but that system will show the fewest failures which most closely approximates it.

Bank failures will be diminished in proportion as those who engage in banking come to understand that it is a business peculiar to itself, requiring for its successful conduct technical training, rare judgment, and unswerving fidelity. Perhaps we have not kept these banking qualifications sufficiently in mind in this country, and have supposed that a man having made a success as a manufacturer or merchant is fitted to be a banker.

Our bank failures need not be over-emphasized. Taking all things into consideration, the great number of our banks, the vast and diverse territory they cover, their record has been exceptionally good. Still, it might have been better, and to make it so is undoubtedly the aim of the Comptroller's investigation.

We have relied on laws and supervision for banking safety. Probably in no country in the world are there so many laws relating to the organization and operation of banks, and so much public supervision of banks as may be found in the United States. To just what extent these precautions have diminished bank failures cannot be stated. Belief in their efficacy is almost universal. Doubtless, as a consequence of Professor Sprague's investigation, additional laws will be proposed for diminishing bank failures. If a law could be enacted that could really keep the incompetent managers out and the com-

petent managers in, reasonable hopes of its efficacy might be entertained.

The American consul at Basle, Switzerland, in conversation with the editor of *THE BANKERS MAGAZINE*, threw an interesting side light on the subject under consideration. Quoting his remarks from memory, the consul said:

"In Switzerland there are no special laws relating to the incorporation of banks (except savings banks), and only banks of the latter type are under Government supervision. And yet, since 1844, when the first commercial bank was incorporated at Basle, there has not been a single bank failure."

Now, this need not be interpreted as an argument in favor of free and unrestricted banking. There is a vast difference between Switzerland and the United States in several respects. Basle has been spared bank failures partly because of the conservative character of the people, the good management of the banks, and perhaps chiefly because the bankers themselves have kept a vigilant eye on the conduct of banking in their city.

If we go to the heart of this problem we shall find that to prevent bank failures we need less reliance upon the Government and more upon the observance of the principles of safe banking. And bankers themselves, through their clearing houses or other organizations, must supply this protection. Capable and honest bankers are in an overwhelming majority. To them should be committed the task of discovering the few who are dishonest or incompetent, and they should be given the power of suppressing their operations before they return their inevitable course of ruin and disaster.



**PORTFOLIO
OF MODERN
BANK WORK**

VOL. V

**DESIGNED BY
ALFRED C. BOSSOM
BANK ARCHITECT AND
EQUIPMENT ENGINEER
680 FIFTH AVENUE - NEW YORK**



Trenton Trust Company, Trenton, N. J.

THE fourteen story building of the Trenton Trust Company, Trenton, N. J., is the tallest in the city and gives this institution the most commodious and modern facilities.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Main Banking Room Trenton Trust Company, Trenton, N. J.

A flood of daylight directly over the shoulders; aisles so broad that clients may transact business undisturbed by passersby; commodious check desks of convenient height—and all combined with an interior decorated in a spirit of dignity and charm, are factors in the new banking room of the new building of the Trenton Trust Company, recently dedicated to the service of an important commercial community.

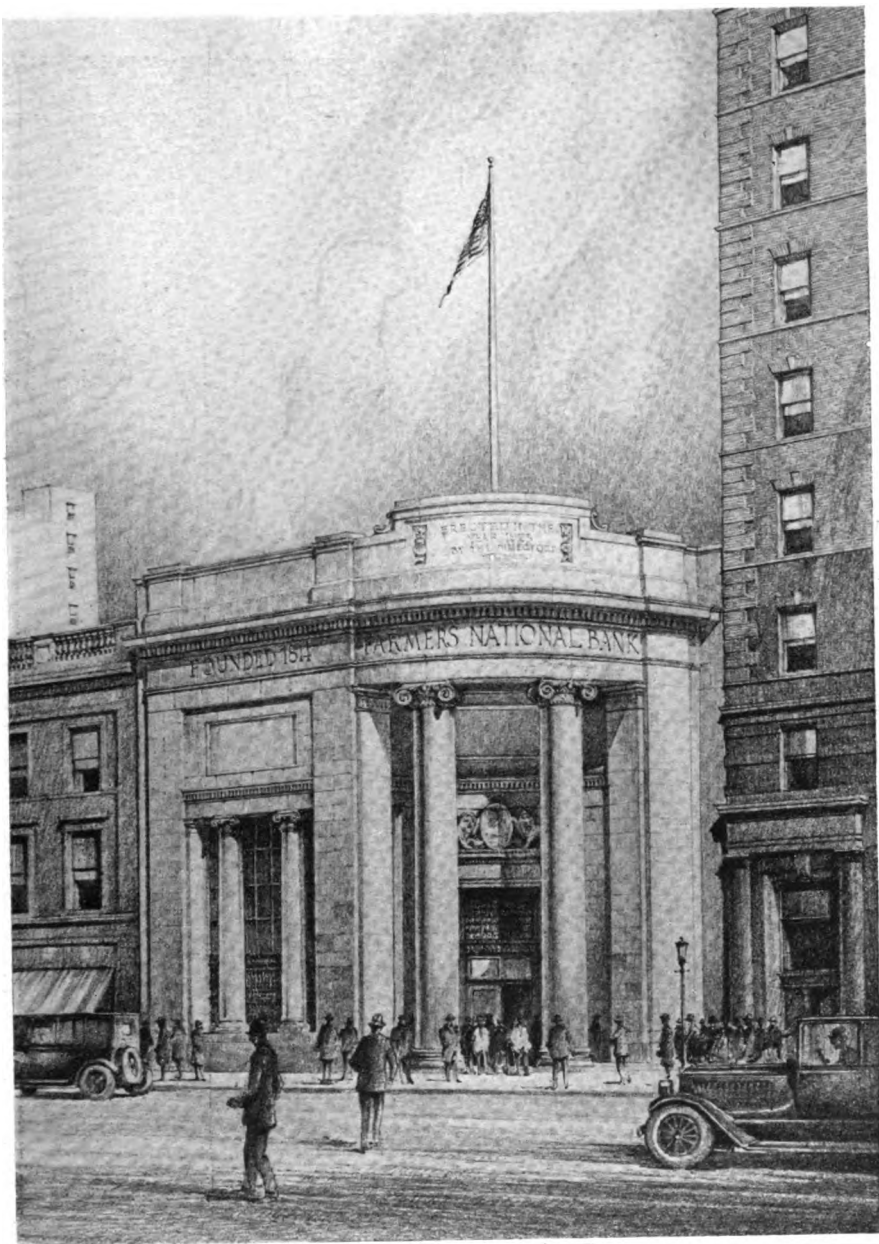
ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER.
600 FIFTH AVENUE, NEW YORK



Interior of Virginia Trust Company, Richmond, Va.

SOFTLY shaded natural sunlight reaching to all parts of the bank interior, is conducive to the eye comfort of both clients and bank personnel.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Farmers National Bank, Reading, Pa.

THE classic design of the new building of the Farmers National Bank of Reading, Pennsylvania, will be built entirely of Barre Granite, and will dominate Penn Square and attract attention because its design utilizes all the advantages of its location.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Magnolia Petroleum Company Building, Dallas, Tex.

THE tall office building with banking quarters located on the ground floor has many advantages. In the first place there is the advertising value of a building which becomes a local land mark. In the second place the tenants of the building automatically become customers of the bank through the convenience of its location.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Entrance Lobby, First National Bank, Jersey City, N. J.

RICHLY coffered ceilings and tessellated floors give a richly ornamental effect to the entrance lobby of the First National Bank of Jersey City, as well as an impression of dignity and strength clear through.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



The Greenwich Trust Company, Greenwich, Conn.

THE building of the Greenwich Trust Company is considered one of the finest individual bank buildings in the country. It is a splendid example of complete, up-to-date banking quarters with every facility provided for the comfort and service of customers.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Fidelity Bank and Petroleum Co., Houston, Tex.

MAYAN architecture was the inspiration for the new home of the Fidelity Bank and Petroleum Company of Houston, Texas. Visitors to Houston are immediately impressed with the massiveness of this building as well as the beauty of its ornament.

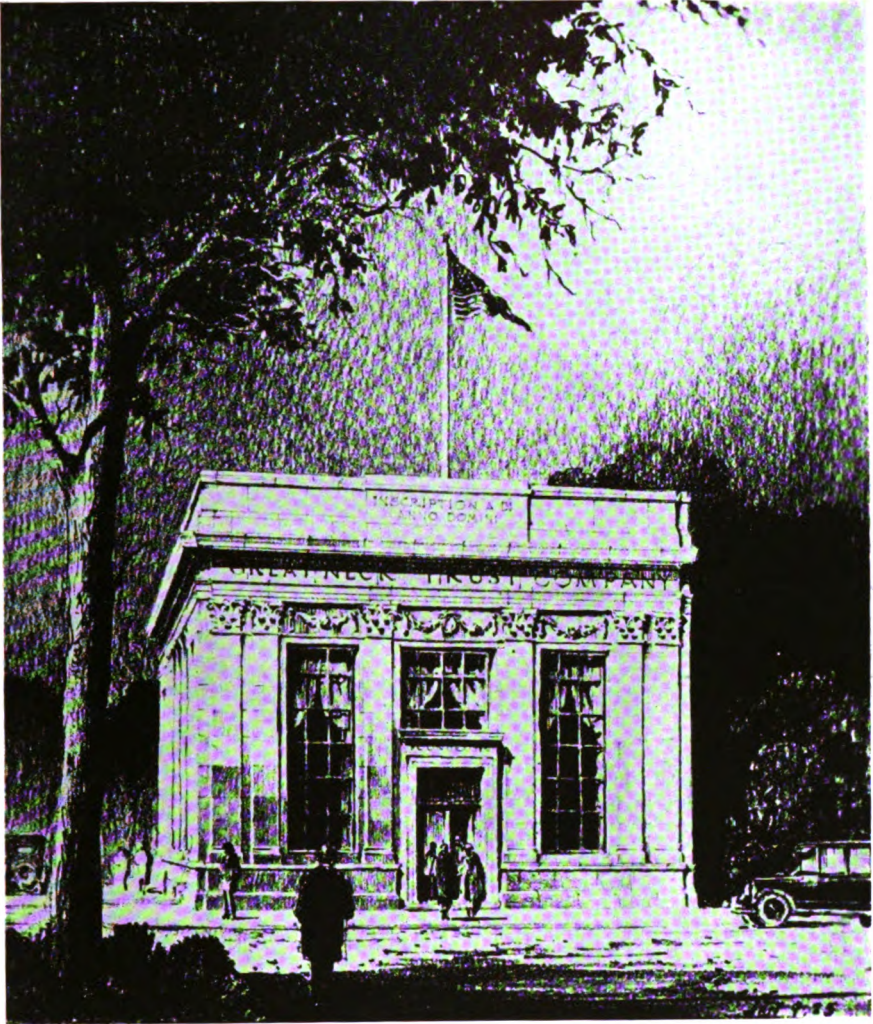
ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Greenville Banking & Trust Company, Jersey City, N. J.

THE new home of the Greenville Banking and Trust Company, Jersey City, N. J., is built in the Neo-Greek style of architecture, giving a combination of dignity and simplicity. The exterior of the building is of cut stone surmounted with terra-cotta, while the base is of polished Crotch Island granite. Large windows on all four sides admit an unusual amount of daylight.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
660 FIFTH AVENUE, NEW YORK



Great Neck Trust Company, Great Neck, N. Y.

IN a smaller town the completion of a new first-class building has an immediate effect upon the volume of deposits. Statistics of this matter are very edifying.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER.
680 FIFTH AVENUE, NEW YORK



National Chautauqua County Bank, Jamestown, N. Y.

THE new building of the National Chautauqua County Bank, Jamestown, N. Y., has provided itself with every banking facility. Its presence should be of advantage in that section of Western New York.

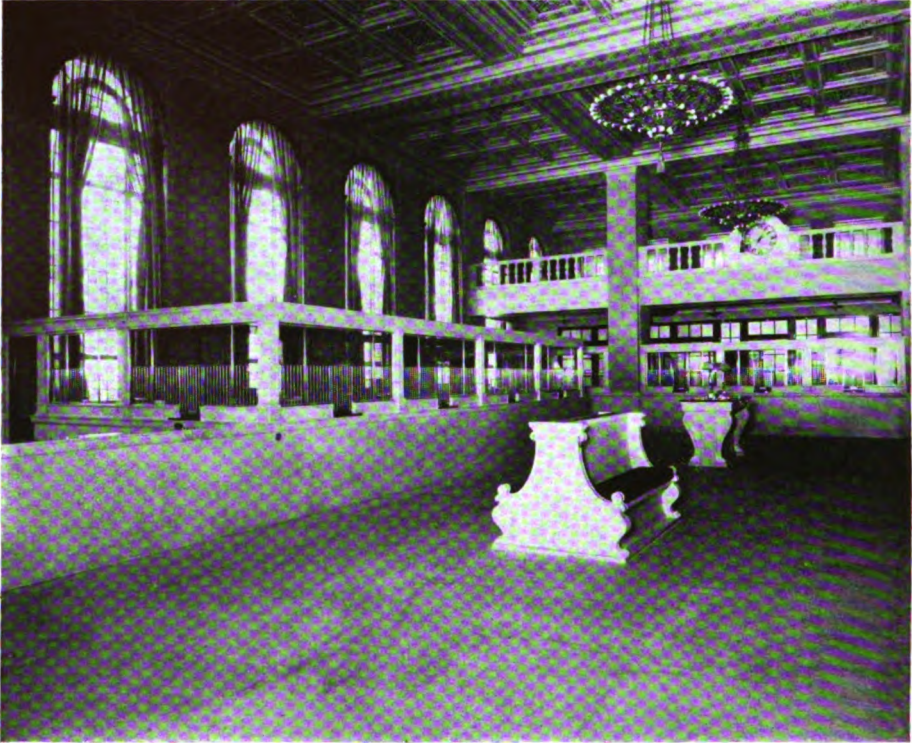
ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Liberty Bank of Buffalo, Buffalo, N. Y.

THE new home of the Liberty Bank of Buffalo, not only furnishes the bank with quarters that are in keeping with its reputation for financial service, but also provides the City of Buffalo with a bank and office building unexcelled by any other in Northern New York.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Main Banking Room, United States National Bank, Galveston, Texas

THE location of the check desk and bench at the axis of the banking room assures freedom of movement by the line of customers. Whether the clients of this bank desire to write or wish to rest while waiting for an engagement or conference, they all appreciate the comfort and convenience of the well appointed check desk and the well proportioned bench with its graceful lines and its restful cushions.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



United States National Bank, Galveston, Tex.

THE new building of the United States National Bank (succeeding the Texas Banking and Trust Company), represents a great step forward in the banking world around the Gulf of Mexico and gives a true impression of American enterprise to visitors arriving from the lands of the Southern Cross.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Entrance, Greenwich Trust Company, Greenwich, Conn.

CLASSIC architecture is especially adapted to a financial institution which has a setting apart. The graceful branches of colonial elms are mirrored in the upper windows of the home of the Greenwich Trust Company.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK

American Bankers Association

CONVENTION

**BANKERS
MAGAZINE**

SECTION

Atlantic City, 1925

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	- - - - -	\$20,000,000
Surplus and Profits	- - - - -	26,388,073
Deposits (June 30, 1925)	- - - - -	490,692,659

DIRECTORS

HENRY W. CANNON

ALBERT H. WIGGIN

Chairman of the Board and President

JOHN J. MITCHELL

President, Illinois Merchants Trust Company, Chicago, Illinois

GUY E. TRIPP

Chairman Board of Directors, Westinghouse Electric & Mfg. Co.

JAMES N. HILL

DANIEL C. JACKLING

President, Utah Copper Company

CHARLES M. SCHWAB

Chairman Board of Directors, Bethlehem Steel Corporation

SAMUEL H. MILLER

Vice-President

EDWARD R. TINKER

Chairman of the Executive Committee

EDWARD T. NICHOLS

Vice-President, Great Northern Railway Company

NEWCOMB CARLTON

President, Western Union Telegraph Company

FREDERICK H. ECKER

Vice-President, Metropolitan Life Insurance Company

EUGENE V. R. THAYER

E. Atkins & Company

CARL J. SCHMIDLAPP

Vice-President

GERHARD M. DAHL

Chairman Board of Directors, Brooklyn-Manhattan Transit Corporation

ANDREW FLETCHER

President, American Locomotive Co.

REEVE SCHLEY

Vice-President

H. WENDELL ENDICOTT

JEREMIAH MILBANK

HENRY OLLESHEIMER

Vice-President

ARTHUR G. HOFFMAN

Vice-President, The Great Atlantic & Pacific Tea Company, Inc.

F. EDSON WHITE

President, Armour & Company

ALFRED P. SLOAN, Jr.

President, General Motors Corporation

ELISHA WALKER

President, Blair & Co., Inc.

MALCOLM G. CHACE

President, Chace & Harriman, Inc., Boston

THOMAS N. McCARTER

President, Public Service Corporation of New Jersey

ROBERT L. CLARKSON

Assistant to the President



OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	-	-	-	-	-	\$2,000,000
Surplus and Profits	-	-				6,000,000



WILLIAM E. KNOX

Retiring president American Bankers Association; president Bowery Savings Bank, New York

The Golden Anniversary Convention of the American Bankers Association

THE announcement of the raising of a \$500,000 fund to establish 100 foundation scholarships in American colleges and universities to promote a wider and more sound understanding of economic subjects, was the outstanding feature of the fifty-first annual convention of the American Bankers Association, held at Atlantic City, N. J., September 28 to October 1. Prior to the announcement of the foundation scholarships plan on September 29, nearly \$150,000 had been raised toward the goal of \$500,000, and by October 1, the amount subscribed had passed the \$450,000 mark. The establishment of the scholarships will stand as a permanent memorial to the golden

jubilee of the association, which is now entering into the fifty-first year of its existence.

More than 4000 bankers from all parts of the country, representing banking institutions of all classes and sizes, were in attendance at the convention, which was one of the most spirited and stimulating gatherings in which a large and representative group of bankers of the country have ever been assembled.

Knox Sounds Keynote of Convention

The importance of a more widespread diffusion among the workingmen and workingwomen of the United States of the principles of sound economics was

THE FARMERS' LOAN AND TRUST COMPANY

22 WILLIAM STREET

FIFTH AVE. OFFICE, *Temporarily at 9-11 E. 38th ST., 16 E. 39th ST.*
MADISON AVE. OFFICE, 901 MADISON AVE. AT 72nd ST.

LONDON

15 Cockspur Street, S. W. 1

PARIS

70 Rue des Petits Champs

FOREIGN DEPARTMENT

Issues Travellers' Letters of Credit payable throughout the world. Commercial Letters of Credit for Importations and Exportations of Merchandise.

*Buys and Sells Bills of Exchange
Cable Transfers to all Countries*

THROUGH its office in London, working in close touch with correspondents all over Europe, The Farmers' Loan and Trust Company is in position to be of exceptional service to banks in the transaction of foreign business for themselves or their customers.

In Paris, The Farmers' Loan and Trust Company maintains a representative who can receive your clients' mail and cables and give personal attention to your banking interests through our Paris correspondent, the Banque de Paris et des Pays-Bas.



© UNDERWOOD & UNDERWOOD

OSCAR WELLS

President American Bankers Association; president First National Bank, Birmingham, Alabama

strongly emphasized at the opening session, and President Knox sounded the keynote of the convention when he said that: "It is all very well to preach economic doctrine; it is all very well to talk to the business man and the man of affairs about economic principles, but it seems to me that we will not have reached the full measure of our service until through some means we can bring to the ordinary workingman (and that is most of us) and workingwomen the same sound economic doctrine.

"The statement has been made that in industry alone the waste in this country runs up to ten billions of dollars annually. You can discount that to a very, very large amount and still the waste would be tremendous.

"The same thing applies to the daily lives, and daily spending of literally

millions and millions of our fellow citizens. They waste every year—perhaps I had better say we waste every year—more than enough to take care of our national debts, more than enough to put this country absolutely in the easiest sort of a financial condition.

"Most men go through life with more or less worry on their minds, due to the fact that they are living from hand to mouth, that they don't know what the future has in store for them, that there is a constant dread that when old age comes on they may become dependent, and under those conditions it is not possible for any man to do the best work.

"I think that it is quite possible to work out an economic plan and to show people that by systematic and small savings, by systematic curtailment of waste, continued over a period of years, it is

quite possible for the average man to approach the coming of old age with a feeling of comfort and serenity, knowing that he will have enough to provide for his old age.

"Such a plan could be worked out and steps are being taken now to work out some such plan to invite the co-operation of the business men of the country and large employers, bringing it to the attention of their people.

"The difficulty of inducing a horse to

drink after leading him to water has never been successfully overcome, but if we provide the water, if the horse has horse-sense, he will drink and so we think that many of our fellow citizens will.

"This may be a trifle out of the direct line of our business as bankers. I don't think it is a bit out of the direct line of our duty as bankers to do what we can in that way for the prosperity of the country."



The General Sessions

Bankers Crowd Convention Hall to Hear Addresses by Knox, Pierson, Lowden and Littleton

THE general sessions of the golden anniversary convention, held in the capacious, flag bedecked and impressively decorated Music Hall of the Steel Pier, which was filled at every session, were distinguished by the high spirit of enthusiasm with which the banker audience seemed imbued, and which was strikingly evidenced by the wholehearted manner in which they entered into the spirit of the community singing, led by the able Fred W. Carberry. A banker who has been attending the conventions of the association for more than thirty years was heard to remark that a quarter of a century ago no one would have dreamed that a gathering of bankers could join together in the singing of popular songs with all the energy and enthusiasm of a group of college men. This fact in itself is striking evidence of the manner in which banking has become humanized even since the dawn of the twentieth century.

Featuring the general meetings were addresses by President Knox; by Lewis E. Pierson, chairman of the fiftieth anniversary committee and chairman of the Irving Bank-Columbia Trust Company of New York, on "Fifty Years of

American Banking;" by Frank O. Lowden, ex-Governor of Illinois, on "How the Banks Can Best Serve Agriculture;" and by Martin W. Littleton of the New York bar, on "Representative Government vs. Direct Democracy."

Election of Officers

Officers of the association were elected as follows: President, Oscar Wells, president First National Bank, Birmingham, Alabama; first vice-president, Melvin A. Traylor, president First National Bank, Chicago, Ill.; second vice-president, Thomas R. Preston, president Hamilton National Bank, Chattanooga, Tenn.

Oscar Wells

Mr. Wells was born in Platte County, Missouri, in 1875, the year the American Bankers Association was formed. He attended Bethany College in West Virginia, and then entered banking in which his entire business life has been spent. He first became assistant cashier of a small bank in Platte City, Missouri, in 1898. A year later he became president of the Bank of Edgerton, Missouri, and subsequently cashier of banks in Carth-



**Your Friend—
The Shawmut Indian**

is the symbol which expresses the friendly and cordial relations between the SHAWMUT BANK and its customers.

Hundreds of banks here, there and everywhere have recognized the prestige and distinction of the SHAWMUT Indian and are permitting us to work with them.

Hundreds of banks have found our extensive knowledge of New England conditions of assistance to them in their activities.

Perhaps you would like to share the experience of many others.

We shall be glad to hear from you or to see you at any time.

**THE NATIONAL
SHAWMUT BANK
OF BOSTON**

**89 YEARS
OF EFFICIENT SERVICE
TO CLIENTS
THROUGHOUT THE WORLD**

Capital and Surplus - \$ 3,750,000
Resources over - - \$39,000,000

THE steady progress made by this old-established financial institution throughout the many troublous periods since it was

ORGANIZED IN 1836

has especially prepared it to serve any bank at Washington—the Nation's Capital.

Correspondence invited

**CHARLES C. GLOVER, Chairman of the Board
MILTON E. AILES, President**

**ROBERT V. FLEMING, Vice President &
Cashier**

WILLIAM J. FLATHER, Vice-President

C. C. GLOVER, JR., Vice-President

AVON M. NEVIUS, Vice-President

**GEORGE O. VASS, Vice-President & Asst.
Trust Officer**

H. G. HOSKINSON, Vice-President

EARLE M. AMICK, Assistant Cashier

F. G. BURROUGH, Assistant Cashier

NELSON B. O'NEAL, Assistant Cashier

B. GWYNN DENT, Assistant Cashier

GEORGE F. RAINEY, Assistant Cashier

RAYMOND G. MARX, Auditor

FRANK J. HOGAN

General Counsel and Trust Officer

GEORGE M. McKEE, Assistant Trust Officer

I. J. ROBERTS, Secretary to the President

**The Riggs National Bank
OF WASHINGTON, D. C.**

Across the street from the U. S. Treasury



MELVIN A. TRAYLOR

First vice-president American Bankers Association; president First National Bank of Chicago

age, Missouri, and Fort Worth, Texas. Then he went to Houston, Texas, and after serving there with the Commercial National Bank, the Union National Bank and the First National Bank as vice-president, he was chosen to inaugurate the operation of the Dallas Federal Reserve Bank. After the successful completion of this task he resigned to become president of the First National Bank of Birmingham in 1915. This bank which had deposits of \$11,000,000 when he became president now has deposits of over \$36,000,000.

Melvin A. Traylor

Mr. Traylor, the new first vice-president of the association, was born in Breeding, Kentucky, in 1878. He first prepared for law, entering practice

in Texas. He became in 1904 assistant county attorney of Hill County, Texas. His banking career dates from 1905 when he became cashier of the Bank of Malone, Texas, and after fourteen years' experience in executive positions in banks in Texas and Illinois, he was elected in 1919, president of the First Trust and Savings Bank, Chicago, and vice-president and director of the First National Bank in that city, becoming president of the latter bank on January 13, 1925. He is a director in several large corporations, among them the Stock Yards National Bank, Chicago; Fairbanks, Morse and Company, Chicago; and Austin, Nichols and Company, New York. He is a trustee of Northwestern University, Chicago, and the Newberry Library, Chicago. Mr.



**NINETY-THREE YEARS
OF THE KIND OF
SERVICE THAT COUNTS**

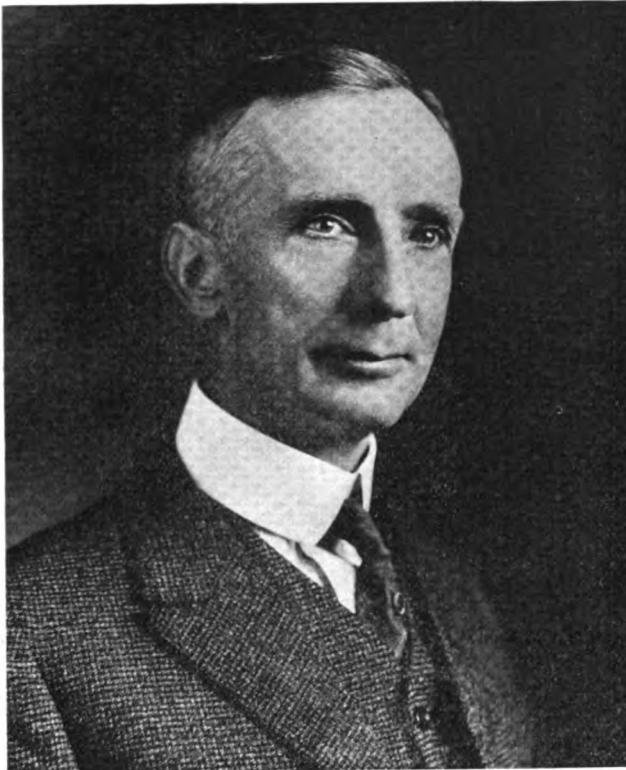
THAT is the story of The Girard National Bank. Founded in 1832 to continue Stephen Girard's banking business, and adhering to the practise of his sound financial principles, this bank has well, faithfully, and intelligently served the best interests of its clients and correspondents ever since.

Many members of the American Bankers Association avail themselves of our facilities for the handling of their accounts in Philadelphia.

Information concerning our services will be gladly furnished on request.

Write us today

THE GIRARD NATIONAL BANK
PHILADELPHIA



● CHAMPLAIN STUDIOS, NEW YORK

THOMAS R. PRESTON

Second vice-president American Bankers Association; president Hamilton National Bank, Chattanooga, Tenn.

Traylor is recognized as one of the foremost authorities in the country on livestock financing.

Thomas R. Preston

Mr. Preston, the new second vice-president, was born in Woodbury, Tennessee, in 1869. After graduation from Woodbury Academy in 1889 he began his business career in the Bank of Woodbury, working without salary to learn the business. He later went to the Traders National Bank of Tullahoma, Tennessee, augmenting his salary by working in a railroad office at night. After a year there he entered the South

Chattanooga Savings Bank, now the Hamilton Trust and Savings Bank, as a messenger, rising to his present office as president through various positions. In 1905 with his brother he organized the Hamilton National Bank and is president of it also. He is a director in several large corporations, among them the Nashville, Chattanooga and St. Louis Railroad, the Dixie Portland Cement Company and the Tennessee Electric Power Company. He has been frequently a delegate to Democratic National Conventions and in 1914 was candidate for the Democratic nomination for governor of Tennessee.





Federal-American National Bank

of Washington, D. C.

A bank where the promise of service means the performance of service in a manner which is prompt, a way which is efficient, and with an air which is courteous.

Correspondence invited

The Golden Anniversary Foundation Scholarships

Fund of \$500,000 to be Given by A. B. A. to Provide
100 Scholarships for Economic Study

THE American Bankers Association golden anniversary foundation scholarships plan to provide 100 permanent scholarships for economic study and research in colleges and universities throughout the country, embraces the raising of a fund of \$500,000 through the securing of at least fifty individual subscriptions of \$5000 each; fifty subscriptions of \$2500 each; fifty individual subscriptions of \$1000 each; and definite amounts from each state, each being assigned a quota the total of which is based upon the ratio between its total bank capital and the total bank capital of the country.

On September 29, Lewis E. Pierson, chairman of the fiftieth anniversary committee of the association, and chairman of the Irving Bank-Columbia Trust Company, New York, announced that \$141,000 had been subscribed toward the scholarships fund of \$500,000, by twenty-six men in sums of \$5000 each; two men \$2500 each; and six men \$1000 each. He explained that two of the \$5000 subscriptions were conditional; one that thirty others be obtained, and the second that forty-nine others be obtained.

Executive Council Votes \$50,000

Following Mr. Pierson's announcement, it was announced by John H. Puelicher, a former president of the association, and president of the Marshall and Ilsley Bank, Milwaukee, Wis., that the executive council of the association had voted \$50,000 from the funds of the association toward the fund. Paul B. Detwiler, vice-president of the American Institute of Banking, and assistant cashier of the Philadelphia National Bank, then announced that the institute had raised \$25,000 toward the

fund through individual subscriptions of members.

How A. I. B. Feels Toward Plan

Mr. Detwiler said regarding the institute's attitude toward the foundation scholarships plan:

"We who have gone through the classes of the A. I. B. have felt benefitted immeasurably because the American Bankers Association twenty-five years ago sponsored the institute; because the association brought us into being and during the last quarter of a century has favored us with financial support and counsel and advice of which we are deeply appreciative.

"Now you are celebrating a golden anniversary, too. Ours is the silver jubilee, twenty-five years old. We feel that we have reason to be proud of the achievements of the last quarter of a century, but I say it again—it has been because of your support, because you brought us into being that we have accomplished anything at all.

"We have endeavored to be unselfish. We appreciate what has been done for us individually. We are trying to succeed. We feel that we are. But we want to have a part in a broad, educational movement; we want to be a part of an educational movement which has for its aim the uplift of our country's business and financial structure, the support of sound economic reasoning, and the doing away with some of this false business that we hear so much about these days.

"We don't want to be just in a narrow groove and help ourselves along. help ourselves to succeed in some small measure in the banking profession, but we want to be broad visioned, we want

How is the Business Handled Inside?

That is the question which should interest every bank depositor.

It is not the building alone, its size or beauty, that counts most in the Corn Exchange; it is what our customers find inside that pleases them.

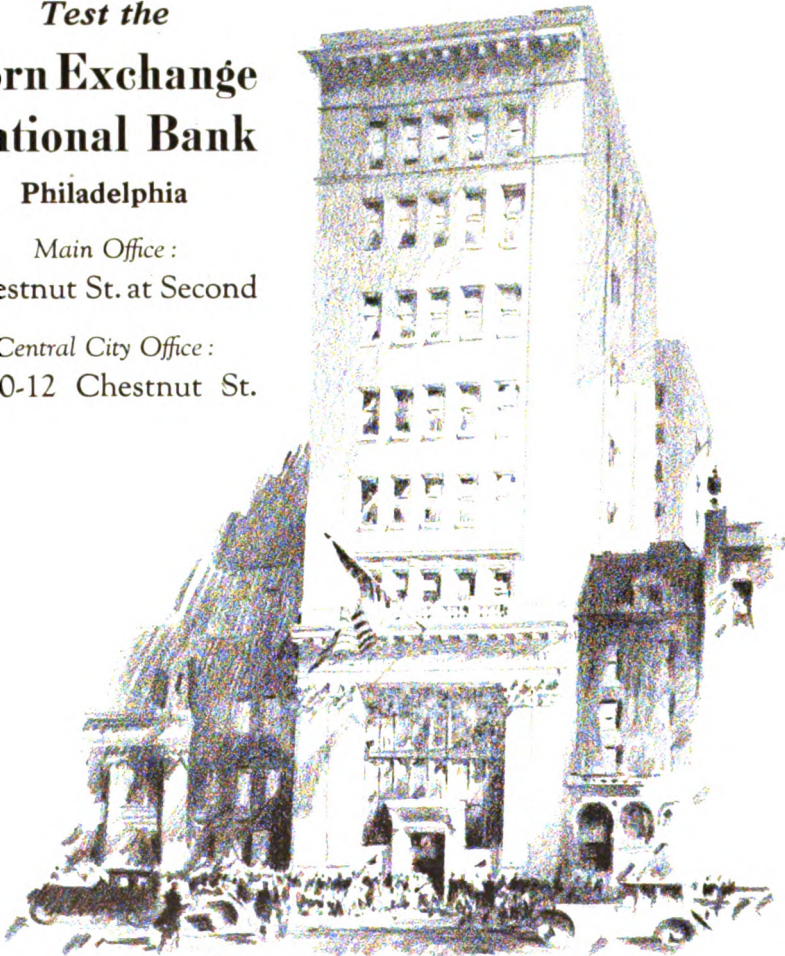
Any bank can accept deposits and pay out money, but a modern bank needs to give to the individual special services.

Test the
**Corn Exchange
National Bank**

Philadelphia

Main Office :
Chestnut St. at Second

Central City Office :
1510-12 Chestnut St.





● UNDERWOOD & UNDERWOOD

LEWIS E. PIERSON

Chairman fiftieth anniversary committee; chairman Irving Bank-Columbia Trust Company, New York

to have a part in something that is big and getting bigger every day.

"Now then, we have endeavored as an institute to co-operate with the A. B. A. in this public education work. We have endeavored to have some small part in the speaking program, in schools and before civic clubs, and in the radio work, but we are not satisfied. Here we come to our twenty-fifth birthday. We want some way in which we can celebrate it and celebrate it right. Here is the way. Some little time ago we heard of Mr. Pierson's plan. Those who are responsible for the management of the institute today said, 'That is the thing, that is what we want, that is going to give us the opportunity to celebrate our birthday.' So what have we done? We have approached our membership, with

a plan and the institute spirit that has carried us over some pretty tight places has responded to the appeal, and the contributions are coming in from individuals, individual members of our association. They are not coming in \$5000 lots. We haven't got to that point yet. They are not coming in \$2500 lots. Not yet. But we are getting a dollar here, we are getting \$2.50 here, we are getting \$5.00 there. Some of those who have gone through the classes and are graduates and feel that we have climbed just a little bit higher on the ladder, can respond more generously, but the boys and girls in the classes today are responding by their half-dollars, their one dollar bills, their two dollar bills, etc.

"So, Mr. President, as a representa-

Points of Interest in New York City



GRANT'S TOMB

Built in 1891 and dedicated in 1897, following one of the greatest parades ever held in the United States. The tomb is about 100 feet square at the base and 160 feet high from the ground and 300 feet from the level of the Hudson River. There is an outer gallery 130 feet above the base, from which the country may be seen for miles around.

=At the New York End

In any banking service, domestic or foreign, THE BANK OF AMERICA is ready to serve. Its facilities include important connections at home and abroad; its resources are ample for trade purposes; its service is direct and prompt.



THE BANK OF AMERICA

ESTABLISHED 1812

NEW YORK CITY

Capital, Surplus and Undivided Profits over \$11,000,000

tive of the membership of the American Institute of Banking, I take great pleasure in telling you today that we of the institute will contribute approximately \$25,000 to your fund and we wish you success."

A telegram received during the convention from McLane Tildon, formerly secretary of the association and now secretary-treasurer of the Alumni Association of the University of Virginia, pledged on behalf of the Alumni Association a scholarship in the University of Virginia to anyone designated by the American Bankers Association.

On October 1, the names of individual subscribers to the fund were announced as follows:

Subscriptions of \$5000

The following individuals have subscribed \$5000 each:

New York City: Walter E. Frew, president Corn Exchange Bank; Lewis E. Pierson, chairman Irving Bank-Columbia Trust Company; William Halls, Jr., director Hanover National Bank; Gates W. McGarrah, chairman Mechanics and Metals National Bank; William Woodward, president Hanover National Bank; John McHugh, president Mechanics and Metals National Bank; James S. Alexander, chairman National Bank of Commerce; John H. Fulton, president National Park Bank; George W. Davison, president Central Union Trust Company; and George F. Baker, chairman First National Bank.

Chicago: George M. Reynolds, chairman Continental and Commercial National Bank; Arthur Reynolds, president Continental and Commercial National Bank; John J. Mitchell, president Illinois Merchants Trust Company; F. H. Rawson, chairman Union Trust Company; Melvin A. Traylor, president First National Bank, and George Woodruff, president National Bank of the Republic.

San Francisco: A. P. Giannini, chairman executive committee, Bank of Italy; and Herbert Fleischhacker, pres-

ident Anglo and London, Paris National Bank.

Baltimore: Waldo Newcomer, chairman Baltimore Trust Company.

Seattle: M. F. Backus, president National Bank of Commerce.

Pittsburgh: Andrew W. Mellon, Secretary of the United States Treasury.

Detroit: Emory W. Clark, chairman First National Bank.

St. Louis: Frank O. Watts, president First National Bank.

Philadelphia: William A. Law, chairman First National Bank.

J. P. Morgan & Co., of New York City made two subscriptions of \$5000 each. The investment banking house of Hornblower & Weeks subscribed \$5000. John H. Puelicher subscribed \$5000 jointly with the Marshall and Ilsley Bank of Milwaukee, Wis., of which institution he is president.

Subscriptions of \$2500

Birmingham, Ala.: Oscar Wells, president First National Bank.

New York City: Irving Bank-Columbia Trust Company; Henry L. Doherty & Co.

Subscriptions of \$1000

New York City: Alexander Gilbert, vice-chairman Irving Bank-Columbia Trust Company; Harry E. Ward, president Irving Bank-Columbia Trust Company; William E. Knox, president Bowery Savings Bank; Fred I. Kent, vice-president Bankers Trust Company; Percy H. Johnston, president Chemical National Bank; and Fred N. Shepherd, executive manager American Bankers Association.

Minneapolis: Charles H. Mills, president Midland National Bank.

Grand Rapids: Clay H. Hollister, president Old National Bank.

Detroit: William Livingston, president Dime Savings Bank.

Los Angeles: Henry M. Robinson, president First National Bank

Buffalo: Elliot McDougal, president Marine Trust Company.

New Orleans: R. S. Hecht, president Hibernia Bank and Trust Company.

Subscriptions are to be paid in full or in instalments before January 1, 1928.

Estimated Total Subscribed \$468,000

Harry J. Haas, vice-president First National Bank of Philadelphia, speaking for the fiftieth anniversary committee at the closing session of the convention on October 1, estimated the total amount subscribed to the foundation fund up to that time at \$468,000. Mr. Haas cautioned the delegates not to return to their homes feeling that there was nothing more to do because the estimated total had reached the amount which he mentioned. "This money has to be raised in the different states," he said, "and the men have to organize, as I stated a short time ago, in counties, but there is no end to the good that can come out of this. It is the first time in the history of the American Bankers Association since it was organized, fifty years ago, that there has ever been a plea for funds at the convention.

"I am sure that this cause is warranted at this time of the fiftieth anniversary.

"Little did we think in 1900, when the American Institute of Banking was founded by the American Bankers Association that it would reach the proportions which it has today. Little did Stephen Girard realize, when he made his will to found a school for orphan children in Philadelphia that it would educate hundreds of thousands of boys. He might have had the idea of educating hundreds, but it has developed to educate hundreds of thousands.

"Little did those who founded many

of our large universities realize that their efforts would extend to the proportions that they have today.

"There are many men in the American Bankers Association, or American bankers, who are looking for the opportunity to pass on to others something in the measure of the success which has come to them. They feel that they owe an obligation in the measure in which they have succeeded, and it is their desire to pass on, as I said, some measure of this success that they in turn may help others and so express good throughout the banking fraternity."

By the close of the convention the following states had pledged their respective quotas:

Alabama	\$ 2,125
Arkansas	1,975
California	15,500
Connecticut	2,800
Delaware	675
District of Columbia	1,900
Florida	1,825
Illinois	20,325
Indiana	6,000
Iowa	7,500
Kansas	4,250
Kentucky	3,500
Louisiana	3,000
Maine	1,000
Maryland	3,500
Massachusetts	8,750
Michigan	7,750
Minnesota	6,500
Mississippi	1,325
Missouri	9,500
Nebraska	4,000
Nevada	225
New Jersey	6,875
New York	37,250
North Carolina	3,050
Ohio	14,000
Oregon	2,675
Pennsylvania	23,750
Rhode Island	1,200
Tennessee	3,750
Texas	10,500
Vermont	650
Virginia	4,600
Washington	4,250
West Virginia	3,750
Wisconsin	4,875



The James Organization



THE Thomas M. James Company is an organization incorporated under the laws of the State of Massachusetts to provide architectural and engineering services to banks contemplating alterations or the erection of new buildings.

The organization is composed of men who are specialists of long experience in their particular duties.

The organization provides a specialized service to banks consisting of:

The usual architectural services of designing, specifying, and supervising the altering or the erection of bank buildings;

Such engineering services as must accompany the architectural work and the particular requirements for the proper construction of the bank's vaults and their protection against burglary;

That particular specialized service required for a proper and complete equipment of the bank's quarters.

These services are always available to a bank of any type or size and in any part of the United States.

We have recently completed, or have under construction, work throughout

Massachusetts, Maine, New Hampshire, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Ohio, West Virginia, Indiana, and Texas.

Thomas M. James Company

Architects and Engineers

Boston
3 Park Street

New York
342 Madison Avenue

Specialists in Bank Design and construction



NEW BUILDING FOR THE UNION INSTITUTION FOR SAVINGS,
BOSTON

This building, now under construction, will be of first-class fire-proof construction, finished in granite, limestone and bronze. The basement, first and mezzanine floors will be used by the bank and the upper floors rented for offices.

Thomas M. James Company

Architects

Boston and New York



THE MAIN BANKING ROOM OF THE ATLANTIC NATIONAL BANK, BOSTON

Occupying the main floor of a great new office building, the banking room of the Atlantic National Bank of Boston offers an interesting solution of the problem of forming efficient banking quarters within the bounds of a building already erected. This problem was effectively and successfully met.

Thomas M. James Company

Architects

Boston and New York



NEW BUILDING FOR THE FIRST NATIONAL BANK, CANTON, N. Y.

Illustrating possibilities in architectural design.
Erected and equipped complete for less than \$100,000.

A Record of Twenty-Five Years

Our past clients speak for us. Problems have been solved indicating satisfactory service in a great variety of banking situations, including alterations and new buildings, small work and large. During twenty-five years construction difficulties have been overcome and solutions successfully worked out for upwards of 350 banking institutions.

Thomas M. James Company

Architects

Boston and New York

Resolutions Adopted by Convention

Association Recommends Indeterminate or Ninety-nine Year Charter for Federal Reserve System. Urges Elimination of Federal Estate and Gift Taxes, and of Inheritance Taxes by States on Intangible Property of Non-Residents

THE resolutions passed by the convention are limited to two subjects; namely, the Federal Reserve System, and taxation. In considering the charters of the Federal Reserve Banks, the association recommends that the banks be rechartered indeterminately or for a period of ninety-nine years. The association urges the elimination of the Federal estate and gift taxes, and of inheritance taxes by states on the property of non-residents. The resolutions were presented to the convention for the resolutions committee by the chairman, Evans Woollen, president Fletcher Savings and Trust Company of Indianapolis, Ind. They were unanimously adopted by the convention.

"We urge the elimination of the Federal estate tax, of the Federal gift tax, and of inheritance taxes by states on the intangible personal property of non-residents. In support of this recommendation we refer to the admirable report at this convention by the special committee of the Trust Company Division of this association.

"Secondly, we present a subject which should challenge the thoughtful attention of all citizens as it must particularly challenge the self interest and the patriotic concern of every banker. That subject is the Federal Reserve System.

The rechartering of the Reserve Banks, now that it has become the subject of public discussion, should be taken up promptly and settled. Continuing uncertainty about the future of the system is sure to prove a grave menace to the progress and prosperity of the country. Further, in our opinion, when the extension of the charters is taken under consideration, the legislation should provide that the Federal Reserve System shall either continue indeterminately until the Congress takes affirmative action to dissolve it or continue during the period for which national banks are now chartered, namely ninety-nine years. We also believe that when the bill providing for the continuance of the system is taken up the consideration thereof should not be confused by involving it with amendments of the Federal Reserve Act. Amendments should be considered separately and on their own merits. The officers of this association are directed to memorialize the Congress in conformity with the opinions herein expressed and the members of this association are besought to forego for the time the promotion of any divergent views on what is secondary, the amendment of the system, while giving their united support to what is primary, the life of the system."





Every Banking,
Trust *and* Investment
Service

CENTRAL TRUST
COMPANY OF ILLINOIS
125 Monroe Street at La Salle
CHICAGO



© BACHRACH

L. T. McFADDEN

Chairman of the House Committee on Banking and Currency,
U. S. House of Representatives

McFadden to Concentrate on Branch — Banking Bill

**Will Sidetrack Bill to Amend Federal Reserve Act Until Bill
Amending National Bank Act Passes Congress**

CONGRESSMAN Louis T. McFadden, chairman of the House Committee on Banking and Currency, telegraphed the American Bankers Association on the first day of the convention that he would center his attention during the coming session of Congress on his proposed measure H. R. 8887, popularly known as the McFadden Bill, which would amend the National Bank Act in several instances, and that he would abandon his efforts on H. R. 12453 to amend the Federal Reserve Act with respect to legal re-

serves and deposits of gold by member banks with the Federal Reserve Banks, until the McFadden Bill is definitely disposed of. This later bill passed the House at the last session of Congress. Mr. McFadden says that he is taking this stand because it is evident that opponents of H. R. 8887 are attempting to confuse the two bills for the purpose of defeating the latter bill.

Congressman McFadden's telegram reads:

"Press notices indicate possibility of discussions taking place in the several

Total Resources : \$86,300,000

INTERNATIONAL
IMPORTS AND EXPORTS FINANCED
INDIVIDUAL ATTENTION

ACCCEPTANCE
ARBITRAGE AND FOREIGN EXCHANGE
ADVICE AND INFORMATION

BANK, INC.
BONDS AND SECURITIES
BILLION AND CURRENCY

Board of Directors

Matthew C. Brush
President, American International Corp., New York

Newcomb Carlton
President, Western Union Telegraph Co., New York

Walter E. Frew
President, Corn Exchange Bank, New York

F. Abbot Goodhue
President

Robert F. Herrick
Herrick, Smith, Donald & Farley, Boston

L. Nachmann
Vice-President

George S. Patterson
Geo. H. McFadden & Bro., Philadelphia

John T. Pratt
New York

Charles B. Seger
President, United States Rubber Co., New York

Lawrence H. Shearman
W. R. Grace & Co., New York

William Skinner
William Skinner & Sons, New York

Philip Stockton
President, Old Colony Trust Co., Boston

Charles A. Stone
Stone & Webster, Inc., New York

Henry Tatnall
Vice-President, Pennsylvania Railroad Co., Philadelphia

Felix M. Warburg
Kuhn, Loeb & Co., New York

Paul M. Warburg
Chairman

Thos. H. West, Jr.
President, Rhode Island Hospital Trust Co., Providence

Daniel G. Wing
Vice-Chairman
President, First National Bank of Boston, Boston

52 Cedar Street, New York



FRANCIS H. SISSON

President Trust Company Division, A. B. A.; member public relations commission, A. B. A.; vice-president Guaranty Trust Company, New York

meetings of the annual convention American Bankers Association now in session on the two bills which I introduced in the last session of Congress amending in certain important particulars sections of the Federal Reserve and National Bank Acts. Recognizing the fact that much misunderstanding and confusion have arisen regarding H. R. 12453 affecting legal reserves and deposits of gold with Federal Reserve Banks in exchange for Federal Reserve notes, etc., I have definitely decided not to introduce this bill at the coming session of Congress until after H. R. 8887 has been passed and finally disposed of, as it is evident that opponents of H. R. 8887 are attempting to confuse the two bills for the purpose of defeating the latter bill. This

should not be done and I thought it was made plain in a statement which I made during the closing days of the last session of Congress wherein it was stated definitely that H. R. 12453 was being introduced for the purpose of bringing forth a discussion by the bankers of the country on the various subjects covered by the several paragraphs of the bill. Further discussion, to gain complete understanding of the items in this bill, should be continued as definite conclusions have not been reached and legislation can be deferred until these conclusions are reached. The bill H. R. 8887, which was passed by the House of Representatives at the last session of Congress, amends the Federal Reserve and National Bank Acts in some twenty different instances

Age Cannot Wither the Proper Spirit of Service

Time merely adds zest to the enthusiasm of this old institution for doing things superlatively well.

This—The Bank Historical—established in 1810, regards its past records of accomplishment as a spur for more and better service for its patrons.

In any business, position and friendships can be maintained only by permanent and active devotion to high ideals of service.

In the balance sheets of American business—large and small—is found dramatic proof that "He profits most who serves best."

The
Bank of Pittsburgh
National Association

tending to broaden the opportunities for national banks. It was given the approval and endorsement of your association at its last convention and I intend to reintroduce it at the opening of the coming session of Congress in the same form that it was approved and passed by the House. Because of the previous wide discussion and present understanding of this bill and the importance not only to the national banks but to the entire Federal Reserve System of its passage early in the com-

ing session of Congress, I thought it best to communicate in this manner to the bankers of the country and to urge their further interest and co-operation in the passage of this measure, H. R. 8887, by the Congress of the United States. I shall hope that it will not be inconsistent for you to see that this message is properly presented to the convention at the earliest possible moment."

L. T. McFadden, Chairman House Committee on Banking and Currency.

The Federal Reserve System

THE question of the perpetuation of the Federal Reserve System was one of the main issues of the convention, and considerable attention was centered on this topic both in the general sessions and in the meetings of the various divisions. Expressions of banking opinion were unanimous in the feeling that the bankers of the country should do everything in their power to insure the permanence of the system as a fixture in our banking structure.

At the opening session of the general convention President Knox said in the course of his address that: "The whole country is discussing the rechartering of the Federal Reserve System. This is of interest not only to America, but of interest to the whole world. There has been no sound criticism of the foundation and structure of the system which has stood the test of time. It has been tried and proved. The period for which the banks were chartered is half gone and we must look forward to renewal of the charter." Mr. Knox continued:

The renewal of the charter is essential not only to the banks which are members of the system, but to all banks, and beyond that to all business, and beyond that to the prosperity of the country, and beyond that to the welfare of the whole world.

It is essential to the whole economic fabric

of the country, industrial and commercial as well as financial.

Our single aim and purpose should be to support the Federal Reserve System, to see that the charter is extended for a long time, or indeterminately, and only to be terminated by the action of Congress, and to do all in our power to perpetuate the system.

Calls System Most Scientific Yet Devised

"It will soon be necessary," said Edgar L. Mattson, retiring president of the National Bank Division, and president Midland National Bank and Trust Company, Minneapolis, Minn., in his address at the meeting of the division, "for the people of this country to decide what shall be done about the future of what is conceded to be the most scientific banking system that has yet been devised. Mr. Mattson added:

The creation of the Federal Reserve System gave opportunity for the development of a sound American banking policy, the mobilization of a gold reserve, and welded into one serviceable unit the banking power of the country. At the very beginning put to severe tests by reason of the war with its most extraordinary requirements, it met every necessity; without it this nation would have suffered immeasurably.

Free from political interference and managed by competent and experienced business men and bankers in the interests of the



New Bank Building, Milk Street, Boston

Beacon Trust Company

31 MILK STREET, BOSTON

Member Federal Reserve System

A RECORD OF PROGRESS:

	Capital	Surplus and Profits	Deposits
January 1, 1905	\$400,000.00	\$164,710.00	\$1,795,937.33
January 1, 1911	600,000.00	498,600.00	9,093,040.59
January 1, 1916	600,000.00	983,844.17	11,847,300.00
January 1, 1917	600,000.00	1,056,500.00	14,530,240.00
Sept. 15, 1923	1,000,000.00	1,949,295.18	21,323,258.26
Sept. 15, 1925	1,000,000.00	1,992,611.08	25,504,676.49

Officers

CHARLES B. JOPP, President	
C. L. BILLMAN, Vice-President	FRANK B. LAWLER, Vice-President
ALFRED S. NELSON, Treasurer	L. A. HASKELL, Assistant Treasurer
R. G. SHAW, Jr., Secretary	WALLACE H. PRATT, Assistant Treasurer
JAMES H. TURNBULL, Asst. Secretary	HENRY H. PIERCE, Assistant Treasurer
EDWARD J. RAMHOFER, Jr., Assistant Treasurer	

country as a whole, it has revealed no marked defects in its structure, is admittedly correct in principle and its perpetuation substantially in its present basic form is desirable; at the same time we should not shut our eyes to the possibility of its improvement.

The feeling that perhaps some changes can be made, which will be helpful, has already set in motion the machinery for an exhaustive and unbiased study. To develop to a point as near perfection as possible the one financial system which is already recognized throughout the world as the most scientific and the most resourceful, is the purpose of that movement. The interest which each one of us has in the preservation of the system should call forth our very best efforts to the end that no backward step may be taken. We must guard zealously against every movement which might impair its efficiency. No less binding than the requirement that we uphold the solidarity of our country itself is our responsibility for the maintenance and the betterment of the Federal Reserve System.

Should Separate Charter Renewal from Reserve Act Amendments

Opinion that the question of extending the charters of the Federal Reserve Banks should be kept entirely separate from proposals for amending the Federal Reserve Act was expressed in the report of the economic policy commission of the association to the executive council. The report recommended that the association memorialize Congress asking that when the question of extension of the charters is taken up, legislation be enacted providing that the Federal Reserve System shall continue either indeterminately or for ninety-nine years, and secondly that such legislation "shall not be confused by involving it with the amendments to the Federal Reserve Act." The report, presented by Evans Woollen of Indianapolis, Ind., chairman of the economic policy commission, reads as follows:

During the past year there has been increased public discussion of the Federal Reserve System and the legislation underlying it. This discussion has in the main been of two kinds. In the first place there have been numerous proposals looking toward the amendment of the Federal Reserve Act, and in the second place there has been repeated reference to the fact that the

Reserve Banks have now been in existence for more than half the twenty-year period for which they are chartered and that the question of extending their charters must be decided without undue delay.

The commission is firmly of the opinion that these two sets of problems should be kept completely separate. It believes that in the interest of public policy and national welfare all proposals for changes in the legislation under which the system operates should be kept entirely apart from the question of the extension of the charters of the banks.

The question of the continuance of the Federal Reserve System, now that it has become the subject of public discussion, should be taken up promptly and settled because continued uncertainty about the future of the system is bound to prove a grave menace to the progress and prosperity of the country.

The commission wishes to make two recommendations which it believes will, if acted upon, make for the preservation of public confidence and the avoidance of uncertainties.

The first recommendation is that the American Bankers Association memorialize the Congress asking that when the extension of the charters is taken under consideration the legislation enacted provide that the Federal Reserve System shall either continue indeterminately until the Congress takes affirmative action to dissolve it or continue during the period for which national banks are now chartered; namely ninety-nine years. While between these alternatives there is no substantial difference we are disposed to prefer the pre-determined period of ninety-nine years as inducing greater confidence in the continuing stability of the system.

The second recommendation is that the American Bankers Association in its memorial to the Congress ask that when the bill providing for the continuance of the system is taken up the consideration of the subject shall not be confused by involving it with other amendments to the Federal Reserve Act. Amendments should be considered separately and on their own merits. The act confers on the system no unchangeable rights. It has already been amended seventeen times and Congress, under our proposal, would forfeit none of its present rights to amend it further at any time.

The commission respectfully suggests that the principle on which this second recommendation is based should guide the procedure of the Congress in all future legislation relating to the Federal Reserve System. It believes that all such new enactments and amendments should be embodied in single-purpose legislative measures and that they should not be passed as riders or provisos attached to bills relating to other

Canadian Business

Branches or agents at every important point in the Dominion enable us to offer exceptional facilities for the handling of your Canadian business.

The Bank of Toronto gives special service in the collection of Canadian items for American Banks and firms, no time is wasted if items drawn on any point in Canada are mailed to Bank of Toronto, Toronto, Canada. Private wire service, connecting Montreal, Toronto, Buffalo, New York.

Correspondence Invited

THE BANK OF TORONTO

INCORPORATED 1855

Capital \$5,000,000 - Reserves \$7,000,000



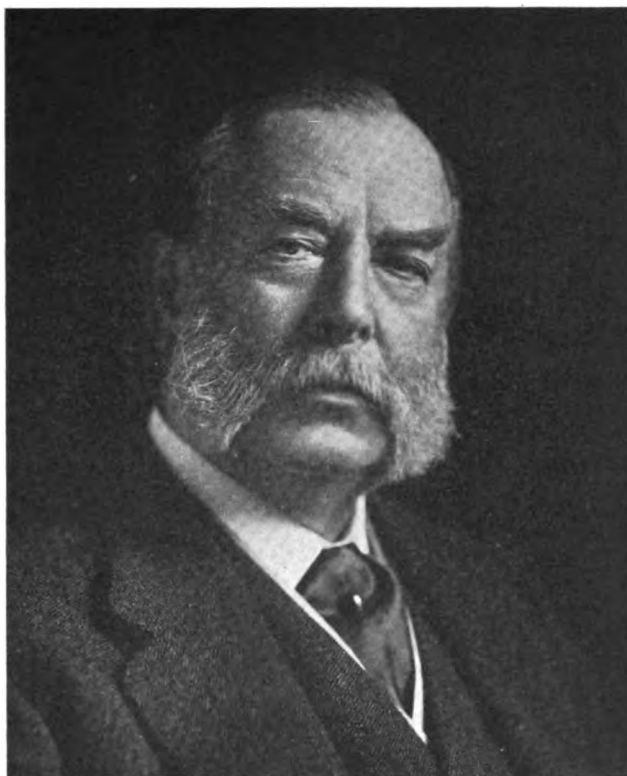
Head Office, Toronto, Ontario

John R. Lamb, General Manager
TORONTO

F. H. Marsh, Western Superintendent
WINNIPEG

H. B. Henwood, Asst. Gen. Manager
TORONTO

E. W. Lamprey, Supt., B. C. Branches
VANCOUVER



GEORGE F. BAKER

One of the founders of the American Bankers Association; chairman
First National Bank, New York

matters. Changes in the Federal Reserve Act are of such great importance to our business and banking operations and to our public welfare as a nation that they should receive deliberate and undivided consideration and their adoption should not be conditioned by extraneous considerations.

The commission refrains from entering at this time upon a discussion of recent proposals for amendments to the Federal Reserve Act. Just as it holds that discussion by the Congress of suggested alterations in the legislation under which the system operates should be kept separate from discussion of the extension of the charter of the banks themselves, so it believes that the same principle should be observed in this report.

The extension of the charters of the banks

will remove at once the one underlying question which will remain to create doubts and uncertainties as long as it is in existence, and which invites political manipulation and bargaining if it should by misfortune become attached to, or incorporated in, proposals for amendment. For these reasons the commission limits this present report to the two recommendations: First, that the American Bankers Association memorialize the Congress petitioning it that when the rechartering of the Reserve Banks is considered, the charters be granted to run either for ninety-nine years or until abrogated by Congressional action; and second, that the same memorial to the Congress shall ask that the bill which provides for the continuance of the system shall deal exclusively with that subject.



Select An Executor of Unquestioned Dependability

When you appoint this Company as Executor under your Will you place in charge of your Estate an organization which has been in business since 1875, which has handled hundreds of Estates, and which has a personnel composed of specialists in Estate and Trust business—an Executor of unquestioned dependability. Thus you assure successful administration for your Estate.

Charles E. Rogerson, *President*

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At Arch and DEVONSHIRE STREETS

Boston

BOSTON, MASS.

Our Safe-Deposit Vault is one of the largest in New England. Sixty coupon rooms eliminate waiting and afford complete privacy. Some rooms comfortably accommodate ten or more persons.





© UNDERWOOD & UNDERWOOD

FRANK O. LOWDEN

Formerly Governor of Illinois, who addressed the general convention

Banker-Farmer Relations

Lowden Sees Increasing Evidence of Bankers' Interest in Agriculture; Says Farmers' Troubles are Not Over. Otis Finds Farmers' Outlook Hopeful. Gordon Urges Co-operative Marketing

AS a concrete example of the increasing interest which bankers of the country are showing in agriculture, ex-Governor Lowden of Illinois in his address before the general convention, pointed out that a bankers' short course was given in June of this year by the Nebraska College of Agriculture, and was attended with enthusiasm by more than 200 Nebraska farmers.

"This is but one of the many evidences," said Mr. Lowden, "which I could give of the interest of the bank-

ers of America in the agriculture of America.

"The banker, by the confidence he usually enjoys in the community and by his intimate contact with the businesses of his customers, can wield a mighty influence upon the agriculture of the country, which may be the determining factor in the struggle which agriculture is now making to maintain itself."

Nothing could be further from the truth than claims that the increase in the farmer's net income of the last

Organized 1890

The State Bank

11 Branches in Greater New York

Member of the New York Clearing House Association

Condensed Statement as of the Close of Business,
Sept. 30, 1925

Resources

Loans and Discounts	\$70,855,729.75
United States and Municipal Bonds.....	6,529,682.48
Short Term Securities	13,888,755.61
Bonds and Other Securities	11,235,521.77
Banking Houses	1,722,739.50
Real Estate (Other than Banking Houses).....	0.
Cash and Exchanges	14,230,027.15
Customers' Liability, Account of Acceptances, etc.	3,393,379.63
	<hr/>
	\$121,855,835.89

Liabilities

Capital Stock	\$3,500,000.00
Surplus and Undivided Profits	5,728,422.26
Reserved for Taxes, etc.	329,837.83
Quarterly Dividend Payable October 1, 1925	140,000.00
Due Depositors	108,942,616.67
Bills Payable and Rediscounts	0.
Acceptances, Letters of Credit, etc.	3,214,959.18
	<hr/>
	\$121,855,835.89

HAROLD C. RICHARD, *President*

Vice-Presidents

JOHN KNEISEL	WILLIAM B. ROTH
CHARLES A. SMITH	HARRY W. VOGEL
THOMAS M. SHERMAN	



© UNDERWOOD & UNDERWOOD

MARTIN W. LITTLETON

Of the New York bar, who addressed the general convention

year was proof "that the situation upon the farm is righting itself," said Mr. Lowden. He added that only by organization within itself for the marketing of products and for other common ends could agriculture cure the economic ills that still afflict it, regain its rightful place in a highly organized world and restore the proper balance between itself and other business activities.

Farm Problem Not Yet Solved

"Though farm conditions are somewhat better than they have been in recent years," Mr. Lowden remarked, "they by no means assure the future of the industry. The farm problem is not solved. It will be well for us if we recognize this fact."

Asserting that agriculture is sadly out of gear with the other parts of the economic structure, Mr. Lowden said that, in an era in which progress is attained only through organization, the farmer has been the last to realize the value of organization.

"In all other fields of commerce, unrestricted, free and open competition in the marketing of products has been gradually disappearing," he continued. "In all other industries there has been a growing tendency to stabilize prices, largely through the organization of a few great corporations which have taken the place of innumerable smaller independent units. In agriculture alone have the methods of marketing made no improvement, except as to the sale of those products which are now being

marketed through co-operative associations."

In urging organization for farmers, Mr. Lowden said he did not mean that they should operate their farms through corporate management, but should work together for the solution of problems concerning the marketing of their products and the restoration of the proper relationship between the prices they receive for their products and the prices they pay for other commodities.

"Co-operative farm marketing associations are no longer an experiment," he said. "Wherever co-operatives have been employed, there you will find agriculture in its best state. The farms are better improved and are kept in a higher state of cultivation and repair. I can foresee the day when everything produced upon the farm for market will be marketed by the farmers themselves through an organization of their own creation."

Otis Sees Farmer in Hopeful State of Mind

Fundamental agricultural improvement, both in respect to the current crop situation and in connection with permanent technical conditions, have put the American farmer in a more hopeful state of mind than he has been in for years, D. H. Otis, agricultural director of the American Bankers Association, said in an address before the meeting of the agricultural commission. Mr. Otis has spent the last year in touring all parts of the country and made a first hand report.

"The condition of the farmer is most encouraging," Mr. Otis said. "With no large surpluses, with good crops and fair prices, and with the return of a parity between the products of agriculture and the products of industry, the farmer is more hopeful than he has been for years. One of the

especially encouraging features is the improvement in the cattle situation. With the surplus removed and the demand increasing, the cattle man is looking forward to a well deserved return of prosperity.

"Farmers all over the country are gradually improving their type of farming, diversifying their crops, producing more of their own living on the farm and increasing the productive hours of labor."

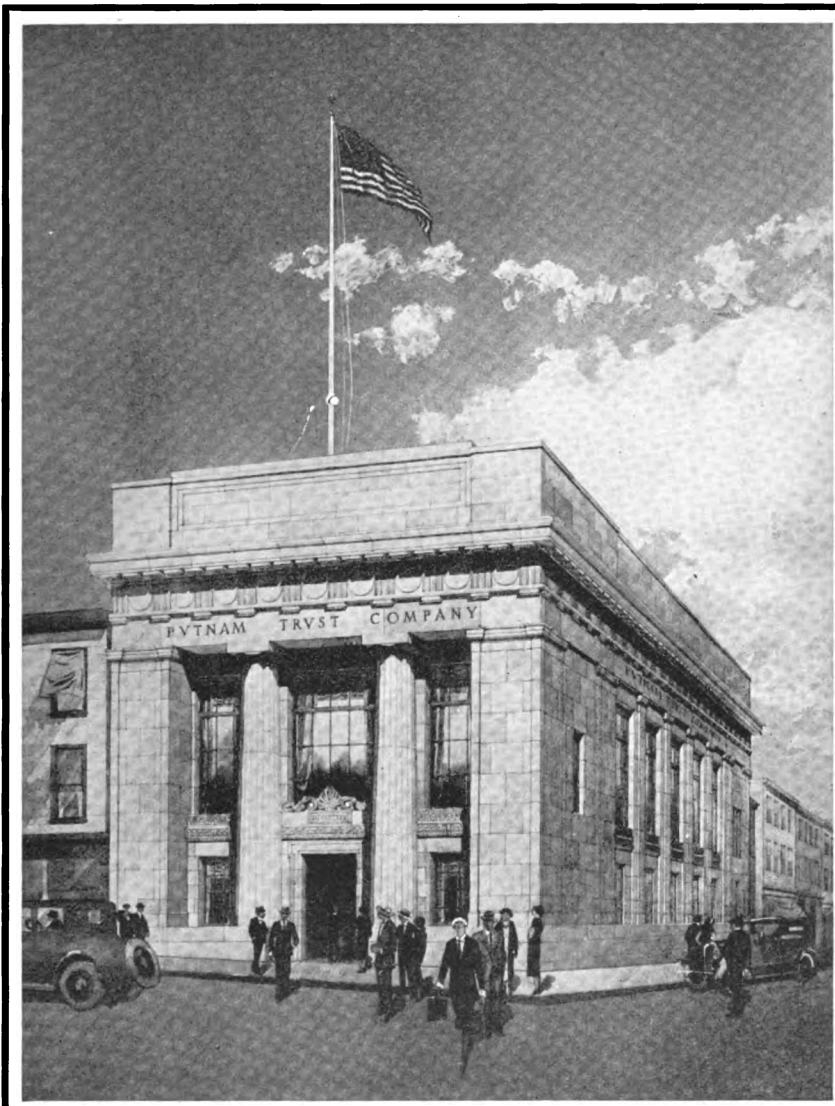
Gordon Says Co-operative Marketing is Practicable

Co-operative grain marketing is entirely practicable, despite some conspicuous failures recently to establish associations, W. C. Gordon, president of the State Bank Division and president Farmers Savings Bank, Marshall, Mo., declared in his address at the meeting of the division.

"Collateral causes, due mainly perhaps to manipulation and exploitation for private profit, brought about the failure of these organizations no doubt," he explained. "The number of associations now operating profitably proves that the scheme is entirely feasible and workable. Though agricultural conditions are somewhat better this year than they have been recently, the farm problem is still far from a satisfactory solution.

"Whenever this great group of industrialists unite to keep under their own control the orderly marketing of the things they produce, and receive proper returns for the expenditure of their labor and capital, subject to the natural and inevitable vicissitudes which affect any business, a long step will have been taken toward the alleviation of the ills, financial and otherwise, which hamper the industry of agriculture."





From the Drawing

**THE PUTNAM TRUST COMPANY
GREENWICH, CONN.**



**MORGAN, FRENCH & CO., INC.
ARCHITECTS AND ENGINEERS**

**19 WEST 44TH STREET
NEW YORK**

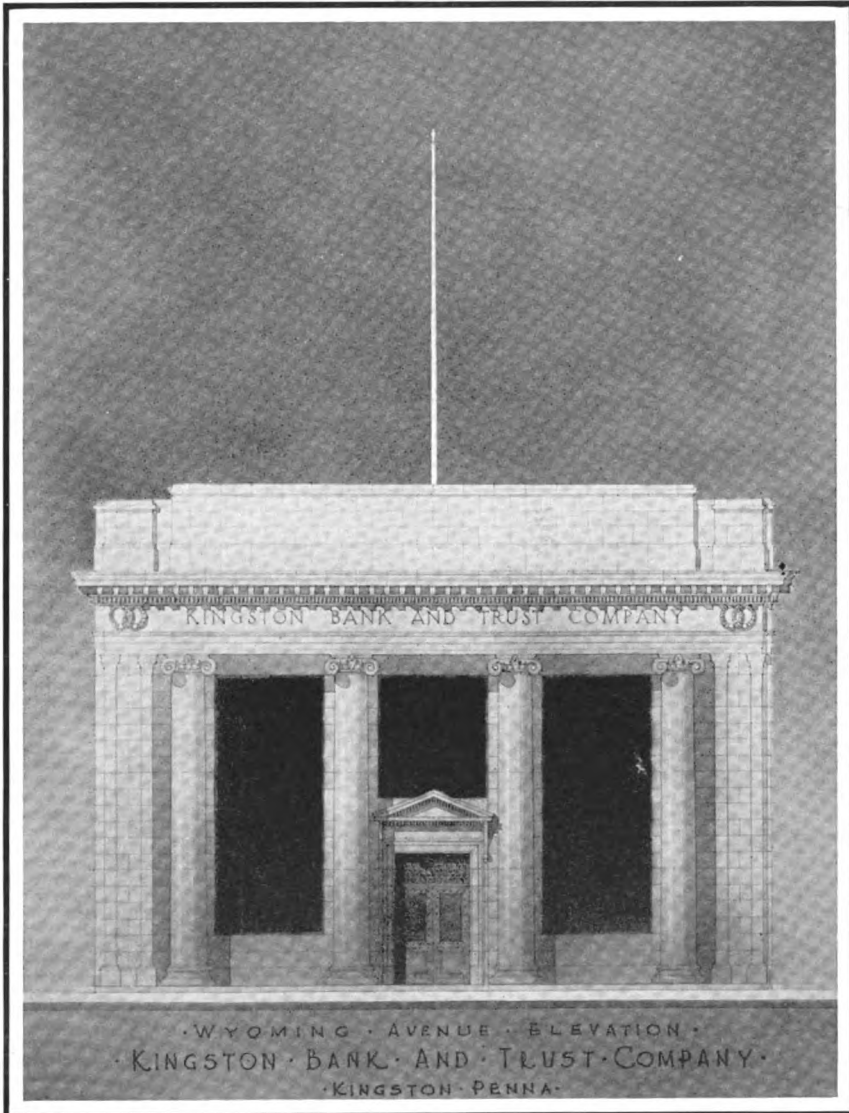


From the Drawing

WILLIAM MCKINLEY TEMPLE
NEW YORK



MORGAN, FRENCH & CO., INC.
ARCHITECTS AND ENGINEERS
19 WEST 44TH STREET
NEW YORK

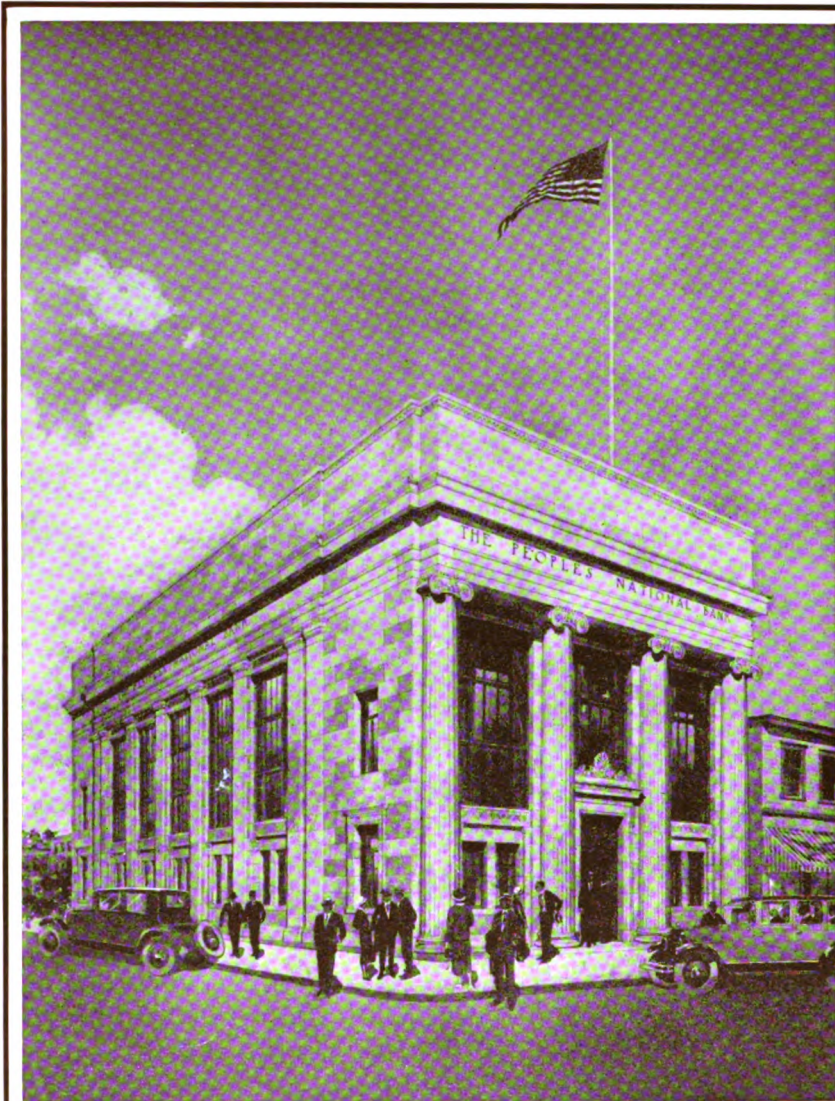


From the Drawing

KINGSTON BANK AND TRUST COMPANY
KINGSTON, PENN.



MORGAN, FRENCH & CO., INC.
ARCHITECTS AND ENGINEERS
19 WEST 44TH STREET
NEW YORK



From the Drawing

THE PEOPLES NATIONAL BANK
LYNBROOK, NEW YORK



MORGAN, FRENCH & CO., INC.
ARCHITECTS AND ENGINEERS
19 WEST 44TH STREET
NEW YORK

The President's Address

By William E. Knox

IT is a privilege to stand here at the end of fifty years of the association and take a short glance backward and a long look forward. In 1875, when the association was started, the country was just recovering from the effects of the great Civil War. It had been a period of unsettlement, the same as has been this last period of seven years.

The country was getting back to its bearings, as the world has been slowly getting back to its bearings during the last seven years.

The year 1875 marked the beginning of the most marvelous era of prosperity that has ever been enjoyed by any country, and we in this country have been blessed during those fifty years with a material prosperity such as no nation has ever enjoyed.

The poorest man in this country lives better than kings lived years ago, has more luxuries than were dreamed of by our forefathers.

During this fifty years, many of the things that we look upon now as essential have come into being and the great forces of nature have been harnessed for our use.

Banks Keep Pace With Country's Progress

During the fifty years the banks have grown to keep pace with the progress of the country. As the country has grown, so have they. Every advancement that the country has made has been made step in step with the banks.

As we stand here now in 1925, facing the future, no man can predict what progress we shall make or what things we shall accomplish. It is a great day to live in. It has been a great fifty years, and the next fifty years I think we all dream will be even greater.

It has been the privilege of the American Bankers Association during

all those fifty years to look out not only for the interests of the banking profession, but to do their work as great citizens and look out for the interests of the country.

I have an old fashioned idea that he serves the country best who minds his own business best and pursues it most diligently, and who while minding his own business is also mindful of his duty as an American, as a friend and as a neighbor, who always keeps before him an ideal of manhood, of service and of citizenship that enters into his daily life and his daily work and makes him know that the work that he does for himself, if good work, redounds not only to his own benefit, and to his own credit, but to the benefit of every one of his fellow human beings.

I think with that idea in mind the American Bankers Association has gone forward, and I am quite sure that although we may not have thought about it very much, that idea has been in the back of the mind of every member of the Association through all these years.

Combatting Unwise Legislation

It has been our privilege during all the years to watch out and see that the legislators of the country have legislated wisely. We have not always succeeded to the full measure of our hopes, but we have many times succeeded in keeping unwise legislation from the statute books, and that in itself is no small accomplishment.

We have two or three things that it seems to me are of paramount interest just at present. The whole country is discussing the matter of the rechartering of the Federal Reserve System. This is of interest not only to America, but of interest to the whole world. There has been no sound criticism of the foundation and structure of the system, which has stood the

Empire Trust Company

MAIN OFFICE :

EQUITABLE BUILDING
120 BROADWAY
New York

FIFTH AVENUE OFFICE :

580 FIFTH AVENUE, Corner 47th Street

HUDSON OFFICE :

1411 BROADWAY, Corner 39th Street

LONDON OFFICE :

28 CHARLES STREET, S. W.

This Company is the Fiscal Agent of the
State of New York for the sale of
Stock Transfer Tax Stamps

test of time. It has been tried and proved. The period for which the bank was chartered is half gone, and we must look forward to renewal of the charter.

The renewal of the charter is essential not only to the banks which are members of the system, but to all banks and beyond that to all business and beyond that to the prosperity of the country, and beyond that to the welfare of the whole world.

It is essential to the whole economic fabric of the country, industrial and commercial as well as financial.

Should Actively Support the Federal Reserve System

Our single aim and purpose should be to support the Federal Reserve System, to see that the charter is extended for a long time, or indeterminately, and only to be terminated by the action of Congress, and to do all in our power to perpetuate the system.

The matter of the Federal Reserve System and its extension has been under intensive study since the spring



R. S. HAWES
Vice-president First National Bank in St. Louis, Mo., and a former president of the American Bankers Association



F. O. WATTS
President First National Bank in St. Louis, Mo., and a former president of the American Bankers Association

meeting in Augusta, by one of our standing commissions, the economic policy commission. They have given it their best study and a motion has been passed which will come to you in due form in the convention from the administrative council, commending highly the wise work of the committee and asking that it be continued, which I think is wise.

The Matter of Taxation

The matter of taxation is engaging the attention of the country. Our shoulders are becoming rather calloused from carrying the burden of taxes. That applies not only to individuals but to corporations.

Somebody once said that corporations had no souls to be damned nor bodies to be kicked, which is probably true, but they have shoulders to bear burdens, and they have been bearing a very heavy burden, and it seems to me that the banks have been possibly not as justly dealt with as they might have been.

When the excess taxes were laid it



Huge hostleries have supplanted most of our one-time inns of pleasing personal service; immense financial institutions replace many banks where business man and banker once enjoyed close touch. Personal banking service, plus modern methods and equipment, may still be had in our "neighborhood" banks.

Bond Department Foreign Department
Trust Department

GARFIELD NATIONAL BANK

FIFTH AVENUE
WHERE 23RD STREET
CROSSES BROADWAY
NEW YORK

was quite possible for commercial enterprises, owing to the high prices and the rising value of goods, to get back some return, but under the operation of banks, with interest rates as low as they are and have been, due to the Federal Reserve System, it has not been possible for the banks to increase their earnings. Money and credit are the only commodities that they have. There was no chance for them to get back as much of the surtax as other corporations, and our committee on taxation will doubtless take this into consideration when they again approach the subject, as they will.

It has been the privilege of the association for many years to preach sound economic doctrine, to try to show the people of the country who have not been in a position of themselves to learn at first hand sound economics, what they are—and in that it has done a great work.

Our commission on public relations, our public education commission and all the various agencies of the association have done splendid work in that which cannot be measured. The audiences reached have run into the millions and the opinions influenced, we hope, have run into many millions.

Must Bring Economic Understanding to Workers of Country

It is very well to preach economic doctrine; it is very well to talk to the business man and the man of affairs about sound economic principles, but it seems to me that we will not have reached the full measure of our service until through some means we can bring to the ordinary workingmen (and that is most of us) and working women the same sound economic doctrine.

The statement has been made that in industry alone the waste in this country runs up to ten billions of dollars annually. You can discount that to a very, very large amount and still the waste would be tremendous.

The same thing applies to the daily lives, and daily spending of literally

millions and millions of our fellow citizens. They waste every year—perhaps I had better say we waste every year—more than enough to take care of our national debt, more than enough to put this country absolutely in the easiest sort of a financial condition.

Most men go through life with more or less worry on their minds, due to the fact that they are living from hand to mouth, that they don't know what the future has in store for them, that there is a constant dread that when old age comes on they may become dependent, and under those conditions it is not possible for any man to do the best work.

I think that it is quite possible to work out an economic plan and to show people that by systematic and small savings, by systematic curtailment of waste, continued over a period of years, it is quite possible for the average man to approach the coming of old age with a feeling of comfort and serenity, knowing that he will have enough to provide for his old age.

Such a plan could be worked out and steps are being taken now to work out some such plan to invite the co-operation of the business men of the country and large employers, bringing it to the attention of their people.

The difficulty of inducing a horse to drink after leading him to water has never been successfully overcome, but if we provide the water, if the horse has horse-sense, he will drink and so we think that many of our fellow citizens will.

This may be a trifle out of the direct line of our business as bankers. I don't think it is a bit out of the direct line of our duty as bankers to do what we can in that way for the prosperity of the country.

If a scheme like that be put over, it will be absolutely of inestimable value to the whole nation.

Looking forward over the fifty years, one of our committees, the fiftieth anniversary committee, looking for new ways of service, has hit upon a scheme

WITH seven well equipped offices located in important financial centers of the country, an extensive private wire system reaching all markets, memberships in the principal security exchanges, and an efficient and courteous organization, the investment and commission house of Hornblower & Weeks offers its unexcelled facilities developed through 37 years of business, to individuals, trustees and corporations seeking the services of a reliable investment house.

Upon request we shall be glad to send you a copy of "How WE AID INVESTORS," which outlines our comprehensive investment services.

HORNBLOWER & WEEKS

BOSTON

Established 1888

NEW YORK

CHICAGO

CLEVELAND

DETROIT

PROVIDENCE

PORTLAND

*Member of the New York, Boston, Chicago, Cleveland and Detroit
Stock Exchanges*

which will be disclosed to you later, which calls for your hearty co-operation. It has been presented to the administrative committee, to the executive council, and warmly endorsed by both of them, but the administrative committee and the executive council, without the backing of the membership of the association, can do nothing. The matter will be explained to you later.

Looking Forward to Greater Service

Going forward through the next fifty years, may we not look for a heightening of our ideals? May we not see an opportunity for even greater service than we have rendered in the past? It does not do entirely to look back on what we have done and to point with pride to our accomplishments. We must look forward, and looking forward, hoping and working for material

prosperity for ourselves and our country, we must not forget the great things, mental and spiritual, the things which down in the bottom of every man's heart he knows to be true, the things that he is really guiding his life by. Those things ought to enter and do enter into every man's business life. They are a background. They are an anchor. They are the things worthwhile.

The ancient Greeks had a race called the Torch Race, in which every runner carried a lighted torch. The man who won the race was the man who arrived at the goal not first, but the man who arrived at the goal first with his torch lighted.

And so, whatever goal we have in the future, whatever we may achieve in the future, will not win us the prize, unless we have carried the torch of our high ideals with us.

Fifty Years of American Banking

By Lewis E. Pierson

Chairman Fiftieth Anniversary Committee, A. B. A. and chairman Irving Bank-Columbia Trust Company, New York

AT the outset let me express my gratitude to the association for my appointment to the anniversary committee. Not so much for the honor, although that is deeply appreciated, but for the opportunity to review and consider the progress of American banking during the last half century.

As our committee went back over the records to the time when George F. Baker and his sixteen associates founded the association on May 24, 1875 and as we followed the association's history from that time to the present day, it became increasingly clear to us that the history of the association and the history of American banking during that period both have run in the same course.

We, who have gathered here at this convention, are familiar with present day banking methods and present day problems. Our association includes approximately 22,000 banking institutions representing every state in the Union. We have developed a national voice and a national policy. Behind every separate member bank in the association stands the combined strength and combined judgment of the entire membership when banking questions of national importance arise.

We are all too apt to take our present strength and our present facilities for granted. Yet at every turn we are profiting by the thought, the labor and the devotion of American bankers who for fifty years have been building up the splendid instrument which today

Rhode Island has about 600,000 population. The Industrial Trust Company has over 200,000 call and participation accounts.

Allowing generously for duplication, it seems reasonable to say that we do business with every fourth person in the State.

Send your Rhode Island items or inquiries to any branch of this company for prompt service.

INDUSTRIAL TRUST COMPANY

Resources More Than \$100,000,000

Member of Federal Reserve System

Three Providence Offices:
49 Westminster Street—1515 Broad Street
220 Atwells Avenue

PROVIDENCE PAWTUCKET NEWPORT
WOONSOCKET BRISTOL WESTERLY
PASCOAG WARREN WICKFORD
EAST PROVIDENCE

gives power and stability to American banking.

A Comparison With Fifty Years Ago

Fifty years seems but a short stretch in the life of a nation. It is only when we pause to consider the environment in which the banker of a half century ago operated, and compare it with the environment in which we operate today, that we appreciate that the last fifty years represent as great an accomplishment in American life as several preceding centuries. It is only when we view this accomplishment that we gain a true conception of our debt to those forward looking men who laid the foundations for our association early enough to equip us for the great problems which now confront us.

The change from comparatively simple methods in business and government to highly complex methods has come upon the modern world with a rush. It has not been spread over two or three centuries or even over two or three generations. It is the product of events which have occurred in the space of a single lifetime.

At the time our association was founded people were living in a world which had changed only in degree from the world of Robert Morris and Benjamin Franklin. Horse-drawn vehicles remained the standard means of transportation. Local wells and streams constituted almost the sole source of water supply. Volunteer companies protected our cities and villages from fires. Business letters were written with pen and ink in longhand. The telephone was unknown and one month after the American Bankers Association was organized, Alexander Graham Bell heard the first sound which had been electrically carried over a wire.

Living in that leisurely world there was infinitely less reason for the bankers of 1875 to join for common action than there is today. As business and government have grown more complex, the bank and the banker have come to

play an increasingly larger part in the commercial life of the nation.

New facilities and new methods have been made necessary by the rapidly changing march of events and, as the problems of the business world have grown more complicated, so have the responsibilities of the banking fraternity increased.

The Turn From Agriculture to Industry

Within the last fifty years the United States has turned from an almost purely agricultural nation to the greatest industrial nation in the world. Within the last twenty years, the country has grown from a nation whose industries were confined to its own borders to a nation which today transacts its business in the four quarters of the globe.

To keep pace with these changes, it has been essential for the banks of the country, first, to accommodate themselves to the necessities of industry and, next, to expand from purely domestic banking to the wider field of international finance. It has, therefore, been necessary to build up an entirely new system of industrial financing and to create a new attitude on the part of American banks towards international trade.

The Banks' Contribution in Periods of Stress

We, who are gathered here, know that the banks of the United States during the last half century have met and solved every banking problem with which the country has been confronted. What the country does not know, however, and what we ourselves too frequently fail to appreciate, is the tremendous contribution to our country's good in periods of stress by the united thought and united action of individual bankers made possible through the American Bankers Association, bringing about, year by year, a common understanding on basic problems.

It is not my privilege here to recount for you in detail the achievements of

Commonwealth Bank

Spring Street and Bowery

First Avenue Office

77th Street and First Avenue

Bronx Office

155th Street and Third Avenue

Lexington Office

Lexington Avenue at 57th Street

NEW YORK

Resources over \$19,000,000.00

Member New York Clearing House

Member Federal Reserve System

New York State Depository

**Complete Foreign Banking
Facilities**

Correspondents in All Parts of the World

the association in the technical field of finance. It is enough for my purpose to direct your attention to the fact that our nation's great banking achievements in the last fifty years have taken their inspiration from the activities of the association.

The resumption of specie payments, the establishment of the gold standard, the creation of the Federal Reserve System and the enunciation of the banking policies which carried us safely through the strain of the World War and the difficulties of post-war deflation—these are outstanding accomplishments of our association with which the banking world is familiar. In a striking way they exemplify the leadership which the association has steadily provided in every phase of American banking.

Checking Criminal Activities Against Banks

Particular reference might be made to the manner in which the association, through its protective department, has functioned in the prevention, detection and unrelenting punishment of criminal depredations against banks. This splendid work of the association in the interest of economic safety furnishes an example which in this day might well be emulated by business organizations and communities everywhere.

But the contribution to American progress to which I particularly desire to direct your attention is the day by day contribution which the banks of the country, guided and aided by their association, have made to the development of business and farming and to the prosperity and progress of the American people.

How Banks Have Met Changed Conditions

The world of fifty years ago was a hand-to-mouth world. It was a world in which the producer and the consumer were close together. Trade on any large scale was impossible; first, be-

cause mass production was unknown; second, because transportation was slow and uncertain; and third, because credit in the modern sense was almost non-existent. The farmer who cultivated his fields, fed and clothed himself from the products of his own farm. He purchased very little and sold very little outside of his immediate circle. The operations of a manufacturer were limited by meager transportation and credit facilities.

To the farmer and to the business man, the local bank meant little more than a place where they might deposit their funds for safekeeping and a treasure house to which they might repair for their moderate loan requirements.

Today all this is changed. The American farmer sells his grain in competition with the farmers of the world, and is free from unreasonable limitations which formerly seriously impeded the progress of American agriculture. And the American manufacturer produces and disposes of his merchandise under a system of mass production and with the world as his customer. It is to the everlasting credit of the American banker and the American Bankers Association that the banks of America have not only accommodated themselves to this change, but have actually led in the movement to make the United States the greatest of all commercial nations.

Bank is Part of Farmer's Equipment Today

Today the American bank is as much a part of the American farmer's equipment as are his horse and scythe and is as essential to the manufacturer's prosperity as are his high speed tools.

Consider for a moment the part which banks and bankers play in the ordinary every day processes of modern production and commerce. Let us reflect for a moment on what the banker does for the farmer and what he does for the manufacturer.

First remember that the banker is the trustee of other people's money. The funds he handles come from his stock-

What a
"Whale" of a Convention
"Commerce" Correspondents
would make!

Five thousand bankers, from every corner of the globe. Two thousand American bankers with whom "Old 26" does business every day, would be there.

And the speeches! Imagine one speaker tracing "Commerce" history for the last 68 years; emphasizing how this great St. Louis bank has specialized in service to its correspondent banks.

Another delegate might tell how valuable the "Commerce" *Advertising Service Department* had been to his institution . . . how advertising ideas and copy were furnished him without cost.

Then a hush falls over the huge assembly. The Loud Speaker is turned on—and the weekly Radio program of "Old 26" speaks for itself—evidence of the bank's activity in educating the general public in financial matters.

What a whale of a convention it would make! And how much larger still if all bankers knew as much about "Commerce" service as its correspondents do!

The
National Bank of Commerce
with which is affiliated the
Federal Commerce Trust Company  **in St. Louis**

holders and depositors, and quite contrary to the demagogue's picture, do not belong to himself. On his care and use of this money entrusted to him depends its safety and its productivity for the good of the community through wise loans to aid agriculture and industry and to give steady employment and stable prosperity to the country.

From the time that the farmer buys his land to the time he finally disposes of his annual crop, he finds all the facilities of modern finance available for his needs. He can secure aid to finance himself from the time he plants his seed to the time he reaps his harvest, thus raising more and selling more than would be possible if he were compelled to depend upon his own resources.

When his crop is harvested, he finds a buyer ready and willing to pay for it and enable him to liquidate his obligations. This buyer in turn is financed by larger banks which aid him to take the crops of a number of farmers to the nearest wholesale market.

Should this wholesaler decide to transport the crop to seaboard, there is always a bank to loan him the necessary money on credit or bills of lading representing the shipment, and at seaboard there is always a bank to loan the funds necessary for the exporter to make the shipment abroad.

In the entire chain of events, from the seeding of the land on the Western farm to the final disposition of the farmer's products in foreign lands, the banks of America provide the financial machinery which makes the whole thing possible.

The tools and the machinery which the farmer uses, the furniture and the convenience of his house, the railroad which transports his produce to market and the ships which carry it across the seas are all the products of industry and in every phase of industrial enterprise, through intelligent and considerate loaning of his stockholders' and depositors' funds, the banker plays a vital and necessary part.

The Banker and the Manufacturer

When the manufacturer builds his factory, he usually invokes the aid of the investment banker for the sale of his securities and for the capital with which to purchase machinery and begin operations.

He must have funds or credit with which to purchase raw materials which are drawn from every part of the world. He must have money to meet his payroll and cover his operating expenses until he can turn his product into cash. For these purposes the manufacturer is able to secure, as each case may require and justify, the intelligent assistance of his banker.

With his finished product in hand, he is able to transport and sell his goods in domestic and foreign markets through the helpful and ready credit facilities which have been developed by commercial banks.

The manufacturer is able to devote his entire attention to the production and sale of his merchandise. Beyond signing his name to the necessary checks and other documents, he finds the burden of providing currency for pay-rolls, and funds for purchase of materials, and the task of handling the negotiable instruments involved in the sale of his goods, taken from his shoulders by the bank he employs.

Whether he sells in a neighboring state or in a foreign country, he can draw his draft at the moment his merchandise leaves his factory and immediately discount it for funds with which to continue his operations.

The wholesaler and retailer with whom he deals find their operations simplified and their work made easier through the efficiently working system which banks have created to handle the tremendous volume of business which annually contributes to the growth and prosperity of the nation.

Development in Use of Bank Check

When we look back and reflect that the bank check was not in common use

Canada's Great International Bank

The Royal Bank of Canada Serves 21 Different Countries through its own established branches—Amalgamation with Union Bank of Canada effected September 1st—Bank has over 800 branches in Canada and over 100 abroad.

To the mind of the average American, very naturally the name, The Royal Bank of Canada, spells a single local bank similar in every way to his own local banks and nothing more. The name itself does not imply the great international importance of this Canadian institution with over 800 of its own branches in Canada and with over 100 of its own branches established in such countries as Cuba, Haiti, the British and French West Indies, Venezuela, British Guiana, Brazil, Uruguay, Argentina, Peru, Colombia, Costa Rica, British Honduras, as well as in London, New York, Paris and Barcelona, nor does the average American business man realize the wide and varied service this Bank is able to render without going outside its own organization.

The Royal Bank of Canada has done much to foster trade abroad and the value of its service to exporters and importers lies, not in its regular banking business alone, but also in its willingness at all times to supply information regarding markets and marketing conditions, tariffs and confidential credit reports, etc. The value of this type of service is to be found in the fact that information is gathered direct by Managers who are not only on the spot, but know intimately local conditions.

In a little over fifty years, The Royal Bank of Canada has grown from a purely local Bank to an institution of international importance and today holds a foremost position amongst the great banks of the world.

The Royal Bank of Canada was incorporated in 1869 as "The Merchants Bank of Halifax." Its name was changed to the present title on January 1, 1901. The Head Office was transferred from Halifax to Montreal on March 2, 1907.

The assets of The Union Bank of Halifax were purchased by The Royal Bank of Canada on November 1, 1910; of The Traders Bank of Canada on September 1, 1912; of the Quebec Bank on January 2, 1917, and of the Northern Crown Bank on July 2, 1918.

During the last two decades, a vigorous policy of expansion has been followed and

branches were established throughout Cuba and the West Indies. This policy was later extended to Central and South America; Barcelona, Spain, and Paris, France. The New York Agency was opened over twenty years ago, while London, Eng., Branch has been in operation for more than twelve years.

The Royal Bank of Canada is by no means a newcomer in the foreign banking field. As long ago as 1899, it established its first branch in Havana, while today it has over 60 of its own offices serving Cuba. From time to time various foreign banks have been purchased, including three in Cuba, in addition to The Bank of British Honduras and the Bank of British Guiana. The latest acquisition, the Bank of Central and South America, was purchased in February, 1925, which gives The Royal Bank, already strongly established on the east coast of South America, a number of branches on the west coast, notably in Colombia and Peru. Thus the Bank has its own branches established in all the important countries of South America.

The Bank's facilities for serving the public in Canada have been greatly increased by the purchase of The Union Bank of Canada, announcement of which was made by The Minister of Finance at Ottawa, on May 22, 1925, and which was unanimously ratified by the shareholders of both Banks on July 21. At the meeting of The Royal Bank shareholders held at the Head Office in Montreal, it was decided to increase the authorized capital of the Bank from \$25,000,000 to \$30,000,000, as it has always been the practice of the Bank to keep its authorized capital somewhat higher than its paid-up capital.

The purchase of The Union Bank of Canada, which was officially effective on September 1st, adds another 270 offices to the Bank's chain of branches in Canada, thus giving the Bank a total of over 800 branches in the Dominion and more than 100 abroad. The merger will bring the total assets of The Royal Bank of Canada well over 700 million dollars with deposits of over \$600,000,000.

fifty years ago, and that its development in this country is not only one of our greatest prosperity factors but the admiration of economists and financiers throughout the world; when we consider that the banker of 1875 rarely required a credit statement before making a commercial loan; when we compare the volume of business done half a century ago with our annual national turnover of today, we begin to get some idea of the vital service which has been rendered to American business and to American prosperity by the systematic and intelligent development of American financial methods during the past fifty years.

And every part of our country has shared in the benefits of this progress and growth. The extension and application of modern banking methods have not been confined to a few progressive and forward-looking banks, but have been spread out until good banking methods have become well-nigh universal. For this, the American people can thank an association of bankers which, from its beginning, has had progress for its watchword.

Each new development in the science of banking has been quickly transmitted to every section of the country. In each annual convention of the association, improvements in banking methods have received closest attention.

The American Institute of Banking

The American Bankers Association made its first great step forward in the field of education twenty-five years ago when it contributed \$10,000 and extended its moral support to make it possible for the ambitious clerks of the banks in the United States to found the American Institute of Bank Clerks. or as we now know it, the American Institute of Banking.

This year the institute celebrates its twenty-fifth anniversary and presents a record of splendid achievement. It shows 160 chapters in all parts of the country with 54,390 members all engaged in some department of active

banking. It is doubtful if anywhere in the world there is another educational institution whose work is characterized by such basic selection, such definite direction and such intimate relationship with a nation's economic life. The thousands of institute graduates filling responsible bank positions attest the wisdom of its founders.

The association has been quick to recognize the necessity for creating a sound public attitude toward the problems of business and finance. It has not been satisfied simply to establish high standards for the banking profession itself, but has sought to carry to the public as a whole an intelligent conception of the part which proper financial methods play in the great scheme of national prosperity.

The Public Education Commission

Through its public education commission, the association in co-operation with educational institutions throughout the country has worked with parents' associations, teachers' institutes, and men's and women's clubs of various kinds to create a wider knowledge of the essentials of modern business and to give to the children of today, who will be the citizens of tomorrow, a true picture of the machinery through which the modern world conducts its necessary business.

Striving to Spread Economic Knowledge

For fifty years the American Bankers Association has been striving to spread a knowledge of banking and business fundamentals not only among the banking profession but also among all good citizens. Therefore, it is eminently fitting that at this fiftieth anniversary of its existence the association should take another forward step in the diffusion of economic truth.

While the association's officers and administrative committee were making their preparations for this anniversary convention, they received many interesting suggestions as to the manner in

which fifty years of banking progress might best be celebrated.

But after all suggestions had been considered and discussed, there was unanimous agreement that the association could best celebrate its anniversary by some definite and continuing contribution to the development of sound thinking on matters of business and finance.

Golden Anniversary Foundation Scholarships

That contribution is to be expressed in the establishment of foundation scholarships, which will give to the students of our colleges increased opportunity for education in sound economics.

I was very much interested yesterday morning to read an editorial in the *Wall Street News* which some of you may have seen, but to the others, I am sure it will be as interesting as it was to me and those who have read it. I will simply read a portion. It says:

The past fifty years of American banking have witnessed some astounding developments, the full significance of which we are even yet at a loss to comprehend. The more at a loss we are, the more fitting seems the memorial which the American Bankers Association plans to establish in commemoration of its golden anniversary. That memorial, which is to be in the form of an educational foundation for the endowment of economic scholarships and research in various colleges, should be of infinitely greater value than any number of expensive monuments of bronze or stone, impressive as the latter might be to the few who could interpret them intelligently. Sound economic education is one of the crying needs of the world, a world which will be better off when there is less glib chatter on economic subjects and more real study of the complexity of the problems which at first seem so simple.

A survey revealed that courses in economics exist in colleges and universities generally throughout the United States, and that excellent business schools are freely available to students from all walks of life. The intention expressed in our contribution of these foundation scholarships is to broaden

educational effort in the direction of sounder economic understanding.

Scholarships Epitomize Motives Animating A. B. A.

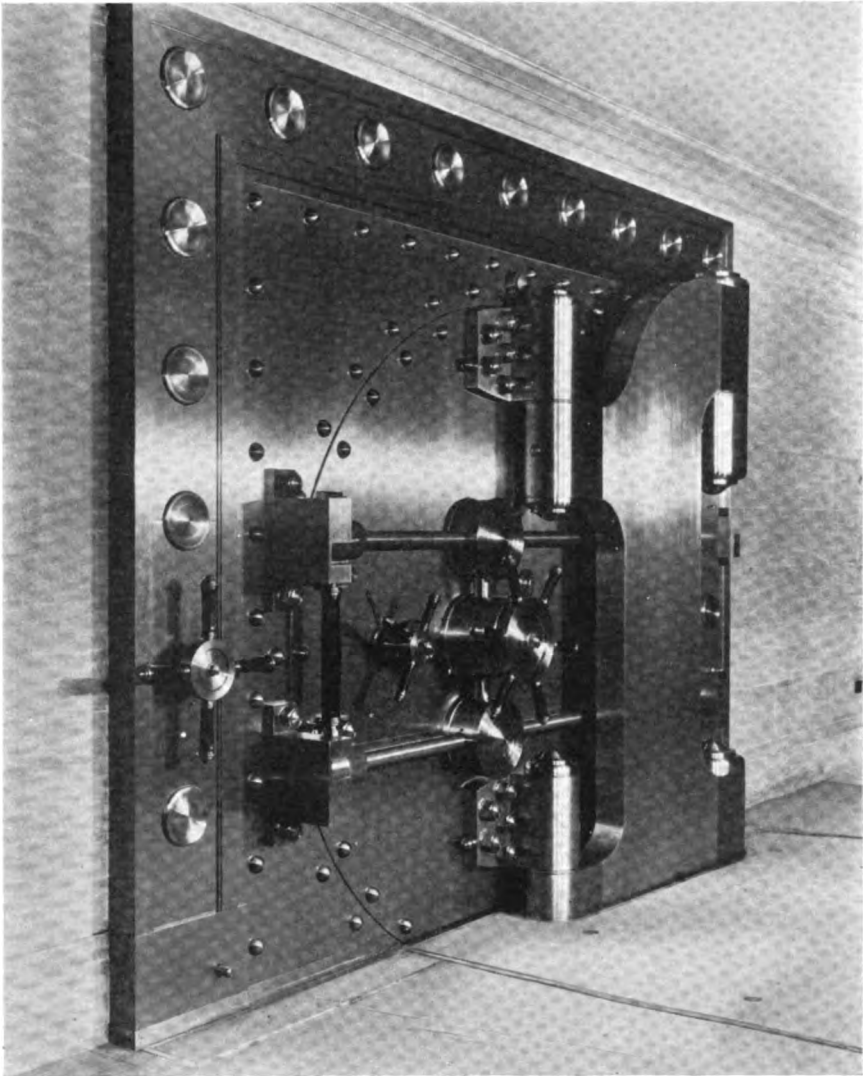
The establishment of these scholarships throughout the United States, it seems to me, epitomizes the motives which for fifty years have animated the American Bankers Association. It typifies the ideals which make the association one of the greatest forces in the country for the development of American banking, for the protection of American commerce and, best of all, for the preservation of the clear thinking and honest dealing which alone can keep the nation prosperous and progressive.

An Explanation of the Plan

Your fiftieth anniversary committee has taken its work seriously and has done its very best to prepare a plan which expresses the intention of the association, which will be attractive to our membership, and above all, which will work. Such a plan, we believe, we have the honor of presenting to you today. Its success will depend upon the earnestness with which you take it up and carry it through.

In that effort each banker in attendance at this convention is to have a part—as a member of a general committee from his own state to assist a steering committee from his state to secure subscriptions from bankers and bank directors in his state on a plan to obtain a total of at least fifty subscriptions of \$5000 each, fifty subscriptions of \$2500 each, 100 subscriptions of \$1000 each, and smaller amounts to make up state quotas the totals of which are based upon the ratio between the total bank capital of each state and the total bank capital of the country.

Under authority of the executive council a steering committee has been appointed for each state, with which you are expected to co-operate.



MODERN VAULT DOOR, ILLINOIS TRUST SAFETY DEPOSIT CO., CHICAGO

Manufactured and installed by
Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

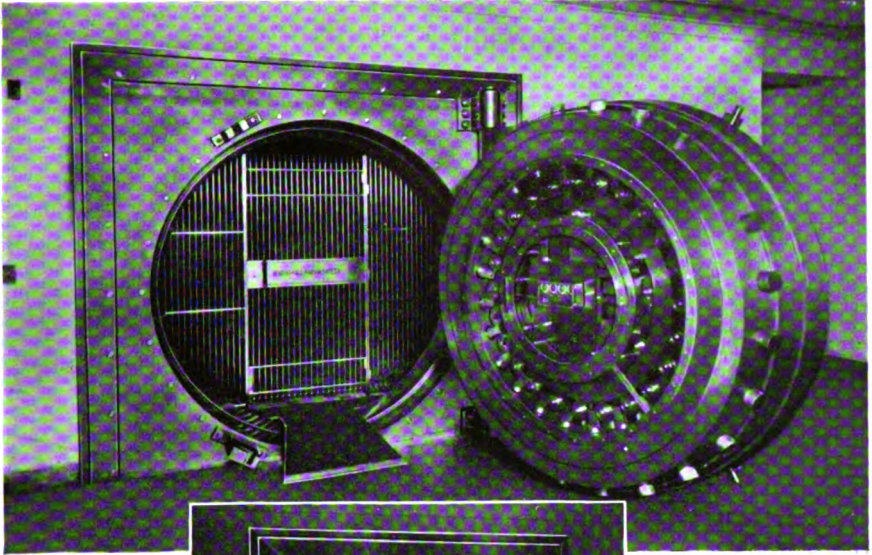
New York Boston Chicago San Francisco Birmingham

Cable Address "Fireproof" New York

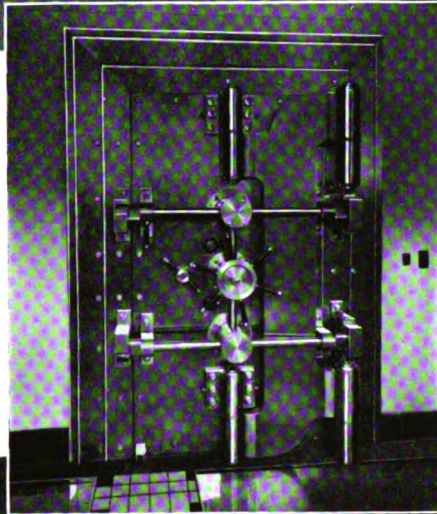
The Herring-Hall-Marvin Safe Co. for nearly a century, has built and will always continue to build the same undeviating quality into its product.



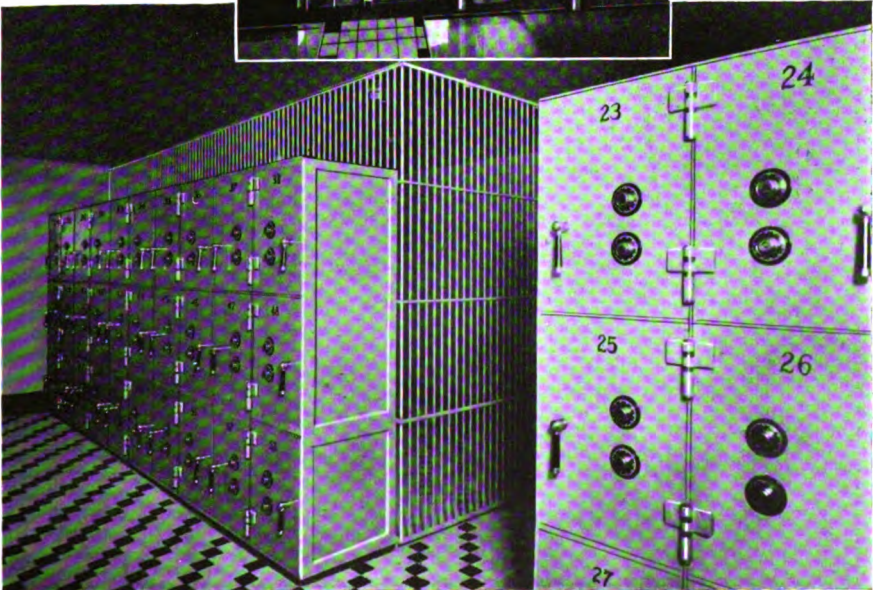
SAFE DEPOSIT VAULT OF STATE & CITY BANK AND TRUST CO., RICHMOND, VA.
Manufactured and installed by Herring-Hall-Marvin Safe Co., New York, Boston, Chicago, San Francisco, Birmingham
FACTORY AT HAMILTON, OHIO

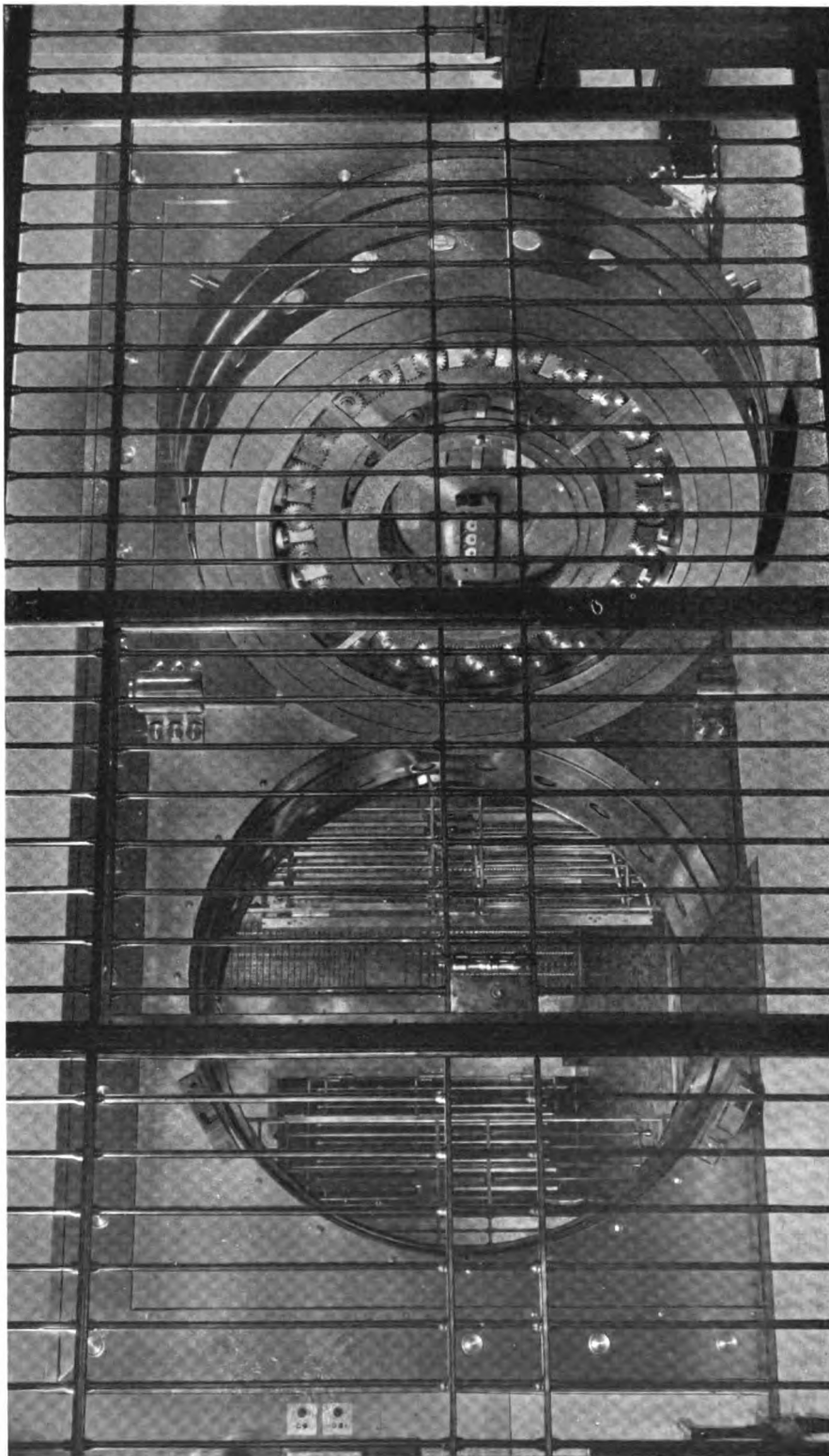


Vaults and Equipment
of National City
Bank of New York,
Havana, Cuba.



Manufactured and
installed by
Herring-Hall-Marvin
Safe Co., New York.





SAFE DEPOSIT VAULT OF THE NATIONAL BANK OF THE REPUBLIC, CHICAGO
Manufactured and installed by Herring-Hall-Marvin Safe Co., New York, Boston, Chicago, San Francisco, Birmingham
FACTORY AT HAMILTON, OHIO

Clearing House Section Meeting

Work of the Section for the Year Reviewed. Much Emphasis Placed on Necessity for Service Charge. Extension of Examiner System Urged

THE necessity for making a service charge on unprofitable accounts, after sorting them out by a proper system of account analysis, was the topic receiving most prominence at the meeting of the Clearing House Section, which was held on September 29. The president of the section, C. W. Alenderfer, vice-president of the First National Bank, Kansas City, Mo., in reviewing the history of the Clearing House Section and its work during the year, said, in part:

The first clearing house was formed in order that each member bank might more easily and safely collect checks drawn on the other members. To accomplish this, each bank was obliged to conform to certain regulations as to the time and manner of making the exchanges and settlements. It was necessary that rules be established governing the return of unpaid checks, guaranty of endorsements, correction of errors in lists, etc.; and for the settlement of possible disputes, officers were chosen, whose decisions the members agreed to accept.

The banks soon found it to their advantage to include in their agreements certain reasonable rules governing their relations with the public, such as fixing the hours for opening and closing, the rate of interest to be allowed on savings and other classes of deposits, etc. Thus the clearing house became the channel through which the united effort of banks in the city found expression.

The clearing of city checks was quite naturally followed by plans for the more economical collection of out of town checks through "country clearing houses." First adopted in Boston, it was copied in a great number of cities. They were very successful and did a great deal to blaze the way for the collection system of the Federal Reserve Banks which has largely taken over the work of the country clearing houses by reason of the expense being absorbed by the Federal Reserve Banks.

The most outstanding development in the clearing house (after the accomplishment of its initial object) is that of the examiner system. Bankers in Chicago suddenly be-

came aware of a condition in a chain of banks there which threatened a serious disturbance in the whole body of depositors in Chicago banks. In order to save the situation, the liquidation of these tottering banks was undertaken as a clearing house proposition, with a prospect of substantial loss to the other banks. As a means of preventing a recurrence of the disaster, a plan was adopted under which examinations are made by a skilled staff under direction of an experienced examiner who is bound by no regulations or instructions except to see that the banks are kept safe for the depositors. With no superior authority except the executive committee of the clearing house, and with no power to enforce his requirements except that of canceling the clearing house membership of an offending bank, the examiner in Chicago, and those in other cities which have adopted the plan have been able to exert an influence of constructive restraint which has done much to raise the average standard of bank management.

In most of the cities in which the examiner plan is in operation there is some provision made under which a bank officer may ascertain the total debt to banks in that city of a borrower from his bank. In other words, the duplicate borrower, the over-extended borrower, and the borrower under various incorporated names may be watched. So valuable was this department found that in some cities which were not ready to employ the full examiner plan, a credit bureau was opened to cover this feature. These have been successful wherever tried.

The organization of clearing houses, examiner systems and credit bureaus are primary objects in our section's efforts, but we also have other important accomplishments and hopes.

From an operating standpoint, no united action has saved so much time and money for banks as the A. B. A. numerical transit system. Ninety-two per cent. of the checks printed now carry the numbers on the face, and our special committee is continuing its effort to make this 100 per cent.

The A. B. A. "no protest" symbol is a similar every-day operating convenience. It still lacks universal agreement as to the minimum amount of a check which should be protested if not paid.

Several years ago the Clearing House Sec-

Member Federal Reserve System

The Bank of United States

Main Office
Fifth Avenue at 32nd Street
NEW YORK



Resources over \$68,000,000.00

OFFICES:

Fifth Avenue at 32nd Street
77-79 Delancey Street
Madison Avenue at 116th Street
Southern Boulevard at Freeman Street
Seventh Avenue at 39th Street

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

**Accounts of Banks and Bankers
Invited**

tion approved certain standard sizes for checks and drafts which had been decided on by the State Secretaries Section. There has not been the fullest co-operation by banks and printing houses in the adoption of these sizes, and the matter is again up for discussion, at the suggestion of the United States Department of Commerce.

W. J. Bailey, governor of the Federal Reserve Bank of Kansas City, Mo., spoke to the section on "Closer Co-operation Between Country Banks," devoting most of his talk to a defence of the unit banking system, as against the extension of the system of branch banking. Replying to the argument that branch banks are stronger and have less failures than unit banks, he said that it was not the system that was at fault, but that the reason for the great number of recent bank failures was the depression resulting from the great war.

R. F. McNally, vice-president and cashier National Bank of Commerce in St. Louis, spoke on "The Ideal Clearing House." He suggested, as subjects that might advantageously be covered by clearing house regulations; the amounts to be given by the banks to local charitable enterprises, fair loaning rates, interest rates on certificates of deposit and savings accounts, the charge for handling escrows, banking hours, and collection charges.

The president asked Craig B. Hazlewood, vice-president Union Trust Company, Chicago, to describe the extension of the clearing house system into the country districts. He described the difficulty of making the country bankers see the utility of the system until, after a long process of education, and frightened by the failures in 1919, they did adopt it, and today "the sign of the clearing house association on the window absolutely means increased confidence with the public, and increased dollars in the deposit item."

J. E. Garm of the Joplin National Bank, Joplin, Mo., called upon to tell of the work of the Jasper County Clearing House, gave some figures of the



ALEX DUNBAR

President Clearing House Section; vice-president Bank of Pittsburgh, N. A.

number of duplicate borrowers revealed by the credit bureau, and added that the cost had been very low—ten cents per thousand dollars of loans by each bank. "We find also," he said, "it is creating a spirit of co-operation among the banks in our county, and the tendency is for the banker, if a man comes in from another bank, to send him back to his own bank and tell him that is the place to borrow his money and do his business."

In response to a request by the president, O. Howard Wolfe, cashier Philadelphia National Bank, Philadelphia, Pa., told of the preparation of a booklet on account analysis which can be had on application to the Clearing House Section. He cited several instances, where, after analysis of accounts, the imposition of a service charge resulted in an increase of business instead of a loss.

This was confirmed by discussion from the floor of the meeting, some members also stating that it was quite possible to successfully impose a service

Capital \$3,000,000



Surplus \$3,500,000

YOU ARE CORDIALLY INVITED

to visit our new Main Office at the corner of
State and Congress Streets, Boston.

Its architectural treatment and furnishings
are reminiscent of early Colonial count-
ing houses and we believe your visit will
prove interesting and enjoyable.

Those contemplating a change in, or
addition to, their present banking con-
nections are invited to consider our un-
usual facilities for rendering complete and
satisfactory service.

State Street Trust Company

Corner State and Congress Streets

BOSTON, MASS.

**Massachusetts Avenue Office
Corner Mass. Avenue & Boylston Street**

**Copley Square Office
581 Boylston Street**

Safe Deposit Vaults at All Offices

Member Federal Reserve System



WALDO NEWCOMER

Chairman Baltimore Trust Company, Baltimore, Md., and a former president of the National Bank Division

charge without the co-operation of other banks in the community.

At the close of the meeting, the following resolutions were passed:

WHEREAS the work of the Clearing House Section continued to make good progress along broadening lines of related activities, it is fitting and pleasant at this time to make acknowledgment of the obligation we are under to some of those whose efforts have been outstanding.

Therefore, BE IT RESOLVED, that the members of this section extend their thanks to the chairman and members of the following committees: acceptance, analysis of accounts, bank auditors, conferences, clearing house examinations, credit bureaus, new clearing house associations.

This section is also under obligation to the State Secretaries Section for its co-operation in the distribution of the booklet on analysis and for its help in the organization of credit bureaus and clearing houses.

The holding of auditors' and comptrollers' conferences in various cities and the organization into a national body is a development to be watched with interest.

Our thanks are due to Donald A. Mullen, former secretary of the section and we extend our best wishes for his success in new lines of endeavor. The section is particularly fortunate in securing the services of Frank W. Simmonds, also deputy manager of the State Bank Division, as his successor.

RESOLVED that the hearty thanks of the section be extended to the speakers and members who have contributed to the success and enjoyment of this most interesting meeting.

ALSO BE IT RESOLVED that we record our obligation to our president, Carl W. Allendoerfer, for his untiring efforts in the interest not only of the Clearing House Section, but also of the American Bankers Association.

The following were elected officers of the Clearing House Section to serve

The Hallmark of Security

EVERY Straus Bond bears a Hallmark of Safety—the insignia of S. W. STRAUS & CO. This Hallmark means that the bond is sponsored by a House universally acknowledged to be the first in its field—first in financial strength, first in knowledge and experience, first in volume of business, first in the nation-wide scope of its operations.

More important still, this Hallmark means that the bond issue has been investigated, judged and approved by a lending organization which stands alone in its expert, specialized, technical knowledge—unique in its personnel, unique in its experience gained through the handling of thousands of loans through many years.

This vital department of our business includes real estate experts, eminent counsel of long experience in real estate law, and chosen technical men such as appraisers, architects, and engineers—all specialists whose sole aim is to make safe loans.

A Straus Bond embodies the merits of unquestioned security, prompt payment of principal and interest when due, and fair interest yield, with a satisfactory, steadily broadening outside market. The Straus Hallmark on a bond stamps it at once as *The Premier Real Estate Security*.

S. W. STRAUS & CO.

ESTABLISHED 1882

INVESTMENT BONDS

INCORPORATED

STRAUS BUILDING

565 Fifth Ave. at 46th St.
NEW YORK

STRAUS BUILDING

Michigan Ave. at Jackson Blvd.
CHICAGO

STRAUS BUILDING

79 Post Street, SAN FRANCISCO

43 YEARS WITHOUT LOSS TO ANY INVESTOR

© 1925—S. W. S. & Co., Inc.

for the ensuing year: President Alex Dunbar, vice-president Bank of Pittsburgh, N. A., Pittsburgh, Pa.; vice-president, John R. Downing; members of the executive committee, Ed. R. Rooney, D. C. Williamson.

Mr. Dunbar was born June 18, 1875 at Steubenville, Ohio, where he became a clerk in the Steubenville post office in 1890. His first bank experience was in 1893 as a messenger in the National Exchange Bank of Steubenville. He is

a former president of the Pennsylvania Bankers Association, and an officer and director of several charitable and educational institutions in Pittsburgh. He is treasurer of the Associated Charities of Pittsburgh; trustee of the educational fund; treasurer of the Young Men's Christian Association; trustee of Bankers' and Bank Clerks' Mutual Benefit Association, and a director of George Junior Republic.



Savings Bank Division Meeting

Plan for Increasing Interest to Savers, and Attack on Building and Loan Association Methods Feature Meeting. Thomas F. Wallace is New President, and W. R. Morehouse Vice-President

TWO interesting features brought before the meeting of the Savings Bank Division on September 28, were a plan whereby a bank may be enabled to increase the return paid to savings depositors; and an attack on the methods used by the building and loan associations to increase their membership and assets.

Increasing the return paid to savers, rather than driving savings funds into other channels through reducing the rate as a means of offsetting rising operating costs and shrinking profits, was suggested by Taylor R. Durham, vice-president of the Chattanooga Savings Bank and Trust Company, Chattanooga, Tenn., in his address before the division on the subject of "A Profitable Department for the Savings Bank." Mr. Durham said that the increased return would be arrived at through investments supplied by the bank rather than by allowing it on savings accounts.

"This may be accomplished," continued Mr. Durham, "by the establish-

ment of a real estate loan department which will serve two important functions for any bank. The first is the aiding in the development of the community through the making of real estate loans on local properties; and second, the affording of investments for depositors." Mr. Durham said further:

In suggesting a real estate loan department, it is done with full knowledge that many banks are now operating them and that in several states loans on real estate are made compulsory for the investment of savings deposits.

It is quite evident, however, that bankers in many sections have neglected this most important phase of finance, thereby depriving their institutions of a most profitable source of income and losing many millions in deposits through withdrawal for investment in securities which they themselves could easily provide.

Obviously a bank cannot with safety lend money on long time without providing itself with some measure of protection against business depressions, or heavy withdrawals or decline in deposits from any cause. It can, however, make such loans the most liquid of all, from a practical standpoint, through the sale of such loans to the public, and particularly to the depositors of the

The Banco di Sicilia Trust Company

Affiliated with the Banco di Sicilia, Italy

NEW YORK

Condensed Statement as of the Close of Business September 30, 1925

RESOURCES

U. S. Bonds	\$ 332,950.46
Other Bonds	466,756.77
Loans and Discounts	770,961.96
Due from Banks	495,152.12
Cash	39,298.68
Furniture and Fixtures	72,236.41
Other Assets	16,968.63
Customers' Liability, Acceptances	5,571.90

\$2,199,896.93

LIABILITIES

Capital Stock	\$ 500,000.00
Surplus	25,822.91
Treasurer's Checks	302,905.87
Certified Checks	2,377.32
Deposits	1,354,617.04
Other Liabilities	6,655.07
Reserve for Interest	1,946.82
Acceptances as per contra	5,571.90

\$2,199,896.93

OFFICERS

JOSEPH DI GIORGIO,
Chairman of the Board.

SALVATORE BADAMI,
President.

ITALO PALERMO,
Vice-President and Treasurer.

LOUIS COSTA,
Vice-President.

LUIGI SCALA,
Asst. Vice-President and Manager
Foreign Dept.

JOSEPH LODATO,
Secretary.

ANTHONY DI MARCO,
Asst. Treasurer and Asst. Secretary.

FREDERIC GERARD,
Comptroller.

LOUIS FREIMAN,
Asst. Manager Foreign Dept.

BENIAMINO INGEGNIEROS,
Assistant Manager New Business
Dept.

DIRECTORS

SALVATORE BADAMI,
President, Banco di Sicilia Trust
Company.

LOUIS COSTA,
General Agent, Sicula Americana
Steamship Company.

JOSEPH DI GIORGIO,
President, Di Giorgio Fruit Cor-
poration.

HON. JOHN J. FRESCHI,
Former Judge of the Court of Special
Sessions.

STEPHEN GUARDINO,
Rinelli & Guardino.

ITALO PALERMO,
Vice-President, Banco di Sicilia
Trust Company.

FRANCIS ROMEO,
President, F. Romeo & Company, Inc.

Transacts a domestic and foreign business in all its branches including buying and selling checks, drafts, mail and cable transfers on all parts of the world.

bank. Thus is provided the increased rate of interest to savers.

When the suggestion is made that bankers increase the rate of interest to their savers through the sale of real estate mortgages, many banks, no doubt, will ask the question, Why should we pay depositors 5 or 6 per cent. for the use of money for which we are now receiving 3, 3½ or 4 per cent.? These questions may be answered by stating that the making of real estate loans is good banking and the sale of them to depositors is good business. First, the banker owes it to his depositors to supply them with something which pays a better rate, provided such investments are safe and are available. Second, he owes it to his depositors to protect them from the temptations of speculation and the lure of big profits through the purchase of spurious investments. Third, the depositor has a right to depend upon his own banker to provide for him all of his financial needs. All of the above answers are good business, because the banker is constantly pleasing his depositors and creating a friendship and good will which will increase his business ultimately. Fourth, the banker keeps the money within his own institution; and, fifth, the business is highly profitable. These two answers are good banking. Some bankers who have been particularly successful in the handling of this type of business, actively solicit their own savings depositors to buy their investments. They constantly call attention to the fact that they may receive a higher rate of interest than is paid in the savings department, by printing on the savings book envelope information concerning the purchases of real estate loans.

One bank uses newspaper space, window display and lobby advertising almost constantly, reminding its depositors that it has a better rate of interest for them upon application. This bank fully realizes that when a savings account reaches a substantial amount, the depositor will sooner or later invest the funds somewhere. Why not, then, provide the investment for him? Experience has demonstrated that a savings department continues to grow, even though the bank actively solicits its own depositors, because there is an added incentive to save and new business is constantly being attracted by reason of the liberal attitude of the bank. Depositors take great pleasure in bringing the business of their friends because of the increased rate.

Following Mr. Durham's speech there was a discussion, led by Paul A. Pflueger, assistant vice-president of the Humboldt Bank of San Francisco.

In response to the question of how the mortgage selling department made a



© CHAMPLAIN STUDIOS, N. Y.

THOMAS F. WALLACE

President Savings Bank Division; treasurer
Farmers and Mechanics Savings Bank,
Minneapolis, Minn.

profit and who paid that profit, the buyer of the mortgage or the mortgagor, Mr. Durham said that the profit to the bank came out of the spread of about one half of one per cent. in the return allowed when sold. Mr. Durham added that the expense of running such a department was negligible and that one or two clerks could do all the work. He said further that in some cases the spread in prices was slightly greater than one half of one per cent.

When asked if liability was assumed by the bank on participating certificates, and what service the bank rendered to the purchaser of such certificates, Mr. Durham said that the bank assumed no liability, and that the purchaser simply received an interest in the mortgage.

Questioned as to the procedure in case of default or foreclosure, Mr. Durham said that the bank immediately repurchased all the participating certificates and then itself foreclosed the mortgage.

Mr. Durham, when asked if he thought that banks selling mortgages

1825

100th Anniversary

1925



Hand-in-Hand with Two Great Industries

DURING the one hundred years which have elapsed since its founding it has been the privilege of the Merchants National Bank of New Bedford to go hand-in-hand through the years with two great American industries.

Through the many years preceding the Civil War, when New Bedford was the principal port of the world's whaling industry, the Merchants National staunchly supported this industry. At the height of the industry, in 1857, only three American ports exceeded New Bedford in total tonnage.

When, through economic causes, the whaling industry declined, the Merchants National stood back of the development of a new and still more important industry—that of cotton spinning. By 1905 New Bedford was second among cities of the United States in the manufacture of cotton goods and was producing 5 per cent. of the total for the country. In 1919 the value of New Bedford's factory products was over \$210,000,000.

Merchants National Bank

New Bedford, Mass.

EDMUND H. LELAND, *President*
OTIS N. PIERCE, *Vice-President*
HENRY W. TABER, *Vice-President*

HENRY C. W. MOSHER, *Chairman of Board*
JAMES H. COFFIN, *Cashier*
LESTER S. CORNELL, *Assistant Cashier*

Capital, \$1,000,000

Surplus (Earned), \$1,500,000

OUR strong financial position, our valuable affiliations and nationwide connections enable us to offer our correspondents a unique "circle of service" often effecting marked economies.

American Trust Company

135 Broadway, New York City

ought to guarantee them, replied that experience had led him to believe that this was not necessary, and that customers usually had enough confidence in their bank not to require or ask for a guarantee. He added that there was an advantage in not guaranteeing, inasmuch as that made it unnecessary to set up the item as a liability on the books.

Bennett Arraigns Building and Loan Association Methods

"Banks have a right to protest," said Frank P. Bennett, Jr., editor of the *United States Investor*, in an address before the division, "against the methods of competition which the building and loan associations are using to increase their membership, and which are responsible for the enormous gains in membership which they have made."

Some of the unfair conditions enumerated by Mr. Bennett were: the freedom of the building and loan associations from the reserve requirements of

banks, exemption from Federal and state taxation, lax supervision by some states, and misleading advertising. In addition, Mr. Bennett indicated, the banks were put at a disadvantage because the associations paid a higher rate of interest than the banks can afford to pay under the legal limitations put upon them, and because of the widespread impression that there "is little or no difference between money in a building and loan association and in savings deposits payable on demand at a bank."

"The problem of these associations," he said, "is national," and he cited figures showing their growth in membership and assets in all parts of the country, particularly in the industrial states of New Jersey, Pennsylvania, Ohio and Indiana, where the report of the Comptroller of the Currency shows them to be outstripping the banks in gains in deposits: He continued:

To at least some extent associations are prospering because they have flung sound

BANK OF SCOTLAND

CONSTITUTED BY ACT OF PARLIAMENT 1695

AUTHORISED CAPITAL	£4,500,000
PAID-UP CAPITAL	£1,325,000
RESERVE FUND and BALANCE CARRIED FORWARD	£1,178,824
DEPOSIT and CREDIT BALANCES as at 28th February, 1925	£31,429,270

Governor . . . THE RIGHT HONOURABLE LORD ELPHINSTONE
Deputy Governor . SIR RALPH ANSTRUTHER of Balcaskie, Baronet

Head Office: THE MOUND, EDINBURGH.

GLASGOW, Chief Office: 2 St. VINCENT PLACE. W. G. LEGGAT, Manager
LONDON, Office: 30, BISHOPSGATE, E.C.2. J. W. JOHNSTON, Manager

Over 220 Branches and Sub-Branches in Edinburgh, Glasgow, and throughout Scotland.

Every Description of British and Foreign Banking Business transacted

GEORGE J. SCOTT, Treasurer

Banco de Bilbao

ESTABLISHED 1857

Head Office, BILBAO

Branches—

BILBAO, BARCELONA, LEON, MADRID,
 MELILLA, SABADELL, SAN SEBASTIAN,
 SEVILLA, TANGER, TARRASA, VALENCIA,
 VITORIA, ZARAGOZA.

PARIS: 29, Avenue de L'Opera

LONDON,

Bilbao House, 36, New Broad St., E.C.2

Authorised Capital	Pesetas 100,000,000
Paid Up Capital	“ 60,000,000
Reserve Fund	“ 63,000,000

The only Spanish Bank operating in England. The London Branch has been established with a view to the development of Anglo-Spanish Commerce.

Current Accounts opened in Sterling, Pesetas and Francs, at sight, bearing interest, and every description of banking business transacted on most advantageous terms, including acceptances, domiciliations, commercial credits, payments and collections on goods, etc.

Foreign Exchange, Stock Exchange, Custody of Securities, Collection of Coupons, etc., etc. Terms on application.

Telegraphic Address: BANGCOBIO, LONDON.

banking principles into the discard and because they have taken full advantage of lax state laws and lax state supervision to do the things they ought not to do. For the building and loan association that still adheres to the original idea of the self-help club for saving and home buying, and shapes its courses accordingly, few bankers have any but the kindest feelings. Against that more recent development, the institution of Ohio and Indiana and some other states, that seeks to enjoy more of the privileges of an ordinary bank, but is unwilling to respect the lessons banks have learned from a century of experience, bankers have a just cause for complaint."

Savings Gain Two Billions in Year

An increase of more than \$2,000,000,-000 in savings deposits and an increase of 1,700,000 in the number of savings depositors during the last year were pointed out by Alvin P. Howard, retiring president of the Savings Bank Division, and vice-president of the Hibernia Bank and Trust Company of New Orleans, whose address opened the meeting of the division.

Regarding the importance of the savings depositor, and the importance of

THE BRITISH BANK OF SOUTH AMERICA, LIMITED,

Capital Authorised and Subscribed, £2,000,000, in 100,000 Shares of £20 each, with power to increase. Paid up Capital, £1,000,000. Reserve Fund, £1,000,000.

Head Office: 4, Moorgate, London, E.C.2. Manchester Agency: 19 Spring Gardens.

DIRECTORS

ROBERT JOHN HOSE, Esq., Chairman.

WILLIAM HERBERT HOLLIS, Esq.,
Deputy Chairman.

FREDERICK R. S. BALFOUR, Esq.

Rt. Hon. Sir MAURICE W. E. de BUNSEN,
Bart., G.C.M.G., G.C.V.O., C.B.

RAOUL HECTOR FOA, Esq.

EDWARD GREENE, Esq.

FRANK HENRY HOULDER, Esq.

FREDERIC LUBBOCK, Esq.

JOHN EDWARD MOUNSEY, Esq.

MANAGER

HENRY PROBYN ROBERTS, Esq.

SUB-MANAGERS

PATRICK ERNEST O'HEA, Esq.

JOHN DEVEREUX BLACKBURN, Esq.

SECRETARY

LOUIS GEORGE BALLY, Esq.

AUDITORS

MESSRS. TURQUAND, YOUNGS & CO.

Branches at—PERNAMBUCO, BAHIA, RIO DE JANEIRO, SÃO PAULO, SANTOS, PORTO ALEGRE, RIO GRANDE (State of Rio Grande do Sul), MONTE VIDEO, MERCEDES (Sub-Branch to Monte Video), BUENOS AYRES, PERGAMINO (Sub-Branch to Buenos Ayres).

Also Sub-Branches at—PLAZA ONCE DE SETIEMBRE, PLAZA CONSTITUCION, AVELLANEDA, CALLE LAVALLE, CALLE VICTORIA, CALLE CALLAO, (Callao), BOCA and ALMAGRO, BUENOS AYRES; and AVENIDA RONDEAU and CORDÓN, MONTE VIDEO.

CORRESPONDENTS—In all the principal Cities and Towns in Europe, in the United States of American and in South and Central America. Also in Australia, Canada, New Zealand, South Africa, India, etc.

MONTHLY TRADE CIRCULAR FREE ON APPLICATION

giving him proper service and consideration, Mr. Howard said:

Service to the savings depositor is just as important to your institution and the community as service to the commercial depositor. The only difference is that the money of the former is used in permanent and constructive upbuilding, and the money of the latter is used in financing the more rapid turn-over of commodities, industry and corporate requirements. You may feel that one is a more important factor, more essential to the functions of a bank, as you see them, but you cannot say that the savings business properly handled is less profitable or involves greater risk.

It is especially requested that you do not gain the impression that this is an attempt to tell you how to run your business. It is not, but it is a plain statement that you have neglected the savings business, or that you are waiting for the time to come when the law will tell you how to run it.

Your savings depositor is entitled to as much consideration as anyone else. If you do not give it to him he will go to some other class of institution that will, even if he must co-ordinate his efforts with others who find themselves in the same situation, and create the kind of institution that he does need, to handle the product of his thrift and saving. And when we see the cold statistics showing that these savings depositors

UNIQUE
THIN LEAD
COLORED
PENCILS

Blue—No.1206
Red—No.1207
Green—No.1208
Yellow—No.1209

Something New!

THE first colored pencil ever produced with thin lead.

Ideal for fine lines in
Checking
Figuring and
Underscoring

Price \$1.00 per dozen

If your dealer cannot supply you, write us
American Lead Pencil Co., 212 Fifth Ave., N.Y.
FREE—sample on request

ESTABLISHED 1810

Commercial Bank of Scotland Ltd.

Incorporated by Royal Charter and Act of Parliament

CAPITAL

SUBSCRIBED	- - -	£5,500,000	RESERVE FUND	- - -	£1,750,000
PAID UP	- - -	£1,750,000	DEPOSITS (31st Oct. 1924)	£34,716,000	

HEAD OFFICE

14 GEORGE STREET, - - - EDINBURGH
 ALEX ROBB, General Manager MAGNUS IRVINE, Secretary
 Glasgow Office - - - 113 & 115 BUCHANAN STREET
 ANDREW SCOTT, Manager WM. COCHRANE, Asst. Manager

LONDON OFFICES

City Office - - - 62 LOMBARD STREET, E. C. 3
 A. W. RUSSELL, Mgr. J. M. ERSKINE, Asst. Mgr.
 Kingsway Office - IMPERIAL HOUSE, KINGSWAY, W.C. 2
 J. O. DAVIDSON, Mgr.

The Bank has 300 Branches and Sub-Offices in Scotland, and is in direct touch with every district, and in a favourable position for dealing with general banking business.

Banking Correspondents throughout the United Kingdom, and in the principal cities of the world.

Foreign Exchange business transacted, and Agency for Colonial and Foreign Banks undertaken.

Blackstone Canal National Bank of Providence, R. I.

THIS Bank was established ninety-four years ago, in 1831. An advertisement in the first issue of The Bankers Magazine would have shown capital of \$434,650, surplus of \$16,543, deposits of \$18,020, notes and exchange discounted \$543,648.

Today capital of \$500,000 is supplemented by surplus and profits of \$800,000, deposits total \$3,269,000, loans and discounts \$2,650,000, bonds, etc., \$2,000,000, and total assets \$5,450,000. **Officers**

ALBERT R. PLANT, President
JOHN B. BRANCH, Vice-Pres.
CHARLES P. BROWN, Cashier

SPECIAL ATTENTION TO RHODE ISLAND COLLECTIONS

throughout the country control a greater sum than that accumulated in individual deposits of all other kinds, it is obvious that he is no mean customer.

We serve, become educated and partially civilized as our accomplishments support our highest ideals and further our attainments. We seek our purpose in life, expend the best years of our energy, and in time produce results. A savings account means just that.

What Per Cent. of Deposits Should be Held as Cash Reserve?

In his course of his address on the subject of "Investments," Kent M. Andrew, vice-president LaPorte Savings Bank of LaPorte, Indiana, said regarding what constituted, in his opinion, the proper ratio of cash to deposits, that: "A cash reserve, including cash on hand, of about 12 per cent. of deposits, supported by a secondary reserve of from 10 to 15 per cent., invested in United States obligations, or municipal issues of high marketability, appears to me to be about right."

This statement made by Mr. Andrew precipitated a number of questions in the discussion which followed his ad-

The Commercial Banking Company of Sydney Limited

Established 1834

Incorporated in New South Wales

Capital Paid Up	- -	£3,500,000
Reserve Fund	- -	£2,830,000
Reserve Capital	- -	£3,500,000
		<u>£9,830,000</u>

Head Office - 343 GEORGE STREET, SYDNEY
General Manager, J. R. Dryhurst

London Office 18 BIRCHIN LANE, LOMBARD ST., E.C.3
Manager, F. A. Scrivener Asst. Manager, V. B. Jones


236 Branches in New South Wales and Queensland
Agencies throughout Australia and New Zealand and all other
parts of the world

Drafts payable on demand and Letters of Credit are issued by the London Branch
on the Head Office, Branches and Agencies of the Bank. Bills on Australasia
negotiated or collected. Remittances cabled.

dress. When asked if his statement referred to a stock savings bank or a mutual savings bank, he said that it referred to the latter. A speaker from the floor then questioned the necessity of a mutual savings bank having deposits of \$80,000,000 keeping \$9,600,000 as a cash reserve, adding that 3 to 4 per cent. in cash, and the balance in quick assets such as Government securities and municipal bonds, should be sufficient.

Another speaker from the floor then asked why a savings bank should have to carry a reserve similar to a commercial bank, since savings bank deposits do not have to be paid until thirty days after notice, while deposits of a commercial bank, which has to carry only 10 per cent., are subject to repayment on demand. Mr. Andrew's answer to this was that the distinction between the time of payment of deposits in commercial and savings banks was purely a theoretical one, and that thirty days' notice was not enforced in actual practice.

FIFTH AND SPRING
CITIZENS
NATIONAL BANK
LOS ANGELES



IN THE CENTER OF BUSINESS ACTIVITY

CITIZENS
TRUST & SAVINGS BANK
LOS ANGELES
736 South Hill Street 308 South Broadway
BRANCHES THROUGHOUT LOS ANGELES

The president of a mutual savings bank in Boston remarked from the floor that his bank kept a cash reserve of about 3 per cent., and that it would not feel that it was doing its duty to its depositors if it ran above 3 per cent. Banks in outlying districts would, he added, have to keep a slightly higher ratio of reserves.

A Connecticut banker then said that the consolidated report of all the mutual savings banks of Connecticut showed a reserve of about 2 per cent. of their deposits. A Seattle banker stated that his bank had not had a reserve exceeding 2½ per cent. for many years. Mr. Andrew replied that a 2 per cent. reserve might be enough in good times, but that the purpose of a reserve was to provide against bad times, and that in those bad times a reserve of 12 per cent. would prove a very useful thing to have.

Resolutions Adopted

The following resolutions were adopted by the Savings Bank Division at the close of the meeting:

1. We congratulate the people of the United States upon the reported increase of over \$2,000,000,000 savings in the banks of the United States during the last year and take a special pride in the notable increase of school savings during this period. We further call attention to the importance of extending this service to the high schools of our country and urge the importance of bankers and educators co-operating to the end that thrift education may have a regular place in the curricula of our schools.

2. By reason of the widespread interest manifested on the part of bankers in the regional conference held by the Savings Bank Division during the last two years, BE IT RESOLVED, That the division express its unqualified approval of the same and recommend continuance.

3. Realizing that economic independence comes only when people live within their incomes, BE IT RESOLVED, That the Savings Bank Division suggest to member banks the wisdom and necessity of urging their depositors properly to limit their ex-

penditures for luxuries under deferred payment plans.

4. Recognizing the enormous annual loss to savings bank depositors in the United States through promotions of doubtful value and through fraudulent and highly speculative schemes, BE IT FURTHER RESOLVED, That this division emphasize the importance of savings bankers not only warning their depositors against such, but the necessity of their providing for sale to their depositors from their own investments safe securities.

Election of Officers

The following officers of the Savings Bank Division were elected for the ensuing year:

President, Thomas F. Wallace, treasurer Farmers and Mechanics Savings Bank, Minneapolis, Minn.; vice-president, W. R. Morehouse, vice-president Security Trust and Savings Bank, Los Angeles, Calif.; executive committee: Ray Nyemaster, vice-president American Commercial Savings Bank, Davenport, Ia., Paul A. Pflueger, assistant vice-president Humboldt Bank, San Francisco, Calif., and H. H. Reinhart, vice-president National Bank of Commerce in St. Louis.

Thomas F. Wallace

Thomas F. Wallace, the new president of the division, and treasurer of the Farmers and Mechanics Savings Bank of Minneapolis, is a native of Bogota, Colombia, where he was born in 1871. He graduated in 1918 from the University of Minnesota where he was elected a member of Phi Beta Kappa. Two years later he completed the law course. He engaged in the practice of law in Minneapolis until 1918, when he became treasurer of the Farmers and Mechanics Savings Bank. His corporation connections include directorates in the Northwestern National Life Insurance Company, the Wallace-Ballord Company and the Minneapolis Knitting Works.



Your New Building



WHEN you decide upon that new building for your bank or to remodel your old quarters it is important that you get expert advice. Naturally a firm that has for years specialized in the problems of bank architecture and interior arrangement and equipment is in a position to give you the assistance and service which you require.

Recent Operations

Following are some of the recent building operations of Holmes & Winslow, specialists in bank architecture:

- | | |
|--|--|
| North Side Savings Bank,
New York City. | First National Bank, Tenafly,
N. J. |
| Home Savings Bank, White
Plains, N. Y. | Palisade Trust & Guaranty
Co., Englewood, N. J. |
| First National Bank, Tucka-
hoe, N. Y. | First National Bank, Wall-
ingford, Conn. |
| Eastchester Savings Bank,
Mt. Vernon, N. Y. | Meriden Savings Bank, Meri-
den, Conn. |
| Mechanics Bank, Brooklyn,
N. Y. | Berkshire Loan & Trust Co.,
Pittsfield, Mass. |
| Bank of Coney Island, Brook-
lyn, N. Y. | Liberty National Bank,
Washington, D. C. |
| City Trust Company, New-
ark, N. J. | First National Bank, Tampa,
Florida. |
| First National Bank, Nutley,
N. J. | Riverhead Savings Bank,
Riverhead, L. I., N. Y. |
| Bank of Nutley, Nutley, N. J. | Seaside Bank, Westhampton,
L. I., N. Y. |

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - - New York

Eastchester Savings Bank

THE OLDEST BANK IN MOUNT VERNON

MOUNT VERNON, N. Y., March 9, 1925.

Messrs. Holmes & Winslow,
134 East 44th Street,
New York City, N. Y.

Gentlemen:-

As our new banking house is now practically completed, we are forwarding to you, under separate cover, check for final payment for your services as architects.

We wish to take this opportunity to express our great appreciation of the care and attention which you have so readily given to even the smallest details during the course of the erection of the building.

You have never failed to comply with any reasonable request on our part. We are satisfied that we could not have had a better firm of architects.

The bank as finished is far better than we imagined it would be when we accepted the plans, and we believe we have a gem of a building.

We have heard a great many expressions of praise from our depositors and friends, many of them stating that they have never seen a handsomer banking room. One man stated that he had inspected banking rooms in sixteen states, and that he had never seen a finer one than ours.

With best wishes for your future success, and thanking you for your uniformly pleasant manner in handling all matters of difference between the contractors and ourselves, we remain,

Yours very truly,

Eastchester Savings Bank.

Sw Bertine
Vice-president.

SWB/Z

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - - New York

THE BERKSHIRE LOAN & TRUST CO.

CHARLES E HIBBARD, PRESIDENT
BENJ. M. ENGLAND, VICE PRESIDENT
CRAS. W. BEAGER, TREASURER
MANSION ELWHITE, ASST. TREASURER

PITTSFIELD, MASSACHUSETTS

SAFETY DEPOSIT VAULTS

September 7, 1923.

Messrs. Holmes & Winslow,
134 East 44th Street,
New York City.

Dear Sirs:-

I wish you to know how much people have appreciated the beauty, simplicity and practicability of the new building. From every side have come favorable comments which I desire to pass on in this way to you. I wish you could one or both have been here Saturday to have seen the crowds of people who thronged the building and to have heard some of the words of commendation. Little troubles all creep up and sometimes overshadow the larger factors of satisfaction. I feel you have done an admirable piece of work for us for which we will be continually grateful.

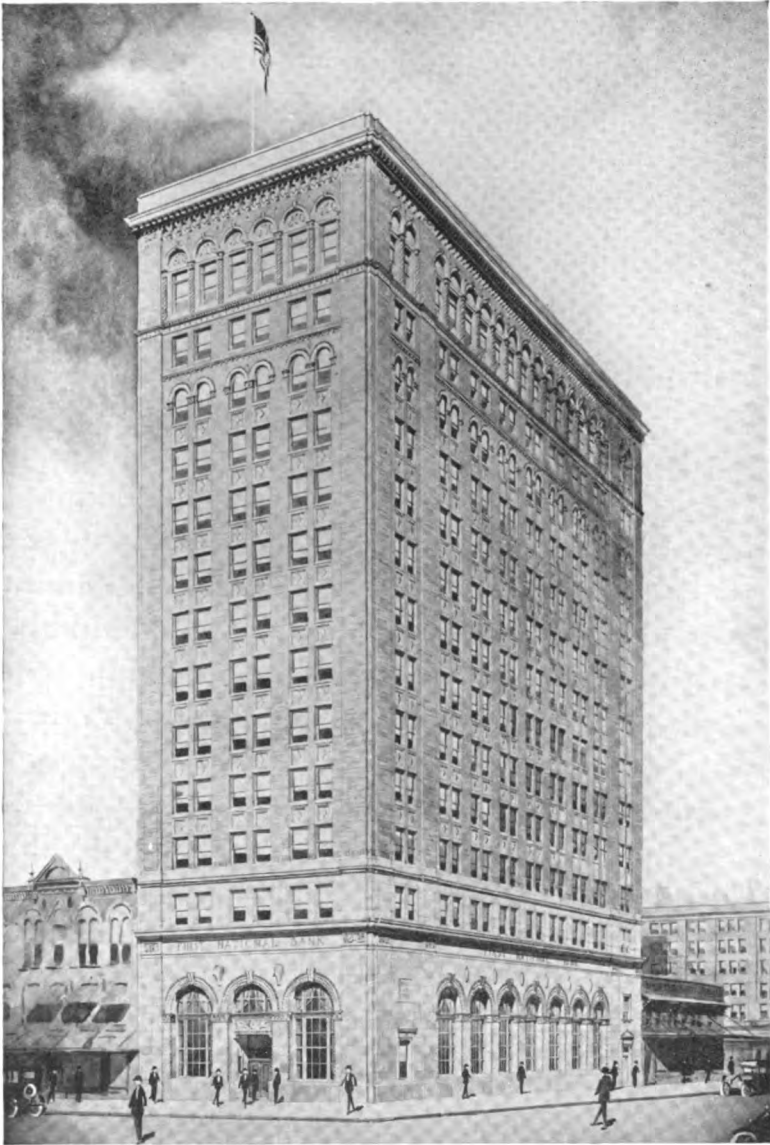
Very cordially yours,

Chas. L. Hibbard
Pres.

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - - New York



The new building of the First National Bank, Tampa, Fla., will contain the finest banking quarters in the State of Florida

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - New York

Trust Company Division Meeting

Trust Service Graphically Illustrated. Work of the Division Described. Service Trust Companies Have Rendered to the Community

ONE of the most interesting features of the meeting of the Trust Company Division, which was held September 30, was a play, "Squaring Promise With Performance," showing an incident in the life of a trust officer and some of the people with whom he comes in contact. The dramatis personae included Mr. Trustee, Mr. Average Citizen, Mr. Lawyer, Mrs. Average Citizen, Mr. Creditor, Mr. Appraiser, Mr. Real Estate Man, Mr. Securities Man, Mr. Taxation Man, and the two children of Mr. Average Citizen.

Act I shows Mr. Average Citizen, impressed with the necessity of making provision for the future of his family by an automobile accident, discussing the matter with Mr. Trustee, and finally outlining in some detail the way he wanted his estate disposed of.

In Act II, Mr. Average Citizen called upon his lawyer, who had received from Mr. Trustee the notes of how Mr. Average Citizen wanted his will made. After clearing up a few additional questions, Mr. Average Citizen commissioned the lawyer to draw up a will.

Mr. Average Citizen then, in Act III, executed the will, and put it in the hands of Mr. Trustee's trust company for safe keeping.

By Act IV, Mr. Average Citizen has passed away, and Mr. Trustee is seen explaining the condition of the estate to Mrs. Average Citizen, counseling her to budget her expenditures, in order to live comfortably on the sum of money left by her husband. He interviews also Mr. Creditor and examines his claims carefully before paying them; discusses with Mr. Appraiser the reducing of a number of the appraisals which seemed to have been carelessly made; goes into the matter of the taxes to be paid, with Mr. Tax Man; and arranges with Mr.

Securities Man for the selling of speculative securities held by Mr. Average Citizen and their replacement with securities more suitable for trust funds.

The play was acted out by members of the division, and was largely extemporaneous and spontaneous, as some of the characters had never met before.

Mershon Reviews Work of Division

The meeting of the Trust Company Division was also different from most of the other sectional meetings in the way in which the activities were reviewed. L. A. Mershon, deputy manager of the Trust Company Division conducted this symposium, calling on the president and vice-president to explain their duties, and explaining his own and those of the executive committee.

He reviewed briefly the work of the various committees, mentioning especially the pamphlet "Inheritance Taxation in the United States," recently published by the Special Committee on Taxation. This report recommended:

That the American Bankers Association endeavor to secure the following program of state and Federal legislation:

- (1) The elimination of the Federal estate tax.
- (2) The elimination of the Federal gift tax.
- (3) The elimination by the states of inheritance taxes on intangible personal property of non-residents.
- (4) The preparation and ultimate adoption of a uniform state inheritance tax act.

Sisson Speaks on Trust Publicity

Francis H. Sisson, chairman of the Committee on Publicity was asked to tell of the work of that committee, and responded, in part as follows:

The object of the publicity campaign, of course, was to increase the general public knowledge of the work of the fiduciary cor-

FULTON TRUST COMPANY

OF NEW YORK

149 Broadway

Established 1890

Member Federal Reserve System

Personal Accounts and Personal Trusts

OFFICERS

EDMUND P. ROGERS	President	PERCY W. SHEPARD	Secretary
CHARLES M. VAN KLEECK	Vice President	JOHN A. MACK	Assistant Secretary
ARTHUR J. MORRIS	Vice President	HAROLD P. SPURR	Assistant Secretary

DIRECTORS

LEWIS SPENCER MORRIS, *Chairman*

LISPENARD STEWART
CHARLES S. BROWN
HENRY K. POMROY
J. ROOSEVELT ROOSEVELT
ROBERT GOELET
FREDERIC DE P. FOSTER
ALFRED E. MARLING
HOWLAND PELL

CHARLES M. NEWCOMBE
ROBERT L. GERRY
EDWARD DE WITT
JOHN D. PEABODY
CHARLES M. VAN KLEECK
STANLEY A. SWEET
GEORGE F. BUTTERWORTH

ARTHUR J. MORRIS
WARREN CRUIKSHANK
WILLIAM G. VER PLANCK
EDWARD C. CAMMANN
BERNON S. PRENTICE
EDMUND P. ROGERS
FRANKLIN B. LORD
HOWARD ELLIOTT

First National Bank

Birmingham, Ala.

Capital	\$1,500,000.00
Surplus and Profits...	3,334,510.26
Resources	39,000,000.00

Oscar Wells, President,
Thomas Bowron, Vice Pres.
K. W. Berry, Vice Pres.
F. S. Foster, Cashier

Paul Angell, Assistant Cashier,
W. D. Robertson, Assistant Cashier
W. C. O'Ferrall, Assistant Cashier.
J. A. Holcomb, Assistant Cashier
Wade Fleetwood, Auditor

porations. That is attained through national advertising in the first instance in selected mediums and through the use of printed matter and form letters for circularizing purposes.

The national advertising campaign has been carried on on a somewhat reduced basis this last year, because subscriptions have not been as large as they have been in years previous.

However, the results, we feel, have been most gratifying. Something over 16,000 inquiries have been received at the central office in response to this work, and these inquiries have been distributed in so far as possible to the places where they would do the most good. We know of a great many pieces of business which have followed these inquiries.

I may say just a word of frank expression that we encountered considerable opposition in our efforts to be of service to our members. In the first place, the advertising campaign was opposed by those who had other interests to serve and the circularizing and bulletin campaign was opposed by some who felt that their own immediate interests were being trespassed upon.

Our feeling was quite the contrary. We felt that we were developing business for all the legitimate agencies in the advertising and publicity fields, and that by helping our

At Your Service

*Our time, our staff,
our contacts*



FIRST WISCONSIN NATIONAL BANK MILWAUKEE CAPITAL AND SURPLUS TEN MILLION DOLLARS

members to advertise intelligently, and resultfully, we were increasing the general prestige of advertising of which all who are legitimately employed in the advertising work might profit from.

One thing we are planning to do for next year is the publishing of a book which will contain all of these advertisements that we have run in the last few years, and make a complete exhibit of this publicity campaign. Our feeling is that it will constitute a text book on fiduciary advertising which will be of great advantage to all our members, and it will be published at the lowest possible cost and made available to our members at cost.

Report on Relations with Federal Reserve System

The Committee on Relations with the Federal Reserve System, which was created in 1923 to assist in strengthening the financial and banking situation of the country, reported that its survey shows that:

There are about 475 member trust companies in the system, and about 1600 eligible non-members. We addressed letters to the 1600 non-members, and received 850 responses to the question of why trust companies do not go into the system generally.

PEOPLES SAVINGS BANK

IN PROVIDENCE, R. I.

Was established in 1851. During its career of seventy-four years it has safely handled business totaling in the hundred millions. Its deposits now exceed \$20,228,949.69 and its depositors numbered on Sept. 30th, 34,507. These deposits are secured by assets at market values \$3,726,269.10 in excess of all liabilities. Many millions have been paid in dividends, which have for many years been at the rate of 4 per cent.

President
WEBSTER KNIGHT

Vice-Presidents
JOHN B. BRANCH
GEORGE M. SNOW
WILLIAM P. CHAPIN

CLINTON F. STEVENS, Treas. and Secretary
ROBERT W. UPHAM, Asst. Tr. and Asst. Sec.
RAYMOND H. BLAKE, Asst. Tr. and Asst. Sec.
WILLIAM P. DODGE, Asst. Secretary

HATHAWAY & CO.

Successors to Hathaway, Smith, Folds & Co.

Commercial Paper

45 Wall Street, New York

Chicago	Atlanta	St. Louis	Pittsburgh
Boston	Philadelphia	Cleveland	
	Hartford	Richmond	
San Francisco	Seattle	Portland	Denver

Of the 850, banks that cannot join number 66; banks that contemplate joining, 22; "giving further consideration to membership," 132; "do not care to join," 192; "not interested at present, but may consider it in the future," 262; and "unable to classify," 174. There have been about eighteen accessions to membership since we started the work.

It was announced that a Mid-Con-

tinental Trust Conference is planned for the fall or early winter, similar to the conferences that have in previous years been held in New York and on the Pacific Coast.

Uzal H. McCarter, president Fidelity Union Trust Company, Newark, N. J., speaking on "Visions Realized," traced the early history of the trust companies

Established 1865

ONE OF RICHMOND'S OLDEST AND STRONGEST BANKS

Capital	- - - - -	\$1,000,000
Surplus and Undivided Profits	- - - - -	2,200,000
Resources over	- - - - -	20,000,000

Business entrusted to us handled promptly and efficiently

PLANTERS NATIONAL BANK

Richmond, Virginia



The Oldest National Bank in Worcester

SEND YOUR COLLECTIONS

To this substantial old institution which confines itself almost exclusively to general banking and collection business

Courteous, Efficient, Prompt Service

Mechanics National Bank Worcester, Massachusetts

Capital and Surplus, \$1,000,000

Deposits, \$15,500,000

FRANCIS H. DEWEY
Chairman of the Board

FREDERIC B. WASHBURN
President

SAMUEL A. ELLSWORTH
Vice-President

EDGAR L. RAMSDELL
Vice-President

NELSON C. KEYES
Cashier

ALICE F. SHEEHAN
Assistant Cashier

—their growth with the increase of wealth in the country, and the work of the Trust Company Division in furthering that growth until “with the lapse of time, the rapid growth of trust company usefulness has developed a much broader field of endeavor, in that the original conception of a trust company’s function was to manage the estate of decedents, while the present hope and ambition of the modern trust company is to look after the living as well as the dead.” He said further:

The picture of trust companies in the United States is an impressive one. The great cause goes steadily on. The day will come when trust company administration of estates will be as commonly accepted as the use of a checking account. To the men of the earlier trust companies vast honor is due to the clearness of their vision. They have handed on to us a bright heritage, one which challenges our best devotion, merits complete consecration and is inspiring through the depth and breadth of its humanitarian aspects.

Election of Officers

At the close of the meeting, the following officers were elected to serve for

As Business Increases

you require, more than ever, prompt, intelligent correspondent service.

In Omaha Use---

THE OMAHA NATIONAL BANK

WALTER W. HEAD, President

The Merchants National Bank

of BALTIMORE, MD.

Total Resources - - \$55,000,000

Comprehensive facilities for a rapid and
efficient collection service

OFFICERS

MORTON M. PRENTIS

President

EUGENE LEVERING

Chairman of Board

G. HARRY BARNES

Vice-President

SAMUEL W. TSCHUDI

Cashier

JAMES W. McELROY

Assistant Cashier

HENRY B. WILCOX

Vice-Chairman of Board

D. J. EMICH

Vice-President

HARRY W. OWINGS

Assistant Cashier

THOMAS SWANN

Assistant to President

the ensuing year: President, Francis H. Sisson, vice-president Guaranty Trust Company, New York; vice-president, Edward J. Fox, president Easton Trust Company, Easton, Pa.; and members of the executive committee, F. W. Denio, vice-president Old Colony Trust Company, Boston, Mass.; John C. Mechem, vice-president First Trust and Savings Bank, Chicago, Ill.; E. A. Pruden, vice-president Fidelity Union Trust Company, Newark, N. J.; J. N. Stalker, vice-president Union Trust Company, Detroit, Mich.; and A. V. Morton, vice-president The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pa.

Francis H. Sisson

Mr. Sisson was born in Galesburg, Illinois, in 1871. He graduated from Knox College in 1892 with a bachelor's degree. He received the same degree from Harvard in 1893, and the degree of LL.D. from Knox in 1921.

After leaving college, he entered upon a newspaper career and became editor of the *Galesburg Evening Mail* in 1898. Later he joined the staff of *McClure's Magazine*. In 1904 he was appointed advertising manager of the American Real Estate Company, serving until 1912. Since 1912 he has been vice-president and general manager of the H. E. Lesan Advertising Agency. From 1916 to 1918 he was assistant chairman of the Association of Railway Executives. Mr. Sisson's incumbency of the vice-presidency of the Guaranty Trust Company of New York dates from 1917. He occupies a position of international prominence as a speaker on economic and banking subjects, and as an authority on corporate advertising and publicity. He is a director of the Vitigraph Company of America, a member of the American Economic Association, the Academy of Political Science, and of Phi Beta Kappa.

NATIONAL AMERICAN BANK OF NEW YORK

8 West Fortieth Street

Just off Fifth Avenue

Member Federal Reserve System

Capital \$1,000,000

Surplus \$500,000

DIRECTORS

CHESTER A. BRAMAN
President, A. D. Julliard & Co., Inc.
BARRON COLLIER
President, Street Railways Advertising
Co.
FRANK E. HOWE
President, Manufacturers National Bank,
Troy, N. Y.
JOHN F. GALVIN
President, Metal Stamping Co.
CHARLES D. HILLES
Director, New York Life Insurance Co.
Director, American Smelting & Refining
Co.
HENRY LOCKHART, JR.
Vice-President and Director, Blair & Co.
ROBERT ADAMSON
Chairman, Board of Directors
HERMAN A. METZ
President, H. A. Metz & Co.

EDWARD B. LEWIS
President, J. M. Horton Ice Cream Co.
G. MAURICE HECKSCHER
Real Estate
HAROLD G. ARON
Chairman, National American Securities
Co., Inc.
JULIAN M. GERARD
President
LAMAR HARDY, Attorney
Trustee, East River Savings Institution
HUNTINGTON JACKSON
Huntington Jackson & Co.
PATRICK FRANCIS MURPHY
President, Mark Cross Co.
KENNETH O'BRIEN
Director, Postal Telegraph Co.
R. A. C. SMITH
Trustee, American Surety Co.
ROBERT WESTAWAY
Treasurer, A. D. Julliard & Co., Inc.

OFFICERS

ROBERT ADAMSON, Chairman of the
Board
JULIAN M. GERARDPresident
H. I. STEVENS, Vice-Pres. and Cashier

GEORGE F. ROBERTSON...Vice-President
CHARLES E. RINEHART, Asslt. Cashier
EDWARD F. HOWE.....Assistant Cashier
MANDEVILLE MULLALLY, Trust Officer

SAFE DEPOSIT VAULTS

Community Trust Conference

AT the conference on community trusts held on September 29, under the auspices of the committee on community trusts, of which Frank J. Parsons, vice-president of the United States Mortgage and Trust Company, New York, is chairman, Mr. Parsons reported that fifty-five community trusts or foundations for charitable giving are now functioning in cities throughout the country, and twenty-one others are in process of formation. Three new trusts have been formed since last April. Thirty-nine of those now operating have received gifts in cash, under wills or through living trusts, the amounts in seven cases being in excess of \$1,000,000. Eighteen trusts are distributing income, and in twenty-two cities, committees on distribution have been appointed. The outstanding developments in individual

trusts were reported in New York, Chicago, Detroit, Cleveland, Philadelphia, Indianapolis and other large cities.

F. H. Fries, president of the Wachovia Bank and Trust Company, Winston-Salem, N. C., spoke on "Best Methods of Advertising a Community Trust or Foundation." He said, in summing up his talk, that the best way to advertise a community trust is to have an outside solicitor working on it. The problem, of course, is to get the necessary funds to do this. Again, the solicitors must be backed up with talking points. These can be furnished by having a survey of the public school system, or the public park system, or the administration of justice, made. The really important thing is to do something worth while, something the community needs. It should be done

National Bank of Egypt

Head Office - CAIRO

FULLY PAID CAPITAL	-	-	£3,000,000
RESERVE FUND	-	-	£2,425,000

London Agency :

6 and 7, KING WILLIAM STREET, E.C. 4.

Branches in all the Principal Towns in
EGYPT and the SUDAN

promptly, vigorously and well. Solicitors will then have something interesting to talk about, editors something to write about, and the problem of advertising the community trust will be much simplified.

Frank D. Loomis, secretary of the Chicago Community Trust, in describing "Best Methods of Securing Gifts

Under Wills or Living Trusts," called attention to the fact that the community trust offers an easy way for an individual to contribute a fund which is to be given the donor's name, inasmuch as it is not necessary to set up a complete new machinery to administer the trust.

In many cases community trusts

A NEW BANK

The Primary Producers Bank of Australia, Ltd.

This new Farmers' Bank opened its first office March 3, 1923. It now has 67 Branches and Agencies in the various States of the Commonwealth

Head Office: SYDNEY London Office: 112 OLD BROAD ST. E.C.2

PROGRESS

	August 1923	May 1924	June 1925
Deposits - -	£ 76,923	£ 369,766	£ 1,010,000
Advances - -	£ 129,134	£ 403,770	£ 950,000

Authorised Capital £4,000,000 Subscribed Capital £2,300,000 No. of Shareholders 8,500

Banking business of every description transacted. American Bills on Australia negotiated or collected.
F. W. STRACK, F.C.I.S. General Manager

THE

National Bank of Scotland Limited

Established 1825.

Incorporated by Royal Charter and Act of Parliament.
Affiliated to Lloyds Bank Limited.

Capital	£5,000,000
Paid up	£1,100,000
Reserve Fund	£1,300,000
Deposits at 1st November 1924	£31,018,368

HEAD OFFICE—Edinburgh

General Manager—William Carnegie.

Secretary—George Alexander Hunter

LONDON OFFICE—37, NICHOLAS LANE, E. C. 4

Manager—Thomas Cockburn Riddell.

Assistant Manager—Dugald Smith Deans.

GLASGOW OFFICE—47, ST. VINCENT STREET

Manager—James Reid.

Assistant Manager—John T. Leggat.

Foreign Exchange Manager John Riddell.

Branches in all the principal towns and places in Scotland.

Correspondents in all the leading towns in England and Ireland, and in the principal towns in all parts of the World.

Every description of Banking business transacted, including Foreign & Exchange business.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

have begun with some bequests by the officers or the clients of the company organizing them. Then some work has been done, the community acquainted with the work done, and public interest aroused by means of news items and feature articles in newspapers and magazines. Short talks before radio audiences have been effective, but talks before luncheons or other gatherings (unless the people present are interested in the community trust) are not worth the time they take. Direct mail publicity has been used extensively, and has proved very effective.

“It seems to be the general supposition,” Mr. Loomis said, in conclusion, “that most charitable endowment gifts come through bequests. A study of gifts of this character in Chicago in the last fifty years has shown that this is not so, and of the approximately \$8,000,000 which we now have in our community trust fund, all of it except about \$70,000 came in the form of living trusts. The \$70,000 was the



FRANK J. PARSONS
Vice-president U. S. Mortgage and Trust Company, who presided at the conference on community trusts

proceeds of two wills, both probated in 1925, but executed four and five years ago. This seems to indicate that

Royal Bank of Scotland

INCORPORATED BY ROYAL CHARTER 1727

Paid-up Capital	£2,500,000
Rest and Undivided Profits	£2,347,393
Deposits, October 1924	£39,719,331

HEAD OFFICE : St. Andrew Square, Edinburgh

General Manager : A. K. Wright, C.B.E., D.L. Secretary : J. B. Adshead

With 24 District Branches

LONDON CITY OFFICE : 3, Bishopsgate, E. C. 2

Wm. Whyte, Manager John Robb, Deputy Manager

LONDON (Drummonds Branch) : 49, Charing Cross, S. W. 1

Under the charge of the Messrs. Drummond. W. H. Smith, Manager

GLASGOW OFFICE : Royal Exchange Sq. and Buchanan St.

Thomas Lillie, Agent W. Donald, Sub-Agent

With 34 District Branches

OVER 200 BRANCHES THROUGHOUT SCOTLAND

Every description of British, Colonial and Foreign Banking
business transacted

FOREIGN EXCHANGE DEPARTMENTS at all the principal offices

Correspondence Invited

if the community trusts sit idly by waiting for wills to mature, they may wait a long time, and may eventually suffer sore disappointments."

The long process of education of the Senate Committee of Finance on community trusts, in order to make gifts to such trusts deductible from the income of the donor, and the income exempt from taxation in the hands of the donee was described by William Greenough of Patterson, Eagle, Greenough & Day. He reported that progress along this line has been slow but satisfactory.

Col. Leonard P. Ayres, vice-president Cleveland Trust Company, Cleveland, Ohio, was to have spoken on the "Value of Community Trust Affiliations to the Trustee" but had been called to Washington. Carlton K. Matson, director of the Cleveland Foundation, who spoke in his place, said that the community trust is no cheap, easy road to profit. It must be lived with in

order to make profit out of it. But it is going to appeal to men more and more as time goes on. It has a great future ahead of it, for men can give money to a community trust, being sure that the money will have a great influence in making their communities great communities.

In discussing "Reshaping Philanthropic Habits," Ralph Hayes, director of the New York Community Trust, gave a number of examples of money bequeathed for specific purposes which subsequently became dead issues, such, for example, as freeing the slaves. This problem is not a new one. It has been troubling the world for 400 years. The community trust is the solution. There is principal to be carefully guarded. That is a fiscal service. There is income to be wisely used. That is a sociological service. The community trust will accept bequests and guard them, and it will ask men of the

The Union Bank of Scotland

LIMITED

Established 1830

Subscribed Capital	£5,000,000
Paid Up	£1,000,000
Reserve Fund	£1,300,000
Deposits (4th July 1925)	£27,571,694

Chairman—His Grace THE DUKE OF ATHOLL, K.T. NORMAN L. HIRD, General Manager

Head Offices :

GLASGOW—Ingram Street EDINBURGH—George Street

180 Branches throughout Scotland

LONDON OFFICE—62, Cornhill, E. C. 3

*Adapted in Every Way to Carry Through All Forms of Banking Business
in London and Scotland*

Every description of Home and Foreign Banking transacted.

Letters of Credit on all places at home and abroad; Cable Remittances arranged; Freight Collections; Ship's Disbursements Credits; Commercial Credits, &c., arranged. Bills of Exchange and Shipping Documents collected or negotiated subject to approval. The Bank also undertakes the duties of Trustee and Executor.

At London Office Current Accounts and other business conducted on the usual terms of London Banks. Deposits received at interest.

WE INVITE THE ACCOUNTS OF FOREIGN BANKS AND BANKERS

city to help it in properly using the income from these bequests. It will carry out the spirit of the gifts, not the letter of the gift. This is a simple plan, but it avoids all the pitfalls. It puts skilled workmen on the job of building a philanthropic foundation. The community trust, in clearing up this problem, is fulfilling a need, and this is the explanation of its growth in the dozen years it has existed.

At the conclusion of the conference, Mr. Parsons announced that the New York Community Trust had just received a trust fund of \$500,000 from Mr. and Mrs. Felix Warburg, to be

called "The Moritz and Charlotte Warburg Memorial Fund," the income of which is to be devoted to the training of foreign scholars, ministers and teachers of the Hebrew faith. Mr. Parsons spoke of this as a notable example of belief in the community trust's integrity, inasmuch as the gift is for a religious purpose, and the by-laws of the community trust provide that not more than three members of the board administering it may be of the same denomination. It amounts to placing this fund in the control of a board composed predominantly of Gentiles, and indicates complete trust in the board.



THE UNION DISCOUNT COMPANY OF LONDON LIMITED

39, CORNHILL LONDON E.C. 3.

Capital Paid-up and Reserve Fund

\$13,000,000

($\$5 = \pounds 1$)

**The Company deals in British Government Treasury Bills,
London Bankers' Acceptances and Prime Trade Bills.
Money Received on Deposit for Fixed Periods or at Call.**

Enquiries Invited.

Cables: "UDISCO, LONDON."

State Bank Division Meeting

Outline of a Uniform Code of State Banking Law Described—
Resolution Passed Opposing Branch Banking

THE feature of the meeting of the State Bank Division, held on October 1, was Oscar W. Underwood's speech on "Consolidation of the Railroads," which will be commented on in the November issue.

W. C. Gordon, president Farmers Savings Bank, Marshall, Mo., and president of the division, in his annual address called attention to the fact that the State Bank Division is, in point of numbers, by far the largest and strongest separate division of the American Bankers Association. The activities which have claimed the chief attention of the division during the last year are:

1. Continued encouragement of efforts for the development of co-operative farm mar-

keting facilities along sound economic lines.

2. Development of a better understanding and relationship between state banks and the Federal Reserve System.

3. Co-ordination of efforts being made to increase the efficiency of state bank supervision.

4. Co-operation with the Better Business Bureau and other agencies in a nation wide campaign to educate the general public in the fundamentals of sound investments.

5. Co-operation with the American Bankers Association and the other divisions of the parent organization in solving problems of mutual interest.

Mr. Gordon's remarks on the work done toward the development of co-operative farm marketing facilities are set forth in detail in another section of this issue.

*Gordon Speaks on State Bank
Supervision*

Concerning increasing the efficiency of state bank supervision, Mr. Gordon said:

In the field of state bank supervision, it has been apparent for several years that state banking laws were increasing at an alarming rate, both in multiplicity and diversity. As a preliminary step in checking this evil, four years ago, at the request of the State Bank Division, under the leadership of Craig B. Hazlewood, chairman of the state legislative committee, General Counsel Paton undertook the stupendous task of preparing a complete and indexed digest of statutory law in all the states on all subjects related to banking. This work has been completed and is now available for reference. Its chief value lies in the fact that it supplies a basis for the comparative study of any particular phase of banking in the several states, a thing heretofore practically impossible. This digest has been valuable as an aid in checking diversity and promoting better and more uniform state banking laws.

As a further step, the division, by resolution, decided to work actively for more uniformly efficient state bank supervision, with a view to correcting some of the hampering provisions of the laws which the state supervisors themselves find objectionable in the prosecution of their work. A basis for carrying this resolution into effect was provided by a careful study and survey of bank supervision in each state, through correspondence with bank supervisors, the American Bar Association and state bankers. The object was to bring out the features of successful supervision in each state and determine the points of weakness that needed remedy. Briefly, the consensus of opinion as to changes needed to strengthen the work of state bank supervision centers in the following recommendations:

1. Provide an adequate salary.
2. Remove the office from partisan politics by providing for the commissioner's election or nomination by bankers.
3. Select the bank commissioner for a term of five years.
4. Give the commissioner large discretionary power in granting charters and enforcing regulations.
5. Provide a sufficient number of well-qualified examiners, with adequate pay, and make their appointment free from partisan influence.
6. Give the banking department full authority to act as receiver in the case of failed banks, this being thought more ex-



© HARRIS & EWING

GRANT McPHERRIN

President State Bank Division; president
Central State Bank, Des Moines, Ia.

peditious, more economical and more satisfactory in every way.

7. Require that the bank commissioner should not have less than five years of successful banking experience and possess recognized executive ability.

The data obtained in this survey was carefully summarized and tabulated, sent to governors of the various states, to bank commissioners and members of state legislative committees. Newspaper releases were sent out by the A. B. A. public relations commission, and an article based on the survey was prepared and published in the *Journal of the American Bankers Association*. This article and releases were published in several thousand newspapers and magazines throughout the country. They were received with hearty interest, and a great many commendatory letters have been received regarding this work. We believe this undertaking has been helpful in directing attention to deficiencies and needed changes in the laws and will result in positive action for the betterment of bank supervision.

The report concluded with two recommendations for the work of the coming year: that the division issue a questionnaire to ascertain what particular problems were perplexing state bankers and which the division might help to solve; and that it make a

thorough survey of the question of taxation of the stock of state banks, with a view to securing correction of some of the inequalities that now exist.

McLaughlin Advises Against Uniform State Banking Laws

Speaking on "Uniformity of State Banking Laws," Hon. George V. McLaughlin, Superintendent of Banks of New York State, and president of the National Association of Supervisors of State Banks, said that all who have investigated the subject have concluded that a so-called banking code or uniform banking code, to be placed in operation in all states of this country is impossible and undesirable, because of the variety of conditions that prevail in the different states throughout the country.

What will serve the purpose better than a so-called uniform code is an outline embodying the principles of good, sound banking, but which will not disturb the peculiar conditions obtaining in the several states of the country. Taking the banking core of the State of New York as a basis, Mr. McLaughlin set forth such an outline.

First of all, he said, the various classes of banking institutions that each state may have (such as trust companies, savings banks, commercial banks, savings and loan associations, credit bureaus, investment companies, and private banks) should each be placed under the supervision of their respective banking departments. Next would come the reserve provisions, and the safeguards against loans to officers and directors. The amount of capital required, and the amount to be paid in should be carefully considered, and the Superintendent of Banks given the broadest kind of discretionary power to decline to authorize a bank if he doesn't believe it will serve public advantage, and if he is not satisfied that the incorporators are financially responsible or well enough equipped by training to properly manage a banking institution.

In order to provide for efficient and economical liquidation of banks, the Superintendent of Banks should have absolute and complete authority to take charge of a bank which he believes to be in an unsafe or unsound condition.

Some things which should not be included in the code are a so-called guarantee of deposits, a limited charter provision, any regulation of interest rates, and other matters not related to banking—such as sale of securities, general auditing throughout the state, taxation, "escheat" laws, etc.

But what is needed is not more laws, or particularly better laws, but proper equipment, and sufficient funds to attract the right kind of men on the examining force of the state banking departments, so that the present laws can be properly enforced.

Resolutions Adopted by Division

At the close of Mr. McLaughlin's speech, the report of the Resolutions Committee, containing the statement that the division is still opposed to any form of branch banking, was presented and adopted.

The full text of the resolution is as follows:

Federal Reserve System

The State Bank Division of the American Bankers Association, impressed with the importance of removing any possible uncertainty regarding the permanency of the Federal Reserve System, urges that the charters of the Federal Reserve Banks be renewed without delay for either an indeterminate period or for ninety-nine years. It regards this as fundamental, and believes that questions of amendments of the present act may well be left for later consideration and not confused with the question of the renewal of the charters themselves.

Uniform State Banking Laws

We believe that a greater degree of uniformity in the banking laws of the various states would do much to prevent confusion in the public mind and add greatly to the soundness of the development of banking. Therefore, we reiterate our previously expressed view looking toward greater harmonization of the laws relating to banks in the various states; we urge that action be taken to secure the greatest possible degree

of uniform, efficient state bank service and urge that the important office of bank commissioner be freed from any entangling partisan politics and divorced from all other functions of state government, and that the tenure of office of the bank commissioner be made more secure and lasting, with sufficient compensation and discretionary power given, to attract and hold the service of men of outstanding executive ability and successful banking experience.

Clearing House Associations

We recommend the general plan and organization of clearing house associations in cities and also in country communities comprising one or more counties with the establishment of a bureau for the exchange of credit information and the installation of the examiner system providing for examination by private examiners working for the association under the supervision of a management committee chosen from the membership. We believe that this plan, as advocated by the Clearing House Section of the American Bankers Association, materially reduces the risks in banking, and is, therefore, worthy of the hearty support of the members of the division.

Branch Banking

We reiterate our oft-stated opposition to any system of branch banking in this country.

Co-operative Marketing

We reiterate our stand in support of the principles of co-operative marketing of staple agricultural products.

John D. Phillips

Whereas death has claimed during the last year a beloved ex-president of this division, John D. Phillips, we wish to express an appreciation of the unselfish service rendered by him to this division, and to convey to his family this official expression of our sympathy and affection.

Appreciation

The year just closed has been one of unusual accomplishment on the part of the State Bank Division, standing out conspicuously being the interest fostered in a more uniform system of state banking codes and the improvement in state bank supervision and examination, and the support of co-operative marketing. To no man is due so much as to the president of this division, W. C. Gordon, so we wish to express our appreciation of his unusual ability, fine leadership, breadth of vision, and tireless

energy as the leader of this division during the last year.

We express our sincere appreciation of the effective manner in which the affairs of the division have been managed during the last year. Frank W. Simmonds, deputy manager, has proved his worth, strengthened his hold upon our affections, and earned our admiration for his attention to detail, and his group of the essentials which make this division so important a part of the American Bankers Association. He is, indeed, a man!

Election of Officers

At the close of the session, the following officers were elected to serve for the ensuing year: president, Grant McPherrin, president Central State Bank, Des Moines, Iowa; vice-president, G. E. Bowerman, vice-president Fremont County Bank, Sugar City, Idaho; and members of the executive committee, H. H. Saxon, vice-president Georgia Railroad Bank, Augusta, Ga., and Dan V. Stephens, president Fremont State Bank, Fremont, Neb.

Grant McPherrin

Mr. McPherrin was born on a farm in Galesburg, Ill., and received his education in Garden Grove, Iowa, where his family had moved when he was five years old. Upon graduation from school at the age of seventeen, he entered a bank in Garden Grove, and after working for six months without salary, in order to get the training, he decided he would make banking his life work, as soon as he had accumulated the capital to acquire a bank of his own.

Later he did acquire a private bank in Clearfield, Iowa, reorganized it as a state bank, and sold it in 1910. He then moved to Des Moines, and established a neighborhood bank there in 1911, which is now incorporated as the First Federal State Bank, with Mr. McPherrin as president.

In 1912 he became also cashier of the Central State Bank of Des Moines, later advanced through the vice-presidency to the presidency.

Tilson Believes Tax Revision Assured

Says High Surtax Rates Will Go in Coming Session of Congress

INORDINATELY high surtax rates must go, and they will go in the revision to be made in the coming session of Congress, said John Q. Tilson Member of Congress from Connecticut in his address before the National Bank Division of the convention. He added:

They were never justified from the beginning and should have been reduced rapidly by large instalments, beginning the very next year after the war closed. They have been kept up by the persistent appeal of the demagogue. We have reached the point where the voice of common sense and sound economic reason is finally to prevail.

It is now largely a question of just how low the maximum surtax rates should go at this time. In my judgment the permanent peace time maximum rates should not exceed 15 per cent, and it is my belief that with such a rate in force the increase in the total amount of incomes returned for taxation will alone soon make good the initial loss of revenue, to say nothing of the tremendous indirect effect.

Mr. Tilson at the outset outlined the existing Federal tax situation, the causes leading to it, and efforts toward legislative amelioration of it. Failure of Congress to adopt the Mellon plan was a great opportunity lost for genuine tax reform that would have been a lasting benefit to the country, he said.

"Not only was an opportunity lost to write into law a bill embodying sound economic principles," he declared, "but new and vicious features were added."

The features he enumerated, and which he said should be eliminated were: the inheritance tax, the gift tax and the "Peeping Tom" publicity amendment to the income tax law. The taxes on the sales of certain selected articles which in effect are discrimina-

tory sales taxes, also should go as soon practicable, Mr. Tilson said, as also the tax on theater admissions.

Surplus in Revenues Makes Reduction Possible

The surplus of revenues above necessary expenditures, Mr. Tilson said, is what makes it at all possible at this time to reduce taxes, but he said there is not a real surplus in the Treasury. He continued:

A real surplus in the public revenues is a dangerous thing and should be avoided. If there were an actual surplus in the Federal Treasury a special edition of the Lord's Prayer ought to be gotten out for the use of Congress and of the executive departments, printing in large red letters the line of that wonderful prayer which says: "Lead us not into temptation." There is not, however, a real surplus in the Treasury, and there probably will not be during the lifetime of any one of us.

There may be a surplus in the sense that in some years more taxes are collected than are required for our estimated expenditures, but in that event under Mr. Mellon's skilful management of the Treasury the only way we shall find the surplus is to watch the dwindling public debt.

As to the prospect of the individual income tax being supplanted in whole or in part, either by revised tariffs, general sales taxes, or otherwise, Mr. Tilson said, that not only will the income tax remain, but that it will continue to be progressive. He added:

In other words higher incomes will continue to pay somewhat higher rates than the lower incomes, unless by a foolish attempt to make high incomes pay an intolerable rate we cause such incomes to disappear from the tax returns as they are now doing.





The Plainfield Trust Company, Plainfield, New Jersey

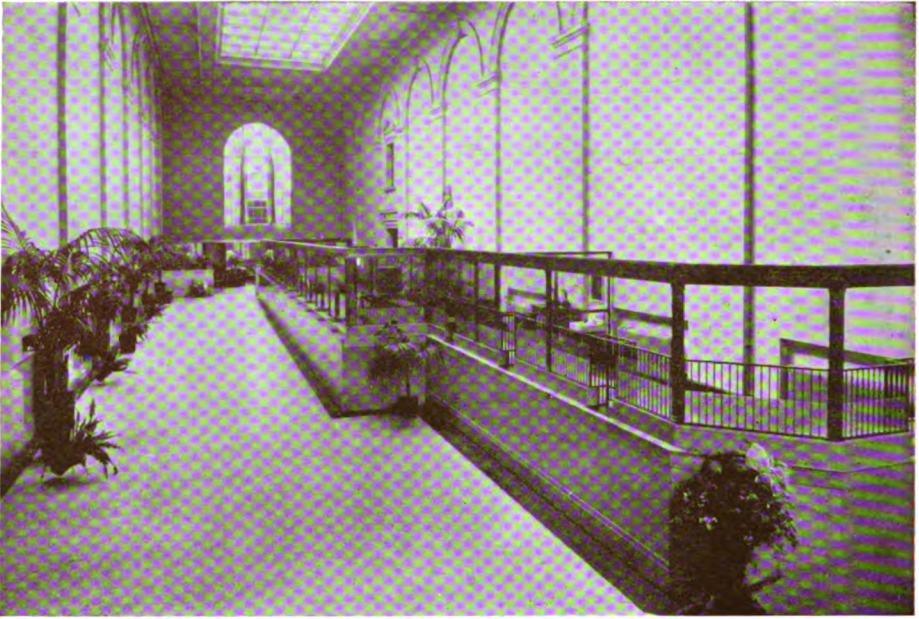
This large modern bank building, designed by, and now under construction by The Griswold Building Co., will be equipped with facilities capable of meeting the most exacting requirements of banking service.

Through the experience of our architect and engineers in the one specialized study of bank designing, building and equipping, we are in a position to offer bankers consultation without obligation.

The Griswold Building Company, Inc.

**SPECIALISTS IN
Designing—Building—Equipping
BANKS**

101 Park Avenue, New York City



Interior of Northern Trust and Savings Co., Lancaster, Pa.

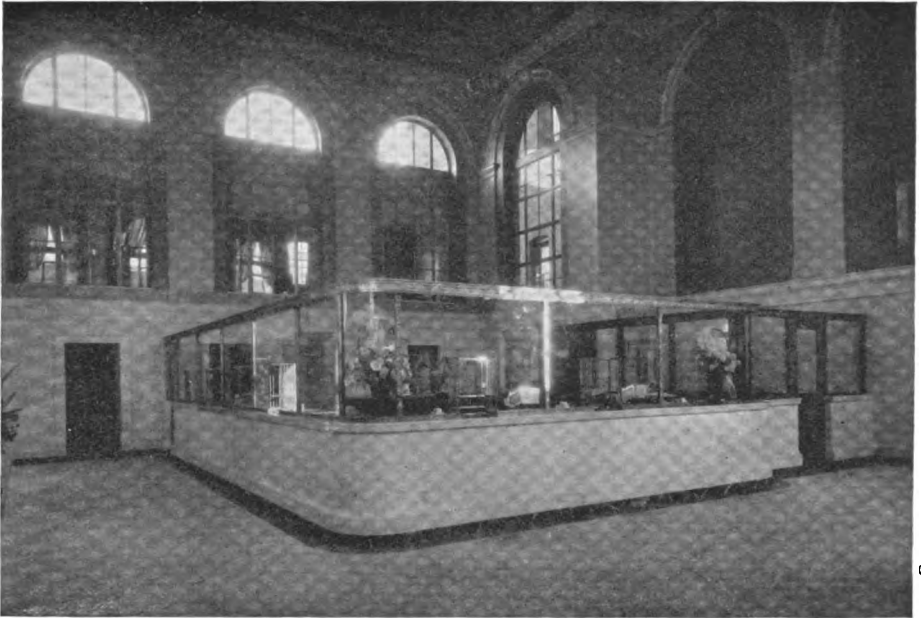
While this building appears to be deeper than its width should allow for absolute proportion, by careful planning the excess in depth has been utilized in such an efficient manner that the banking room is perfectly balanced.

The rear of the building doubles in width to accommodate the Safe Deposit Department and Vault so that in future expansion the vault will find its location on the main axis of the new banking room which will conform in width to the present rear of the building.

The Griswold Building Company, Inc.

SPECIALISTS IN
Designing—Building—Equipping
BANKS

101 Park Avenue, New York City



Interior of Bristol Savings Bank, Bristol, Conn.

An excellent example of an interior arrangement for a Savings Bank, incorporating among its features a modified "island plan."

Travertine Stone has been employed as flooring for the Public Space as well as for the wainscoting about the entire banking room, while the counter-screen of the same stone is surmounted by handsomely ornamented bronze.

In the rear a spacious mezzanine accommodates a tastefully appointed Directors Room.

The Griswold Building Company, Inc.

SPECIALISTS IN

Designing—Building—Equipping

BANKS

101 Park Avenue, New York City



Service Trust Company, Passaic, New Jersey

When completed, this new modern thoroughly equipped banking home will be convincing evidence of the name it bears.

In addition to the front and rear mezzanines, a second floor will be devoted to highly desirable offices for rental purposes.

The Griswold Building Company, Inc.

SPECIALISTS IN
Designing—Building—Equipping
BANKS

101 Park Avenue, New York City

National Bank Division Meeting

Tilson Advocates Abolition of Inheritance and Gift Taxes.

National Banks Losing Ground, Says Mattson;

Dawson and Johnson Tell Why

SPEAKING to the National Bank Division at its meeting on September 28, on the subject of "Federal Tax Reduction," U. S. Congressman John Q. Tilson of Connecticut, outlined the Federal tax system as it exists today, described how it grew up, and suggested changes in the taxation system which seemed to him necessary and practicable.

The customs duties and the tax on tobacco and beverages, he said, have usually supplied sufficient revenues in normal peace times to pay the expenses of the Government. This was the situation at the outbreak of the war. The income tax amendment to the Constitution had been adopted a short time before, for the avowed purpose of being ready to meet any great emergency. War conditions soon created the emergency, and a small income tax of 1 per cent. normal and a surtax on incomes of \$20,000 and over was imposed. In 1916, with the need for greater revenue, the rates were increased until the highest rate was 15 per cent. This was only the beginning, however, and the rates were steadily increased, until a few months after the close of the war the surtax on the highest incomes amounted to 77 per cent. These very high surtaxes continued, in spite of warnings by President Wilson, Secretary of the Treasury Carter Glass, Secretary of the Treasury David F. Houston, and Secretary of the Treasury Andrew W. Mellon, that they were driving large incomes into tax-exempt securities. Facts subsequently brought out show that these fears were not groundless. For in 1916, when the highest surtax rate was but 13 per cent., incomes of over \$300,000 contributed within 4 per cent. of as much revenue as did incomes of over \$300,000 in 1921, when the maximum surtax rate was 65



W. C. WILKINSON

President National Bank Division; president Merchants and Farmers National Bank, Charlotte, N. C.

per cent. In 1916, incomes amounting to over \$100,000 made up 29½ per cent. of all incomes reported. In 1920, they made up but 5.4 per cent. of all incomes reported, and in 1921, only 4.5 per cent.

A start at revision was made in 1921, when the excess profits tax was eliminated, and the maximum surtax on incomes was reduced to 50 per cent. In 1923, an attempt was made to further reduce the maximum surtax to 25 per cent., but it failed.

The task before Congress, then, is to eliminate the inordinately high surtaxes, the inheritance tax, the gift tax, and the publicity provisions of the income tax.

It is doubtful if a general sales tax can be imposed, although it is probably the most evenly distributed form of taxation possible. It is not likely to be



EDGAR L. MATTSON

Retiring president National Bank Division;
vice-president Midland National Bank
and Trust Company, Minneapolis,
Minn.

considered because everyone can see how much tax he is paying, and no individual enjoys being taxed. In default of a sales tax, the progressive income tax, if kept within reasonable bounds, is the fairest, and on the whole, the soundest tax that we are likely to have for a long time to come. Mr. Tilson concluded:

It is, therefore, a matter of very great importance that the income tax be properly adjusted so that it may lay the burden as equally as possible upon all, and so that it may raise the maximum revenue with the least possible injury to legitimate business. We have shown by actual experiment that in order to do this, much lower rates must be fixed than those now in effect. If we do not heed the obvious lesson which has been emphasized each succeeding year by the diminishing tax returns on higher incomes, we shall be guilty of doing the maximum amount of harm to legitimate business, and consequently to the country, while collecting the minimum amount of revenue for the treasury.

Edgar L. Mattson, president of the division and vice-president Midland National Bank and Trust Company, Min-

neapolis, Minn., in his address described how the national banks have failed to keep pace with state banks, attributing the cause to the restrictions in the National Bank Act. He said, on this subject:

In 1870 there were 325 state banks and 1731 national banks. In 1884 there were 317 state banks (exclusive of savings banks) and thirty-five trust companies, with aggregate resources of \$700,000,000, and 2664 national banks with total resources of \$2,300,000,000. Twenty years later in 1904, there were 6923 state banks (exclusive of savings banks) and 585 trust companies. Their combined resources were \$5,240,000,000, while there were 5331 national banks, with resources of \$6,975,000,000. In the next twenty-year period, bringing us down to 1924, the state banks and trust companies increased to 19,600 with resources of approximately \$23,700,000,000, while national banks advanced in number to 8240, and their resources climbed to \$21,700,000,000. It was in that period that the national banks lost most heavily in their comparative position. In the last seven years, 515 national banks, with an aggregate capital of approximately \$140,000,000 voluntarily liquidated and merged with state banks or reorganized as separate institutions under state charters. The capital thus withdrawn from the national system equals 10 per cent. of its present total, and likewise, it equals 6.7 per cent. of all the capital represented in the entire Federal Reserve System at this time.

One of the causes for the relative decline in the national banking system is the fact that national banks are operating under an act framed during Civil War times, while conditions are now considerably changed, according to A. F. Dawson, president First National Bank, Davenport, Iowa, who addressed the division on "Real Estate Loans by National Banks." He said:

Under the old order of things, national banks were strictly commercial banks. Most of their deposits were demand deposits, and, therefore, their assets must be kept liquid. In those days, real estate loans were not readily marketable, and were properly classed as frozen loans. There was no broad rediscount market, and for its safety, each individual bank was obliged to rely upon itself to meet an emergency or an unusual situation.

These conditions have passed away. Now

35 per cent. of the deposits in all national banks are time deposits; and in the banks outside of reserve cities 45 per cent.

Today real estate loans, particularly loans on homes and other city real estate, have a constantly broadening market.

So we should consider this subject in the light of these fundamental changes which have taken place, many of them unnoticed and unobserved.

He called attention to the fact that of the 8200 national banks in the United States, about 7800 of them are so-called country banks, located outside of reserve cities. If these 7800 banks are to serve their respective communities properly, they cannot hold aloof in financing the building and buying of homes, and the improvement of other real estate.

Concerning the liquidity of real estate loans, Mr. Dawson said:

The argument is sometimes advanced that five-year mortgages are not sufficiently liquid for a national bank. Again, changed and changing conditions have altered the whole situation. There is no market for a one-year mortgage, but there is a constantly expanding market for those running five years. Insurance companies are now in the market for town loans of this kind, both large and small. The local market for these loans is steadily increasing, as banks are beginning to perform their rightful function of supplying the investment needs of their customers.

More and more the practice is growing among banks of having the borrower reduce his real estate loans a certain per cent. each year. This policy not only promotes thrift, but it automatically liquidates the loan.

Then again, if a bank loans substantially the same total amount each year on five-year mortgages, at the beginning of the sixth year, the maturities would occur in an even, annual flow.

After all, this fear about non-liquidity is largely imaginary. If national banks will exercise the proper degree of care in having their commercial loans eligible for discount, the Federal Reserve System has certainly proved during the past seven years that it can extend the necessary aid to any solvent member to meet any emergency which may arise.

In the discussion following Mr. Dawson's speech, one banker suggested making real estate loans on a demand note basis, as a means of getting around



F. M. LAW

Vice-president First National Bank, Houston, Texas, who addressed the National Bank Division on the subject of "Aids in Management of Clerical Departments"

the one-year limitation until the law can be amended. This method has been used in Connecticut quite widely.

Ben Johnson, president Commercial National Bank, Shreveport, La., told the members that lack of cost accounting resulting in carrying too many unprofitable accounts, and paying too much out in interest were also contributing causes to the comparative decline in importance of national banks. Speaking on "The Decline in National Bank Earnings," Mr. Johnson said, in part:

The Federal Reserve Board reports for the calendar year ending December 31, 1924 for the 9600 member banks show a profit of \$261,000,000, on \$3,537,000,000 invested capital (capital, surplus and profits), or 8.04 per cent. The Comptroller's report for the 8085 national banks for the fiscal year ending June 30, 1924 showed \$195,706,000, on \$2,414,500,000 or 8.11 per cent. on the capital and surplus. But, if we may add to the official figures of capital and surplus the undivided profits of approximately \$500,000,000 in mid-year, we find the ratio of earnings for the national banks, on total invested capital, to be only 6.7 per cent. Now there can be no serious question that this is



M. E. HOLDERNESS

Member public relations commission American Bankers Association; vice-president First National Bank in St. Louis

not a satisfactory return for the usual hazards of business, and is not sufficient to pay reasonable dividends and provide a surplus for the future.

It may be noted from the above that the return on the invested capital of the national banks is less than for the aggregate of the member banks. In other words, the increased ratio of earnings for the 1515 state bank members was sufficiently in excess of the average of 8.04 per cent. to bring the average of the national banks from 8.04 per cent. to 8.11 per cent. This fact argues potently for a somewhat wider legal latitude for national banks in their future operations.

It is also shown by the Comptroller's report that in the aggregate the national banks in Districts 8, 9, 10, 11 and 12 did not earn their dividend for the year ending June 30, 1924.

Not only do these records show that the present average return is unsatisfactory, but other records are available to show that the trend of earnings of the national banks, in recent years, is downward.

The two most outstanding causes of this condition, according to Mr. Johnson, are the unprofitable account and "the tremendous increase in interest paid on deposits, which has been pro-

moted by excessive competition for this class of business." The problem of the unprofitable account is so thoroughly discussed elsewhere in this issue, that Mr. Johnson's comments on that subject are omitted here. His remarks on the increase in interest paid, were, in part, as follows:

The Federal Reserve Board, in its report of July 1925, makes the observation that while the gross earnings of member banks for 1924 were \$65,000,000,000 larger than in the previous year, the net returns were less and a considerable portion of the increase in gross earnings was absorbed by an increase in expenses reflected chiefly in the increase in interest on an exceptionally large volume of deposits.

The reports of the Comptroller show that in 1914 the national banks held time deposits of about \$1,200,000,000, or 18 per cent. of the total time and demand deposits. Ten years later, in 1924, time deposits had increased to about \$5,300,000,000, or 35 per cent. of the total time and demand deposits. During this decade, time deposits increased 300 per cent. while demand deposits increased only 85 per cent.

There are those accounts too, other than time and savings accounts, which carry a big interest tariff. I am thinking of the mad rush some of us, in the past, have made for public deposits sometimes bidding as high as 5 per cent., 6 per cent., and even in one instance that has come to my notice 8 per cent.

To remedy this situation, said Mr. Johnson, in conclusion:

We must give more attention to our profit account and less attention to volume. We must, through concerted action or individually, restrain ourselves in our previous mad orgy to get additional deposits for certainly additional interest bearing deposits now only constitute an additional burden rather than making it possible to increase our earning assets.

We must quit paying excessive interest on deposits, whether public or private. We must recognize, in bidding for public deposits, for instance, that it is unwise to bid for public funds with a view of placing a major portion of those funds in ordinary commercial channels, and that our bid for these funds should be gauged by the income we may receive from reinvestment in securities eligible to be pledged in lieu of fidelity bonds, after having made a proper allowance for reserve and for a reasonable margin of profit.

In summing up the cures that occur to

me, I would re-state, therefore, that we need to learn and practise better methods of co-operation, the latter of which not only will re-act favorably in our profit account but would pay one hundred fold in returns in good fellowship and in the joy and pleasure of the daily grind of business.

F. M. Law, vice-president of the First National Bank, Houston, Texas, gave numerous examples of "Aids in Management of Clerical Departments," such as monthly meetings of the entire staff, an intimate knowledge of costs, weekly tellers' meetings, a better credit department, a central committee to decide on donations, a better auditing department, modern labor saving devices, and a complete and active publicity department.

The following resolutions were passed:

We are today on the threshold of an era of national prosperity. The transition from a nation at war has been tedious and trying; the difficulties were many and most perplexing. However, their successful solution laid the foundation for a period of buoyancy in commerce and industry which can be sustained only through diligence and the application of sound business principles. Constant adherence to the precepts of conservatism upon which enduring prosperity must rest will do much to make permanent the stable business which has been our goal and which is now within our grasp. In this work, the duty of each citizen is clearly defined, and anything less than complete discharge of it will be a surrender to the forces arrayed against the common good.

National Banking System

Developments in the past year have shown more emphatically the necessity for a modernization of the National Bank Act. It is imperative that this be accomplished, and the National Bank Division calls the full strength of its membership to the support of the effort to preserve the National Banking System as a potent force in our industrial and civic life.

National Bank Circulation

No lessening of the desirability of National Bank Circulation and of its importance in American finance has followed the curtailment of its volume. The National Bank Division proclaims again its advocacy of the retention of such currency and calls

upon the Federal Government to treat it with the same business acumen as determines its position on other financial questions.

The Federal Reserve System

In its eleventh year of notable usefulness the Federal Reserve System stands as a monument on the highway of American finance. Without it our nation would be groping still for the stability which has come into our financial system. We recall the difficulties which the Reserve System was designed to correct, and we realize its complete mastery over those problems. We feel that our country is forever freed from the money disturbances which formerly were visited upon it—that an adequate unifying and co-ordinating force has supplanted the unscientific and wholly ineffective machinery of earlier years.

What we must be concerned with now is the preservation and the improvement of the system. Notwithstanding the gratifying total of its accomplishments likely it is susceptible to further refinements. Efforts to change it will be made from time to time and we must be alert to test the wisdom of the proposals and to protect the system against those who would curtail its efficiency. Its basic principles are unquestionably sound and its preservation in substantially its present form is essential.

The National Bank Division of the American Bankers Association reaffirms its faith in the Federal Reserve and repledges its support to any movement which will add to the effectiveness of that system which is already recognized as the greatest stabilizing influence exerted in finance.

Speakers

To the speakers who so generously and in such masterly fashion gave of their time and their experiences, the Division expresses its sincere thanks. Their contributions have created a better understanding of the several important subjects discussed, and distinguished the convention as a profitable as well as a pleasant gathering.

Officers

The Division hereby makes formal acknowledgement of its deep appreciation of the loyal services rendered by its retiring president Edgar L. Mattson, and his associates. Under their able leadership the interests of member banks were continuously advanced. They gave constantly and unreservedly and effectively of their time and their energies for the accomplishment of the purposes of our association and for the

HAROLD A. DANNE

Gas and Electric Utility Engineer

Specializing in—

Generating Plants—Group Substations—Tie Substations—Distribution Systems—Electrolytic and Industrial Processes.

Development, Consolidation, Extensions, Layout, Equipment.

41 PARK ROW, NEW YORK, N. Y.

Telephone, Cortland 2142-3



© UNDERWOOD & UNDERWOOD

DWIGHT W. MORROW

Of J. P. Morgan & Co., whose responsibilities as chairman of President Coolidge's Aircraft Board of Inquiry prevented his appearance as a speaker at the general convention

attainment of the goal set by the National Bank Division.

At the close of the meeting, the following officers were elected to serve for the ensuing year:

President, W. C. Wilkinson, president, Merchants and Farmers National Bank, Charlotte, N. C.; vice-president, Charles W. Carey, president, First National Bank, Wichita, Kansas; members of the executive committee H. J. Haas, vice-president, First National Bank, Philadelphia, Pa.; Charles B. Lewis, president, Fourth National Bank, Macon, Ga.; R. D. Smeath, president, Commercial National Bank, Tiffin, Ohio; and T. J. Hartman, president, Producers' National Bank, Tulsa, Oklahoma.

Mr. Wilkinson, who has been vice-president of the division for the past

year began his banking training at the age of fourteen in Charlotte, N. C., where he was born in 1866. He attended the public schools of that city and in 1880 he obtained his first position with the Traders National Bank of Charlotte. His business life since 1882 has been spent continuously in the Merchants and Farmers National Bank of Charlotte, in which he has filled all positions from bookkeeper to his present office of president. Mr. Wilkinson's civic activities include membership on the North Carolina State Highway Commission. He is a director in several cotton mills and other commercial enterprises in his state.





Custom Made Garments for Dress, Business and Sport Wear. Golf Jackets and Knickerbockers a Specialty.

M. ROCK - Tailor

315 FIFTH AVENUE, NEW YORK

Services can be had in the following cities :

Cleveland	Steubenville	Wheeling
Pittsburgh	Toledo	Youngstown

My representative visits the above cities once every month

State Secretaries Section Meeting

Record Attendance. McFadden Bill Explained. Formation of Clearing House Associations Urged. Methods of Observing Thrift Week

THE announcement that Thomas B. Paton, general counsel of the A. B. A. was to speak on "The McFadden Bill and Branch Banking" at the meeting of the State Secretaries Section on September 30, drew such a crowd that the room arranged for was unable to hold them all, and several rows of chairs had to be placed in the hall. Heretofore, the meetings of this section have been more or less technical and of little general interest, and consequently have been attended only by the members. There was considerable discussion, after the program had been completed, as to whether the new type of meeting of general interest should be retained, or whether the section should return to its old form of intimate meeting with plenty of discussion of methods, etc. Haynes McFadden, secretary of the Georgia Bankers Association, suggested that in the future a program be prepared "combining the best features of both," and was appointed to head a committee to arrange such a program, the other members of the committee being W. F. Augustine, secretary of the Virginia Bankers Association and M. A. Graettinger, secretary of the Illinois Bankers Association.

Judge Paton, in his talk, gave a very interesting review of the history of the McFadden Bill, and briefly described its provisions, making it as little controversial as possible. There was considerable spontaneous questioning from the floor, after the completion of his speech, which was finally stopped by President Augustine, who said "I am confident that the judge will answer any questions in his office, either by correspondence, or if any one calls on him personally.

"It is not the attempt of this section to have the bill debated, because we don't feel it within our province to con-



GIOVANNI GIRARDON
Vice-president Italian Discount and Trust Company,
New York

sider debate on the subject, and consequently I will ask that no questions be asked the judge at this time with regard to it."

In reviewing the history of the bill, Judge Paton said, in part:

The McFadden Bill was originally introduced on February 11, 1924. It went to the Banking and Currency Committee of the House, where hearings were given upon it quite extensively, and as a result, it was amended and reintroduced in the bill as we now know it H. R. 8887, and reported by the committee to the House of Representatives on April 26, 1924.

The bill, as reported to the House by the committee had two main objectives: (1) To enlarge and modernize the charter power of national banks so that they might successfully compete with state banks, members of



ROYAL ATELIER, N. Y.

HAROLD C. RICHARD

President State Bank of New York

the Federal Reserve System who were operating under state charters. That was one main object.

The second object was to restrict the branch bank privileges of state banks, members of the system, and to accord city branch bank privileges to national banks.

Two or three days after that bill had been reported to the House of Representatives, the spring meeting of the Executive Council of this association was held in Augusta, Ga., and, as you all know, the bill came up for quite general discussion, and as a result of that discussion, while the national bank provisions of the bill were approved as unobjectionable, the branch bank provisions were not approved.

The bill did not come up at the first session of Congress, but during the intervening summer, between the spring meeting and the Chicago convention of a year ago, those interested in the subject of branch banking in the association got together and agreed on certain amendments to the branch bank provisions of the McFadden Bill, popularly known as the Hull amendments, and the sponsors of the bill at Washington, who were taken into consultation, agreed that they, when the bill came up in the House for consideration, would offer and urge these amendments.

In the light of that agreement or compromise, as you might call it, the Chicago convention unanimously endorsed the McFadden Bill as modified by the Hull amendments, and placed the duty upon the execu-

tive officers of the association and the Committee on Federal Legislation of the association to work to their utmost in aid of the passage of that bill.

An intensive campaign was organized and conducted, and as a result, the McFadden Bill passed the House of Representatives by a good majority, containing the Hull amendments in harmony with the resolution at Chicago.

But you will recall there was only a short session of Congress, starting in December. The bill did not pass the House until nearly the last part of January. The session ended the third or fourth of March, and there was absolutely no time to get that bill through the Senate. It did go to the Senate committee where there were further hearings and where the opponents of certain branch bank provisions in the bill, notably from California, who believed in state-wide branch banking, succeeded in getting the Senate committee to amend the bill in a way which was objectionable and not in accord with the resolution adopted at Chicago.

The bill, however, did not come to a vote in the Senate because the remaining time was too short, and with the close of the sixty-eighth Congress, the whole legislation failed.

Judge Paton then went on to describe the provisions of the bill. It allows a state bank to consolidate directly with a national bank, instead of the former cumbersome method of liquidation and reorganization into a national bank. It provides for indeterminate charters for national banks instead of the ninety-nine year ones now provided. It allows national banks to purchase real estate such as is necessary for the "accommodation in its business" instead of for the "immediate accommodation," etc. It allows a national bank organized in an outlying district of a large city which is now required to maintain a capital of \$200,000 to be organized with a capital of \$100,000. It empowers national banks to declare stock dividends, legalizes the office of chairman of the board, and clarifies the provision regarding the loan limit to any one borrower. It allows a national bank to certify a check for which the funds have been deposited but for which the book entry has not yet been made. It allows the president to designate the vice-president or assistant cashier to verify reports of condition of the bank in case of his and the cashier's

absence. It allows the national banks to rediscount such paper as is eligible for such a bank to loan on. It empowers national banks to subscribe to the stock of safe deposit companies to the extent of 15 per cent. of capital and surplus. It makes it a crime for an examiner or assistant examiner to steal funds from a national bank. It extends the period on which national banks may make loans on city real estate from one year to five years. Finally, it allows national banks to go into the investment business.

The provisions of the bill regarding branch banking are that "national banks can only have branches (city branches only) in those states which at the time of the approval of the act allow state banks to have branches." The bill does not affect the existing state-wide branches of state bank members of the Federal Reserve System, but restricts the future establishment, by existing members of state-wide branches, and limits branches to the city in which the head office is located. It further limits the city branches of existing member banks to those states which now permit branch banking. State banks, prospective members of the Federal Reserve System are not allowed to bring in any branches whatever.

"In other words," said Judge Paton, "the purpose and meaning of this McFadden Bill, as passed by the House, is to restrict in states which now have branch banking the branches to cities, and in the states which do not now have branch banking, not to permit either state-wide or city branches.

"In the states which now do have branch banking, there can be city branches only, and there cannot be state-wide branches except in the single case of members now in the Federal Reserve System which now have state-wide branches.

"The effect of these provisions is this: it checks the further growth of branch banking in two-thirds of the states, because it allies against any movement in a state legislature to establish state-wide branch banking three forces; the



CRAIG B. HAZLEWOOD
Vice-president Union Trust Company of Chicago,
who spoke on "Better Banking Methods" at
the meeting of the State Secretaries
Section

national banks which cannot hope to have branches, the state banks in the system which cannot hope to have them, and the independent or unit system of banking."

Craig B. Hazlewood, vice-president of the Union Trust Company, Chicago, Ill., in discussing "Better Banking Methods," pointed out the constant necessity for the study of sound banking methods, illustrated plainly by the great number of bank failures each year "most of them, in one phase or another due to the lack of proper management." Furthermore, "there is a new group of banks springing up every year, and there is need every year of preaching the doctrines of sound banking practice." He suggested that it would be very wise for each state association to have a place on its annual program for the discussion of the causes and circumstances in connection with each of the several bank failures which took place in that state during the preceding year.

Another thing that the state associations can do is to stand back of legisla-



● HARRIS & EWING

JOHN POOLE

President Federal-American National Bank, Washington, D. C.

tion which imposes intelligent legal restrictions on banks, and to work for more efficient methods of bank supervision. One of the most efficient methods yet devised, he said, is by means of a clearing house association or credit bureau. He then proceeded to describe in some detail the work and advantages of such an association (which are given in detail in the report of the president of the Clearing House Section elsewhere in this issue) and urged the further extension of these associations as a real service to the banks, the association, and the public.

Edwin Bird Wilson, chairman of the Advertising Council of the National Thrift Committee, described "National Thrift Week" as "a brief season for active thinking upon a subject that ought to be our universal thought all of the time." He described the conduct of

the campaign by the Y. M. C. A., and gave numerous examples of the way thrift week is observed in different cities; by exercises in the public schools, by joint advertising campaigns, by window displays, by distribution of budget books, etc., and concluded with the suggestion that the A. B. A. support the movement, and try to extend the idea beyond the mere week.

At the close of the meeting, the following officers were elected to serve for the ensuing year: president, Eugene P. Gum, Oklahoma; first vice-president, Harry G. Smith, Kentucky; second vice-president, W. A. Philpott, Jr., Texas; and members of the board of control, S. A. Roach, Ohio; and E. J. Gallien, New York.

Mr. Gum, who is secretary of the Oklahoma Bankers Association, was

born in Strasburg, Mo., in 1878. After attending the University of Missouri and Kansas City Law School (from which he was graduated in 1898) he practiced law for several years.

In 1903 he entered the banking field,

becoming cashier of the Bank of Sayre, Oklahoma. In addition to his office as secretary of the Oklahoma Bankers Association, Mr. Gum is president of the Central States conference, covering 17,000 banks.



Convention of Association of Bank Women

MISS Marjorie E. Schoeffel, assistant secretary and assistant treasurer of the Plainfield Trust Company, Plainfield, N. J., speaking before the first session of the convention of the Association of Bank Women on September 29, on the general subject of "Recent Trust Legislation," discussed the Federal estate tax, the inheritance taxes of the various

states, and the gift tax. "Many of you, not actively engaged in tax work may wonder how this subject directly affects you," she said, "but the banker of today owes it to his bank and to himself and herself to be informed on the present tax situation. Existing tax laws are so numerous and the rates so high that the time and interest of the keenest men and women in the country have been



MRS. WILLIAM LAIMBEER
Assistant cashier National City Bank, New York,
re-elected president of the Association of
Bank Women



MISS JEAN ARNOT REID
Manager women's department Bankers Trust
Company, New York, re-elected vice-pres-
ident of the Association of Bank Women



● UNDERWOOD & UNDERWOOD

OSCAR W. UNDERWOOD

U. S. Senator from Alabama, who addressed the State Bank Division on "Consolidation of the Railroads"

enlisted to aid in the effort to reduce both laws and rates. In the present day when all financial institutions are vying with each other in serving their depositors, the institution that will grow in deposits and profits is the one which counsels and advises its patrons to exchange or sell securities that would be subject to high tax rates thereby saving customers actual money."

Miss Schoeffel described the growth of the Federal inheritance tax law as follows:

Our national Government has tapped this source of revenue four times. First, in 1797, when a stamp tax was imposed on legacies or any share of a personal estate received at the death of the owner. The purpose of this law was to raise revenue with which to pay the cost of the Revolutionary War. Without going into details, the rate amounted approximately to two-

tenths of 1 per cent. Having served its purpose in the emergency, the tax was repealed in 1802. Again, during the Civil War the Federal Government imposed an inheritance tax, fixing very moderate rates. The law went into effect in 1862 and yielded about \$1,500,000 annually. It was repealed in 1870. Again in 1898, because of the expense of the Spanish War, an inheritance tax was imposed, the maximum rate for direct heirs being 2¼ per cent. In its best year, this tax produced \$5,000,000 of revenue. It was repealed in 1902. This form of taxation was not in operation again until 1916, when a maximum rate of 10 per cent. went into effect. In March 1916 the rate was increased to 15 per cent., in October of the same year it was again raised to 25 per cent. and in 1924 the maximum rate was increased to 40 per cent., which rate, now in effect, is the highest ever imposed by the Federal Government on estates.

Miss Schoeffel gave several examples of the effect of duplicate taxation by

several states, and showed how it frequently happens that the tax is so high that its payment uses all the liquid funds in an estate, so that all that is left for the widow is property, which needs experienced and expert management. In some cases, even the property has to be mortgaged to raise the necessary cash for the collector.

But there is little hope of repeal of the inheritance tax, according to Miss Schoeffel, because it is one of the war taxes, and although the war is over, it still has to be paid for, and "as long as revenue is needed to pay interest and principal on the war debt, to take care of the incapacitated, to provide for the adjusted compensation, and to meet other forms of outlay the plea that war taxes as such are unwarranted does not carry much weight."

Discussing the gift tax, she questioned its constitutionality, and said that it is unnecessary for purposes of revenue. The publicity provision of the income tax is also ineffective as a means of stopping fraud. "But" said Miss Schoeffel, in conclusion, "It is never difficult to point out the weak points of a tax law. If our whole system of taxation is to be strengthened and improved, the counsel and aid of men and women possessing a thorough knowledge of taxation in all its phases must be enlisted to work toward that end."

At the same session, Mrs. F. J. Runyon, president First Woman's Bank, Clarksville, Tenn., spoke on "Women, Business and Banking," and Miss Julie Russel, of the Union Trust Company, Detroit, Mich., on "New Business—Bank Development." All of the addresses were followed by discussions.

Miss Doris Stevens, editor of *Equal Rights*, the only women's weekly in the country, spoke at the annual banquet of the Association of Bank Women, held on September 29, on "Woman-Power." She reviewed the exclusion of women from the freedom of choice which men enjoy, and her "slavery" in the home. "For," she said, "so long as the women in the home, and this means the overwhelming per cent. of



JOHN G. LONSDALE
President National Bank of Commerce
in St. Louis

women, perform the work in the home without money reward, they are in the class of slaves." She emphasized the necessity for an arrangement where the partnership of the home shall be financially satisfactory to both parties. Miss Stevens, in conclusion, said:

Civilization has tried every plan known to human kind except using woman-power. It has tried empire, monarchy, oligarchy, republicanism, democracy. It has never tried sharing authentic woman-power with man-power. We have been and still are competitors. We should be co-partners in the whole business of life.

Let us try the full use of woman power before we decry it.

At the close of the meeting, the officers were re-elected, to serve for another year: president, Mrs. William Laimbeer, assistant cashier National City Bank, New York; vice-president, Miss Jean Arnot Reid, manager women's department Bankers Trust Company, New York; recording secretary, Miss Lillian Backus, personal service director Greater New York Savings Bank, New York; treasurer, Miss Caroline Olney, manager women's de-

partment Chemical National Bank, New York; and corresponding secretary, Miss Mina M. Bruere, assistant secretary Central Union Trust Company, New York.

Mrs. Laimbeer first entered banking in 1919, after having served as manager of the Bureau of Home Economics of the New York Edison Company. She was placed in charge of the women's department of the United States Mort-

gage and Trust Company, New York, in charge of the Madison avenue branch. She was so successful in this that six months later she was appointed assistant secretary and given charge of the women's departments in all the Manhattan branches of that institution. In March of this year she became assistant cashier of the National City Bank, New York, in charge of its women's banking department.

Record of Past Conventions

THE following is a record of all conventions of the American Bankers Association held prior to this year:

1875 Saratoga Springs, N. Y.
 1876 Philadelphia, Pa.
 1877 New York, N. Y.
 1878 Saratoga Springs, N. Y.
 1879 Saratoga Springs, N. Y.
 1880 Saratoga Springs, N. Y.
 1881 Niagara Falls, N. Y.
 1882 Saratoga Springs, N. Y.
 1883 Louisville, Ky.
 1884 Saratoga Springs, N. Y.
 1885 Chicago, Ill.
 1886 Boston, Mass.
 1887 Pittsburgh, Pa.
 1888 Cincinnati, Ohio.
 1889 Kansas City, Mo.
 1890 Saratoga Springs, N. Y.
 1891 New Orleans, La.
 1892 San Francisco, Calif.
 1893 Chicago, Ill.
 1894 Baltimore, Md.
 1895 Atlanta, Ga.
 1896 St. Louis, Mo.
 1897 Detroit, Mich.
 1898 Denver, Colo.
 1899 Cleveland, Ohio.
 1900 Richmond, Va.
 1901 Milwaukee, W. J.
 1902 New Orleans, La.
 1903 San Francisco, Calif.
 1904 New York, N. Y.
 1905 Washington, D. C.
 1906 St. Louis, Mo.
 1907 Atlantic City, N.
 1908 Denver, Col.
 1909 Chicago, Ill.
 1910 Los Angeles, Calif.

1911 New Orleans, La.
 1912 Detroit, Mich.
 1913 Boston, Mass.
 1914 Richmond, Va.
 1915 Seattle, Wash.
 1916 Kansas City, Mo.
 1917 Atlantic City, N. J.
 1918 Chicago, Ill.
 1919 St. Louis, Mo.
 1920 Washington, D. C.
 1921 Los Angeles, Calif.
 1922 New York, N. Y.
 1923 Atlantic City, N. J.
 1924 Chicago, Ill.
 1925 Atlantic City, N. J.

The convention will be held in Los Angeles, Calif., in 1926.

Attendance records from 1909 to 1925 are as follows:

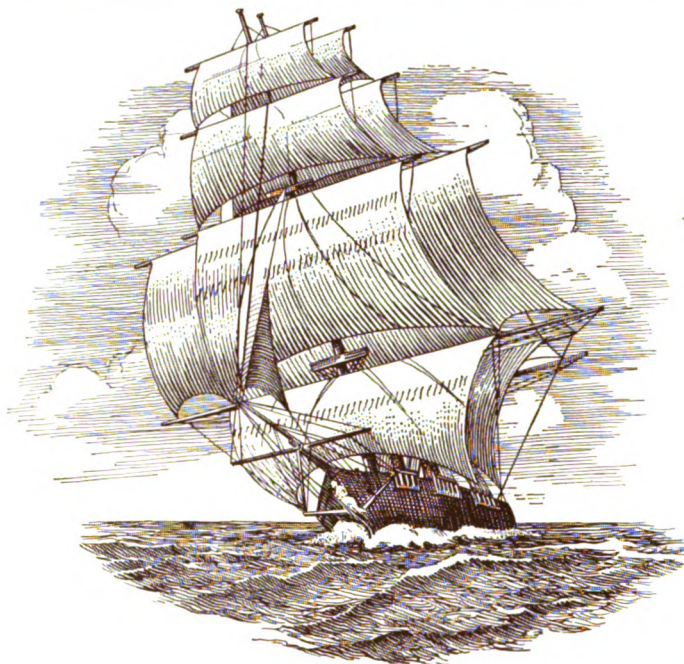
Date	City	Attendance
1909	Chicago	4,600
1910	Los Angeles	2,750
1911	New Orleans	2,825
1912	Detroit	1,850
1913	Boston	4,235
1914	Richmond	2,680
1915	Seattle	2,500
1916	Kansas City	4,316
1917	Atlantic City	3,120
1918	Chicago	4,259
1919	St. Louis	3,597
1920	Washington	4,092
1921	Los Angeles	3,854
1922	New York	11,503
1923	Atlantic City	4,473
1924	Chicago	7,083
1925	Atlantic City	3,942



THIS new home of the uptown office of the Italian Savings Bank was recently opened at 204 East 116th Street, New York. It was erected under the supervision of the office of

C. P. H. GILBERT
ARCHITECT

Bank Architecture Specialist
METROPOLITAN TOWER—MADISON SQUARE—NEW YORK



IN THE early days of wooden ships and iron men, at a period when fast clipper ships were beginning to sail the seven seas and dominate world commerce, the Atlantic Bank was incorporated, and dedicated to the service of the community. The clipper ship has since been accepted as most emblematic of this bank because of the important part such vessels played in the Atlantic's early history and because they most exactly typify the early traditions of New England.

DURING the intervening century, the Atlantic National Bank has become one of the leading institutions of the country, with resources exceeding \$100,000,000, and connections in all parts of the world. We are now in a better position than ever to accomplish a complete and well-rounded banking service, both domestic and foreign, for correspondent banks, corporations, and individuals.

We offer to bankers everywhere the fullest use of our facilities. Drafts may be issued under our protection, on any part of the world, at advantageous terms.

Both your Domestic and Foreign business is invited.

THE
ATLANTIC NATIONAL BANK
OF BOSTON

Original Charter 1828

Banking Publicity

Special Section of The Bankers Magazine

OCTOBER 1925

Personal Solicitation As a Part Of The Trust Selling Campaign

Article IV of a Series on a Complete Campaign for New Trust Business

By THEODORE TEFFT WELDON

Advertising Manager Northern Trust Company of Chicago

THE efficacy of personal solicitation of trust business by salesmen employed for that purpose alone is a much mooted question. Both sides of the argument are sound and the correct answer must be individual with each trust company, based upon the lineup of its entire new business scheme. In the situation confronting many companies, there is no definite niche into which the solicitor will fit. He must make his job and make it profitable, and under such conditions his em-

ployment is of doubtful value. The outside activity of the officers and staff of the trust department in such cases is highly important, and should be accorded as thorough planning and effort as their inside work.

In other companies where a plan is followed for securing new business consistent with that outlined in the previous articles of this series, a definite leak may be discovered which may sometimes be plugged by a special solicitor. Although new business may be coming in at a

reasonable rate, it will be found that there is an unreasonable ratio between the large number of inquiries, nibbles and leads and the much smaller number of new clients. The natural ambition of the heads of the company is to apply some curative to that ratio. What can be done in the way of direct mail and the amount of personal attention they can themselves give it is not enough. When the new business and advertising department takes hold of the problem, its first effort will be in getting the co-operation of everyone in the bank.

Getting the Co-operation of Everyone in the Bank

The mainspring of this co-operation is the degree of interest in it held by the controlling executives of the com-



MANAGING an estate is too important a task to be treated as a side issue by a friend or relative. There is too much at stake for your beneficiaries. Your executor-trustee must be vigilant and energetic. He must stand ready to take every step required of him **ON TIME**. Lapses and delays are not condoned by the law. Accounts must be rendered when due. Investment opportunities must be seized when they come. Financial conditions must be forecast and met. To do justice to his work, a trustee must make it his chief interest. This company makes a business of managing estates. It has had 36 years' experience.

Can you afford to have your estate handled as a side issue?

THE NORTHERN TRUST COMPANY
Capital and Surplus \$5,000,000

NORTHWEST CORNER LABALLE and MONROE STS.



HIS knowledge of the family and the personal needs of each member is an advantage. But he usually lacks experience. His life and health are uncertain. He is very likely to be partial to one heir over another. He rarely can afford to give as much of his time to the work as he would like; it is not his principal business.

The company has specialized in this work for more than 36 years, keeps in close personal touch with the heirs, knows what to do every step of the way, knows how and when to do it, intelligently, efficiently.

In some ways a trusted friend is an ideal Executor-Trustee

THE NORTHERN TRUST COMPANY
Capital and Surplus \$5,000,000

NORTHWEST CORNER LABALLE and MONROE STS.

Presenting the management of an estate as a highly specialized business requiring constant and uninterrupted attention. The forceful and dignified tone of layout and copy in the above advertisements are well in keeping with the subject at hand. A generous use of white space throws into effective relief the heavy black of border, illustration and copy.

How to protect your estate and your family

1. Only by a will, can you designate in advance your executor. Without a will you are left to the whim of the court. The court will select the executor for you.
2. If you die intestate, a will, properly and lawfully made, will protect your family. It is the best way to protect your family from the expense and delay of a long and costly legal proceeding.
3. By making a will, you can designate the person who will take care of your estate. You can also designate the person who will take care of your family.
4. By making a will, you can designate the person who will take care of your family. You can also designate the person who will take care of your estate.
5. By making a will, you can designate the person who will take care of your family. You can also designate the person who will take care of your estate.

"That's where we used to live"

His wife's home and \$400,000—but he didn't leave a will.

No man can afford to take the chance for luck.

Send for an Equitable "WILL Memorandum" today. It is a simple form you can fill out in a few minutes—you'll give your lawyer the information he needs in drawing your will.

Read the column at the left.

THE EQUITABLE TRUST COMPANY OF NEW YORK
37 WALL STREET

OFFICE HOURS: 10:00 A.M. to 4:00 P.M. MONDAYS AND THURSDAYS CLOSED. BY APPOINTMENT.

Total resources over \$40,000,000

FACTS every man must face

1. Only by a will, can you designate in advance your executor. Without a will you are left to the whim of the court. The court will select the executor for you.
2. If you die intestate, a will, properly and lawfully made, will protect your family. It is the best way to protect your family from the expense and delay of a long and costly legal proceeding.
3. By making a will, you can designate the person who will take care of your estate. You can also designate the person who will take care of your family.
4. By making a will, you can designate the person who will take care of your family. You can also designate the person who will take care of your estate.
5. By making a will, you can designate the person who will take care of your family. You can also designate the person who will take care of your estate.

Everything is there —except his will

In his safe deposit box are the deed to his home; bonds, stocks, mortgage, insurance policies—enough to keep his wife in comfort and to give his children a fair start in life.

Everything is there—except his will.

Read the column at the left. Make your will today; appoint The Equitable Trust Company.

THE EQUITABLE TRUST COMPANY OF NEW YORK
37 WALL STREET

OFFICE HOURS: 10:00 A.M. to 4:00 P.M. MONDAYS AND THURSDAYS CLOSED. BY APPOINTMENT.

Total resources over \$40,000,000

Two very striking advertisements of a New York trust company, stressing the importance of making a will. Note the ingenious arrangement of additional copy in column form at the left of the advertisements. This latter copy emphasizes the advantages of appointing the trust company as executor-trustee.

pany. The force of their example is the greatest power in illustrating and urging the things they want their associates to do or not to do. Their conduct and speech must impress this co-operation on all hands to exert any worth-while pressure. They should suggest names for the mailing list or to be called upon. They should capitalize their acquaintanceship with likely prospects and pave the way for solicitation by the trust department. They should request reports on the progress made with these prospects.

Assuming that the company's personnel is fairly imbued with the spirit of getting new trust business, the attitude with which it goes about it makes a great difference. This attitude must be trained in an unselfish point of view to the end that when the subject is mentioned the prospect will be impressed with the feeling that it is due to a genuine interest in his welfare. Creating this type of morale is in most cases generally dependent upon the sincere

belief and understanding among the rank and file, of the value of trust service to the client. This is a matter of education. The employe who digs up a lead simply to satisfy the pressure put upon him by his seniors will almost always fail to create any real interest.

There are few individuals in most trust companies outside of the trust department who are qualified to discuss trust matters. The other department officer or employe is probably at his best in this connection when he can get over what might be called the "estate idea" to his prospect. By this is meant the feeling that it is advisable to discuss the subject comprehensively with one experienced in trust matters who can cover its various phases—property, tax, insurance, and family considerations.

The Personality and Training of The Trust Solicitor

The successful trust solicitor is usually upwards of thirty or thirty-five years of age. His education, manner and general

appearance are of necessity acceptable. His tact and experience are broad enough to give him great tolerance and sympathy with the various ambitions and the political, social, business, ethical and religious ideas of the persons he meets.

The solicitor must be well informed on Federal estate taxes, state inheritance taxes, taxes as related to the transfer of stocks in his own and other states, real estate, personal property and local state income taxes. He must be reasonably sure of himself on both Federal laws and departmental rulings relating to the various kinds of trusts and trust provisions. He must be qualified to form at least a general outline of the possibility and expediency of alternative arrangements in a given situation. He should have enough confidence in his knowledge to warrant, when necessary, the expression of an opinion regarding the probability of a given arrangement being adequate to achieve its desired purpose. Where the chance of

achieving a definite end by a trust arrangement is merely a possibility, he should be able to indicate whether the possibility is sufficient to warrant further discussion of the subject. The considerations related to special agreement trusts, revocable or irrevocable, insurance trusts, funded or otherwise, and testamentary trusts, should be familiar to him.

He should have a thorough working knowledge of estate administration, the legal steps and the business problems involved in probating or managing various kinds of property under trust, the organization of his own trust department and its principles and practices.

Securing Leads

Publicity yields a percentage of inquiries of people who are genuinely interested. These inquiries take the form of requests for booklets, forms, conversations with employes of the bank and letters addressed to the trust department. Probably

the most valuable are those initiated by the preliminary conversations of employes and officers, and inquiries made directly at the trust department regarding some specific problem or situation. After the inquiry has been answered, followed up by letters and further discussion whenever the opportunity arises, the time comes when the lead either develops into actual business or dies. It is on these leads at this time that the trust solicitor can be most profitably used to increase the ratio between those which develop into business and those which do not.

There is some reason to believe that reconnaissance calls on customers known to be of good means are profitable when carefully planned and when the solicitor is fortunate enough to have a booklet on some subject of interest to the prospect. Such calls on strangers occasionally discover an excellent lead but extended work of this character is apt to yield too

small a percentage of business to be worth while.

Getting In to the Prospect

This is dependent upon that indefinable ratio between the habits and disposition of the prospect and the personality of the solicitor. The timeliness of his call, his luck or intuition in striking a harmonious chord in introducing the subject, are matters shrouding the occult art of salesmanship. The careful preparation of calls will frequently so inform the solicitor that he can discover in advance an angle of the subject which will interest the prospect or secure a considerate hearing leading to a fuller discussion. This is a part of the sales process which has been pretty well covered in a previous article.

Closing the Deal

Trust solicitation involves the closing of several deals as the situation develops step by step. The policy in many companies

Is it better to leave my property outright — or in trust?

THAT depends upon your own particular situation. If those for whom you must provide are not thoroughly experienced in the handling of business and financial affairs, a trust is better.

By creating a trust, you may have the principal kept intact and the income paid out as you direct. Or you may authorize payments from the principal under such circumstances as you desire. A trust runs for such a period within the law as you wish, after which the principal is distributed as you have dictated.

Your trustee attends to the investing of funds, as directed by you or according to law, the collection of income, the computing and filing of tax returns and all business and financial details involved in handling a trust.

THIS is one of a series of answers to questions about your will and the property you leave. Complete answers to all these questions will be found in booklets obtainable free of charge at any of our offices.

Our officers are always glad to give information concerning our services. Irving Bank-Columbia Trust Company.

Offices—**DENVER:** 60 Broadway; 81 Fulton St.; Woolworth Bldg.; West Broadway at Chambers St.; Broadway at Eighth St. **MILWAUKEE:** Fifth Ave. at 32nd St.; Fifth Ave. at 34th St.; East 42nd St., opp. Grand Central; Park Avenue at 48th St. **HARTFORD:** 151th St. at Seventh Ave. **BOSTON:** Third Ave. at 14th St.; Southern Boulevard at 163rd St.; East Fordham Road at Marion Ave. **BROOKLYN:** 120 Fulton St.; Flatbush Ave. at Linden Blvd.; New Utrecht Ave. at 53rd St.

When is a will invalid?

Many things may render your will invalid, such as failure to sign it in the proper place or an insufficient number of witnesses.

Errors, interlineations, or other changes made at a later date than the will itself are not valid.

The laws governing the execution of wills differ in various States. You should consult a lawyer to insure that your will is so drawn that it will conform to the laws of the State in which you live.

THIS is one of a series of answers to questions about your will and the property you leave. Detailed answers to all these questions will be found in booklets obtainable free of charge at any of our offices.

Our officers are always pleased to give information concerning our services. Irving Bank-Columbia Trust Company.

Offices—**DENVER:** 60 Broadway; 81 Fulton St.; Woolworth Bldg.; West Broadway at Chambers St.; Broadway at Eighth St. **MILWAUKEE:** Fifth Ave. at 32nd St.; Fifth Ave. at 34th St.; East 42nd St., opp. Grand Central; Park Avenue at 48th St. **HARTFORD:** 151th St. at Seventh Ave. **BOSTON:** Third Ave. at 14th St.; Southern Boulevard at 163rd St.; East Fordham Road at Marion Ave. **BROOKLYN:** 120 Fulton St.; Flatbush Ave. at Linden Blvd.; New Utrecht Ave. at 53rd St.

Does it cost more to have a Trust Company or an individual administer my estate?

THIS fee—The fee of a trust company as executor or trustee is not more than that allowed an individual. The fee is defined by law.

ADDITIONAL EXPENSES—Because a trust company is familiar with all procedure involved—and because it has special facilities for this work—it incurs few of the extra expenses which individuals often incur.

THE UNFIXED COST—This is often the cause of the greatest loss to an estate—the loss due to the inexperience and unusual business judgment of personal executors. It is here that an organization of experienced men can be of the greatest service in protecting the value of what you leave.

THIS is one of a series of answers to questions about your will and the property you leave. Complete answers to all these questions will be found in booklets obtainable free of charge at any of our offices. Our officers are always glad to give information concerning our services. Irving Bank-Columbia Trust Company.

Offices—**DENVER:** 60 Broadway; 81 Fulton St.; Woolworth Bldg.; West Broadway at Chambers St.; Broadway at Eighth St. **MILWAUKEE:** Fifth Ave. at 32nd St.; Fifth Ave. at 34th St.; East 42nd St., opp. Grand Central; Park Avenue at 48th St. **HARTFORD:** 151th St. at Seventh Ave. **BOSTON:** Third Ave. at 14th St.; Southern Boulevard at 163rd St.; East Fordham Road at Marion Ave. **BROOKLYN:** 120 Fulton St.; Flatbush Ave. at Linden Blvd.; New Utrecht Ave. at 53rd St.

Answering three questions which are of interest to makers of wills. One unusual feature of these trust advertisements of a New York bank is the manner in which the bank's name and a list of the locations of its various offices, have been run in with the copy. The copy seeks to arouse interest in and inquiries for a number of booklets which the bank has published, thus gaining additional distribution for them.



How many states will levy an Inheritance Tax on your property?

It comes as a surprise to most men to learn that no matter in what state of the Union a man may live at the time of his death, his estate may be heavily taxed by a number of different states, even though he may own no real property in any of them.

How your interests will be affected by the Inheritance Tax Laws of many states, and the Federal Estate Tax Law, how taxes will be assessed, the tangle of difficulties commonly encountered and how they may be met are questions which are clearly and concisely discussed in a brief book we have just published.

We cordially invite you to send for "The Vital Matter of" *Inheritance Taxes* without the least obligation.

THE NORTHERN TRUST COMPANY
Capital and Surplus \$1,000,000

NORTHWEST CORNER IN BALLE AND HOWARD STREETS

An advertisement directed at a special group of persons who are likely to be interested in the particular subject which it discusses, and in the angle of approach which the copy takes. The advertisement is designed to get added distribution for a booklet on inheritance taxes published by the bank.

is to establish the close, from the solicitor's standpoint, at the point where the prospect calls at the bank for a conference with the senior trust officers. Of course, it happens from time to time that the solicitor's work results in the prospect's taking action with his own attorney without going to the trouble of interviewing the trust department. The majority of men, however, wish to make their final arrangements directly with a senior officer. Indeed, it appears desirable for the solicitor to refrain from discussing the situation in too great detail if he has grounds for believing that he can induce the prospect to call for an interview at the trust department. Something of interest or importance relative to the specific situation should be left for development or discussion during this inter-

view. It is quite naturally disappointing to a prospect who suffers the inconvenience, actual or notional, of paying a call at the bank only to find that he learns nothing new and his time and trouble have been used to no avail. If there is nothing new to tell him, however, great care should be taken to ward off this disappointment by seeing that he receives very definite impressions of the character, experience, standards and methods of the department and its senior officers—matters upon which he should be thoroughly familiar before entrusting any company with his property.

Of course, many men procrastinate exasperatingly in this matter of closing the deal, but there are very many cases, indeed, which appear in this light where in reality the prospect knows that coming even's will interfere with the proper consideration of the subject at the particular time. On the other hand, where it is sheer procrastination, the solicitor must estimate whether it is due to lack of interest, faulty realization of the importance of the considerations involved, fear of being committed to an expense which may prove greater than has been indicated, superstition about making a will, or other reasons. He must use a very nice judgment in deciding whether the attack should be serious or jocular, or whether he is justified by his efforts and his degree of acquaintance in demanding action as a matter of fairness and courtesy to himself.

When to Drop a Prospect

This must remain largely in the judgment of the solicitor. If it is discovered that the prospect has smaller means than was estimated and that his account does not warrant arduous follow-up, he should be dropped. If he refuses to

discuss the subject further or shows irritation at being followed up, he may be dropped for a period of time, with the possibility of making calls later on. When he should be struck from the mailing list is a matter to be decided by the policies of each bank.

The Trust Solicitor's Volume

How much business may be expected of a trust solicitor depends upon the standing of the trust company, the wealth of the community, the quality of leads furnished him, the amount of work which has been done on these leads prior to their being turned over to him, and finally and most important, the trust solicitor himself—his acquaintanceship, his standing, his intelligence, knowledge, bearing, and his flair for the work. It is not unusual for a man who has found his bent in this activity to play some part in signing up fifty customers in a year, and as he is probably working only upon men of considerable means, this results in a very profitable volume of business.

Priming the Trust Officers on Handling New Business Inquiries

A phase of new business getting which needs careful study is the development of a sales sense among the senior officers of the trust department. These officials are properly inside men of long experience and large ability in the business of handling estates. They are swamped with work. They rightly consider that their first obligation is to take proper care of the property given into their custody. It is only natural when they are working under the pressure of these affairs to be somewhat loath to turn their attention, with all the cordiality required, to someone who comes nosing around for information. It

must be remembered that these prospects approach the subject very skittishly and do not at once discover themselves to the trust officer as prospects.

Here is a situation for the trust officers to discuss with

each other in conference. They will very quickly appreciate and admit there is much merit in their being ever on the alert to scent the approach of new business and to curry it with deftness.



If your business will require ready funds and expert attention at your death—

7 ways
a business man can protect his family and property

SOME evening you will leave your office for the last time. What then?

Will the enterprise to which you have given the best years of your life—into which you have tried to build a competency for your family—go to pieces because legal processes move too slowly to provide the ready money and experienced attention every business must have every day?

The Trust Department of this Bank is exceptionally complete, placing at the disposal of our patrons seven flexible plans for protecting the family and estate. Plan No. 3 is indicated by the above conditions. No matter what your situation is, one of these seven trust plans will help you.



The Seaboard National Bank

116 ROANOKE ST. ROANOKE, VA. 24002

How Banks Are Advertising

“SOME Time in October” is the title of an effective little folder published by the Bluefield National Bank of Bluefield, West Virginia. The folder has to do with the bank's projected removal of its quarters to a new building. A very judicious use of ample white space has been made in the layout which includes some brief words regarding the bank's opening in its new quarters, and also a floor plan of the new quarters.

“purpose club” departments, and the selling of safe deposit boxes. Directors, stockholders and employees were each divided into teams and each team was given a car of a different color, either red, blue or white. The course of the race was laid out through various cities of the state starting and ending at Portland. Each of these cities was to be the week's imaginary destination and the team ahead at the end of that period would be the winner for that phase of the race. Prizes were given to individuals leading at the end of the week as well as team prizes. Week-to-week progress of the race was shown on a large chart hung in the bank and giving relative positions of the automobiles.

CO-INCIDENT with the celebration of the California Diamond Jubilee in San Francisco the First National Bank of that city and its affiliated institution, the First Federal Trust Company, published in colors, on shaggy paper of a well chosen design, a folder outlining the principal events of the jubilee and inviting the bank's depositors and their friends to make the bank their headquarters during the celebration of the jubilee.

A BOOKLET entitled “What Will Happen to Your Property if you Leave no Will,” and very ingeniously planned, has recently been published by the Central Trust Company of Illinois. The booklet is graphically arranged and shows how the real and personal property of a resident of Illinois would be distributed if he should leave no will. The cover design of the booklet is very attractive.

AN employes' new business campaign recently conducted by the Chapman National Bank of Portland, Maine, brought in 1245 new accounts. The campaign took the form of an imaginary automobile race through the State of Maine by the directors, stockholders and employes of the bank. It had for its purpose the obtaining of new accounts in checking, savings, collection and

“SOLVING the Problems that Confront your Estate” a booklet published by the Chase National Bank of New York is a memorandum book simplifying the matter of the

drawing up of a will. To facilitate distribution of this booklet the Chase National is publishing two attractive folders in colors entitled “Members of Partnerships and their Wills” and “Your Business in the Surrogate's Court.” These folders discuss the matters referred to in their titles, and then close by seeking requests for the booklet mentioned above.

TWO folders recently published by the Liberty Trust and Savings Bank of Chicago give very good examples of effective direct mail publicity on the part of a bank's bond department. The folders are entitled “Make Your Money Earn More” and “We Offer and Recommend Kenneth Court

(Continued on page 578)

Banking Publicity

RICHARD F. DURHAM, Editor

Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

OCTOBER 1925

AS this column is written, prospects for the Tenth Annual Convention of the Financial Advertisers' Association at Columbus, Ohio, October 14-15-16 point to a convention that will surpass in both attendance and interest any previous meeting held by the organization.

Starting ten years ago as a modest little organization, backed by a small group of far-sighted bank advertisers who had a firm and sincere belief in the future of financial publicity—a group which included such men as Fred W. Ellsworth, Guy W. Cooke, Marvin E. Holderness and O. Howard Wolfe—the Financial Advertisers' Association has more than justified the confidence which these men had in its future.

Today the association numbers well over 600 members, and is constantly gaining in strength, prestige and importance. The men and women who constitute the association's membership have a twofold responsibility—in their hands are the threads of contact which link their respective institutions with the outside world, and on their shoulders

rests the responsibility for the judicious expenditure of the millions of dollars their banks invest annually in financial publicity. The growth and development of bank advertising, and the important place which it has attained in the general scheme of banking activities, bear witness to the success with which these men and women of the financial advertising fraternity have met their tasks.

The meeting of the Financial Advertisers' Association at Columbus this year, marks the organization's second meeting as a separate unit. The association is a departmental of the Associated Advertising Clubs of the World, and meets annually as a division of the latter at its conventions. It was felt last year, however, that a separate meeting, with nothing to hold the members from keeping their attention concentrated on the problems of financial publicity, would prove of practical value both to the association and its membership.

Consequently, following the annual convention of the Associated Advertising Clubs of the World in London, England, in June 1924, at which the F. A. A. was ably represented, it was decided to hold a separate meeting at Richmond, Va., in October of that year. This meeting was held, and was such a decided success that the directors decided,

with the enthusiastic approval of the members, to make the separate meeting a permanent fixture, and, later, Columbus was chosen as the 1925 convention city.

In the plans for the Columbus meeting this year all steps have been taken to make the program and the sessions as comprehensive and of as practical and helpful a nature as possible. Attention will be given to all phases of banking and bank and investment advertising. The exhibit of financial advertising, which is an annual feature of the convention, promises to surpass any previous exhibit in both number and quality of displays.

The proceedings of the Columbus convention of the Financial Advertisers' Association will, as has been the case with previous conventions of the association, be fully covered in **BANKING PUBLICITY**. A complete resumé of the proceedings, in which all important features will be stressed, will appear in the November number.



BANK employe house organs are admittedly a good means of arousing employe interest and loyalty in the affairs of the bank, and of sustaining employe enthusiasm and a spirit of co-operation. But, to accomplish these things, an employe house organ must

offer something that will strike a responsive chord in the employes' hearts. And one of the best methods of doing this is to keep the house organ as full of the human interest element as possible—something which requires no little skill and originality.

A striking example of human interest personified is to be found in an interesting innovation of the Union Trust Company of Cleveland, which recently issued a special "Family Album" number of the *Union Trust Teller*, the bank's weekly employes' magazine.

Miss Telsa Friedman, the enterprising editor of the *Teller*, carried out this idea, which was conceived some time ago by the editor preceding her, of collecting together a varied assortment of old photographs and snapshots, relics of by-gone days, showing both individuals and groups from among both officers and employes who were with the bank at the time they were taken, and who are still at the Union Trust. A discriminating selection was made of these, cuts were made, appropriate captions written, and a dummy made up after the fashion of an old family album or scrap book. From this came the "Family Album" number of the *Teller*. A double spread from this number, and the cover, are reproduced on accompanying pages in this issue of *BANKING PUBLICITY*.

IT is no unusual thing for a bank, in the present day, to go to the expense in its advertising of giving wide publicity to the city or community in which it is located. Repeated examples of this have come to the editor's attention within the last year and have been mentioned in the columns of *BANKING PUBLICITY*. But this idea has perhaps received its widest and most extensive application in a plan recently adopted by the Planters National Bank of Richmond, Va.

Within recent months the Richmond Chamber of Commerce has been conducting a very successful campaign to secure the co-operation of advertisers of nationally known articles and services in advertising the City of Richmond.

Among the first Richmond advertisers to act on the suggestion of the local Chamber of Commerce with regard to giving the city widespread publicity was the Planters National Bank. The bank has prepared an advertisement, reproduced on this page, which is now being given nation-wide publicity among financial institutions of the country, reaching bank executives in every state of the Union. This advertisement is appearing in leading national and sectional financial publications, and was given wide distribution at the convention of the American

A City With A Future!

During the past several decades the South has made steady, and consistent progress. National business concerns are establishing plants in the Southland, many because of favorable climatic conditions, and proximity to the source of raw materials.

RICHMOND, VIRGINIA, located midway on the Atlantic seaboard, with its excellent transportation facilities, and labor 97% American; is one of the country's coming metropolitan centers. A city with a future. Mark its growth in the past fourteen years:

	1910	1924
Population	127,668	191,000
Building Operations	\$3,598,649	\$13,619,000
Assessed Valuation		
Real Estate.....	64,470,091	200,000,000
Value of Manufactures	90,281,408	245,064,000

RICHMOND is the center of the Fifth Federal Reserve District, and its financial institutions have kept pace with its growth. Compare these figures:

	1910	1924
Bank Clearings ..	\$374,794,873	\$2,823,260,809
Combined capital and surplus.....	12,523,100	28,774,473
Combined Assets ..	57,733,140	165,812,850
Combined Deposits	39,807,100	127,284,851

The Planters National Bank, established in 1865, has kept step with the march of progress. During the fourteen year period, 1910 to 1924, its resources have increased from \$6,657,982.99 to over \$20,000,000.00.

To those needing a banking connection in Richmond's territory the Planters offers a complete, well rounded, and efficient service.

Planters National Bank RICHMOND, VIRGINIA

NOTE: The Richmond Chamber of Commerce will gladly furnish all information regarding the city's opportunities.

A Richmond, Va., bank, through the medium of the above reproduced advertisement, is giving nation-wide publicity to the City of Richmond in the manner described in the accompanying column.

Bankers Association which has just been concluded at Atlantic City.

Additional circulation has been given the advertisement through its publication in the "Golden Jubilee Book" published by the American Bankers Association as a permanent record of the association's fiftieth anniversary, and in the monthly bulletin of the Financial Advertisers' Association.



A facsimile, in reduced size, of the cover of the "Family Album" number of the "Union Trust Teller," weekly employees' house organ of the Union Trust Company of Cleveland, Ohio. For comment on this number of the "Teller" see editorial column of this number of BANKING PUBLICITY.

How Banks Are Advertising

(Continued from page 575)

Apartments." Each of these folders is accompanied by a letter signed by the manager of the bank's bond department.

A SAVINGS booklet entitled "Plan Your Future," published by the Bowery Savings Bank of New York, contains a number of unusual features which are deserving of comment. The entire booklet is in the form of a series of blue prints presenting a life plan for systematic saving. Each blue print has to do with some specific phase of saving and each one is accompanied by a few brief explanatory paragraphs. The whole idea is a very effective and novel one.

"THE Agricultural and Industrial South," the 21st of a series of four-page folders on industrial New Orleans, has recently been published by the Hibernia Bank and Trust Company of New Orleans. The folder presents the importance of New Orleans as a world port and outlines the present status of its more important industries.

A MONG the bank statements unusually attractively presented which have come into this office recently is that of the Security Trust and Savings Bank of Los Angeles. The statement issued by the Security Trust is printed in colors, has a very striking layout and includes a roster

of the bank's directors and officers and a list of the names, locations and managers of the bank's various branch offices.

"UP From the Soil" Vol. III of "The Manhattan Library of Popular Economics," a series of little books on economic subjects published by the Bank of the Manhattan Company of New York, has recently made its appearance. This third volume of the series deals with an important phase of American agriculture, the subject of wheat farming and related industries. Volume II of the library dealt with the social and economic structure of American railways. Vice-president Harry T. Hall of the bank states that the second volume drew hundreds of letters from farmers, county agents, agricultural schools, railroad officials, millers, western bankers and others urging the bank to devote one book in the series to some phase of agriculture with the result that the bank decided to cover the subject of wheat farming in its third volume.

"THE Magic of Friendship," "Pay Yourself First" and "The Earning Power of your Bond Account" are the titles of three well planned booklets which have recently been published by the Coal and Iron National Bank of New York.

A FOUR page folder recently published by Halsey, Stuart & Co., investment bankers with offices in the larger cities of the East and Mid-west, includes some very interesting copy designed to draw interest in the company's booklet "A Sure Road to Financial Independence." This copy, in the



A double spread from the "Family Album" number of the "Union Trust Teller."

form of a typewritten letter captioned "How Much Will You Have When You Reach 65," outlines briefly a plan for the judicious accumulation of a definite amount over a given number of years through systematic investments.

"INHERITANCE Taxes" is the title of a folder recently published by the Atlantic National Bank of Boston outlining a plan for the creation of a life insurance trust.

To ask more is to risk all in speculation.

Thousands of hard-earned dollars are lost every year through failure to get expert advice. The knowledge that one has on hand even a comparatively small sum of cash seems to spread rapidly. You may be asked to accept the advice of well meaning friends—with the best intentions but no long conservative experience in the safe investment of funds.

The pamphlet, in closing, says:

With this payment the Prudential has fulfilled its obligations. Nevertheless, in the spirit of helpfulness, we venture to hope that whatever of this money is not required for immediate and pressing needs may be safely invested with the utmost care.

THE bond department of the Illinois Merchants Trust Company of Chicago issues a monthly bulletin "Investment Offerings." This bulletin contains a very striking cover design and the typographical arrangement of the text matter is very good.

A GOOD example of insurance co-operation with banks in checking fraudulent promotion schemes is given in a plan which the Prudential Insurance Company of Newark, N. J., has instituted, of attaching to every death claim paid by the Company a small pamphlet which includes the following very sound advice.

TWO booklets recently published by the Equitable Trust Company of New York, "Your Will Power" and "I'll Make Assurance Double Sure," present very effectively the value of trust company service as executor of an estate.

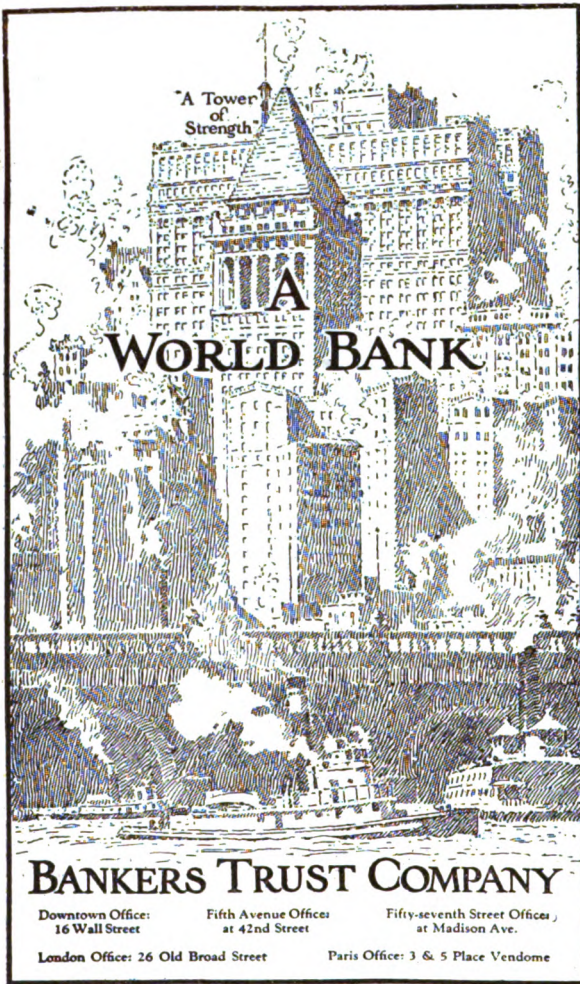
THE July number of a booklet "Diversified Investments" published periodically by the Guaranty Company of New York contains some unusually interesting articles included among which are "Changing Investment Conditions" and "Missouri Pacific Railroad."

Talk to your bank before acting on the advice of a well meaning friend regarding the investment of money."

Any reputable banker will be glad to advise you. Tell him your problem frankly. Disinterested, conservative, expert investment advice at this time may mean the difference between happiness and want in the years to come.

Do not be tempted by high interest or dividend rates or other large returns. Generally speaking, the more attractive the promise of income the less safe the investment of principal. Investments can be put to work only at a reasonable return for the use.

The first mentioned booklet has to do with the drawing-up and provisions of a will and the appointment of an executor, and presents some of the advantages of a trust company



Reliance on sheer impressiveness of layout, with practically no copy, to convey the impression of an institution of international importance, with facilities for transacting both foreign and domestic banking business.

over the individual in the management of an estate.

The second booklet stresses the value of life insurance and ties up the life insurance theme with the value of trust company management of the funds which will go to the beneficiary of the policy. The latter booklet is one of a number of recent examples of the realization by both the life insurance companies and trust companies of the possibilities offered by mutual co-operation in the conduct of their publicity activities.

THE Mellon National Bank of Pittsburgh has recently published two booklets which include some very good features.

The first of these booklets "All Your Banking Under One Roof" is descriptive of the various services offered by the bank. Particular attention has been given to layout and typography with the result that the booklet has an exceptionally inviting appearance. It is printed in colors and profusely illustrated with excellent line drawings.

The second of these two booklets is published in behalf of the bank's travel bureau and is entitled "America Rich in Delightful Tours." This booklet also has an unusually inviting appearance, is printed in colors, and combines a number of attractive and unusually well executed drawings with some very readable copy.



A VERY unusual booklet "Built for You" published by the First National Bank in St. Louis and commented on in an article "How We Made a Long Story Short" by Frank Fuchs, advertising manager of the First National, which appeared in the September number of THE BANKERS MAGAZINE contains a very effective feature in the inclusion of a so-called "Pocket Library of the First National Bank Service." The booklet itself, which is well illustrated and printed in colors, contains seven pages of large type reading matter descriptive of the services of the First National, which it is doing in furtherance of the development of St. Louis and other territory which the bank serves. In the back of the booklet on the inside cover is a pocket in which are inserted eleven small pamphlets each explaining in detail the services rendered by a particular department of the bank. On a page facing this pocket is the following copy:

"In the pocket opposite, you will find eleven pamphlets. Each carries in a concise and convenient form a message of special interest to you.

"The pamphlets represent the result of many years of study and experience of bank service in all its branches, directed toward getting the quickest, most economical and satisfactory results to you—as a First National patron.

"Select the pamphlets, in-

dexed for your convenience, which interest you most, and reserve the remainder for future reference."



BANK co-operation in supporting the development of the bank's community by giving the community some very effective publicity is exemplified in an extremely well planned booklet published by the City National Bank of Tuscaloosa, Ala., on the industries, resources, homes, and public and business institutions of the city of Tuscaloosa. The booklet is profusely illustrated and the illustrations and text matter combine to give a very comprehensive idea of what Tuscaloosa is like, and what the city has accomplished and is accomplishing.



"TRAVEL Trails" a booklet on A. B. A. travelers' cheques, published for distribution by banks handling these cheques, offers one of the best examples that the editor has seen in a long time of what can be accomplished in adding to the pleasing appearance of a booklet through the appropriate use of drawings in colors.



"THE Custodian or Fiscal Agent" a booklet on the safekeeping of securities published by the Minnesota Loan and Trust Company of Minneapolis, Minnesota, printed in large readable type, explains both interestingly and understandably such matters as the distinction between safe deposits and safekeeping of securities in a custodianship account, services available in fiscal agency accounts, advantages of custodianship accounts and fiscal agency accounts, and a number of other matters pertaining to bank custodianship.

Who's Who in Bank Advertising



© BACHRACH

MISS MARJORIE E. SCHOEFFEL

Assistant secretary and assistant treasurer, Plainfield Trust Company, Plainfield, N. J.

MISS Schoeffel gained her first banking experience in Rochester, N. Y. In 1918 she entered the trust department of the Union Trust Company of Rochester and in 1920 was made assistant trust officer. In the absence of an acting trust officer in that institution, Miss Schoeffel had charge of the trust department until she resigned in 1921 to take up the study of financial advertising. In 1922 she succeeded unofficially to the duties of Miss Adele Kirby, assistant secretary and assistant treasurer of the Plainfield Trust Company of Plainfield, N. J., whose work in bank advertising had brought her a good deal of well deserved prominence, but whose ill health had made her resignation necessary. Miss Schoeffel soon demonstrated her capacity for the development of trust and savings advertisements and direct mail material of a high order, and her work has come to be widely and favorably known by bank advertisers. In January 1923 she was made assistant secretary of the Plainfield Trust, and in 1923 the additional title of assistant treasurer was given her. She is a director of the Financial Advertisers' Association and of the Plainfield Chamber of Commerce. She is also a member of the Association of Bank Women, and has long been actively interested in the work of the American Institute of Banking.

THE latest financial statement of the Northwestern National Bank of Minneapolis, which is affiliated with the Minnesota Loan and Trust Company, includes a statement of condition of both of these institutions, a brief review of the industrial situation in Minneapolis, a roster of officers and directors of the two institutions, a comprehensive table of the growth of the bank deposits in the Minnesota Loan and Trust Company. Added to this are some paragraphs on its relationship to the increase in the wealth of the Northwest, and a few paragraphs on the relationship between the industries of the Northwest and the Northwestern National Bank. As is true of most of the publicity material sent out by either of these two institutions, this statement is presented in an unusually attractive manner. It is in the form of a booklet and is printed in colors.



"Stop, Look and Listen"

FRANCIS H. Sisson, the genial vice-president and publicity expert of the Guaranty Trust Company of New York is quoted on "The 8-pt. Page" by Odds Bodkins in *Advertising and Selling Fortnightly* as telling the following story at a recent bankers' convention:

"A hunchback who worked

for a textile house conceived a desire to go out on the road as a salesman. He knew the line and he knew how to present it. But he was told that on account of his personality it would never be possible for him to make a success at selling.

"He thought this over for some time, and then one day went to his boss and told him he had a plan to overcome his handicap. The boss listened and agreed to let him try it out.

"So the hunchback went out and hired the porter in front of the building, a great buck negro, a magnificent creature six feet three and one-half, wearing a blue-and-gold uniform. He loaded upon this colored giant his sample case and went out for his first call, and this was his opening:

Now, I have got a line of goods I know you need. They meet just exactly the market conditions. I know this line of goods thoroughly, but I have been told I cannot sell because I lack personality. Now, I have brought a man along with me who has personality, and I want you to look at him and listen to me.

"Sisson," concludes Odds Bodkins, "didn't tell the sequel, but I'm willing to bet that the hunchback made good. Better than some of the advertisements I see with elaborate borders and illustrations but weak copy that seems to say, 'Look at the art work and be impressed; we words are just here to fill the mortise.'"

Reverse English

A DARKY named Sam borrowed \$25 from his friend Tom, and gave his note for the amount.

Time went on, the note became long past due, and Tom was very impatient for its payment.

One day the two men met on the street. Tom stopped and said, with determination: "Look heah, man, when ah you-all gwine t' pay thet note?"

"I ain't got no money now," replied Sam, "but I'm goin' to pay it soon as I kin."

"Yo' been sayin' thet fer months," retorted Tom, "but it don't git me no money. Yer gwine t' pay thet money here and NOW, thet's whut yer gwine t' do. Ef y' don't, y' know whut I'm goin' t' do, I'm goin' to BURN yer old note, then whar'll yo' be at?"

"Yas yo' will. Yas yo' will," Sam shouted. "Jes' yo' burn dat note o' mine and I'll pop a law-suit onto yo'."—Ex.



This Bank Sells No Soup

THE following is quoted by F. P. A. in the "Conning Tower" of the *New York World*.

"Sign in an Eddyville, Ky., restaurant: No checks cashed. We have arranged with the bank that we cash no checks and they sell no soup."

BANK ADVERTISING EXCHANGE

IN connection with BANKING PUBLICITY there is conducted a Bank Advertising Exchange, containing a list of names of bank advertisers willing to exchange advertisements, booklets and other publicity matter issued by them. Any subscriber who will agree to exchange advertising matter may be added to this list. A copy of this list may be had by any subscriber upon application.

An Advertisement by E. H. KITTREDGE, PRESIDENT *Financial Advertisers' Association*

"Better financial advertising will help the customers of bankers—whether they are wage earners, farmers, merchants, manufacturers, depositors, investors or borrowers—to realize that the banker is simply a human agency for correlating human relationships. It will make the bank user understand that he and his fellow bank users are the bank. That the bank has no franchise to capitalize, no privilege to exploit, no enclosed space to lord it over, no stock in trade whatsoever, but human service to human needs. It will help banking by making it what it should be—as popular and universal an article of consumption as telephone service or street-car service."

[*Extract from speech before the Advertising Council of Chicago.*]

THIS Corporation's success and growth through nearly sixteen years is an evidence that bankers in increasing numbers agree with Mr. Kittredge. It is an evidence further that the service we are equipped to render means an increase in efficiency at no corresponding increase in cost.

Whether your inquiry refers to a single booklet or an exhaustive new business survey and a complete publicity service to all departments, you will find our answer to it interesting and valuable. Send it to us.

No obligations will be incurred (except on our part) and your wishes will control us as to verbal or written presentation of our service.

BANKERS SERVICE CORPORATION
19 AND 21 WARREN STREET, NEW YORK CITY

Retailers Expect Record Christmas

[From the *Wall Street Journal*]

RETAILERS throughout the country are confidently expecting the biggest fall and winter business in their history. This applies particularly to the great department stores of the United States. Many leaders in this group assert the Christmas holiday buying will prove a big record in volume and profits and are preparing therefore. "The country is prosperous with little unemployment and I expect we shall sell more goods during the next three months than in any previous quarter," said a head buyer of one of the greatest western department stores.

The famous "silk shirt" Christmas of 1919 will probably be greatly outdone so far as the volume of gifts purchased goes, but there will not be that orgy of buying a lot of luxuries by all classes which was a direct reaction from the war gloom. That kind of business is not likely to return for some time; the department stores hope it has gone forever. It marked the end of a great jamboree of buying on the part of returned soldiers, their relatives and in fact the whole country relieved from the restrictions and the onus of the war. That buying was followed by a reaction which hurt every business and a curtailment which cut sales one-third the following Christmas. Since that time the American people have done as usual their heavy buying of the year in the fall and winter and they have celebrated the Yule-tide period by lavish expenditures for gifts, but they have bought carefully.

A \$100,000,000 Christmas

It is difficult to estimate what the volume of retail business for the so-called Christmas period will be. In the 1919 orgy it was estimated that during the closing hours of business the day before Christmas the loop stores in Chicago and the great department stores of New York did \$1,000,000 an hour in each grouping. Nowadays buying for the Christmas holidays actually commences early in November and it is difficult to keep track of the definite Christmas business. One big New York department store man said he would not be surprised if New York retailers enjoyed \$100,000,000 business this Christmas. He included not only the leading

retailers but the second grade as well. Of course, such a figure is only a rough estimate but whatever the figure is it will be far and away a record. It is well known that approximately 70 per cent. of the average dry goods retailer's profits are made in the last quarter and this year will not be any exception.

A Colorful Yuletide

This is going to be a Christmas blazing with colors. Men are going to be astounded with some of the colors of their gifts. London has been largely responsible for this. The brighter the color the more fashionable. Shirts, cravats, socks, dressing-gowns, suitings, in fact everything the male wears is full of color and cheerfulness. There are, of course, goods for the conservative too, but the young blood of fashion will look like a walking rainbow.

The volume of foreign goods in the department stores this season is larger than ever. Of course much of this is specialty stuff, but there will be the same large amount of German toys much improved over the poor grade Nuremberg sent here a few years ago. England has sent plenty of gay shirtings and neckware and Italy beautiful leatherware, particularly the stamped variety in purses, wallets and bags. Venice has sent a large quantity of delicate glassware and there are metal cloth brocades from various countries. France has sent perfumes, dolls and silk novelties. Some of the new states like Czechoslovakia have sent all kinds of gifts, including glassware, beads and specialty goods. Switzerland will offer laces and watches.

The grocery departments of the great retail stores will include every luxury the world provides and from every country, including caviar from the Soviet's domain, potted boarshead from the Black Forest of Germany, jams, cheeses, hams and potted Melton Mowbray pies from England, pates and vegetables put up in glass from France and Belgium and every variety of small and large fish from Scandinavia. It will be a riot of luxuries and necessities from every corner of the earth.

Banking and Commercial Law

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

1810



1925

*A Distinctive Service for
Your New York Business*

**THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK**

Deposits, June 30, 1925, \$294,000,000

G. W. McGARRAH
Chairman of the Board

JOHN McHUGH
President



Main banking room of the Newburgh Savings Bank,
Newburgh, New York

MARBLE clad walls with sculptured panels depicting early events in the history of this interesting old city on the Hudson, are the outstanding features of this splendid new banking room.

*Design, Engineering Service,
Construction Management by*

WEARY AND ALFORD COMPANY

**Bank and Office Buildings
1923 Calumet Avenue
Chicago**

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Pass Book Notice Relative to Out of Town Collection Items

Semingson v. Stockyards National Bank,
Supreme Court of Minnesota, 203
N. W. Rep. 412.

THE plaintiff sent a check to the defendant bank by mail. The bank acknowledged receipt of the check with a letter that stated that the bank was entering the check for collection and would credit the plaintiff's account as soon as it was collected. The defendant forwarded the check for collection to a correspondent bank and it was paid. The correspondent sent to the defendant bank its draft on another bank in payment. When this draft was received, the bank credited the plaintiff's account with the amount. Upon presentation of the draft, however, it was dishonored for lack of funds. The bank thereupon charged the amount of the check back against the plaintiff's account.

In this action against the bank for the amount of the check, the plaintiff contended that the bank had no right to charge it back against his account under the circumstances. It appeared that in the pass books issued by the defendant bank, including the one in the plaintiff's possession, there was a notice to the effect that all out of town items "received by this bank for credit or collection are taken at the owner's risk." The rule further provided that if a collecting agent employed by the bank should convert the proceeds or remit in checks or drafts that should subsequently be dishonored, the bank would charge back the amount for which credit had been given. It was held that this notice was binding upon the plaintiff and that he could not recover against the bank.

Action by H. S. Semingson against the Stockyards National Bank. From order denying plaintiff's alternative motion for judgment or for new trial after verdict was directed for defendant, he appeals. Affirmed.

OPINION

LEES, C.—Action to recover the amount of a check received by defendant for collection for plaintiff.

The court directed a verdict for defendant, and plaintiff has appealed from the denial of his alternative motion for judgment or a new trial.

Plaintiff is a cattle buyer at Crosby, N. D. He opened an account with defendant on October 29, 1923, and made a deposit and received a pass book. On November 3, 1923, he wrote to defendant, as follows:

Inclosed you will find draft for \$1,068.42, and one check for \$1,025.00, making a total of \$2,088.42; kindly send me credit slip for same. I do not care to buy draft on this bank here any more.

The check mentioned was drawn by one Allen Person upon the First National Bank of Crosby. The material portion of defendant's reply, dated November 5, reads thus:

We are today in receipt of your remittance of \$2,088.42. We are crediting your account with the check of \$1,068.42, and are entering the check of Allen Person for \$1,025.00 drawn on the First National Bank of Crosby for collection and as soon as this is collected, we will credit your account with same and advise you.

On November 13, plaintiff wrote:

If the \$1,025.00 check given by Allen Person went through O. K. kindly send credit slip for the two checks I sent you last. Amount \$2,088.42.

Defendant sent the Person check to the Citizens' National Bank of Crosby for collection. The check was paid, and on November 10, the Citizens' Bank issued its draft on the First National Bank of Minneapolis for \$1,024.50 and sent it to defendant. It was received on November 13, and credited to plaintiff's account. The draft was put in the usual channel for collection and presented to the First National Bank of Minneapolis on November 14, but payment was refused for want of

funds, and the draft went to protest. On November 15, defendant charged the draft back to plaintiff, and on November 27, sent it by mail to plaintiff's attorney at Crosby, and this action followed.

The complaint did not charge defendant with negligence in selecting the Citizens' National Bank as an agent to collect the check. It alleged that defendant had accepted the check for collection and had made the collection and given plaintiff credit for the amount it received, and then wrongfully charged it back to plaintiff, and refused to pay it.

The answer pleaded a notice in the plaintiff's pass book which reads thus:

All items not payable in South St. Paul, received by this bank for credit or collection, are taken at the owner's risk. This bank, as agent for the owner, will forward same to collecting agents out of this city, but should such collecting agents convert the proceeds, or remit in checks or drafts which are thereafter dishonored, the amount for which credit has been given will be charged back and the dishonored paper delivered to the owner. This bank assumes no responsibility for neglect or default of collecting agents.

The answer also alleged that plaintiff became a depositor under the conditions stated in the notice and that it was the custom of banks in South St. Paul, in taking foreign checks for collection, to send them to another bank in the town where the drawee bank was located, and that in handling the Person check the usual custom was followed.

The reply alleged that plaintiff had no knowledge of the notice in the pass book.

At the trial plaintiff offered to prove that he did not see the notice in his pass book before he sent the Person check to defendant and did not know that the book contained such a notice; but defendant's objections to this line of proof were sustained.

There is a divergence of opinion among the courts as to the responsibility of a bank to a depositor for whom it undertakes to collect commercial paper. In this state the rule is thus stated in *Streissguth v. National German-American Bank*, 43 Minn. 50, 44 N. W. 797, 7 L. R. A. 363, 19 Am. St. Rep. 213:

A bank with which a customer has left for collection his draft upon a party residing at a distant point is liable for the failure and default of a correspondent to whom it forwarded the draft for collection.

The rule was restated in *Ft. Dearborn Bank v. Security Bank*, 87 Minn. 81, 91 N. W. 257, and applied in *Johnson v. Dun*, 75 Minn. 533, 78 N. W. 98, to an agent for collection other than a bank. The cases in other jurisdictions are collected in a note in 19 A. L. R. pp. 263-267.

The principle which runs through the cases is this: If an agent employs a sub-agent for his principal, by authority of the principal, express or implied, the sub-agent is the agent of the principal. In such a case the agent is not liable for the negligence of the sub-agent, unless he failed to use due care in the selection of the sub-agent. If, however, the agent undertook to do the business for his principal and employed a sub-agent on his own account, he is responsible to the principal for the manner in which the business was done, whether by himself or by the sub-agent upon the theory that the agent stands in the position of an independent contractor at liberty to perform his undertaking by agencies of his own selection. *Mechem on Agency*, § 1811.

To determine whether a particular case is in the one class or the other, a court must know the terms of the contract between the principal and the agent. In the present case the bank relies on an express contract, the terms of which are set out in the notice printed in the pass book. If the court below was right in holding that by accepting the pass book the plaintiff assented to and became bound by the provisions contained in the notice, and there was no special contract, plaintiff cannot recover.

If plaintiff had placed his signature beneath the notice, or if his attention had been called to it, there could be no doubt about the result. That would have to be conceded even if full effect were given to the doctrine of *Los Angeles Inv. Co. v. Home Sav. Bank*, 180 Cal. 601. 182 P. 293, 5 A. L. R. 1193. The weight of authority is to the effect that if a depositor in a savings bank accepts and retains a pass book containing printed rules of the bank, he is deemed to have consented that the rules should become a part of the contract between him and the bank. It may be that a depositor in such a bank does not occupy the same position as a depositor in a commercial bank, but the principle is the same and is recognized in other business transactions in which the terms under which the parties deal with each other are expressed

in an instrument delivered by one to the other.

In *Watkins v. Rymill*, 10 Q. B. Div. 178, the court held that a notice printed on the face of a receipt delivered to plaintiff by defendant when he received certain property for sale on commission was binding on defendant. The applicable principle is thus stated in the syllabus:

If a document in a common form is delivered by one of two contracting parties to and accepted without objection by the other, it is binding upon him whether he informs himself of its contents or not.

The wide scope of the principle is illustrated by cases having to do with bills of lading, *Porteous v. Adams Exp. Co.*, 112 Minn. 31, 127 N. W. 429, 4 R. C. L. p. 777, 10 C. J. p. 194; express receipts, *Christenson v. American Exp. Co.*, 15 Minn. 270 (Gil. 208), 2 Am. Rep. 122; railroad tickets which purport to set out the terms of a special contract, 4 R. C. L. p. 1127, 10 C. J. p. 702; forms for telegraphic messages, *Cole v. Western Union Co.*, 33 Minn. 227, 22 N. W. 385; *Jones on Tel. Cos.* § 412; insurance policies, *Parsons v. Lane*, 97 Minn. 98, 106 N. W. 485, 7 Ann. Cas. 1144; *Shake v. Westchester Ins. Co.* (Minn.) 196 N. W. 804; and deeds poll, *Blinn v. Chessman*, 49 Minn. 140, 145, 51 N. W. 666, 32 Am. St. Rep. 536; and see *McMillan v. Mich. Ry. Co.*, 16 Mich. 79, 113, 93 Am. Dec. 208.

We conclude, therefore, that the principle of the savings bank cases summed up in *Bulakowski v. Phil. Soc.*, 270 Pa. 538, 113 A. 553, is applicable to the case at bar, and that plaintiff is bound by the provisions of the printed notice contained in his pass book.

Plaintiff sought to avoid the effect of the

notice by pleading a special contract for the collection of the check. At the trial his counsel stated that a recovery was sought on the theory that defendant had no right to accept anything but money in payment of the check and should have directed the Citizens' National Bank to make remittance in currency and not by draft.

Under certain circumstances, it might be possible to charge a bank with negligence because it did not require another bank to remit in cash the proceeds of a collection made for a depositor. But the alleged special contract cannot be construed to obligate defendant to direct the Citizens' National Bank to send money instead of a draft when it made the remittance and, in the absence of any allegation or proof of negligence, defendant cannot be charged with the loss caused by the dishonor of the draft.

Defendant's right to rely on the notice in the pass book as a defense is not defeated because it did not give plaintiff conditional credit when he offered the Person check for deposit. It gave him credit for the amount of the Citizens' Bank draft, and, when the draft was dishonored, it had a right to charge it back and deliver it to him. There is nothing in *Security Bank v. N. W. Fuel Co.*, 58 Minn. 141, 59 N. W. 987, which forbids this conclusion. The relation of debtor and creditor, created when a bank deposit is made, is not absolute; it may be affected by the circumstances under which the bank and the depositor did business; it is limited here by the notice in the passbook.

Other matters referred to in the assignments of error and briefs do not affect the result and need not be discussed.

Order affirmed.



Are Cotton Goods Unpopular ?

A WRITER in a recent issue of "The Corn Exchange" published by The Corn Exchange National Bank, Philadelphia, made the statement that "cotton men seem to be doing nothing to bring their product back into its former favor." Carl G. Fowler of the *Boston Transcript* in replying to this article questions that cotton products have had a relapse from favor other than a temporary slackness. In his article he says:

During the inflationary period which followed close after the end of the war almost anything could find a market, and the chief concern of cotton manufacturers accordingly was to produce goods. The subsequent depression, however, brought the leaders in cotton manufacturing to a realization that a new day was dawning. The development of mechanical production during the past century had put a premium upon quantity output at a low price. The standards of living in this country, meantime, have been rising, and the demands for artistic merit are changing the emphasis in cotton manufacturing.

Those who have heard only of the vicissitudes of the cotton industry the past three years will be surprised to learn that the leaders of the industry, at least in New England, all this time have been taking measures to resuscitate the business. It must be taken into consideration that they have had to combat not only a new condition of demand, but that the depression in the industry was world-wide. New England, old England, the South and the Orient (Japan) are a few of the important points which have suffered. Europe naturally has been in the same category.

Such circumstances are, indeed, disheartening, but in the time of depression the leading cotton manufacturers of New England have been preparing for the new order of things. Style and design have become the watchwords of the industry. The effort of today is to link the commercial art of former days and hand products with the mechanical means of the present. The machine product is a thing of exceeding accuracy and, coupled with the style and design of the days when workmanship was a high tradition, the possibilities are great. The next ten years are expected to see a long step taken toward the realization of

these possibilities, toward which much progress, in fact, has been made already.

As long ago as October, 1922, Robert Amory, then president of The National Association of Cotton Manufacturers, gave consideration to these matters in his address at the regular fall meeting of that body, when he said: "A woman will refuse to buy staple cloths at an advance of one-quarter cent a yard, probably because she is saving money to buy an expensive automobile, but, at the next counter, she will not hesitate to spend \$100 for a dress that strikes her fancy. Cotton manufacturers as a rule have neglected possibilities of style appeal and beauty of cotton fabrics. They should take a leaf out of the book of silk manufacturers, who have tempted the women of this country with all sorts of new and fascinating things."

Since that time several important steps have been taken not only in the development of styling of cotton goods, but toward acquainting the public of the broad United States with the efforts and achievements of the manufacturers. While the hardships and curtailment of the cotton mills have been a subject of widespread comment, not much has been published except in the trade papers and perhaps a few newspapers giving special space to textile matters concerning the constructive measures for the new advancement of the industry.

Yet in the fall of 1923 an exhibit of ancient and modern cottons in connection with the International Exposition at Boston was considered so meritorious that the National Association took measures to show these fabrics over a large area of the United States. Only machine production can fill the needs of the public in today's civilization, but the qualities of ancient fabrics are recognized, and the purpose of their inclusion in an exhibit of cottons is to set forth what exceptional creations are possible from machine production.

Cotton manufacturers should take a leaf out of the book of silk manufacturers, so have they done. New England cotton manufacturers are working on the principle of designing cotton fabrics into things of beauty to tempt the buyer to purchase them for this quality and not simply from necessity.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
B O S T O N

**Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits**



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

**PARIS CLEARING HOUSE
RETURNS FOR FEBRUARY**

The following table gives the Paris Clearing House returns of the general movement of funds of the principal banks during the month of February, 1925—

	Accumulated Debits and Credits
Société Générale	4,312,055,286.90
Banque Nationale de Crédit	4,020,600,861.13
Banque de Paris et Pays-Bas	3,407,911,935.08
Crédit Commercial Français	3,038,364,806.56
Barclays Bank (Overseas)	2,479,210,827.60
Banque Nationale de l'Inde	2,384,539,920.32
Equitable Trust Co.	2,342,583,078.71
Liège and National Foreign Bank Ltd.	2,252,271,461.00
Crédit Lyonnais	2,168,368,226.61
Guaranty Trust Co.	1,448,171,364.30
Banque Française et Ital. pour l'Amérique du Sud	1,402,354,094.00
Wescheister For. Bank, Ltd.	1,289,205,483.29
Banque Belge pr. l'Étranger	1,226,613,450.90
Banque de Union Parisienne	1,177,137,435.77
Banque Anglo-Sud Amer.	1,090,113,900.25
National City Bank of N.Y. (France)	1,055,364,014.68
Banque de France	945,971,897.83
Banque Nationale Française du Commerce Extérieur	917,092,268.31
Crédit Industriel et Comm.	870,887,417.49
Banque de Mulhouse	729,528,803.90
Banque Indo-Chinoise	744,029,882.48
Banque des Pays du Nord	642,701,078.00
American Express Co. Inc. (Paris)	610,457,554.14
Banque des Pays de l'Europe Centrale	581,184,025.45
Banque Centrale du Nord	564,250,900.41
Crédit du Nord	494,932,343.06
Banque Transatlantique	484,284,227.00
Crédit Foncier d'Algérie et de Tunisie	432,474,972.00
Banco di Roma	408,353,235.92
Morgan Harza & Co.	367,692,037.23
Soci. Française de Crédit Industriel et de Dépôts	289,520,432.45
Banque d'Alsace et Lorraine	249,407,911.73
Banque du Rhin	283,712,460.98
Banque Privée	254,599,408.96
Compagnie Algérienne	249,162,577.71
Banque L. Dupont et Cie.	229,072,690.94
Crédit Anversois	226,436,174.43
Leibniz et Cie	225,601,318.84
Banque of London & South America, Ltd.	218,908,081.00
Soc. Centrale des Banques de Province	206,070,388.07
Société Marseillaise	141,140,983.00
Guar. André & Co.	107,030,020.73
Banque Argentins & Franc.	88,145,856.31
Soc. Paranaense de Banques	72,73,442.38
Banque Franc. et Hollandaise Américaine	65,960,136.03
Total 24 days	19,309,000,014.00
Bills presented to Clearing House (%)	24,640,800,022.03
Average per day	1,027,075,000.91

LE PARIS CLEARING HOUSE

From the Paris edition of the New York Herald

One of the largest banks in Paris, too

AMONG the forty-six principal banks in the Paris clearing house, the Paris Office of The Equitable has ranked from twelfth to fourth in clearings during the past eighteen months.

By using the foreign banking services of The Equitable you benefit by the prestige and good will it enjoys to an unusual degree among foreign banks and business men.

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

UPTOWN OFFICE
Madison Ave. at 45th St.

IMPORTERS AND TRADERS OFFICE
247 Broadway

FOREIGN OFFICES

DISTRICT REPRESENTATIVES

LONDON: 10 Moorgate, E.C. 2
Bush House, Aldwych, W.C. 2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

PHILADELPHIA: Packard Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

The Financial Situation of France*

By Emile Daeschner

French Ambassador to the United States

THE financial power of a country depends first on its economic position. This is nothing new. In all times and in all countries, the proceeds of tax collection have depended on agricultural development and industrial and commercial activity; and on the proceeds of taxes is based the balance of the budget, which is the basis of financial prosperity.

I should like to point out that last year—for the first time since the year 1875, that is to say fifty years—the commercial balance of France has shown an excess of exports over the imports.

Since the year 1919, the figures, in francs, relating to imports and exports were the following:

	In thousands of francs		
	Importations	Exportations	Difference
1920	49,904,897	26,894,438	23,000,000
1921	22,067,908	19,772,512	3,000,000
1922	23,930,328	21,378,943	2,000,000
1923	32,608,012	30,431,510	2,000,000
1924	40,132,574	41,454,137	1,000,000

Of course, the depreciation of the franc is to be taken into account as well as the premium it gives to exports; but, even with that restriction, this shows a situation of our commercial activity which allows a certain amount of pride and confidence.

And it must not be forgotten that the whole situation has been carried by France alone, with her own means, when she relied, to her disappointment, on a debtor whose haste in fulfilling its engagements is rather slow.

To realize the magnitude of the work done, it is enough to consider what the situation was in November 1918. I will not attempt to enumerate the losses in men we had. Quite recently the *London Morning Post* gave the following figures: 1,427,000 killed, 450,000 miss-

ing, and 3,000,000 wounded, of whom many have since died. But I will rather consider the financial side of the question.

Only Two Alternatives for France

There were for France only two alternatives. If we were *not* to repair and rebuild the devastated regions, it would have been depriving the state of a most important part of its revenue. The devastated regions constituted the most productive part of the country. The revenue they gave the State amounted to 20 per cent. of the State's total revenue. If we were to repair and rebuild, we would have to make repeated appeals to private savings, and thus

reduce the national wealth on which rates and taxes have to bear. Still we followed the second alternative because we wanted, even at the cost of difficulties easy to foresee, to restore as soon as possible the country's financial power in restoring the State's possibility of taxation. And there lies the primary cause of the present financial situation.

Now the task which we undertook, if it is not yet entirely finished, is very far advanced; it is due to be completed within three years if nothing blocks the way. That delay will not seem long to those of you who visited the North of France. We had to rebuild 742,000 houses or agricultural buildings; to rebuild or refit 25,000 factories; and to

*From an address before the Bond Club of New York.

RESOURCES OVER ONE HUNDERED SEVENTY MILLION DOLLARS

PRINTING PRESSES

MORE than one-half of the newspapers in the United States—in big and little cities—are printed on presses which come from Michigan.

Similar presses built in this State are used to print the principal newspapers in every reading country on the globe.

For many years this bank has been an important link in the building and marketing of printing presses. It offers unequalled facilities for serving all having banking business in the Great Lakes Region.

FIRST NATIONAL BANK DETROIT MICHIGAN

The First National Bank, the Central Savings Bank, and the First National Company of Detroit, are under one ownership.



remake 50,000 miles of roads and 6000 bridges. Those numbers have already been given but I fear they are too often forgotten. And do not forget at the same time that the population of the devastated regions, which was before the war over 4,500,000 inhabitants, was at the time of peace reduced to 2,000,000.

But the work of rebuilding and re-constituting did not stop the collecting of taxes. Many people abroad seem to think (and I must confess that my countrymen resent it strongly) that the part of a French taxpayer is a highly privileged situation. Speaking from personal experience, I may declare that I do not partake of that opinion.

Let us return to figures:

The total amount of expenses and receipts in francs of the French State since 1920 sums up as follows:

Year	In millions of francs	
	Expenses	Receipts
1920	29,623	20,130
1921	35,093	22,840
1922	34,386	22,903
1923	32,891	24,200
1924	31,801	27,708

For 1925, the budget which is to be a single one and balanced, foresees a revenue of 33,000,000,000 francs.


If one remembers that in 1914 the French budget was hardly over 5,000,000,000 francs, and that in 1919, just after the war, the public revenue did not reach 12,000,000,000 francs, one will at once realize that today, the French taxpayer, as the depreciation of the franc is counted at four, does pay six and one-half times more than he did ten years ago, and three times more than he did but five years ago.

The Position of the French Taxpayer

But this is not all. It is often said that the French taxpayer ought to do more and that at present he pays much less than the taxpayers of other countries do. Perhaps I may give you a few explanations about taxes in France. In America as well as in England, the

Quick action on bonds

11,000 miles of private wires help handle "rush" queries.



NEW YORK NEW ORLEANS
 CHICAGO SAN FRANCISCO
 BOSTON PHILADELPHIA
 LONDON MONTREAL
 TOKIO

income tax makes up the greater part of the State's revenue. If I judge from the annual report of the United States Treasury, it makes 46 per cent. of the total receipts and 54 per cent. of the fiscal receipts.

In France the income tax makes up only 25 per cent. of the public revenue. This shows what a mistake is made when one compares the working of the income tax in America, Great Britain and France.

In France we have a large number of other taxes. The French system of raising money may or may not meet with approval, but its particular characteristic was always variety and diversity, and during the last century it made the French Treasury very prosperous.

I counted, on the draft budget for 1925, the number of taxes which are to be collected in France. One would

The CRUISES SUPREME 1926

AROUND *the* WORLD

On the specially chartered Cunarder
"FRANCONIA"

Sailing Eastward from New York
January 14th

30,000 Miles — 133 Days

Amidst an atmosphere of ease, comfort and luxury; on a steamer which in her equipment, service and cuisine stands pre-eminent, and one which through her previous cruises has made for herself a mighty host of warm and enthusiastic friends.

Last but not least, the ship is under charter and direction of Cook's, the world's foremost and most experienced travel organization.

The itinerary selected is as perfect as possible, synchronizing the visits to the many fascinating and engrossing countries, with the time of year when climatic as well as other conditions offer their greatest attractions.

Fares are fully inclusive and cover all shore excursions.

MEDITERRANEAN

On the White Star "Ship of Splendor"
"HOMERIC"

Sailing from New York
January 23rd

14,000 Miles — 67 Days

The supreme opportunity to visit the historic wonderland of the "Sea of the Ancients" including all the scenes of greatest historic, literary and religious interest.

Supreme in the superb, especially chartered ship — the largest and most luxurious steamer sailing to the Mediterranean—; in the cruise management; in the entertainments aboard and ashore.

The itinerary covers the widest field of worth-while points, including sixteen days in Egypt and Holy Land; optional visits to Paris and London on the homeward trip; also stop-over privileges.

Cook's Fleet of Nile Steamers and Dahabeahs stands foremost on that river.

THOS. COOK & SON

585 Fifth Avenue
Philadelphia
Los Angeles

Boston

NEW YORK
Chicago
Toronto

St. Louis
Montreal

253 Broadway
San Francisco
Vancouver

A Complete Banking Unit

- devoted to serving correspondent banks in the United States outside New York City;
- directed by officers who maintain personal contact with all parts of the country, thereby keeping constantly informed on business conditions and banking requirements;
- possessing in its own organization every banking investment and trust service;
- offering all the facilities, worldwide connections and total resources of our entire institution.

This is the Irving-Columbia Out-of-Town Office, in the Woolworth Building, New York — a Banking Office that, for all correspondent banking purposes, is a complete bank in itself.

IRVING BANK-COLUMBIA TRUST COMPANY

New York

never have guessed that there are more than sixty and even more, as, in my estimation, taxes of similar character have been counted under one single head, as the stamp duty and the registration duty, which are in fact distinct from each other. Indirect taxation is very heavy in France.

There remains to be seen what is the rate of taxation and what burden it makes per inhabitant. Here again we may judge from figures. Since last year the taxes on decedents' estates were raised so high as to attain, in some cases, 95 per cent. of the estate—and the rate appeared so high that on various occasions heirs did prefer to give up the estate. As to the income tax, for an income of 550,000 francs, (which would be \$28,000), it is now 60 per cent. More examples could be given if space permitted. But it is extremely difficult to make an exact comparison of the burden of taxes between different countries. One has to take into account the national general income, which is extremely difficult to estimate. Then one has to sum up all rates and taxes, state and federal as well as local or municipal taxes, which everywhere are different. As to France, if one only refers to the *fiscal* load per inhabitant, one sees that it passed from 104 francs in 1913 to 524 francs in 1923; to 637 francs in 1924;

and will pass to 800 francs in 1925. But these are only theoretical numbers.

The Ratio of Taxes to Individual Resources

Taxation is, in itself, a reduction of the power of expenditure of the citizens—and its real weight is measured by the degree of restraint it imposes on them. To estimate the effort realized by the French taxpayer, it is necessary to compare what he pays and the resources which he may dispose of. To make the comparison, I will use American documents. And I will first turn to a survey recently published by the National Industrial Conference Board under the title "Tax Burden and Public Expenditure." If one opens the book at page 20, one may see that the author estimates the present burden of taxation at 11.59 per cent. of the national revenue in America against 16.57 per cent. in France. The same conclusion is arrived at, still more energetically, in the *Magazine of Wall Street* for March 14, last, which I content myself with quoting: "National and local taxation for 1925 in France will consume about 25 per cent. of the resources of the people, which is even heavier than the taxation the British people have been bearing and is terrific compared with America's 10 per cent." I repeat, these

NEW YORK AGENCY

**THE
BANK OF CANTON**
200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK
Correspondents in Important Centers of the World

are quotations from American, not from French documents.

I thought it necessary to insist on this special point to prevent, as far as possible, those misunderstandings which must not exist between two countries which have so close relations of friendship.

I did not intend to try and make a complete exposition of the financial situation of France. One can know how difficult it is at present. But it is always good to look back to lessons of history, and the financial history of the last century shows us several examples of cases in which the state finances of France made splendid and somewhat unexpected recoveries.

In March 1814, the French 5 per cent. rente, which was the only existing one, went down to 45 francs.

In October 1821, it had reached 90 francs. In March 1824, it was above par in reaching 104 francs 50 centimes.

In April 1848, the 3 per cent. rente which had been created in 1825 fell to its lowest price of 32 francs 50 centimes; but in January 1849, it had returned to 44 francs 90 centimes; and in 1853 to 75 francs.

And when we come to more recent times, just after the war of 1870, we see that: In March 1871, the same 3 per cent. rente was as low as 50 francs 35 centimes; five years later it reached 70 francs; in September 1880 it reached 87 francs 30 centimes; in September 1892 it reached 100 francs 70 centimes; and reached its highest mark in August 1897 at 105 francs 95 centimes. As to the 5 per cent. rente issued in 1871 at 80 francs, it was in September 1874 at 100 francs 50 centimes and at 121 francs 20 centimes in March 1881.

Why I recall these figures, one can easily understand. They are a practical exposition of ideas and possibilities which are too easily forgotten. Why should not the same results come out of the same causes? The consequences of the late war have the peculiarity that the country which, during the war had the heaviest burden to bear, has also the heaviest burden to bear after the victory. But the work that country has done in these last five years is a proof of that power of recuperation which is so often attributed to the French people—and rightly.

Niederösterreichische
Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve
220 Millions of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5=£1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C.2

Review of Countries

Great Britain

W RITING in the August number of the monthly *Review* of the Westminster Bank Limited, London, Walter Leaf, chairman of the bank, answers the critics who have attacked Great Britain's restoration of the gold standard, in an article reading in part as follows:

The last few weeks have been fertile in attacks upon the Government policy of the restoration of the gold standard. These attacks have, at the present moment, taken their stand on two main theses; firstly, that our currency is over-valued, and that we should have recourse to schemes of inflation, more or less disguised; and secondly, that the effect of the gold standard has been to produce a large fall of prices tending to the increase of unemployment. The schemes advocated by these critics, though happily there is no likelihood of their adoption, have their effect on the half-instructed, increasing the social discontent, already grave enough. It is time that a protest should be raised, and the facts and figures

on which they are based properly examined.

It is a sufficient answer to the foolish proposals for disguised inflation to point out that the assumption on which they are based is decisively contradicted by facts. Our currency at this moment is not over-valued but under-valued.

When two currencies are at par, as the pound and dollar now are, the measure of over-valuation or under-valuation is given at once by a comparison of the general prices of commodities in the two countries. The currency of the country which has the higher price level is over-valued. For June last the American price-level, as given by the Bureau of Labor (1913=100) was 157.4; the British (Board of Trade) figure was 157.7. In other words, the pound stood practically at its purchasing power parity—a rather remarkable result for June, when the return to gold had been announced only at the end of April. The "lag" in adjustment was only one month. There appears to have been considerably greater lag in appreciation by the theorists, not only of the position but of the tendency. For the under-valuation of the pound has been growing steadily through July. The official fig-

BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited

Bombay (India)

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

ures are not yet available, but for comparison we set out the indices of Prof. Irving Fisher for America and the *Financial Times* for Great Britain, which are compiled on similar lines.

	United States of America	Great Britain
July, 1st week	159.3	151.5
2nd "	160.5	152.1
3rd "	160.4	151.9
4th "	160.8	153.7
July Average	160.3	152.1
August, 1st week	161.4	152.9

So far then it is evident that the return to gold has already adjusted itself, and the confidence of the Government and their advisers is fully justified as a measure of intelligent foresight. The pessimists who in April foretold disaster have been proved wrong. Their forecast was for a large rise in the Bank rate to prevent anticipated exports of gold, a consequent restriction of credit to the great hurt of production, a great fall in prices and a great increase of unemployment. In every one of these forecasts they have proved wrong. The return to

gold has been followed not by large exports of gold, but by large imports; the Bank rate instead of rising has already been reduced, and the market rate for discounts has fallen. The Government has been borrowing on its Treasury bills at a materially cheaper rate; and credit has not been restricted but extended. The chief feature in the bank returns for the last six months has been the notable increase in the all important item of loans and advances to customers. This is no doubt, in large measure, due to the great growth in the imports of raw materials and partly manufactured goods, the raw material of further processes in Great Britain. It is one clear effect of the parity of foreign exchanges that these have been purchasable on better terms. Our manufacturers have taken full advantage of this, and have, it would seem, been preparing for a corresponding increase in production. The demand for loans means that the moderate rate of interest they have to pay has been no deterrent; they have supplied themselves from the banks with funds to carry their stocks of raw materials while in process of manufacture. Meanwhile, there has been a reduction of the cost of living by some 3.9 per cent., accompanied by a small rise of wages of 1.1 per cent., so that the position of the worker has distinctly improved.

The Bank of England's Rate Policy

Commenting on the Bank of England's rate policy, a copyright cable to the *New York Times* under date of August 16, says:

The Bank rate policy has become a fruitful source of discussion since the rate was reduced to 4½ per cent. Persistent endeavors are being made to give political rather than financial significance to the Bank's action. But, while the Bank of England vouchsafed no information, it can now be confidently stated that the monetary position itself forms the main basis upon which the Bank took action, and upon which it may

THE ADVANTAGES OF A LONDON REPRESENTATION TO AMERICAN BANKS

An opportunity occurs for a progressive American Financial or Investment House to secure the exclusive services of a fully qualified Bank Representative with invaluable connections in London and on the Continent of Europe.

*Full particulars will be furnished on request to
Box. A. B.*

Messrs. Effingham Wilson,
16, Cophall Avenue,
LONDON, E.C.2.

conceivably decide to further reduce the rate before long.

The resumption of a free gold market has produced a position exactly opposite to what was expected by critics of the policy of reverting to the gold standard. It is these critics who are now so busy endeavoring to recover their prestige as prophets by asserting that political pressure forced the Bank rate down.

When it is remembered that the Bank of England's gold holding has increased £8,514,705 since last April, and that a substantial credit exists in America for butressing sterling in case of need, that the American monetary situation must have been fully reviewed by Governor Norman of the Bank of England and Governor Strong of the Federal Reserve Bank of New York during their recent Continental visit, also that the reduction in the Bank rate has not disturbed American balances in London, there appears to be presented a strong case for those who contend that monetary conditions alone prompted the Bank of England's action. It is, however, extremely unlikely that the Bank of England would lower the rate now if it thought that within a few weeks it would almost certainly have to raise it again.

The bank has probably by this time sufficient knowledge of what gold will be required in the autumn, and it may be assumed that it has lowered its rate because monetary conditions here and in New York are easy and are likely to remain so for some considerable time. The feature of the Bank return for the week ending August 15 was that, for the first time in several weeks, the holdings of Government securities showed a small increase. Recently the Bank has sold upward of £10,000,000 of these securities, with a view of preventing undue credit expansion as a result of the gold influx.

The object in view is evidently maintenance of the discount rates within a reasonable distance of the bank rate. There is little doubt that, if the gold flow had been allowed to exercise full play, money would have been abundant and the discount rates lowered to a level which would have made London unattractive to foreign capital. On the other hand, when gold flows out again, the Bank of England will be able, by repurchasing securities, to correct the deflating influence of gold exports.

Wanted: Another Discount Cut

Under the above head the *New York Journal of Commerce* of August 22 says editorially:

Although the Bank of England disappointed the stock speculators by failing to

Your Paris Correspondent

More of your clients are visiting Paris now than ever before

Are they receiving the personal service to which they are accustomed at home?

We understand their problems and can do much to render their visit more pleasant



Mail Facilities for Clients

**Direct Correspondents
Throughout Europe**

The Travelers Bank
20 Place Vendome
Paris

Bankers Correspondence Invited

cut its discount rate to 4 per cent. on August 20, propaganda in favor of a further reduction in the rate is being busily disseminated. When the announcement was made during the first week in August of the intention to relinquish the 5 per cent. rate in favor of 4½ per cent. astonishment was general and quite unfeigned. Subsequent explanations from British sources have helped to clear up the mystery somewhat and to confirm the surmises of *The Journal of Commerce* that the reduction was made primarily to check the price fall, aid the stock markets and prevent the transfer of lucrative financing operations to New York. Ever since the cut was announced, in fact, the financial press of England has been emphasizing its salutary effect upon the market for gilt-edged securities.

At the same time a good many other superficially plausible explanations of the Bank's action are brought forth. The fall in prices which has accompanied the return to the gold standard is alleged as a reason for lower discount rates, since it has caused a shrinkage in nominal demands for credit accommodation, thereby accentuat-

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	\$15,000,000	(£3,000,000)
Capital Subscribed	9,000,000	(£1,800,000)
Capital Paid-up	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits	7,291,105	(£1,458,221)

BANKERS:—Bank of England; Midland Bank Limited

*Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan
Mauritius and Dutch East Indies*

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

ing a growing ease in the money market. The fact that falling prices have also strengthened the position of sterling, especially in relation to dollars (whose purchasing power has been simultaneously diminishing as American prices have risen) appears to be regarded as still another reason for rate reductions. Finally, attention is called to the additions to gold reserve that have come with the exchange rise.

All these arguments will no doubt be prominently featured once more if the opportunity should offer to apply them to a second reduction in the Bank rate. According to London dispatches, early in the week, which expressed confidence that a further cut would be authorized, "market discount rates have weakened so much that the official minimum has become ineffective and the authorities will probably lower the rate to conform to current market conditions." If the scene were laid in New York and the policy of the reserve banks were under discussion this argument would have at least a familiar, if not a persuasive, ring. But the public has been led to suppose that the Bank of England had a real function to perform in controlling rather than simply conforming to outside money market conditions. Its traditional role is supposed to be that of a credit mentor prepared to change money market conditions if it does not like their complexion. The need for such control has never been more imperative than at the present critical moment, when a policy of conformity may very well undo all that a rigorous policy of credit control and price deflation has previously accomplished in the way of making the gold standard more secure.

If prices rise again, if new capital flotations are encouraged and a generally liberal credit policy is re-introduced, the danger to the position of the Bank of England is manifest. The very people who are apologists for the recent rate reduction and want another dose of the same medicine admit that the position of sterling exchange is

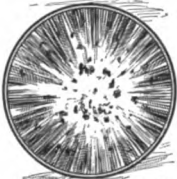
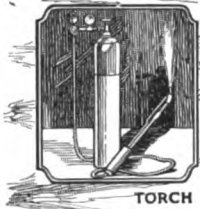
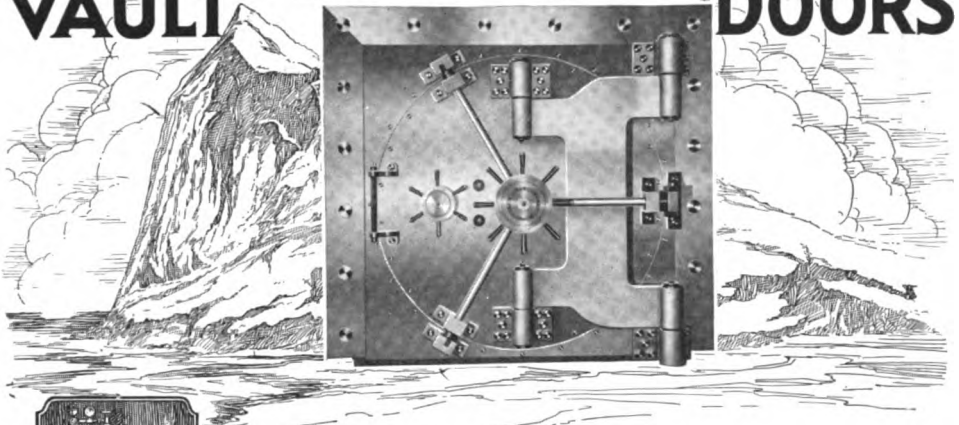
not securely established. They acknowledge that the great volume of foreign balances in the London market has been responsible for offsetting the heavy foreign merchandise deficits. They must know that the retention of such balances is jeopardized by rate reductions, but they may console themselves by reflecting that the Bank of England can draw upon its "revolving credits" in this country if withdrawals take place on any disturbing scale. They do not, it is evident, stop to reflect that the shortsighted desire to capitalize the gains of a return to the gold standard before the position is thoroughly consolidated threatens the newly acquired strength and recovered leadership of the Bank of England.

In the long run, too, the momentary stimulus to trade and to stock exchange business provided by a cheap money policy is likely to exact a heavy toll from industry, which will be forced some time or other to pay the price of credit inflation. The industrial troubles that afflict Great Britain are profound, deep-seated and of long standing. They cannot be permanently relieved by any sort of credit policy, liberal or the reverse. A firm resolve to complete the task of re-establishing the position of the pound sterling upon an independent gold basis is the best foundation for the work of industrial reconstruction yet to come.

Germany

THE middle of September marked the offering in New York by the National City Company, in association with a number of other New York banking houses of \$25,000,000 gold farm loan sinking fund bonds of the Central Bank of Agriculture, Germany, organized under the name of the Deutsche Rentenbank-Kreditanstalt. The chairman of the new institution is Dr. von Lentze, who is also president of the bank.

DONSTEEL VAULT DOORS



Bank Vaults — like fortresses — should be built to resist all forms of attack.

Independent tests — conducted by leading testing laboratories and technical institutions — have proven that DONSTEEL Vault Doors will resist burglarious attacks by torch, explosive or drill.

No known metals are comparable to DONSTEEL in this respect.

Sold only by

THE MOSLER SAFE CO.

375 BROADWAY, NEW YORK, N.Y.
FACTORIES - - HAMILTON, OHIO.

Branches in all principal cities

BOSTON
CINCINNATI
PORTLAND
PITTSBURGH

BALTIMORE
ST. LOUIS
SEATTLE
DALLAS

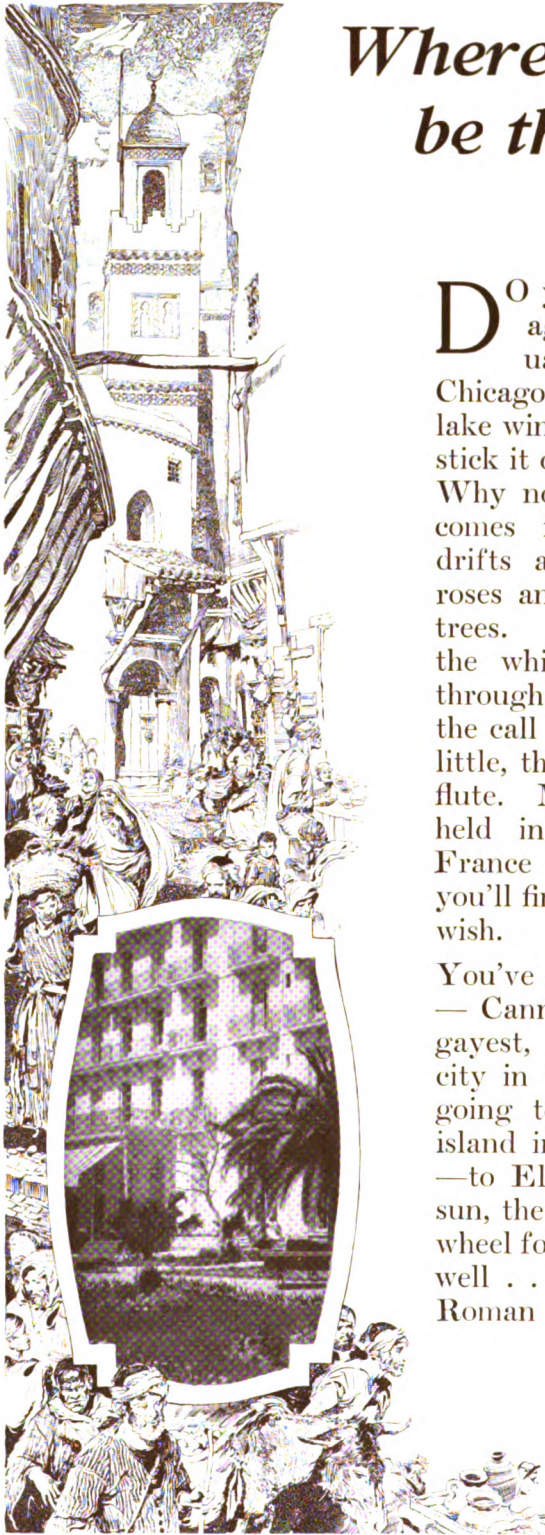
CHICAGO
LOS ANGELES
ATLANTA
CHARLOTTE

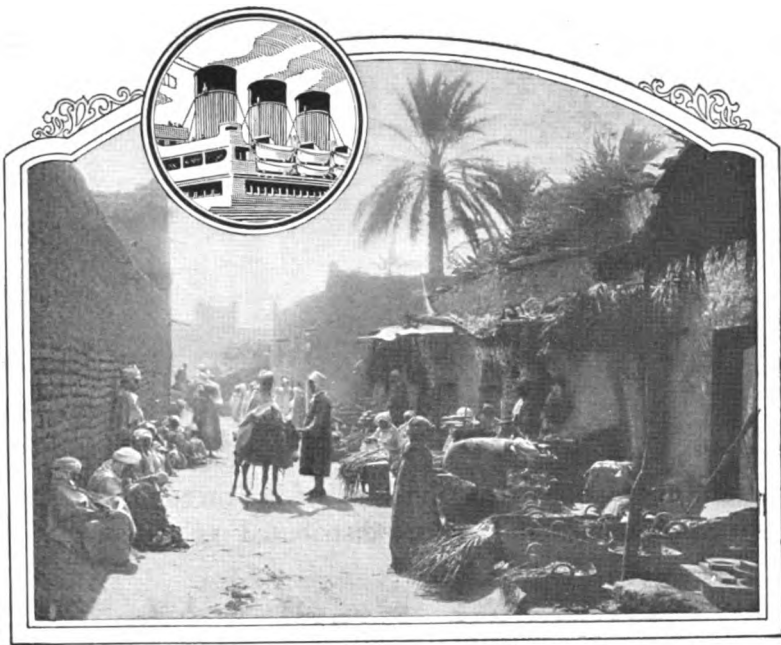
KANSAS CITY
SAN FRANCISCO
NEW ORLEANS

Where will you be this Winter ?

DO you find New York agreeable in a January drizzle or fog—Chicago braving a roaring lake wind? Or do you just stick it out till spring? . . . Why not go where spring comes from? Perfume—drifts and waves of it—roses and drowsing orange trees. Light—blazing in the white squares, sifting through the trees. Music—the call of the muezzin, the little, thin, wild note of the flute. Mystery—the East, held in trust for us by France That's what you'll find this winter if you wish.

You've come from Algiers — Cannes-in-Africa — the gayest, most cosmopolitan city in the world. You're going to Laghouat, green island in the Sahara sands —to El-Goléah, where the sun, the moon and the stars wheel forever over a solitary well You'll see the Roman ruins, the place





where Carthage stood, catacombs, the Arabian Nights come to life You're going back as far as Abraham—in a car of the North African Motor Tours.

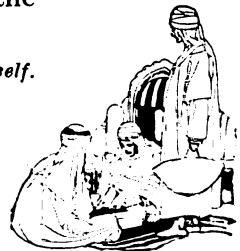
Six perfect days on a thoroughbred of the sea, The Paris or The France, to Plymouth, England. Then to Havre, the port of Paris. Or direct to Havre on any of the one cabin liners . . . down the gangplank to the covered pier . . . a special boat train waiting . . . Paris in three hours. Overnight, the Riviera and Marseilles. Twenty-six hours across the Mediterranean . . . and a strange, exotic country at the other end of "the longest gangplank in the world."

Write for illustrated brochure . . . a trip in itself.

French Line

Compagnie Générale Transatlantique, 19 State Street, New York

Offices and Agencies in Principal Cities of Europe and the United States





The A B C

of international banking is provided through our
61 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France,
Spain and England

Checking and Special Interest thrift accounts in cur-
rency and Pounds Sterling, Traveler's Letters of Credit
and all classes of domestic and foreign banking.

Exceptional facilities through long-established foreign
representation for advising Letters of Credit opened
by domestic banks for their customers.

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America, Ltd.

and

Commercial Bank of Spanish-America, Ltd.

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

Incorporated under the laws of the State of New York

49 Broadway, New York

1839—1925

Banking in the Levant

ENQUIRIES invited by a British Institution from Banks whose interests render desirable a direct connection in the Near East.

IONIAN BANK LIMITED

HEAD OFFICE
LONDON

GREECE
ATHENS, ETC.

TURKEY
CONSTANTINOPLE, ETC.

EGYPT
ALEXANDRIA, ETC.

The Rentenbank will be chiefly occupied with the financing of German agriculture, but will also facilitate the flotation of foreign loans, the proceeds of which are to be used for the promotion of agricultural production. A summary of the details of the organization of the Rentenbank, as supplied by managing directors Kissler and Kipp, reads as follows:

The organization committee appointed under the Dawes Plan to recommend detailed provisions in regard to the new bank of issue, suggested that an agricultural credit institution should be formed to which the Rentenbank should transfer its credit balances and which should supply agriculture with the credits urgently needed to replace deficiencies in working capital resulting from the inflation period. The "Central Bank for Agriculture" (Deutsche Rentenbank-Kreditanstalt) has been organized pursuant to this suggestion to act as the central bank for the existing agricultural credit organizations, some of which have been in operation more than one hundred years, and through such existing organizations to use its own resources and loans obtained at home or abroad in making loans or granting credits for the promotion

of agricultural production in all its branches.

The paid-up capital of the Central Bank for Agriculture amounts to \$40,476,190, which may gradually be increased until the capital and surplus reaches the total authorized amount of \$119,047,619. Such increase is to be effected by the application of earnings, and through payments to the credit of capital account made by the Rentenbank by transfer of its assets during the period of liquidation, and also from sums received by the latter from the proceeds of the land-charge annuities referred to below.

Bond issues are authorized up to six times the paid-up capital but may be increased to eight times with the consent of the Reichsrat, the upper house of the German Parliament.

The bonds of this issue are secured by an equivalent amount of mortgages (or cash in lieu thereof), fulfilling the requirements of the German Mortgage Bank Law of 1889, constituting first liens on German agricultural, forestal and horticultural lands at not exceeding 40 per cent. of the official valuation of such lands, subject only to the original Rentenbank land-charge annuity amounting to one-quarter of one per cent. per annum of the official land valuation, and to any prior existing

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kredittkassen

First established
private bank in
Norway

BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company

mortgages for the immediate discharge of which appropriate provision will be made, and to possible minor charges not of a capital nature for which due allowance will be made in advances made on such mortgages.

The Central Bank for Agriculture covenants and the German Government stipulates in its approval of the issue given in conformity with the charter law that the Central Bank for Agriculture will not issue any other bonds or contract any indebtedness in any manner sharing in the specific security provided for the bonds of this issue.

The Reichsbank will act as supervisory trustee in Germany and will exercise general supervision over bonded agents appointed by it in conjunction with the German Government to examine and pass upon the mortgages securing the bonds and to have the custody of the deposited mortgage documents.

The business operations and policies of the Central Bank for Agriculture are under the supervision of the German Government. The governing board includes eleven members appointed by the German Reichsrat and two appointed by the Government.

The purpose of this issue is to provide funds calculated to increase the productivity of German agriculture. This should exert a favorable influence on German national economy and on the potential balance of payments available to creditor nations.

Reparations Under the Dawes Plan

The monthly report of the Direction der Disconto-Gesellschaft, Berlin, on economic conditions in Germany for the month of July, says regarding the workings of the Dawes Plan at the end of its first year of operations:

Satisfaction has been expressed in most quarters, both in Germany and abroad,

that the Dawes Plan has worked so well up to the present. Everything has gone as arranged. Up to June 30, 1925, 780,000,000 goldmarks had been paid over to the general agent for Reparations payments, which sum represents approximately the fraction already due of the first annual payment of 1,000,000,000 gold marks which has to be completed by the end of August. Of this amount, however, only 100,000,000 came from German industry; the whole of the remainder was obtained from the international loan, of which there are still 130,000,000 marks available. The amount still outstanding will be made up with the payment on September 1 by the German State Railways of the 100,000,000 marks interest on their reparation bonds; that this payment will be punctually made is beyond all doubt. Thus, as far as the method of payment is concerned, the first year's working of the Dawes Plan will have been a success.

The transfer of Germany's payments to her creditors has also run quite smoothly up to the present. Of the 780,000,000 marks paid during the first ten months of the year, about 188,000,000 went to meet the costs of occupation, management and control; 60,000,000 which had to be paid in foreign currency were used up in the service of the German foreign loan of 1924; about 26,000,000 remained undistributed in the possession of the general agent, and about 500,000,000 were divided among the various reparation creditors. Of this last amount—reparations in the real sense of the word—the creditors received 345,000,000 or approximately 70 per cent. in the form of deliveries in kind, while the remainder of 152,000,000 was paid in accordance with the provisions of the Reparation Recovery Act.

As is well known, an alteration has been made since last April in the method of making reparation payments to England. A lump sum is now paid every month from the one government to the other, and the German exporter and the English importer

The Yokohama Specie Bank, Ltd.

(Yokohama Shokin Ginko)

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed Yen 100,000,000
 Capital paid up Yen 100,000,000
 Reserve Fund Yen 80,500,000

(\$0.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Fengtien	Honolulu	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hamburg	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tsinan
Calcutta	Hankow	Kobe	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton	Harbin	London	Newchwang	Salgen	Sydney	Vladivostok
Changchun				Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

are thus freed from all the annoyances which were formerly a considerable obstacle to trade between the two countries. A necessary condition for the working of this method is that the firms exporting to England pay to the Reichsbank in return for Reichsmarks a certain proportion of the sums they receive in foreign currency. Otherwise the German Government cannot obtain the necessary amount of sterling for the lump sums which it pays in every month to the Bank of England to the account of the reparations agent.

As is clear from the above, the payment of reparations to England is a question of a transfer of value in foreign currency in actual money. For the first ten months of the first year of the working of the Dawes Plan the payments in accordance with the Recovery Act amount to about 20 per cent. of the total payments made. Taking the same percentage of the first annual payment of 1,000,000,000 marks, the payments in foreign currency in accordance with the Recovery Act will amount in the first completed year to about 200,000,000 marks. As has already been mentioned, the service of the loan requires another 60,000,000 in foreign currency. Further, one will have to reckon with part of the costs of management and occupation being

changed into foreign currencies by the receivers. The amount of money in foreign currencies required by Germany for the purposes of reparations must therefore be estimated at about 300,000,000 Reichsmarks, especially as there can be no doubt that raw materials from abroad are made use of for the purpose of the deliveries in kind. It is quite certain that the payments in foreign currency for the first year cannot be made from a surplus in Germany's foreign currency account, but only with the help of foreign grants of credit to private German industry.

The transfer problem which has been so much discussed, will be of much greater practical importance in the second year. If the sums required for the costs of occupation and control, for deliveries in kind and for payments in accordance with the Recovery Act remain the same, proportionately, as they are now, another 220,000,000 marks will have to be paid over in money, as the total payment for the year is to go up to 1,220,000,000 marks. Any considerable increase in the deliveries in kind is improbable because of the resistance on the part of the industries manufacturing finished articles in the receiving countries; the resistance is already making itself strongly felt, for example in connection

BANQUE CHRISSOVELONI

Head Office: BUCHAREST, ROUMANIA

New York Agency, 115 BROADWAY

Capital Lei 200,000,000 Resources Lei 1,200,000,000

Established 1848

Affiliated Banking Houses in PARIS and VIENNA

Branches in CONSTANTINOPLE and all over Roumania

COMPLETE FOREIGN BANKING SERVICE

Correspondence invited from those interested in Central Europe and the Near East
RADU IRIMESCU, New York Agent

with the deliveries of railway rolling stock. Having regard to the situation in the coal industry in France and Belgium, it is equally doubtful whether the deliveries of coal can be increased.

From the above considerations the question arises: how is Germany to find the money for the payment in the second year of the 520,000,000 marks in foreign currency to which she is pledged by the Dawes Plan? She can only do so by increasing her exports. As Germany had for the year 1924 an adverse trade balance of 2,700,000,000 marks, and for the first half of 1925 an adverse balance of 2,276,000,000 marks for the trade in goods alone, it is improbable that the money for reparations can be derived, at any rate for the present, from her foreign trade, as was assumed in the report. It is true that in this adverse balance of 2,276,000,000 marks is included an increase 855,000,000 marks in the import of foodstuffs as compared with the previous year, and as the harvest is fair in Germany this will perhaps drop out; but even so Germany's trade will not be able to show the necessary favorable balance unless foreign countries exhibit much more willingness to take her goods than there seems any likelihood of at present in view of the general movement towards protection. That the transfer problem is occupying the minds of the originators of the Dawes Plan, may be seen from the discussions held at the International Congress of the Chambers of Commerce at Brussels. Their only result was to arrive once again at the conclusion laid down in the report that Germany can only pay reparations out of a favorable trade balance.

France

FINANCE Minister Caillaux of France, heading the French Debt Mission, sailed for the United States on September 16. A copyright article in the *New York Times*

of that date from its Paris correspondent Edwin L. James says in part that:

It is certain that M. Caillaux carries with him the hopes of the vast majority of the French that there will be a settlement. This sentiment comes from the wish of Frenchmen to pay what they owe as nearly as they can, but also, and emphatically, from the wish to regain the political independence which they think the country does not enjoy while under the shadow of unarranged debts abroad.

And therefore the success or failure of M. Caillaux's mission must have an important effect upon the relations generally between America and Europe, for politically France dominates largely the opinion of Europe. If the French debt is settled, it will, in all probability, mean a definite end to the system of American observers, it will mean a different attitude toward American advice and it will almost surely mean there will not be any disarmament conference in Washington.

The *Temps* in an interesting article emphasizes the political angle of the coming Washington negotiations saying:

"The mission of the Finance Minister has a great political import, for we all know how the matter of interallied debts has influenced the relations between America and Europe, how it has enabled the United States, which has refused all direct responsibility for the political and economic reconstruction of Europe, to bear indirectly with all the influence of its financial power on the solutions of the grave questions relative to the execution of the treaties.

"The settlement of our debt to America will bring us advantages. It will clear the political horizon and give us back that financial independence without which a great power risks not being able to act freely."

After reviewing the sentimental considerations to which the French have attached importance, the *Temps* says it is evident

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:
HELSINKI
(Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk.	- - -	150,000,000
Reserve Fund and Profits Fmk.		115,000,000
Deposits etc. (31/12 '24) Fmk.	-	1,704,000,000

All descriptions of banking business transacted

Telegraphic address: KANSALLISPANKKI

that the matter must be approached differently, and adds:

"The Washington negotiations will be more difficult than those at London, for, while the spirit of solidarity which won the war still exists with the English, it has expired in the breasts of the Americans."

Continuing in the same tone, the *Temps* says:

"We would be wrong now to invoke those arguments of elemental justice and pure sentiment which must impress any impartial mind which examines the question. That France went into debt to support the burden of the common war for the liberty of all peoples, that the richest part of her soil served as battlefields for the Allies, who fought their fight as well as ours, that France paid the heaviest part in blood, having lost a million and a half of her sons—all that, it seems, does not count with our American friends when the question is their money.

"The moral greatness which history creates out of heroism, tears and blood does not count alongside of gold. Perhaps if both these factors had been considered together the result would have been better for civilization and international relations, but the Americans think the matter of war

debts should be handled as a business proposition."

After this plea, the *Temps* says the Americans should not be too hard, for, if they break France financially, they can never be paid.

Commenting on a report from Washington that the American experts will reflect on France's military expenditures, the *Temps* hopes M. Caillaux will not permit any discussion of France's domestic affairs, especially with regard to her army, and continues:

"Deprived of the promised Anglo-American guarantee, it is up to France to protect herself. The settlement must leave us free to have the army we wish to have."

Concluding, the *Temps* says:

"If our capacity for payment is low now, the fault falls on our war associates who did not wish to force conquered Germany to pay, and who obliged us to treat our bad enemy debtor with greater kindness than they are now disposed to treat us.

"In any event the Americans and English ought to recognize that it would be an iniquity to make us pay more than we receive from Germany, and, if they wish to be paid, they ought to do more than they

Aktiebolaget Unionbanken

Successors to Wasa Aktie Bank (established 1879), Abo Aktiebank (established 1896), Landtmannabanken, Aktiebolag (established 1910)

Head Office in Helsingfors (Finland)

Offices in Wasa and Abo and Branches at 54 other places in Finland

Capital - - - Fmk. 100.000.000
Funds - - - - " 56.000.000

Telegraphic Address "Unionbanken"

Banking business of every description transacted

have so far done to see that Germany does not escape her obligations."

Masson Sees France Back on Gold Basis

Robert Masson of the Credit Lyonnais, Paris, and one of France's most prominent bankers, is quoted by the *Associated Press* as stating in one of his recent lectures on "The Peace Problems of France" before Institute of Politics at Williamstown, Mass., that France is determined to return to the gold standard. Whether she was to revert to her pre-war standard or stabilize the franc at a new but lower value was yet to be decided, he said. He added:

In either case we must begin by stabilizing the currency, and the preliminary measures are the final balancing of the budget, which the present Government is determined to see through; an increase in taxation to attain that object; a careful financial policy, avoiding an increase in the public debt and making provisions for its reduction; a settlement of the international debt question and a continuation of habits of thrift among the public. All this is either done, being done, or likely to be done in the near future. Practically, the exchange will then be stabilized or will fluctuate only between narrow limits.

The Bank and the New Architecture

"Dignity, power and security are attributes which the bank wishes to show in its building. For this reason the classic styles of architecture of Greece and Rome are often employed. Such effects can also be obtained in the modern and original types of buildings as shown by the exhibits at the Paris 'Exposition Internationale des Arts Decoratifs et Industriels Modernes,' says Alfred C. Bossom, New York archi-

tect and engineer, who recently made a survey of that interesting display.

"The directors of this remarkable exhibition," continued Mr. Bossom, "asked all the nations for their best creative work in the arts and crafts, and specified that there should be no copies or reproductions. There is a certain freedom and originality in the architecture of the pavilions, some of which have a monumental character, which suggests that bank buildings of the same general type could be built. The use of firm, straight lines, giving an impression of height, although the buildings are by no means tall, is a notable feature of the exposition and one which has great possibilities."

Mr. Bossom says that he regards the exposition as a significant indication of the gradual recovery of Europe from the depression of the World War.

Belgium

TERMS for funding Belgium's debt to the United States were agreed upon by representatives of the Belgian Government and the United States World War Foreign Debt Commission at Washington on August 18.

Belgium agrees to pay, simultaneously, a post-armistice debt of \$556,050,500, and a pre-armistice debt of \$171,780,000. Payments are to extend over a period of sixty-two years. The total to be paid, with interest on the post-war debt added is \$727,830,500. No interest is to be charged on the pre-war debt of \$171,780. This was agreed to because of Belgium's insistence that this debt be regarded in a different light from her other indebtedness, and in recognition of her special claim in German reparation payments. An *Associated Press* statement of

A/B Nordiska Föreningsbanken

(in Finnish: O/Y Pohjoismaiden Yhdyspankki)

The Greatest Private Bank in Finland, formed from the Amalgamation in 1919 of Föreningsbanken i Finland and Nordiska Aktiebanken för Handel och Industri

PAID-UP CAPITAL and RESERVES: Fmk. 320,000,000

Head Office:

HELSINGFORS

52 Branches all over the country

Telegraphic Address: UNITAS

PRINCIPAL NEW YORK CORRESPONDENTS

The National City Bank

Chase National Bank

Irving Bank-Columbia Trust Company

Guaranty Trust Company

August 18, regarding the debt agreement says:

Because this country did not sign the Versailles Treaty, the American commission could not feel bound to the arrangement of President Wilson that the German Government should be substituted as the debtor, nor did it feel that the 5 per cent. proportion of German debts to Belgium allocated under the Dawes Plan should be applied. But the American commission did take the attitude that while there was no legal obligation there was a strong moral one which necessitated the concession of abandoning the interest charge.

Post-Armistice Debt Terms

The post-armistice debt was treated in general on the same basis with other settlements, but because of the present situation in Belgium, the fact that trade balances are against her and her exchange situation is poor it was provided that she would make arbitrary payments over a period of ten years on the interest and that the 3½ per cent. interest charge would not apply until that time. From tables furnished by the Treasury it may be seen that while the total payments of Belgium on the post-

armistice debt range between \$2,840,000 and \$6,650,000 for the first ten years, they then jump to a constant of about \$9,800,000 annually for the rest of the sixty-two years.

The post-armistice debt of \$556,050,500 is split into interest charges of \$310,050,500 and a principal of \$246,000,000, the principal being approximately \$40,000,000 greater than what was anticipated on the basis of debt figures submitted by the Treasury May 16, 1925. Accrued interest charged at the rate of 4½ per cent. from the date of the armistice to December, 1922, and at 3 per cent. from that time until June of 1925, the date of the present agreement, makes up the difference, it was stated at the Treasury.

Previous to the agreement of today the accrued interest charge was set at 5 per cent., but this was only an arbitrary figure, and it was said this afternoon it was never expected it could be achieved.

The Debt Commission took completely into consideration Belgium's capacity to make initial payments on both debts. The principle of making it as easy as possible to discharge the first obligations was applied not only in the post-armistice debt but in the pre-armistice debt, where the first six years' payments were cut materially below those to be made later on. For the

INCASSO-BANK AMSTERDAM

ROTTERDAM-THE HAGUE

37 other Branches throughout HOLLAND

Established 1891

Paid-up Capital Fl. 25,000,000
Reserve Fund Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: INCASSOBANK

first six years Belgium will pay on the principal of her pre-war debt annually from \$1,000,000 to \$2,750,000, when the payments will rise to \$2,900,000 and continue at that figure.

Text of the Commission's Statement

The statement issued by the World War Foreign Debt Commission in announcing the conclusion of negotiations reads as follows:

The basis of settlement of the Belgian debt to the United States has been reached between the United States World War Foreign Debt Commission, with the approval of the President, and the Belgian Debt Commission, subject to ratification of the United States Congress and the Belgian political authorities.

Repayment of the post-armistice debt, amounting at date to about \$246,000,000, has been arranged on the general lines accorded to other countries. Instalments on principal are spread over a period of sixty-two years and the rate of interest is to be 3½ per cent. beginning at the end of ten years, as in the other cases. In this case,

however, interest payments during the first ten years have been graduated in fixed amounts, as shown in the statement attached. Repayment on the principal and interest for the first year will be about \$3,000,000, increasing each year until the eleventh year, when the total amount repayable on principal and interest is about \$9,800,000.

The Belgian Commission has been insistent that the United States should accept the basis for settlement of the pre-armistice debt of \$171,000,000, which was accepted by President Wilson at the peace conference. The arrangement contemplated at that time was that the German Government should be substituted for Belgium as the debtor for the pre-armistice debts. This proposal was accepted by the Belgian Government as a fundamental part of other arrangements made by her under the Treaty of Versailles and was also accepted by the other creditors, whose advances amounted to over \$800,000,000.

At that time it was considered by all of Belgium's creditors that the pre-armistice advances to Belgium occupied an entirely

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed Frs. 60,000,000
Capital Paid Up Frs. 30,000,000
Reserve Frs. 10,000,000

Branches :
BRUSSELS _____ OSTEND
CORRESPONDENTS
AT ALL BANKING POINTS

different position from other financial obligations between any of the countries in the war. Although the plan was accepted by the American representatives at Paris and acted upon by all the other parties to it, the United States did not, of course, become legally bound, as the Versailles Treaty with Germany was not ratified. Nevertheless, the United States Debt Commission considers that while no legal obligation rests upon the United States in the matter, there does continue a weighty moral obligation as a result of assurances given which entirely differentiates this sum from all other debts due the United States from foreign countries.

Provision was made under the Dawes plan that 5 per cent. of the annual German reparations payments are set aside, after satisfying certain priorities (of which the payment of cost of the Army of Occupation of the United States is included as one of such priorities) for service to all nations on the British pre-armistice debt. All the other countries except the United States have accepted their proportion of the sum thus payable as a consummation of the plan accepted by President Wilson, and Belgium has been relieved as a debtor to those other nations.

The United States Debt Commission has not been able to accept the Belgian proposal that either Germany directly, or the proportion of the 5 per cent. payable to Belgium under the Dawes plan and applicable to the American debt, should be substituted by Belgium for repayment of the pre-armistice debt, and a specific act by Congress forbids such action. But the United States Debt Commission has felt that under all the circumstances the United States should not ask for more than the repayment of the principal of the pre-armistice debt.

This has been arranged upon the basis of instalments payable over sixty-two years without interest, the obligation remaining directly upon Belgium. The amount of such annual instalments is to be \$2,900,000 but with a portion deferred during the first six years for subsequent repayments. Thus after the preliminary periods the total payments of Belgium to the United States will be about \$12,700,000 per annum.

The adjustments of early payments on the debts have been made to meet the present difficulties of Belgium in obtaining foreign exchange because of the unfavorable balance of her commodity trade and the deficiencies in her income and other forms of "invisible" exchange.

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Saesrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

Italy

A TREASURY statement issued on August 21 covering the first month of the fiscal year 1925-26, shows, according to a statement of the *Associated Press*, a surplus of 71,000,000 lire, as compared with a deficit of 83,000,000 lire for the first month of the last fiscal year. (The lire at the present rate of exchange is worth about 3½ cents.)

The surplus this year is in spite of the fact that disbursements for ordinary and extraordinary expenses exceeded taxation receipts for the period by 720,000,000 lire, the excessive disbursements being explained largely by the payment of interest on the public debt.

The public debt during the month of July was increased by 362,000,000 lire, of which 357,000,000 lire was new ordinary Treasury bonds. Circulation totaled 21,000,000,000 lire, representing an increase of 259,000,000 lire over June.

Exports for the first six months of 1925

RECIPROCITY

IS THE SECRET
OF OUR
SUCCESS

OUR CLIENTS
HAVE
AND WE

CONFIDENCE

IN US
IN THEM

GUAYAQUIL
ECUADOR

BANCO DE DESCUENTO

amounted to 8,569,000,000 lire, or an increase of 1,893,000,000 lire over the same period last year. Imports, however, reached 14,427,000,000 lire, or 5,858,000,000 lire in excess of exports, whereas imports exceeded exports for the same period last year by only 2,720,000,000 lire.

The increased unfavorable trade balance is explained partly by the importation of grain, owing to the poor crop in Italy, and

increased importation of raw materials for the unusual boom in industries.

Industrial Reports Indicate Activity

Financial attention has been largely devoted to the industrial reports for the first half of 1925, according to the *New York Times* of August 17, the indications of industrial activity for the period being exceptionally good. Italian output of steel, which averaged 98,000 tons monthly during 1924, began the year at 100,000 tons in January, rose to 115,000 in February, and by May had reached 133,000. Industries like cement and paper have been rapidly expanding, while the woolen, cotton and textile industries are working to capacity and already feel the lack of skilled workers. The only industry which reports depression is the hemp trade, where high cost of raw materials is a handicap.

Another indication is that the investment in securities of new and other companies has shown considerable increase. As against 4,905,000,000 lire in the whole of 1924, 2,128,000,000 lire and 1,044,000,000 lire, respectively, in the two preceding years, investments during only the first half of 1925 reached 4,740,000,000 lire. These figures are considered to be the safest indication of a growing production of new wealth, but they have caused considerable uncertainty on the markets, which are not yet prepared to absorb any such heavy influx of new securities.

Switzerland

THE Swiss Bank Corporation devotes the August issue of its *Monthly Bulletin* to an enquiry of how far Switzerland's public finances conform to the requirements necessary for a return to the gold standard,

Trade With Sweden

Aktiebolaget

Göteborgs Bank

Gothenburg and Stockholm
SWEDEN

Established in 1848

Own capital Kr. 78,750,000
(over \$20,000,000)

Through our many branches and correspondents all over Sweden we are able to offer every accommodation possible for banking transactions in Sweden.

Cable address: Götabank

UNION BANK OF SWITZERLAND

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano, Locarno,
Montreux, Vevey, La Chaux-de-Fonds, etc., etc.

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - -	Swiss Francs	16,500,000
DEPOSITS - -	Swiss Francs	493,683,244
TOTAL ASSETS -	Swiss Francs	646,434,637

The Bank will be pleased to act as your
Correspondents in Switzerland
and to be appointed as *paying agents for*
Letters of Credit, Travellers' Checks, etc.

Well equipped to handle your
Swiss banking business

while a subsequent bulletin is to contain a study of the balance of international payments in relation to an eventual return to the gold standard.

Switzerland like other countries suffered heavily in her national finances as a result of the war, and whereas in 1913 the national accounts showed a net surplus amounting to 102,500,000 francs, there was, at the end of 1924 a net deficit of 1,525,000,000 francs. After an exhaustive study of the finances of the Government and of the various Federal services, which is supplemented by a number of very illuminating tables the following conclusions are arrived at. Although the national revenue still falls short of expenditure, the deficit from year to year is steadily decreasing. The budget for 1925 foresees a revenue of 288,000,000 francs, and an expenditure of 305,000,000, making an excess of expenditure of over 17,000,000 francs, but it is confidently expected that the definite figures will be considerably less. In 1924 the budget had foreseen a deficit of 38,400,000 francs, while the eventual returns showed only about 22,000,000 francs. It therefore seems possible that the equilibrium may soon be re-established if no new industrial and trade depression arises to com-

promise the receipts from the customs duties, which are the largest source of revenue in the Federal budget, and, if, on the other hand, the scheme of social assurance, which is under consideration, does not lead to increased expenditure which cannot be met by contributions from hitherto untapped sources of revenue. The working accounts of the Federal services, particularly the post-office, the telegraphs and telephones, make a favorable showing, and no longer give rise to any fears.

The national capital account has shown since 1914 a deterioration from year to year—the Federal debt now amounts to more than 2,300,000,000 francs, but has been almost entirely funded. The loans contracted in the United States will successively be repaid and converted into internal loans; their service will therefore no longer be an adverse exchange factor and finally there seems every reason to believe that in the near future a sound policy of regular sinking fund operations will be resumed.

The Federal railways, which are a self-contained entity and are not comprised in the general figures of the national finances, have closed two successive years without a deficit, and it may be hoped that in spite

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

of the less favorable results of the last few months, the same may eventually be said of 1925.

It must further be added that the finances of the cantons are in general in a less precarious position than they were in the first two years after the war. The general inference drawn from these facts is that there should be no fear of future inflation in Switzerland as a result of the Government's management of the national finances.

Denmark

REDUCTION of discount rates by the National Bank of Norway and the National Bank of Denmark from 6 per cent. to 5½ per cent. by the former and from 7 to 6 per cent. by the latter, just announced, is expected to halt the rise in the exchange on those countries, according to a cable to the United States Department of Commerce, from Commercial Attache Sorenson, Copenhagen.

The old rate of the Bank of Norway has prevailed since May, 1925, while that of the Bank of Denmark has been effective since January, 1924.

According to the finance division of the Department of Commerce, there is a close relation between the reduced rates and the rise in the exchange value of the Danish and Norwegian currencies.

The Danish crown, which was quoted at 17.67 cents on January 3, 1925, rose to 19.94 cents at the end of June and 23.80 cents on August 22. It will be recalled that the Danish Government had adopted an ex-

change appreciation plan which obligated the Bank of Denmark to raise the exchange value of the crown to 18.80 cents before January 1, 1927.

The exchange value of the Norwegian crown rose from 15.17 cents on January 3, 1925, to about 18.95 cents at the present time.

The rise that has taken place is far greater than the one contemplated. This upward movement was so rapid that the industrial interests of both countries complained on the ground that internal prices had not adjusted themselves to the external value of the currency. The resulting rise in prices of export commodities reacted unfavorably on the value of exports.

Inasmuch as the rise in exchange was partly the result of increased foreign balances in Copenhagen and Oslo, it is believed the reduction in the discount rates will retard a further upward movement of exchange, since foreigners will hardly increase funds now on deposit in these centers in view of the lower interest receivable.



International Banking Notes

Three of the largest British banking institutions in Africa, the Colonial Bank, the Anglo-Egyptian Bank of South Africa, Limited, and Barclays Bank Limited, will be amalgamated, it has been announced in a cablegram received at the New York office of Barclays Bank Limited, London. Control of the new bank will

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)
Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: MANILA, P. I.

BRANCHES: ILOILO, CEBU, ZAMBOANGA



William T. Nolting	President
Joseph F. Marias	Vice-President
Fulgencio Borromeo	Vice-President
R. Moreno	Secretary
D. Garcia	Cashier
E. Byron Ford	Chief, Foreign Department
S. Freixas	Chief Accountant
P. J. Campos	Manager Iloilo Branch
J. M. Browne	Manager Cebu Branch
J. M. Garcia	Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

rest with Barclays Bank Limited, by virtue of stock ownership.

The Colonial Bank will be reincorporated and will change its name to Barclays Bank (Dominion, Colonial and Overseas). It will then acquire the business of the Anglo-Egyptian Bank and the National Bank of South Africa. Frederick C. Goodenough, chairman of Barclays Bank Limited, will be chairman of the reincorporated bank, to promote development, and the vice-chairman will be Sir Herbert Hambling, Bart., and Edmund H. Parker, II. D. The existing boards of the three amalgamated banks will act as local boards for their respective sections and will be represented on the central board.

The amalgamation will result in an extensive consolidation of banking interests throughout the whole of the African continent, a policy calculated in the opinion of Barclays Bank, to promote development and trade. The new institution will have £6,975,000 of capital stock issued and subscribed, of which £4,975,500 will be paid-up. Thus the paid-up capital, at the current rate of exchange, will be approximately \$24,000,000.

There will be an initial reserve fund of £1,000,000. Barclays Bank Overseas, Limited, and Barclays Bank, S. A. I., the French and Italian affiliates of Barclays of London, will remain separate institutions.

©

The Anglo-South American Trust Company of New York, American representative of the Anglo-South American Bank, Limited, London, has received a cable stating that the Anglo-South American Bank, Limited has decided to expand its already wide representation in Spain by the establishment of a branch in Coruna which the management of W. A. Haugh, who for some years was connected with the bank's New York agency.

The Anglo-South American Bank opened its first branch in Spain at Barcelona during the late war and was the first of the British and American banks to establish direct contact with that country. Since the original establishment in Barcelona additional branches have been opened from time to time, until now there are seven offices in Spain located at the above mentioned places

A common instruction in business transactions with Porto Rico:
 "PLEASE PRESENT DOCUMENTS THROUGH
 BANCO DE PONCE."

Our main efforts being directed to the promoting of trade relationship between the continental United States and this Island, we have specialized our collecting services to further our purpose.

BANCO DE PONCE PONCE, PORTO RICO

Capital - \$750,000.00 Surplus - \$175,000.00
 Assets - \$5,000,000.00

We solicit your collections. Correspondence invited.

and at Bilbao, Madrid, Seville, Valencia and Vigo.

The Anglo-South American Bank has a total of sixty-one branches and offices distributed throughout the Americas, France, Spain and England.

⊙

The statement of the Midland Bank Limited, London, for the half-year ended June 30, 1925 shows total resources of £401,795,324, current, deposit and other accounts (including balance of profit and loss account) £348,359,435, paid-up capital £11,976,890 and reserve fund £11,976,890.

⊙

The statement of the Bank of Adelaide, Adelaide, South Australia, as of March 30, 1925, shows a net profit, after meeting all expenses and including a balance of £28,024 brought forward from previous account, of £101,490. This sum has been disposed of as follows:

	£
To a dividend at the rate of 10 per cent. per annum	43,750
Transferred to reserve fund (making it £780,000)	30,000
Carried forward to next account.....	27,740

The bank's total resources as of above date, stood at £8,514,574.

⊙

The statement of De Twentsche Bank, Amsterdam, Rotterdam and The Hague, as

of June 30, 1925, shows total resources of fl.269,857,164, time deposits fl.22,319,294, call deposits fl.32,971,930, capital fl.36,000,000 and reserve fund fl.13,079,782.

⊙

The forty-sixth semi-annual statement of the International Banking Corporation of New York, shows total resources as of June 30, 1925 of \$129,031,011, time deposits \$40,101,557, demand deposits \$42,570,382, capital \$5,000,000, surplus \$5,000,000 and undivided profits \$3,723,334.

⊙

The one hundred and sixty-seventh half-yearly report of the Western Australian Bank, Perth, Western Australia, for the half-year ended March 30, 1925, showed net profits, after providing for all expenses and including a balance of £35,006 brought forward from previous account, of £81,273. Out of this amount a dividend at the rate of 17½ per cent. per annum has been paid, absorbing £43,750 and the sum of £37,523 has been carried forward to next account. The bank's reserve fund now stands at £989,014. Paid-up capital is £700,000.

At the half-yearly meeting of shareholders held on November 5, 1924 the directors were authorized to issue at their discretion a further 500,000 £1 shares. Acting under that authority the directors decided to issue 150,000 shares and obtained a contract to purchase 100,000 shares in London upon terms which were completed July 2, last.

Rotterdamsche Bankvereniging

Rotterdam

Amsterdam

The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States

J. Enderman, 31 Nassau Street, New York

The balance of 50,000 shares was offered for subscription in Australia at a premium of £1 10s. per share, with the right of the board to issue and allot an additional 50,000 shares if considered advisable. The prospectus was published January 1, last, and the subscription list was open from January 7 to January 30. The issue of 50,000 shares was largely over-subscribed and the directors decided to accept applications for 100,000 shares in all, which were allotted accordingly. The first two payments, making £1 per share on this new issue of 200,000 shares, have already been received, making the paid-up capital £700,000. The new shares will carry dividend for the half-year ended September 28, 1925.

⊙

The annual statement of the Queensland National Bank Limited, Brisbane, for the year ended June 30, 1925, shows a net profit, after providing for all expenses and including the sum of £16,685 brought forward from last account, of £201,131. Out of this sum interim dividends at the rate of 10 per cent. per annum were paid for the

quarters ended September 30 and December 31, 1924 and March 31, 1925. These payments absorbed £89,374. The sum of £60,000 was transferred to reserve fund leaving for distribution £51,747. Out of this amount a dividend at the rate of 10 per cent. per annum for the quarter ended June 30, 1925 absorbed £35,806, and the balance of £15,950 has been carried forward to next account.

⊙

The statement of the Sumitomo Bank, Limited, Osaka, for the half-year ended June 30, 1925, shows total resources as of that date of yen 499,247,988, total deposits yen 362,363,531, paid-up capital yen 50,000,000 and reserve fund yen 17,500,000.

⊙

The fifty-ninth report of the Bank of Victoria Limited, Melbourne, shows net profits for the year ended June 30, 1925, after providing for all expenses, and including a balance of £35,157 brought forward from previous account of £224,954. Out of this amount an interim dividend at

the rate of 7 per cent. for the half-year July to December, 1924, absorbed £66,510 and £3,000 was transferred to officers' provident fund, leaving available for further distribution the sum of £155,444. This sum has been disposed of as follows:

	£
To a dividend at the rate of 9 per cent. per annum for the half-year ended June 30, 1925	66,510
To reserve fund (making it £800,000)	50,000
Balance carried forward to next account	38,933

Total resources of the Bank of Victoria as of June 30, 1925 stood at £15,351,786.



The fifty-eighth semi-annual report of the Dai-Ichi Ginko, Limited, Tokio, for the half-year ended June 30, 1925, showed a net profit, after providing for all expenses, and including a balance of yen 1,327,678 brought forward from last account, of yen 6,602,890. This amount has been disposed of as follows:

	Yen
To bonus for directors, auditors and chief officers	263,760
To pension fund for officers and directors	105,500
To reserve fund, raising to yen 46,400,000	1,600,000
To a dividend at the rate of 13 per cent. per annum	3,250,000
Carried forward to next account	1,383,630



The statement of the Commercial Banking Company of Sydney Limited, Sydney, for the year ended June 30, 1925 shows net profits, after providing for all expenses,

and deducting an interim dividend at the rate of 10 per cent. per annum paid January 20, 1925, of £395,227. This sum has been disposed of as follows:

	£
To payment of a dividend for the last half-year at the rate of 10 per cent. per annum	175,000
Transferred to reserve fund	130,000
Carried forward to next account	90,227

The Commercial Banking Company of Sydney has total resources of £45,217,645. J. R. Dryhurst has been appointed to succeed H. H. Massie, retired, as general manager of the bank. Mr. Dryhurst entered the bank's services forty years ago and has filled the positions of assistant general manager, chief inspector, and acting general manager during Mr. Massie's absence on leave.



The statement of the Imperial Bank of India for the half-year ended June 30, 1925, shows total resources of as of that date of rs. 1,09,49,03,300, public deposits rs. 22,52,81,93,099, other deposits rs. 75,88,93,099, paid-up capital rs. 5,62,50,000 and reserve fund rs. 4, 77,50,000. The bank's net profit for the year amounted to rs. 69,39,660, added to which the sum of rs. 12,58,213 made a total of rs. 81,97,874.

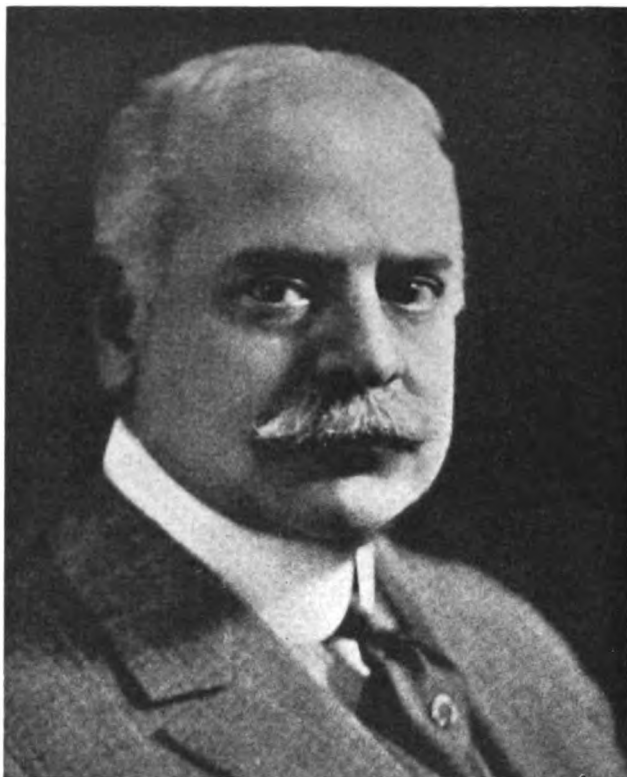
Since the first of the year the bank has opened nine new branches and will open fifteen additional branches before January 27, 1926 in accordance with its agreement with the Government to open 100 new branches within five years.





PIERRE DE MALGLAIVE
Director general of the French Line for the United States and Canada

MR. Malglaise has recently had the Legion of Honor conferred upon him by the French Government in recognition of his valuable services to France during and after the war. During the war he served as lieutenant in the French artillery in France and Macedonia, and was awarded the French War Cross after the battle of Vimy Ridge. After the war he was appointed director for Belgium of the French Line, with headquarters at Antwerp. Among his many activities at the Belgian port he was president of the French Chamber of Commerce, and was connected with many business organizations. His services were officially recognized by King Leopold, who made him a Knight of the Crown. Two years ago he came to New York as the head of the French Line in the United States and Canada, and soon became prominent in Franco-American business circles. Last year the French Chamber of Commerce elected him president of this important business organization, which does so much to further amicable relations between France and the United States.



OSCAR R. CAUCHOIS
Advisory Director of the French Line

IN October of this year Mr. Cauchois completed his fiftieth year of active service with the French Line. At a recent dinner given aboard the company's flagship "Paris" while the latter was docked in New York, Maurice Tillier, general director of the French Line, who had come all the way from Paris for the express purpose of presiding over the dinner given in honor of Mr. Cauchois' half century of service, hailed him as the dean of the company's personnel. Mr. Cauchois was born in New York in 1855. His parents were American citizens of French descent. He received his education in the United States and began his business career in 1875 as junior freight clerk of the French Line. He worked his way up through the ranks to the position of general manager of the freight service for the United States and Canada. He later became assistant agent for this territory, and in 1921 was made advisory director and chief aide to the manager. Mr. Cauchois is well known in maritime and commercial circles, and to the Federal and municipal authorities in New York and Washington. He is a member of the Produce and Maritime Exchanges, and of the Manhattan, Whitehall and St. Andrews Clubs.



A. T. HENDERSON

Traffic Manager of the French Line in the United States

MR. HENDERSON has recently completed his thirty-fourth year of active service with the French Line. The French Government last month conferred upon him the Cross of Chevalier of the Legion of Honor in recognition of his important wartime work in connection with the embarkation and transportation of troops and their equipment to France on French Line vessels which were used as transports, and on the many ships consigned to the care of his company for similar duty. This special work was in addition to his regular duties of caring for the transportation of civilian travelers on the other French liners which remained in the passenger service, and which, incidentally, were practically the only ships carrying passengers to France in those hectic times. He is well known to steamship men in all parts of the country, and is a member of the New York Athletic, Crescent Athletic, Whitehall, Marine & Field and Traffic Clubs and the French Institute of America.

A BASIC BANKING LAW

THE FEDERAL FARM LOAN ACT

THE President of the United States on July 17, 1916 signed the Federal Farm Loan Act, which, in recognition of the fundamental financial need of American agriculture, had been passed by Congress as an addition to our Banking System.

The purposes of the Act are :

1. To provide capital for agricultural development.
2. To create a standard form of investment based upon Farm Mortgages.
3. To equalize rates of interest upon farm loans, and
4. More important, provide a mortgage which in its terms of repayment harmonized with farm earnings.

A farm mortgage like a railroad mortgage can be paid only from annual net earnings, and the old three and five year mortgages were as unsound economically for the farmers as would be the major financing of a great railroad on the same basis. They meant repeated and expensive renewals, often in an adverse money market, always anxiety and too often failure.

They meant the withholding of needed economic improvements such as liming, draining and tiling, and consequent impairment of production. They meant delay in modernizing the farm, thus driving many a farm boy off the farm, the continuing tragedy of American agriculture.

The Federal System brought the amortized long-time loan (with liberal repayment privileges) so adjusted that on the basis of 5½ per cent. interest, the rate at this time, semi-annual installments of \$32.50 pay the

interest and retire the principal in 34½ years on a \$1000 loan.

This enables the farm borrower in a prosperous year to improve his farm and add to his home comforts, and make farm life more worth while. That there was a real need and desire for such a service is evidenced by the fact that in less than seven years of active operations, 362,569 farmers have borrowed \$1,114,007,848 and that it was not solely a question of rate is shown by the fact that Iowa, most favored of all the states by Mortgage Bankers, has more Federal loans than any other state in the Union, except Texas which is a Bank district by itself.

The easy terms of payment add to the certainty of payment and these massed mortgages, plus more than \$60,000,000 of capital, reserve and profits are the basic security for

FEDERAL LAND BANK BONDS

The Standard Tax-Free Investment for Private Investors, Special Trusts and Estates

The United States Supreme Court has fully upheld the total tax exemption of these bonds, and the income therefrom.

They are free from all Federal, State and municipal taxation—inheritance tax alone excepted. Interest from them may be deducted from individual or corporate income in making Income Tax Return. They are legal investments for all fiduciary and Trust funds under the jurisdiction of the United States Government and are acceptable at par as security for Government deposits, including Postal Savings.

Interest is payable semi-annually at any

Federal Land Bank or Federal Reserve Bank, making the coupons cash items anywhere in the country. Principal is payable at the Bank of issue, but arrangements for retirement are also made through the Federal Reserve Banks. Coupon or Registered Bonds (interchangeable) in denominations of \$10,000, \$5000, \$1000, \$500, \$100 and \$40, redeemable at par and interest ten years from date of issue, and on any interest payment date thereafter.

A high class secondary reserve with a fair yield and readily convertible into cash.

Federal Land Banks are located at

Springfield, Mass.	New Orleans, La.	Wichita, Kan.	St. Louis, Mo.	Berkeley, Calif.	Omaha, Nebr.
Louisville, Ky.	St. Paul, Minn.	Baltimore, Md.	Columbia, S. C.	Houston, Texas	Spokane, Wash.

Write today for Federal Farm Loan Board Circular No. 10 descriptive of these Bonds, addressing nearest Federal Land Bank or

CHAS. E. LOBDELL, Fiscal Agent

FEDERAL LAND BANKS, Washington, D. C.



Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, THE BANKERS MAGAZINE, 71-78 Murray Street, New York.—EDITOR.

The Profit and Loss Statement

THIS article is the seventh of a series by the Credit Editor on credit and credit department methods. In the April issue, two of the usual types of business organizations (the proprietorship and the partnership) were discussed, with particular reference to the division of ownership. In the May issue, the corporate form of business organization was similarly considered. The article in the June issue was devoted to a general discussion of the most common business statements, the trial balance, the balance sheet, and the profit and loss statement. In the July, August, and September issues, the balance sheet was taken up in detail.

THE title profit and loss statement is perhaps the one most frequently used, although it appears synonymously with such headings as, income statement, operating figures, loss and gain statement, statement of income and expenses, and others. The term, profit and loss statement seems far better adapted than the majority of terms usually assigned and has the most common usage. Not only does terminology of title vary, but also we find discrepancies among accountants as to the use and interpretation of such phrases as gross profit, gross income, net profit, net earnings, net income, operating income, etc. Montgomery, in his book, "Auditing, Theory and Practice" recommends the terms income statement, gross income and net income. It would seem more or less a customary practice among bankers to use the terms gross profit, operating profit and net profit. The gross profit represents the fig-

ure arrived at in subtracting the cost of goods from the net sales, and operating profit, the figure arrived at by deducting the general selling and administrative expenses from gross profit. To this figure of operating profit is added other income, and charges against income are deducted, bringing about the figure, net profit. It is not infrequent for one to speak of net profit meaning the figure arrived at after charges for depreciation, etc., while another speaks of net earnings as representing a figure before depreciation.

It is, therefore, obvious that the general terminology is not uniform. Careful wording may draw a fine line of distinction and it is difficult to compare accurately unless the terminology is certain.

The form of profit and loss statement submitted by the Federal Reserve Board in its pamphlet entitled "Approved Methods for the Preparation of Balance Sheet Statements" is the form set up below. It is prepared so as to provide a comparison of three years' figures, and, due to the general form of profit and loss statement, deductions and additions being made all along, it is perhaps not as clear cut as a form that provides only space for one year and has two columns to work with. This is the usual "Skeleton Form" and could be supported by various detailed schedules. While such details are usually given in the accountant's report, it is not customary for the banker in his own designed form, to provide such schedules and call for such details.

The **FIRST**
NATIONAL BANK of
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New Eng-
land business, send it to us. With
ten offices covering the city and direct
collection facilities throughout this sec-
tion, we afford quickest and best service.
Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

(FORM FOR PROFIT AND LOSS ACCOUNT)

	Year ending		
	19.....	19.....	19.....
Gross sales	\$.....	\$.....	\$.....
Less outward freight, allowances, and returns
Net sales
Inventory beginning of year
Purchases, net
Less inventory end of year
Cost of sales
Gross profit on sales
Selling expenses (itemized to correspond with ledger accounts kept)
Total selling expense
General expenses (itemized to correspond with ledger accounts kept)
Total general expenses
Administrative expenses (itemized to correspond with ledger accounts kept)
Total administrative expenses
Total expenses
Net profit on sales
Other income:			
Income from investments
Interest on notes receivable, etc.
Gross income
Deductions from income:			
Interest on bonded debt
Interest on notes payable
Total deductions
Net income—profit and loss
Add special credits to profit and loss
Deduct special charges to profit and loss
Profit and loss for period
Surplus beginning of period
Dividends paid
Surplus, end of period

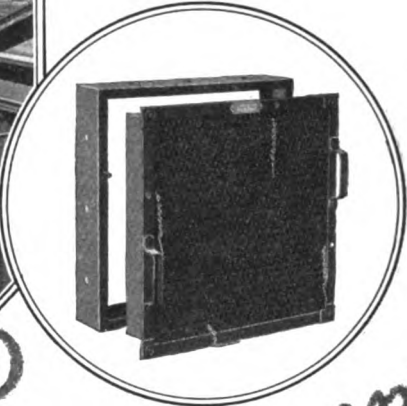
While the foregoing form provides for as much detail as the banker's usual form, it containing also the reconciliation of surplus, which is many times a separate schedule in the accountant's report, the arrangement is not an altogether customary or usual one, but for that matter it would be diffi-

cult to design a profit and loss statement that was the practice, as the forms vary. Follows a profit and loss form, the general outline of which is perhaps slightly more familiar. It, too, contains a reconciliation of surplus.

REED AIR IS CLEAN AIR



Below: A single unit of Reed Air Filter. Banks of these units in the intake of a ventilating system remove dust, soot and bacteria from the air. Installations run from two or three units to any quantity required. (REED AIR FILTERS are manufactured under patents of May 16, 1922, Feb. 12, 1924; Nov. 18, 1924. Other patents pending.)



Illinois Merchants Bank, Chicago. Sixteen thousand cubic feet of clean air a minute maintain healthful working conditions and cleanliness.

Increasing Efficiency in the Bank



Send for these FREE BULLETINS
 No. 106 - Do how Reed Air Filters work
 No. 107 - Data and tests
 No. 108 - How used in ventilating buildings

Since this advertisement first appeared in the bank's system - 208,000 Reed Air filters has been

GOOD ventilation increases mental alertness and capacity for work — one reason why so many banks are using Reed Air Filters. In Chicago alone twelve banks are profiting by Reed Clean Air. Reed Filters remove dirt from the air in much the same manner as water filters remove impurities from water. Reed Air is 97% free from dust, soot and bacteria. Reed Filters protect health and keep building interiors clean. Lasty installed in any ventilating system.

REED AIR FILTER CO., Incorporated
 235 Centre Ave., Louisville, Ky. 50 Centre St., New York
 Office in Principal Cities

Reed Air
 filters ALL METAL

Sales (gross)		\$.....
Less:		
Freight outward	\$.....	\$.....
Returns and allowances	\$.....	\$.....
Net sales		\$.....
Cost of goods sold:		
Inventory beginning of period	\$.....	\$.....
Purchases	\$.....	\$.....
Dir. labor	\$.....	\$.....
Freight inward	\$.....	\$.....
Total	\$.....	\$.....
Less inventory at close of year	\$.....	\$.....
Deduct cost of goods sold		\$.....
Gross profit		\$.....
Less:		
Selling expenses	\$.....	\$.....
Administrative expenses	\$.....	\$.....
General expenses	\$.....	\$.....
Total selling, administrative and general expenses	\$.....	\$.....
Operating profit		\$.....
Other income:		
Interest	\$.....	\$.....
Discounts received	\$.....	\$.....
Total income		\$.....
Deductions:		
Discounts allowed	\$.....	\$.....
Interest	\$.....	\$.....
Depreciation	\$.....	\$.....
Taxes	\$.....	\$.....
Bad debts	\$.....	\$.....
Net profit		\$.....
Earned surplus beginning of period		\$.....
Total		\$.....
Dividends paid:		
Preferred	\$.....	\$.....
Common	\$.....	\$.....
Earned surplus at end of year		\$.....
Other surplus at beginning of year		\$.....
Total		\$.....
Adjustments:		
Debits	\$.....	\$.....
Credits	\$.....	\$.....
Surplus at end of year		\$.....

In the foregoing, it will be noted that discounts on sales are regarded as a charge against income, and discounts on purchases as other income. It is very general in handling these items to see discounts on sales deducted from sales in arriving at net sales, and discounts on purchases deducted from purchases in figuring the cost of goods. While there are arguments in favor of this practice, it will be appreciated that discounts allowed and discounts received should really not be included in the profits derived from the regular conduct of the business (from merchandising), for they are, rather, due to financial set-up or financial arrangements which permit profits from what might be termed a banking phase of the business. Not entering these figures into sales or cost of goods permits the

showing of what the business would accomplish from regular merchandising and reflects its so-called "banking profit" separately.

Cost accounting systems have carried far the distribution of costs to various ends of the business, administrative, general, selling, manufacturing, etc., and have permitted a fine division in the allocation of expenses. They permit the direct charging of manufacturing, the cost of goods, the pro rata share of rent, interest on borrowed money, etc.

However, such forms of profit and loss statement as the above have generally been considered to suffice the banker's purpose, although it is very desirable to have supporting schedules of the amounts grouped as general, selling, and administrative ex-

Investors appreciate peace of mind

"WHAT is going to happen . . . ?" The broker shrugs his shoulders and is silent. Business men find it difficult to concentrate on their work. Some, wholly dependent on their holdings for their incomes, watch the ticker restlessly.

There is no peace of mind.

But other men go about their business serenely through these very days. Their minds are free from worry. They have invested their funds "beyond the reach of the ticker." They know that their principal is safe. The earnings of their holdings do not vary with conditions in an industry. Let the ticker do what it will, their holdings never depreciate.

Their funds are invested in first mortgage real estate bonds.

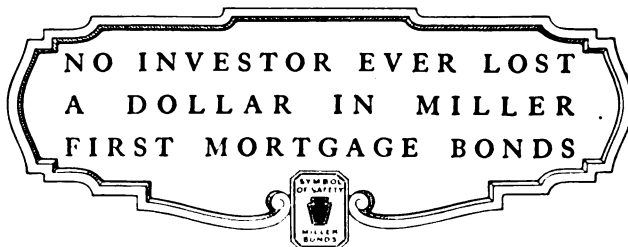
The code of practice of the more conservative houses, specializing in this type of security, includes protection of the investor's holdings from the moment the sale is made until his last bond has been retired.

It is their duty to maintain the unequalled record of safety offered by real estate bonds. They have the experience and personnel to do so. Every issue is secured by a first mortgage on an apartment, office or hotel structure, which earns an income sufficient to pay all interest charges and provide funds for the retirement of bonds.

Miller Bonds have these features: Interest up to 7 per cent. . . . The guarantee clause. . . . Normal federal income tax refunded. . . . Various state taxes refunded or paid.

Our success depends upon keeping this statement true: "No investor ever lost a dollar in Miller Bonds." G. L. Miller & Co., Inc., 30 East 42nd Street, New York City. Offices and representatives in principal cities.

Send for Booklet—B400



Rivet-Grip Bank Vaults Are Yegg-Proof

EVEN with the most efficient means of penetration known to science his task is a hopeless one. Bank vaults protected with Rivet-Grip System of Bank Vault reinforcement are yegg-proof.

To penetrate a Rivet-Grip Vault requires cold cutting tools, steel drills, cutting torches, explosives and many other tools. Furthermore, it requires continual and frequent changes of attacking operations.

Yet, Rivet-Grip reinforced vaults

cost less than any other adequate, effective system.

Banks of all sizes in every part of the country are adopting Rivet-Grip because it gives greater protection per dollar of cost than any other type of reinforcement known.

If you are building or remodeling your bank, don't fail to write for the Rivet-Grip Handbook of modern methods of bank vault reinforcement. Gladly sent upon request.

The Rivet-Grip Steel Company

Representatives in all principal cities

2735 Prospect Avenue

Cleveland, Ohio

penses. With such schedules, a better idea is gained as to the distribution of expenses showing what was paid for salaries, rent, advertising, entertaining, etc. With such schedules, which are generally contained in accountants' reports, groupings are ex-

eral, selling and administrative expenses would be very desirable. Should it be desired to support the items of selling, general and administrative expenses in the form by some subdivisions, the following are suggested:

Selling expenses:

Salesmen's salaries	\$.....
Commissions	\$.....
Advertising	\$.....
Shipping expenses	\$.....

General and administrative expenses:

Officers' salaries	\$.....
Other salaries	\$.....
Rent	\$.....
Stationery	\$.....
Heat and light	\$.....
Postage	\$.....
Telephone and telegraph	\$.....
Insurance	\$.....
Professional fees	\$.....
Miscellaneous	\$.....

plained, and groupings always will bear explanation.

It will be noted that the Federal Reserve form has the phrase "itemized to correspond with ledger accounts kept." A schedule so itemized as to correspond with ledger accounts kept in support of the total to gen-

While such an outline as above is far more minute than the Federal Reserve form, and does not call for all the details, it does break up the grouping considerably, and in that respect it is desirable.

While many companies have been educated to give rather detailed balance sheets,

FOUR FUNDAMENTAL ADVANTAGES

in Bank Ledger Posting and Statement Work

Speed
Simplicity
Visibility
Durability



...plus specific posting features never before available to banks

IF speed were the only advantage possessed by the new Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine, this new model would still deserve the tremendous reception accorded it.

—For this new Dalton does 25 or more per cent more work in a given time than ordinary figuring equipment. The scientifically arranged 10-key Dalton "touch method" keyboard makes this possible. The operator posts with "eyes on work—fingers on keys," no swinging of head from data to machine. Eye-strain and mental fatigue eliminated.

But the Dalton combines with speed these three other fundamental advantages:—

—Simplicity—The Dalton is so simple as to be instantly operable by anyone.

—Visibility—All figures in plain view, and within easy range of operator's line of vision.

—Durability — The machine is so simply, so sturdily built that little mechanical service is ever needed.

THE NEW

Dalton
 "MULTIPLEX"

Besides these important advantages, the Dalton offers posting advantages never before available to banks:—

—The machine checks its own work, enabling the bank, if it so desires, to eliminate the expensive "call-back" system.

—Over-draft balances, including the date, are automatically printed in red.

—Position of paper carriage facilitates injection and removal of sheets.

—Improved automatic carriage return eliminates vibration, making this new model exceedingly quiet in operation.

The New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine is readily adaptable to any posting system—it can be used alone or in conjunction with other equipment. Phone the nearby Dalton Sales Agent—have him explain, without obligation to you, all the advantages this machine offers. Or, write for descriptive booklet, describing in detail this newest Dalton.

Bank Ledger Posting and Statement Machine

THE DALTON ADDING MACHINE SALES COMPANY
 Cincinnati, Ohio, U. S. A.

Agents for Canada: The United Typewriter Co.; Toronto, and Branches
 Sales Agencies in ALL the Principal Cities of the World

**Adding-Calculating . Bookkeeping . Statement and
 "Cash Register" Machines**

they have not as yet been educated to give real details in the way of the operating statement, and for that reason some have found it advantageous to request data regarding the profit and loss statement by use of a form as follows, which the ordinary customer has no objection to filling out because of its lack of details. Still, it provides valuable data which is of great assistance in the proper analysis.

ministrative costs. If the ratio is high for the business under investigation, the sales may be exaggerated, the purchases understated (the latter also used to convince trade houses that company is not overstocked) or inventory inflated. The ratio may also be used for comparison purposes by years for the same company. If the ratio does not remain within reasonable bounds, the question of the large difference

From	192	To	192
Net sales .....		\$	.....
Gross profit .....		\$	.....
General and selling expenses .....		\$	.....
Operating profit (or loss) .....		\$	.....
Other income .....		\$	.....
Total income (or deficit) .....		\$	.....
Charges against income .....		\$	.....
Net income (or deficit) .....		\$	.....
Withdrawals or dividends .....		\$	.....
Adjustments .....		\$	.....
Increase or decrease in surplus .....		\$	.....
Firm:			

This form is nothing more than the usual set-up and synopsis of the profit and loss statement contained at the foot of the ordinary bank comparison form.

will present itself and should be explained by the applicant for credit.

Questions and answers on bank credit problems follow as usual and will continue each month.

QUESTION: Will you please explain the meaning of the expression "gross profit test" which you used in the previous issue?
C. W. H.

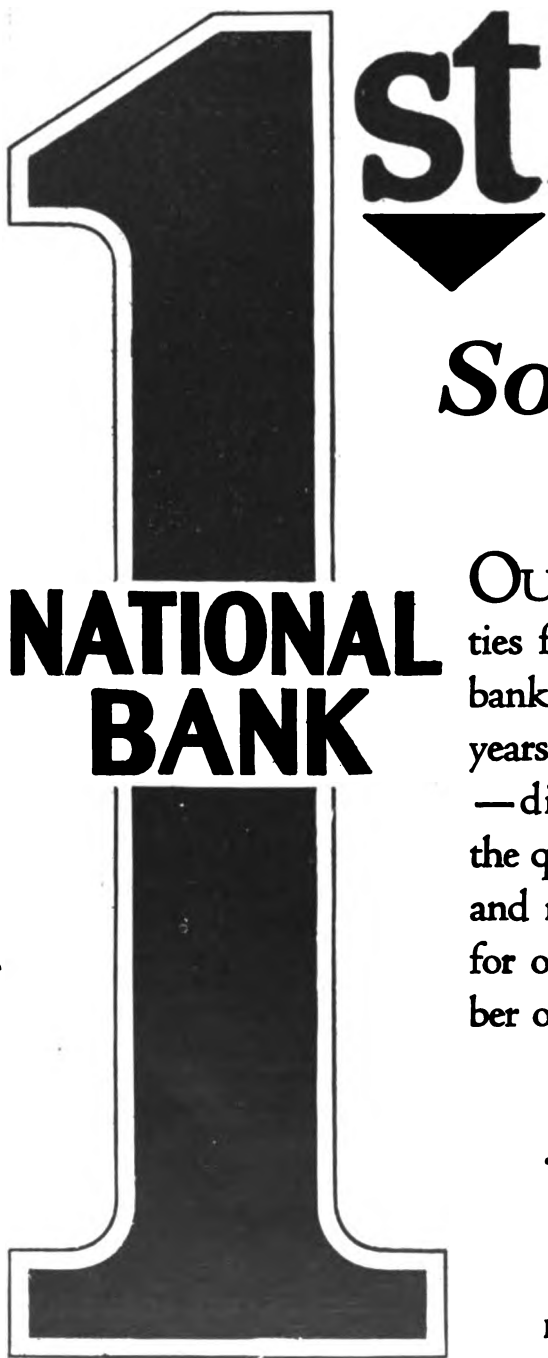
ANSWER: The purpose of the gross profit test is to determine the accuracy of sales, inventory or purchases. It is applied by subtracting all direct costs, such as raw material, direct labor, power, etc. (or all costs up to the time the product is finished and ready for the sales force to dispose of) for a definite period from the net sales for the same period. This remainder is the gross profit, and by dividing this figure in dollars by net sales in dollars, the percentage is gained with which to gauge the proper ratio for the business in question. Each industry has a ratio which is fairly fixed because direct costs vary little for each type of business. The large fluctuations in like industries occur in sales and ad-

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
 500 Fifth Avenue
 New York

Booklet on Planning & Equipping of Banks will be sent on request



Something More!

OUR COMPLETE facilities for handling out-of-town bank business represent many years of study and experience —directed towards getting the quickest, most economical and most satisfactory results for our ever-increasing number of correspondents.

Write Us

St. Louis' Largest Bank



Broadway • • Locust • • Olive

FIRST IN SIZE AND IN SERVICE

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

CONVENTION DATES

Savings Banks Association of the State of New York—at Rye, N. Y., Oct. 14-16.

TWO NEW YORK TRUST COMPANIES CHARTER FLORIDA INSTITUTION

On the initiative of the Farmers' Loan and Trust Company, New York, and the Central Union Trust Company, New York, the Central Farmers' Trust Company, West Palm Beach, Florida, has been chartered under the laws of Florida with a capital of \$250,000 and a surplus of \$250,000.

Establishment of the new trust company is due to the belief that the growing importance of Florida as a place of residence and as a center of activities of all kinds justifies the opening of a financial institution to provide the type of banking and trust facilities developed in New York institutions.

With this thought in mind, the Central Farmers' Trust Company will be officered by men thoroughly familiar with the parent organizations in New York. Franklin L. Babcock, formerly trust officer of the Central Union Trust Company, New York, will be the president of the new company, and John S. Acosta, of the Farmers' Loan and Trust Company, New York, will be vice-president. The board of directors will include James H. Perkins president of the Farmers' Loan and Trust Company, George W. Davison, president of the Central Union Trust Company, and a number of Florida residents prominently identified with the business activities of that state.

CHANGES AT GUARANTY TRUST, NEW YORK

John K. Olyphant, Jr., who has been in charge of the foreign department of the Fifth avenue office of the Guaranty Trust Company, New York, has been appointed an assistant treasurer.

St. George B. Tucker has resigned as an assistant treasurer, to become a director and treasurer of the Mizner Development Corporation of Palm Beach, Florida. This corporation is building the town of Boca Ratone, twenty miles south of Palm Beach, and is owned by a group of New York capitalists.

Captain Lionel H. Lemaire, formerly associated with the foreign department of the Guaranty Trust Company, has been appointed to represent the company in Australia.

AMERICAN BANKERS ASSOCIATION APPOINTMENT

Frank W. Simmonds, deputy manager of the American Bankers Association and secretary of its State Bank Division, on September 1 became secretary also of the Clearing House Section of the association, succeeding Donald A. Mullen, resigned. Although the State Bank Division and the Clearing House Section now have a joint secretary, they will be continued as two distinct units in the organization.

Mr. Simmonds entered the employ of the association in September 1923. Prior to that time he had been manager of the eastern district of the Chamber of Commerce of the United States, with headquarters in New York.

NEW COURSE AT NEW YORK UNIVERSITY

New York University is offering this year a course consisting of conferences and lec-

IS YOUR BANK INTERESTED in the travels of its patrons?

THE helpful interest of any bank in the travel trips of its patrons is a most human and a very real service—always deeply appreciated and never forgotten. The bank with an established authority in these matters not only sends its patrons away on their journeys confident and without fear, but it actually travels right along with them.

Such a Travel Service—world wide in extent and without red tape—is at the command of banks, without cost, through the experienced and efficient Travel Department of the American Express Company.

Many interesting and varied tours and cruises are offered by this Department for the coming winter. Chief of these are:

Cruise Around the World

On the Red Star *S. S. Belgenland*, the largest and finest liner ever to circle the globe. Sails on her second World Cruise, westward from New York, November 25th, 1925. 132 wonderful days. Visiting 60 cities in 14 countries. The itinerary is the perfected result of long experience. Each Country will be visited in its most delightful season. Booking limited to 475. Every comfort and convenience aboard ship. Distinguished attention everywhere on many shore excursions. *Offered in cooperation with the International Merchant Marine.*

To the Mediterranean

The 5th annual cruise of the Holland America *S. S. Rotterdam*. A luxury cruise in every detail, and deservedly the most popular of travel trips. Sails from New York, February 2nd, 1926. Two wonderful months on land and sea. Visiting the Madeiras, Portugal, Spain, Algeria, Tunis, Italy, Greece, Turkey, the Holy Land, Egypt, The Riviera, France, Netherlands and England. *Offered in cooperation with the Holland America Line.*

In the interest of your patrons, who may seek your bank's advice on matters of travel this winter, let us send you full details on any, or all, of these and other Cruises and Tours—deck plans, itineraries, illustrated booklets, prices, etc. Address—Travel Department of the

The Great African Cruise

On the Royal Mail's palatial cruising *S. S. Orca*. A new cruise. Sails from New York, January 19th, 1926. 100 fascinating days to little-visited places, covering British West Indies, Rio de Janeiro, Santos (Brazil), Montevideo (Uruguay), Buenos Aires (Argentina), Capetown, Port Elizabeth, Durban (South Africa), Delagoa Bay, Beira, Mozambique Zanzibar, Mombasa (East Africa), Port Sudan, Suez, Alexandria (Egypt), Italy, The Riviera, Spain and England. *Offered in cooperation with the Royal Mail Steam Packet Co.*

South America and West Indies

7th Annual American Express Tour. Standardized and perfected by experience. Sails from New York, January 28th, 1926, via Pacific Liner *S. S. Essequibo*. A wonderful panoramic journey on sea and land, viz.: Havana (Cuba), Cristobal, Balboa (Canal Zone), Callao, Mollendo (Peru), Arica, Iquique, Antofagasta, Valparaiso (Chile); across the Andes by rail to Santiago, Los Andes (Chile), Mendoza, Buenos Aires (Argentina); by steamer up the East Coast—Montevideo (Uruguay), Santos (Brazil); by rail to Sao Paulo, Rio de Janeiro (Brazil); by steamer to British West Indies and Porto Rico.

American Express Co.

63 Broadway, New York

OFFICES IN ALL THE PRINCIPAL CITIES

tures by leading bankers and other experts on "American Investments Abroad." The course will be under the supervision of Professor George W. Edwards, and will be held on Thursdays at 5:15 P. M., at the Wall Street Division.

The speakers include Francis H. Sisson, vice-president of the Guaranty Trust Company, New York; Frederick Halsey, of Harvey Fisk & Sons, who will discuss South American investments; Steele Mitchell of Hayden, Stone & Co., who will discuss public utility financing; M. M. Addinsall, of Harris, Forbes & Co., who will analyze special foreign investments; H. Kashawagi, of the Yokohama Specie Bank, who will talk on American capital in the Far East; Max Winkler, vice-president of Moody's Investors Service; and John Foster Dulles, of the firm of Sullivan & Cromwell, the only American who sat on the Reparations Commission.

BRADY PREDICTS A CHAIN OF LABOR BANKS

Speaking at a Kiwanis Club luncheon recently, Peter J. Brady, president of the Federation Bank of New York, stated that labor had gone into the banking business in self-defense, after many banks had used funds deposited with them by trade unions to back industrial combinations which were fighting the union movement. "For example," he said, "in the building trades dispute in Chicago, the banks refused to grant loans to contractors who dealt with the unions. It was only the assistance given to such contractors by the labor banks which enabled them to continue in business.

"We operate a legitimate business and we grant loans upon a business basis to every one who has good collateral. We are not in the banking business simply to finance strikes, as some may think, and we do not loan to a union except on sufficient collateral to protect our investors. We find that in our position we can be of great assistance in bringing capital and labor together, because we are in a position to see both sides of a dispute. I predict that within a few years there will be a string of labor banks across the country."

ITALIAN SAVINGS BANK IN NEW OFFICE

The Italian Savings Bank's new \$1,500,000 twelve-story bank and office building on

By consistent adherence to sound banking principles this institution has been privileged to participate in the building of many Buffalo business enterprises.

THE PEOPLES BANK OF BUFFALO

"The Bank Where You Feel at Home"



Main and Seneca Sts. (Head)
Main and Tupper Sts. (Uptown)
Niagara and Virginia Sts.
Michigan Ave. and Perry St.
(Elk Street Market Branch)
Broadway and Strauss (now building)

Cleveland Place, at the southeast corner of Spring and Lafayette streets, New York, has been formally opened for business. The removal of the bank's main office from 64 Spring street, directly across Lafayette street, where it had been housed for nineteen years, and the transfer over the weekend of cash and securities amounting to many millions of dollars, were accomplished without mishap and without interruption to business.

The Italian Savings Bank has had an unusual growth, even for New York. Its deposits increased more than 400 per cent. in the last eight and a half years, and its surplus quadrupled in five years. This financial development has been accompanied by personal services to Italian immigrant depositors, tending to promote thrift, home-building and good citizenship.

The bank was organized shortly after the financial depression of 1893, when many of the city's 300,000 residents of Italian descent lost their savings through failures among uncontrolled private bankers. Deposits have



CRITTALL *Steel Casements*

*The Governor's Office, Federal Reserve Bank,
San Francisco, George W. Kelham, Architect*



The fact that a great many of the new buildings of the Federal Reserve Bank have Crittall Casement Windows installed throughout, is striking evidence of their acceptance in authoritative circles.

Beauty, dignity and long life are qualities inherent in these casements and windows, making them suitable for use in the monumental structures which house this great financial institution.



All Crittall Casements and Windows are made of Crittalloys—The Copper-Bearing Steel

CRITTALL CASEMENT WINDOW CO., *Manufacturers*
10965 Hearn Ave., Detroit

No promise equals performance

For seventy five years the "Old Marine" has served Buffalo. Today, with resources over One Hundred Sixty Millions of Dollars, it is the largest and oldest commercial bank on the Niagara Frontier.

MARINE TRUST COMPANY

of Buffalo

Resources over

One Hundred Sixty Millions of Dollars

grown from \$21,478 in 1897 to \$24,627,852 in 1925, and a surplus of \$2,482,435 was built up.

Since 1921, when it was authorized by statute to transmit money, the bank has safely delivered in Italy about 30,000,000 lire. During the war more than \$8,500,000 of Liberty Bonds were sold among its immigrant depositors.

Pasquale I. Simonelli is president of the bank.

LIFSEY TOURS, INC., IN NEW QUARTERS

Lifsey Tours, Inc., has announced the removal of its New York office to larger and more commodious quarters in the Harriman National Bank Building, 527 Fifth avenue. In its new home Lifsey Tours, Inc. is especially well equipped to handle the travel requirements of its many customers.

ITALIAN BANK CONSOLIDATION DENIED

A report has been recently published in the American newspapers to the effect that the Italian Government is contemplating a

merger of the three Italian banks of issue, namely the Banca d'Italia, the Banco di Napoli and the Banco di Sicilia.

There has been no official confirmation of this report. It is well known, however, that the Italian Government, many a time in the past, has had under consideration the advisability of having one institution alone entrusted with the note issuing power for the whole Kingdom. But, whether the Italian Government should decide to grant such a privilege to a new central bank, the measure would by no means affect the Banca d'Italia, the Banco di Napoli or the Banco di Sicilia as separate and independent institutions in the conduct of their general banking business.

An article in *Agenzia Economica Finanziaria* dated September 15, says:

"There is no foundation to the reported consolidation of the three banks of issue. The Banca d'Italia, the Banco di Napoli and the Banco di Sicilia will continue under the present organization, which has proved quite satisfactory for a great many years.

"The Banco di Napoli and the Banco di Sicilia, which have contributed to the eco-

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

conomic and commercial development of the regions wherein they chiefly operate, will continue to enjoy the note issuing privilege. The merger is required neither by bank needs nor 'to control the circulation.' As previously stated, it is the duty of the Minister of Finance in co-operation with the presidents of the three institutions to regulate the circulation and just now the Minister, Count Volpi could not expect to have better collaborators.

"Comm. Stringher and Comm. Miraglia have presided over the Banca d'Italia and the Banco di Napoli for too many years to need any special praise for their high achievements and merits. Those two institutions are so wisely managed, and so well contribute to the economic progress of the country that hardly any Government, not to mention the present one, would think of changing their presidents. Comm. Mormino, who has been only a short time at the head of the Banco di Sicilia, has impressed upon this institution such an impetus and vitality that the region in which it operates has immediately felt its beneficial effects. There is, therefore, no reason why the three institutions should be combined. Their separate existence has always been recognized as necessary and has never caused any inconvenience, and it is hard to believe that the Hon. Mussolini and Volpi have ever thought of changing this excellent banking organization of Italy."

FARMERS' LOAN AND TRUST, NEW YORK, ESTABLISHES WOMEN'S DEPARTMENT

The Farmers' Loan and Trust Company, New York, is the latest addition to the rapidly growing list of banks with women's departments. Miss Anne H. Houghton has

been named as manager of the new department. She was for many years associated with W. B. H. Dowse of Boston, president of Reed & Barton, silversmiths, and widely known as a lawyer in New England. She



MISS ANNE H. HOUGHTON

Manager of the women's department recently organized by the Farmers Loan and Trust Company, New York City

also held a responsible position with the United States Fastener Company of Boston. She recently organized, opened, and developed the compound interest department of the National American Bank, New York.

Miss Houghton is a member of the board of directors and chairman of the membership committee of the Association of Bank Women.

HARE & CHASE STATEMENT
SHOWS GAINS

The balance sheet of Hare & Chase, Inc., New York, as of June 30, 1925 shows notable improvement over the balance sheet of the same date last year. Capital has been increased from \$2,000,000 to \$5,000,000 a gain of 150 per cent.; surplus has been increased from \$524,860 to \$862,599, a gain of 65 per cent.; reserves have been increased from \$202,482 to \$711,401, a gain of 250 per cent.; and cash on hand has increased from \$1,275,300 to \$4,381,729, a gain of 236 per cent. Total assets now amount to \$24,767,742.94.

TRUST OFFICER OF FRANKLIN
TRUST, PHILADELPHIA

Four years ago, when C. Addison Harris, Jr., president of the Franklin Trust Company, Philadelphia, decided to establish a new trust department, the man he selected



ARTHUR KITSON, JR.
Vice-president and trust officer Franklin
Trust Company, Philadelphia, Pa.

to organize the department was a Philadelphia lawyer—Arthur Kitson, Jr.

Mr. Kitson was born in Media, Pa., in 1888. After graduating from Chestnut Hill Academy in 1905, he worked his way through the Wharton School of the University of Pennsylvania by tutoring and summer em-



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000
Surplus and Profits - 9,000,000

E. F. SHANBACKER
President

The
**FOURTH STREET
NATIONAL BANK**
Philadelphia

Hare & Chase, Inc.
Automobile Finance
 300 Walnut Street
 Philadelphia



The name Hare & Chase has
 fifty-eight years of business
 prestige behind it

**SEWARD PROSSER ELECTED TO THE
 BOARD OF GENERAL MOTORS
 ACCEPTANCE CORPORATION**

Seward Prosser, chairman of the board of the Bankers Trust Company, New York, was recently elected a member of the board of directors of the General Motors Acceptance Corporation. He has been a director and member of the finance committee of the General Motors Corporation for some years.

**NEW DIRECTOR AT FRANKLIN
 TRUST, PHILADELPHIA**

Arthur B. Dauphinee, vice-president and treasurer of the Franklin Trust Company, Philadelphia, Pa., has been elected a member of the board of directors, to fill the vacancy



ARTHUR B. DAUPHINEE
 Senior vice-president Franklin Trust Company,
 Philadelphia, Pa.

ployment. He later entered the night school of law at Temple University and received an L.L.B. in 1914. Shortly afterward he was admitted to the bar.

His first position was as a messenger boy with the old Girard National Bank, Philadelphia. Then followed his association with the Germantown Trust Company, Philadelphia, and the Chelton Trust Company, Philadelphia, in various capacities, rising finally, in the latter institution, to the head of the real estate department. He resigned from this position to enter law practice in association with Samuel Scoville, Jr. In 1922, he was elected vice-president and trust officer of the Franklin Trust Company of Philadelphia. He serves also as secretary and treasurer of the Franklin Building Corporation, a director of the Day and Night Building and Loan Association, and personally manages the new twenty-story Franklin Trust building.

caused by the recent death of Charles W. Mills.

The board also directed that on October 1, \$250,000 be transferred to surplus account, raising the surplus to \$2,250,000. The capital of the bank stands at \$1,500,000.

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

STATEMENT OF STATE BANK, NEW YORK

The condensed statement of the State Bank, New York, as of the close of business September 30, 1925, showed loans and discounts of \$70,855,729.75, deposits of \$108,942,616.67, and total resources of \$121,855,835.89.

PASSAIC COUNTY CLEARING HOUSE FORMED

Banks in Passaic County, New Jersey, have made a clearing arrangement with the New York Federal Reserve Bank, whereby checks drawn on banks in Passaic County will not have to go to New York to be cleared as heretofore. Instead, they will be mailed direct to the bank on which they are drawn, a record of the transaction being forwarded to the Federal Reserve Bank, where immediate credit will be given to the banks sending the checks and the amount charged against the bank on which the checks are drawn. This will reduce the time required for collection from two days to one.

The new system is slightly different from the one already in operation by the Northern

New Jersey Clearing House Association, which serves the banks in Hudson County. Under the association, a representative goes to the Federal Reserve Bank daily to make a physical exchange of debit and credit items, and a balance is struck on the spot.

NEW TITLE CONCERN IN PASSIAC INCORPORATED

Officials of three banks in Paterson, New Jersey, head the Mortgage Guarantee Company of Passaic County, Paterson, New Jersey, which was recently incorporated to guarantee titles and insure mortgages. John V. Hinchliffe, a director of the National Bank of America, Paterson, New Jersey, is president of the new company, and Thomas F. Morgan, a director of the Labor Co-operative National Bank, Paterson, New Jersey, and C. Walter Lotte, vice-president of the Broadway National Bank, Paterson, New Jersey, are vice-presidents.

FEDERATION BANK, NEW YORK, TO BE MEXICAN BANK'S AGENT

The Banco de Mexico, the new bank of issue for Mexico, which was opened on Sep-

To Trust Companies

Banks, Bankers and Corporations, this Company extends an invitation to utilize its comprehensive banking services.

Inquiries are welcomed

UNITED STATES MORTGAGE & TRUST COMPANY

CAPITAL, SURPLUS AND UNDIVIDED
PROFITS - - \$7,450,000

New York

tember 1, to furnish paper money for Mexico has named the Federation Bank, New York, to act as its New York correspondent.

FIDELITY TRUST, BUFFALO, PROMOTES WINKELMAN

A. J. Winkelman, who has been associated with the Fidelity Trust Company, Buffalo, N. Y., for twenty-one years, in charge of the real estate business of the trust department, was recently appointed assistant secretary.



New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island.

STATE STREET TRUST, BOSTON, ABSORBS NATIONAL UNION

An agreement has been signed by the officials of the State Street Trust Company, Boston, Mass., and the National Union Bank of Boston, whereby the trust company will

take over all of the bank's assets, paying therefor \$2,675,000, or \$267.50 for each share of National Union stock. Announcement of the purchase was made on September 5, as the State Street Trust Company opened a new building. The transaction is, of course, subject to ratification by the stockholders. If ratified, the capital of the State Street Trust will be increased from \$2,000,000 to \$3,000,000 by the issue of 10,000 new shares at \$200 a share. Surplus will be increased by this issue to approximately \$3,500,000. The deposits of the combined institutions will reach about \$50,000,000 and total resources about \$62,000,000.

The National Union Bank is the oldest banking institution in Boston, having been chartered in 1792. It has an unbroken dividend record. The State Street Trust Company was not started until 100 years later in 1891, but its growth has been so rapid that it is today the second largest trust company in the State of Massachusetts.

INMAN TRUST, CAMBRIDGE, OPENS NEW BRANCH

The Inman Trust Company, Cambridge, Mass., opened its new Central Square office



Two kinds of bankers

There are two kinds of bankers, just as there are two kinds of home builders. One kind looks ahead; the other looks backward.

One kind spells progress for their community and prosperity for themselves. The other kind stands still.

The progressive type of banker favors insulation in the buildings he loans money on. He knows that a house insulated against cold requires less fuel to heat. The mortgagee has less maintenance expense and can meet his interest and principal payments easier.

Houses insulated with Celotex Insulating Lumber have other advantages too. They are stronger because Celotex as sheathing has several times the structural strength of lumber. It is the one material that combines higher insulation value with greater structural strength and is not an extra item in the building. Celotex houses withstand depreciation.

Celotex houses have quiet rooms because Celotex is also a sound deadener. Such houses are the envy of all who enter. They rent or sell readily and at better figures.

Effective advertising in the leading magazines and newspapers of the country are making these Celotex advantages known to people in your community.

They will understand why you prefer to loan money on buildings constructed with Celotex.

Ask your architect, contractor or lumber dealer about the advantages of Celotex insulated homes. Or have your secretary write for a copy of our new building book for you. It explains insulation fully.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

CELOTEX
INSULATING LUMBER

"There is a use for Celotex in every building"



Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

at 759 Massachusetts avenue on September 1. It has been showing a very steady growth, resources having constantly increased from about \$400,000 in 1920 to \$3,500,000 on August 20, 1925.

**KEENE NATIONAL, KEENE, N. H.,
BUYS LAND**

The Keene National Bank, Keene, N. H., has bought from the Keene Gas & Electric

Co., for approximately \$45,000 the westerly part of the Clark property at the head of Central square, with a frontage of 47 feet and a depth of 110 feet. It is thought that a new building for the bank will be erected on the property shortly.

**RAMSDELL JOINS MECHANICS
NATIONAL OF WORCESTER,
MASSACHUSETTS**

Edgar S. Ramsdell, formerly treasurer of Worcester County, Mass., has become vice-president of the Mechanics National Bank, Worcester, Mass., and will be in charge of the bank's trust department. The department will be developed and enlarged.

**MASSACHUSETTS SAVINGS BANKS
OPPOSE ST. PAUL PLAN FOR
REORGANIZATION**

Charles A. Collins of the Lynn Institution for Savings, Lynn, Mass., and head of the firm of Collins, Spalding & Co., has sent a letter to New England holders of stocks and bonds of the Chicago, Milwaukee & St. Paul Railroad Company, stating that more than 100 savings banks in Massachusetts are unalterably opposed to the reorganization plan suggested for the St. Paul. These banks have authorized Mr. Collins and Robert D. Brewer, president of the Provident Institution for Savings, Boston, Mass., to act as a committee representing them in opposing the plan.

**THAYER JOINS THE NATIONAL
SHAWMUT, BOSTON**

Frederick M. Thayer has been appointed manager of the bond department of the National Shawmut Bank, Boston, Mass. He has also been elected vice-president and

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djörup & McArdle**

42 Broadway, New York

SIGNATURE CARDS

CARRYING THE A. B. A. STANDARD FORM COLLECTION AGREEMENT, STOP PAYMENT, MINIMUM BALANCE CHARGE AND INSUFFICIENT FUNDS CHARGE AGREEMENTS.

Write for your sample

A. E. MARTELL CO., Keene, N. H.

general manager of the Shawmut Corporation of Boston.



Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATE

Investment Bankers Association of America—at St. Petersburg, Fla., Dec. 7-11.

BANK INSTITUTES AGRICULTURAL SERVICE

Believing that the bank which renders the greatest service to the community is the bank that will eventually prosper most, the Hopkins County Bank, Madisonville, Kentucky, has established an agricultural department in charge of Fay O. Townes. The bank loans a great deal of money to farmers in Hopkins County, and believes that in many cases losses caused by dropping prices can be reduced if the bank understands the situation. Hence, Mr. Townes has been appointed to make the problems of the farmer patrons of the bank his problem, and to cooperate in solving them. He is, so to speak, the liaison officer between the bank and the farmers. He makes personal visits periodically, and is on call at the bank at any time. If the land is not producing, he shows the owner how to make it produce the most of the crop for which it is best suited.

Mr. Townes is particularly qualified to do this work well. He is a graduate of Madisonville High School and the University of Kentucky College of Agriculture. After leaving the University in 1916 he engaged in various lines of agricultural work for the Government and the Kentucky Experiment Station. He spent four years as county agricultural agent, resigning to en-

ter the aviation branch of the navy during the war. After the war, he engaged in farming on his own farm in McLean county, and later re-entered county agent work for two years. For the last two years he has been in the insurance business in Madisonville. From the above sketch of his career, it is quite evident that he has just the training and experience necessary for this sort of work, and in addition, having lived most of his life in Madisonville, he is well known.

For the first two months after the service was instituted, Mr. Townes spent practically his whole time traveling through various sections of the county, getting acquainted with the farmers, explaining to them what the bank is trying to do for them, and diplomatically soliciting business. Then he made a thorough survey of the county to determine what each section was best adapted for—whether for growing beef cattle, hogs, sheep, dairy cattle—and started a campaign to develop these branches in their proper sections. For example, in three sections of the county, sheep clubs have been organized. Children selected by the bank may become members of the sheep club on very easy terms—extending the time of payment for the sheep which the bank furnishes over a period of three years. These clubs have been enthusiastically received, and

Bank of Charleston

National Banking Association

Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . \$1,500,000.00
Resources . . . \$12,500,000.00

TIME IS UP—If you haven't placed your order
for supplies of **OUTCAULT'S**

CHRISTMAS CLUB

Better wire us today. We can get quick action.

OUTCAULT ADVERTISING COMPANY

221 EAST 20th STREET, CHICAGO, ILL.

others will be started as soon as possible.

The greatest problem in the establishment of such a service is, of course, how to make it pay. The Hopkins County Bank has solved this by having Mr. Townes manage certain farms which the bank must take care of as trustees under trust estates. Furthermore, J. B. Ramsey, president of the bank says, "The good will we receive from an advertising standpoint alone, is worth the salary of a man, and he is creating quite a good deal of new business."

FARM MORTGAGE BANKERS CONVENTION

The twelfth national convention of the Farm Mortgage Bankers of America was held at Nashville, Tenn., from September 8 to 10. George F. Heindel, of Ottumwa, Iowa, president of the association, in his annual address spoke of the need of a "tax consciousness" to bring about a permanent taxing policy and a proportionate distribution according to the payer's means.

"By a 'tax consciousness,'" he said, "I mean an understanding that whether or not we own tangible property, we are all taxpayers and that excessive taxes affect not alone large property owners, but every one of us; that public service and improvements must be paid for now or in the future in the form of taxation; that it is not the state or nation which impose our greatest burdens, but our local school districts, cities, towns, and counties, where, if we will, we can control expenditure.

"There has been great activity in the field of taxation in the last few years. Four years ago the total cost of government was approximately 60 per cent. Federal and 40 per cent. state and local. It is now approximately 36 per cent. Federal and 64 per cent. state and local. This very substantial reduction in Federal taxes has been accomplished without any diminution of public service, and is, I believe, conceded to be due chiefly to administration under the policy of rigid economy insisted upon by the President, with the co-operation of the Secretary of the Treasury. Some of us are not of the President's political faith, but I think that we will agree that the principles of economy which he advocates might well be extended to our local affairs."

Senator T. M. Bailey of Sioux Falls, S. D., traced the rise and fall of the rural credit system in his native state, and concluded thus:

"It is urged by those still friendly to the rural credit system that its collapse was due not to any defect in the system, but rather to the collapse in the price of agricultural products and the resultant drop in the prices of agricultural land. It is also urged that the system would have worked and prospered, but for the failure of one or more of the rural credit commissioners to act with ordinary prudence.

"Both of these defensive arguments are

HOME
of
COURIER
SERVICE
(House-to-House Distribution)

P. M. REED
& Banker Associates

TRINITE TOWER  CHICAGO

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1865

with

EXPERIENCE — Over fifty - nine
years

STRENGTH — Capital and Surplus
\$4,000,000.00

OFFICERS — Experienced, capable and
well versed on conditions
and credits throuth this
territory :

invites your business

JOHN M. MILLER, JR.

President

Resources over \$33,000,000

fallacious. Like other socialistic schemes, such as the bank guaranty law, the rural credit system was successful on paper in prosperous times, but when the inevitable depression came, it collapsed, and no financial plan is sound which will not stand both prosperity and depression."

UNIQUE EXPERIENCE OF BANKS IN SPARTANBURG, S. C.

The American National Bank and the Central National Bank, both of Spartanburg, S. C., had the unique experience recently of finding that in the clearing of checks their accounts balanced exactly. The Central National Bank had sixty-two checks on the American National Bank amounting to \$1,339.14, and the American National had sixty-one checks on the Central National, also totalling \$1,339.14.

AMERICAN NATIONAL, NASHVILLE, INAUGURATES HOTEL SERVICE

The American National Bank, Nashville, Tenn., recently announced that it is now prepared to make hotel reservations in New York for its patrons and friends, without charge.

HOSKINS SUCCEEDS LYERLY AS HEAD OF FIRST NATIONAL CHATTANOOGA

J. P. Hoskins has been promoted from cashier to president of the First National Bank, Chattanooga, Tenn., to succeed Captain Charles A. Lyerly, whose death was noted in these columns last month. W. Hughlett DeWitt was promoted from assistant cashier to cashier to replace Mr. Hoskins. Gordon Nichols, former discount clerk, and J. W. Durett, former credit manager, were elected assistant cashiers.

Mr. Hoskins was born in Meridian, Miss., and spent his early life in that city. At the age of sixteen, he became cashier of the Southern Railroad, and worked at that job steadily until, in 1887, at the suggestion of the late Colonel Ed. Watkins, who had been a neighbor in Meridian, and had become interested in his energy and business acumen when Mr. Hoskins was but a lad, he came to Chattanooga, and became cashier of the old Chattanooga National Bank. The bank was then being reorganized by Colonel Watkins and Colonel Lyerly. In 1905 when the Chattanooga National and the First National were consolidated, Mr. Hoskins became



cashier of the new institution, and held that position until his recent promotion.

Mr. DeWitt joined the old Chattanooga National Bank in 1892 as a runner and file clerk. He served in practically every clerical position in the bank, and was finally appointed assistant cashier. When the Chattanooga National and the First National Bank merged in 1905, he held the same position with the new organization until his recent promotion. He is in charge of the commercial department of the bank, and supervises the various tellers' activities.

RESULTS OF THE BANKERS NATIONAL WHERE-U-BEE GOLF TOURNAMENT

The Second Bankers' National Where-U-Bee Golf tournament, which was announced in these columns in our June issue, was conducted by Staples & Staples, Inc., Richmond, Va., during the month of July. The winners on eighteen-hole courses were: first, Claude W. Haynes, of the National Loan and Exchange Bank, Columbia, S. C., with a selected score of 58 on a course whose par was 73; second, C. O. Evans, of the Citizens National Bank, Riverside, California, with a selected score of 66 on a course whose par was 71. On the nine-hole courses, J. M. Davidson of the First National Bank, Glasco, Kansas, won first place with a selected score of 27 on a course whose par was 35; and Rome T. Calender, of the Farmers Trust Company, Marion, Ind., took second with a score of 28 on a course whose par was 35.

NEW SIZE PROPOSED FOR PAPER MONEY

Various mail order houses have suggested to the Treasury Department that the size of paper money be reduced approximately one-third, so that the bills can be inserted in an

ordinary envelope without folding. The Treasury Department is said to be considering the plan, which seems to have merit, but it will be considerable time before any action is taken.

BANK CONDUCTS COTTON CONTEST

Last year the First National Bank of Laurel, Miss., offered \$300 in prizes to farmers growing the most cotton on five acres of land. The idea behind the contest was to encourage the farmers to experiment with various cotton seeds and with various fertilizers, to find out which was best suited to the soil. If a farmer found that a certain good seed made a profit when grown on five acres, he would naturally want to plant his whole crop from this seed the next year. A great deal of interest was manifested in the contest, and the bank is conducting it again this year, increasing the amount of prizes offered to \$400. The bank has also offered an additional \$100 for the largest amount of corn grown on three acres of land.

NATIONAL BANKERS ADVOCATE McFADDEN BILL

On September 9, a number of officers of national banks met in Washington, D. C., at the request of James W. McIntosh, Comptroller of the Currency, to discuss ways and means of furthering the passage of Representative McFadden's bill amending the National Bank Act.

This bill must be distinguished from the other McFadden Bill, which proposes to repeal the so-called "war amendments" to the Federal Reserve Act. The bill relating to the National Bank Act authorizes national

NEW YORK CORPORATION LAWS Including Amendments, 1925

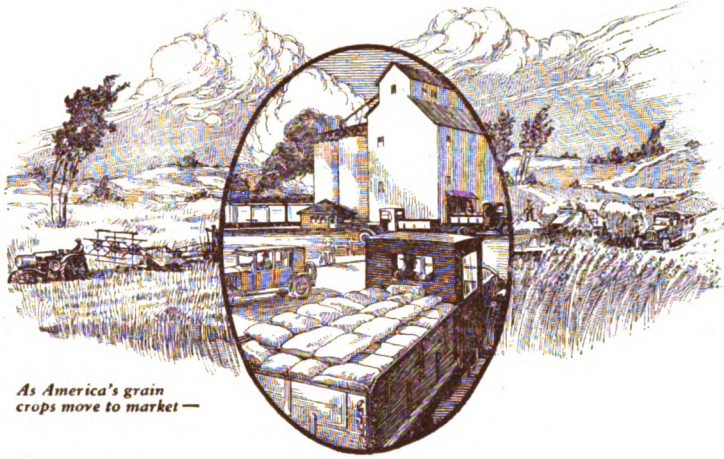
Contents

Full Text of the Business Corporations Law, General Corporation Law, Stock Corporation Law, Sections of the Tax Law Applicable Thereto, Stock Transfer Tax Act, Uniform Stock Transfer Act, Blue Sky Laws, Articles of general application of the Membership Corporations Law, Legal Recording and Filing Fees, A Synoptic Analysis and Complete Index.

PRICE \$2.00

United States Corporation Company

150 Broadway, New York
Telephone Rector 4460



*As America's grain
crops move to market —*

Correspondent Banks
Clearing B/L Shipments
through the Union Trust Company
are Assured of Prompt Returns



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

**UNION TRUST
COMPANY**
CHICAGO

*Complete Private Wire Service
Thoroughly Organized Collection Facilities*

THE CORN EXCHANGE BANK

WILLIAM AND BEAVER STREETS
NEW YORK

A Bank Statement that any Man or Woman can understand

September 1, 1925

The Bank Owes to Depositors\$233,102,565.43

A conservative banker always has this indebtedness in mind, and he arranges his assets so as to be able to meet any request for payment.

For This Purpose We Have:

[1] Cash	31,517,881.21
<small>(Gold Bank Notes and Specie) and with legal depositories returnable on demand.</small>	
[2] Checks on Other Banks	22,708,743.70
<small>Payable in one day.</small>	
[3] U. S. Government Securities	59,499,607.78
[4] Loans to Individuals and Corporations	27,447,623.64
<small>Payable when we ask for them, secured by collateral of greater value than the loans.</small>	
[5] Bonds	38,719,470.53
<small>Of railroads and other corporations, of first quality and easily salable.</small>	
[6] Loans	59,806,187.53
<small>Payable in less than three months on the average, largely secured by collateral.</small>	
[7] Bonds and Mortgages	11,067,671.80
[8] Banking Houses	6,690,762.24
<small>All located in New York City.</small>	
[9] Other Real Estate	36,469.00
Total to Meet Indebtedness	\$257,494,417.43
[10] This Leaves a Capital and Surplus of	\$ 24,391,852.00

Which becomes the property of the stockholders after the debts to the depositors are paid, and is a guarantee fund upon which we solicit new deposits and retain those which have been lodged with us for many years.

Our listed resources, enumerated in this statement, do not and can not include those assets of friendliness and helpfulness which this bank has in the personnel of its board of directors, its officers and employes. These are assets which pay dividends to our patrons in service and satisfaction.

The Corn Exchange Bank is prepared to supply you with Banking and Trust Service through its Head Office and Branches located in Greater New York

MEMBER NEW YORK CLEARING HOUSE ASSOCIATION AND
FEDERAL RESERVE SYSTEM

The Value of Fresh Air

Gerdes Ventilating Systems and electric window ventilators diffuse healthful and invigorating unheated fresh air without causing draft or chill.

They are investments of great earning power in health and ambition and the cost is repaid many times in increased efficiency, lessened absenteeism and labor turn-over.

Our absolute guarantee on every installation insures satisfaction. Reports and proposals made without obligation or charge. Booklet containing references of the highest character sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

banks to establish branches within the limits of the city in which they are located, if state banks have that privilege. In other words, where the state law allows state banks to have branches, the McFadden bill will allow the national banks to have them also. However, the branches will be restricted to one in cities with a population of from 25,000 to 50,000, and two in towns with a population of 100,000 or over.

The bill also would allow national banks to make loans on real estate for periods as long as five years, instead of restricting them to one year, as in the present law.

The bill also carries a number of penalty features. A person circulating false reports about the solvency of a bank will be subject to a fine of \$5,000 or imprisonment for five years or both. Boycotting, blacklisting, or causing runs upon a bank are made penal offenses. Robbing a bank is subject to a sentence of twenty years, and assault on bank officials with intention to rob is punishable by a twenty-five year sentence.

The bill will be reintroduced into the House of Representatives when Congress convenes in December, and vigorous efforts will be made to have it passed promptly.

Middle States

Comprising Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa and Missouri.

CONVENTION DATES

Financial Advertisers' Association—at Columbus, O., Oct. 14-16.

Morris Plan Bankers Association—at West Baden, Ind., Oct. 26-28.

JOHN D. PHILLIPS

John D. Phillips, president of the Green Valley Bank, Green Valley, Ill., and a former president of the Illinois Bankers Association, died at his home in Green Valley, Ill., on August 6.

He was born April 8, 1870, near Green Valley. He spent his boyhood there, until his marriage, in 1891, to Kate Bailey. There, also, he began his business career as a farmer and stock raiser. He saw the need of his community for a bank, and in 1900 organized and opened the Green Valley Bank. It was organized as a private bank and continued as such until 1916, when, conforming to the law abolishing private banks, it was reorgan-

**YOUR OWN
HOUSE ORGAN!**

Issued under your own name and over your own signature with all the advantages and none of the drawbacks of syndicated material—large space to put over any or all departments of your institution—

The Cost? Amazingly Low!

P. M. R E E D
 & Banker Associates

TRIBUNE TOWER  CHICAGO

ized as a state bank. At that time, Joseph N. Phillips became its president, and John D. Phillips vice-president. On the death of his father, John D. Phillips assumed the presidency.

He was a thirty-second degree Mason, a member of the Modern Woodmen of America, and of the Independent Order of Odd Fellows. He is survived by his widow and two children.

MISS REYNOLDS HONORED

The August-September issue of *All's Well*, a magazine edited and published by Charles J. Finger of Fayetteville, Ark., is dedicated "To My Friend, Margaret Reynolds, Enthusiast." Miss Reynolds is librarian of the First Wisconsin National Bank of Milwaukee. Mr. Finger is the man who was awarded the Newbery Medal in July, at Seattle, by the American Library Association, for his "Tales from Silver Lands" which was considered the best children's book of 1924.

NEW DEPARTMENT ESTABLISHED BY CLEVELAND TRUST

Harris Creech, president of the Cleveland Trust Company, Cleveland, O., recently announced the establishment of a new department of accounting control, to have full charge of accounting and accounting methods of the bank.

A. A. Denison, formerly assistant vice-president, will be in charge of the department as comptroller, and M. F. Kearns, formerly assistant treasurer, and Charles D. Gable will be assistant comptrollers. Mr.

Denison entered the banking business twenty-seven years ago as messenger for the old Peoples Savings and Trust Company, since merged with the Cleveland Trust Company. He was successively bookkeeper, clearance clerk, branch manager, assistant secretary, and in January, 1925, was appointed assistant vice-president.

Mr. Gable was auditor of the Garfield Savings Bank when that bank was merged with the Cleveland Trust Company several years ago.

Mr. Kearns began banking in Youngstown, Ohio. Later he served as an examiner with the Ohio State Banking Department. He was with the Lake Shore Banking and Trust Company for ten years prior to its merger with the Cleveland Trust Company.

INTERESTING EXHIBIT BY FARMER-BANKER

One of the interesting exhibits, and one that caused a great deal of comment recently at the Missouri Farmers Association meeting at Sedalia, Mo., was the Morrison-White field corn grown by Bert H. Lang, vice-president of the First National Bank in St. Louis. It has two outstanding features; height and prolific yield. None of the eighteen stalks in Mr. Lang's exhibit were less than 13 feet long, and none had less than five ears on it. They were raised on his farm in St. Louis County with no more than the usual amount of cultivation.

Mr. Lang was formerly chief of the St. Louis office of the United States Grain Corporation. He is now in charge of the soil products department of the First National Bank in St. Louis.

APPOINTMENTS AT LAKE SHORE TRUST AND SAVINGS, CHICAGO

H. E. Devereux has been appointed trust officer of the Lake Shore Trust and Savings Bank, Chicago, Illinois; H. M. Matson has been made manager of the savings department, and D. J. Devereux has been appointed auditor.

CASTELLINI HEADS BROTHERHOOD BANK, CINCINNATI

Joseph J. Castellini has been elected president of the Brotherhood of Railway Clerks' National Bank, Cincinnati, Ohio, to succeed George S. Levi. Mr. Castellini was

born and educated in Cincinnati. He is president of the J. J. Castellini Co., the United Fruit Auction Co., the International Apple Shippers' Association, vice-president of the American Ice Cream Co., and was formerly a director in the Fifth-Third National Bank of Cincinnati, which last position he resigned on becoming head of the labor bank.

A PLAN TO LIQUIDATE FROZEN ASSETS IN THE NORTHWEST

Due partly to the favorable crop this year, and the large crop of last year, activity in farm land sales in the Northwest is increasing. Life insurance companies, farm loan agencies, and banks in the Twin Cities have, therefore, worked out a plan to market the numerous farms which have recently been taken over by the rural banks. An aggressive selling organization in charge of experienced land men backed by an extensive advertising campaign will attempt to find buyers for these farms, thus liquidating assets which have been "frozen" for some time. It is believed that one large central selling agency will have better success in finding buyers than would individual banks.

NEW COMMITTEE OF ILLINOIS BANKERS ASSOCIATION

The need of standardization of accounts, methods and forms in banks, particularly those of modest size, has long been realized by the Illinois Bankers Association. Last year an attempt was made at solving this problem by appointing a committee on standardization. It was so successful that the association has decided to continue the work by establishing a department of research and analysis as a permanent part of its organization. H. C. Hausman has been appointed manager of the new department.

The first work of the new department will be to work out standardized forms for analysis of income and expense, analysis of accounts, a general ledger set-up, and the annual report. The department also expects to provide service to banks which are members of the association in all matters pertaining to organization, method, facilities, personnel and equipment.

A Specialized Service

for Banks and Bankers which is the result of more than sixty years of experience is offered by

The First National Bank of Chicago and the First Trust and Savings Bank

Complete facilities are provided for active and inactive accounts, collections, bills of lading, investments and foreign exchange transactions.



FRANK O. WETMORE,
Chairman

MELVIN A. TRAYLOR,
President

Combined Resources
Exceed \$350,000,000

1865



1925

ESTABLISHED OVER HALF CENTURY



Complete Assortment
of
Ladies & Gentlemen's
Natural Raccoon
Coats

At Reasonable Prices

C. C. SHAYNE & CO.

Importers and Manufacturers of

STRICTLY RELIABLE FURS

126 WEST 42d STREET

NEW YORK

Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska.

CONVENTION DATES

Nebraska—at Omaha, Oct. 21-22.
Arizona—at Phoenix, Nov. 6-7.

ROBINSON HONORED

Henry M. Robinson, president of the First National Bank of Los Angeles, Calif., has been presented with the cross of an officer of the Legion of Honor by the French Government on September 3, in recognition of his services on the first committee of experts under the Dawes Commission. Mr. Robinson was formerly a chevalier of the Legion of Honor.

CALIFORNIA BANK, LOS ANGELES, ADDS MORE BRANCHES

The California Bank, Los Angeles, Calif., has added four new units to its banking system by taking over the Bank of Alhambra, the Bank of San Gabriel, the East Broadway branch of the Bank of San Gabriel, and the Northeast Bank of Los Angeles.

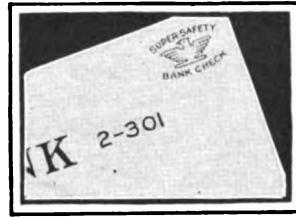
With these four new branches, the California Bank now has a total of forty-two offices. Its capital is \$3,000,000, and resources total approximately \$80,000,000.

GUY HUSTON HEADS LAND BANK ASSOCIATION

At the conclusion of the annual convention of the American Association of Joint Stock Land Banks at Colorado Springs recently, the following officers were elected to serve for the ensuing year: president, Guy Huston, of Chicago; vice-presidents, Walter Cravens, of Kansas City, Mo.; and A. W. Hendrick, of San Francisco, Calif.; and treasurer, S. L. McCune, of Cleveland, Ohio.

STATEMENT OF BANK OF ITALY, SAN FRANCISCO

The Bank of Italy, San Francisco, Calif., heads its statement of June 29, 1925, as



Immense National Program

Tells 20,000,000 people what they ought to know about their banks

As a result, new accounts are being created. Present accounts are increasing in size. Banking service is given a greater value than ever before.

THE interests of the Bankers Supply Company are allied closely with those of the banking business. That is why we have devoted this year's tremendous advertising campaign to placing a greater value on banking service . . . to showing the individual just what his bank is worth to him.

In your community this plan benefits YOU
Men and women in your city are reading this advertising because it is intensely interesting. It shows them the important part their bank plays in making them financially independent. It is creating new bank depositors in every locality in America. It is making present customers more valuable.

At the same time these 20,000,000 people are being shown the remarkable protection from fraud Super-Safety Bank Checks give. And checks, ordinarily an item of expense, now are given a business-building value (you already know of Super-Safety checks and that they cost no more than ordinary kinds of good quality).

Other ways to increase deposits

So that you may receive in your locality the greatest possible benefit from this national campaign we offer you without charge a very remarkable plan. A complete year-round advertising service for you to use locally over your own name.

It includes many business-building plans which have been tested and proved profitable by leading banks. Many new and successful ideas help you increase deposits.

Let us show you this plan more fully. How it will help your own bank. Write immediately to the address below.

BANKERS SUPPLY COMPANY, Division THE TODD COMPANY

5951 So. State Street, Chicago

Business-Building Merchandise for Banks

New York Rochester CHICAGO Denver Dallas

Super-Safety Bank Checks protect depositors against check fraud. They are made of the safest check paper supplied by any bank.

follows: "One Hundred Million Dollars in Bonds (Over 87 per cent. in U. S., State, County and Municipal Obligations)." The statement shows, also, total deposits of \$337,978,651.66, and total resources of \$370,445,532.08.

LIBERTY BANK, SAN FRANCISCO, ABSORBS CENTRAL COMMERCIAL

The Liberty Bank of San Francisco, Calif., has purchased the assets and business of the Central Commercial and Savings Bank of Vallejo, Calif., and will operate the head office and branches as branches of the Liberty Bank. These are the first branches of the Liberty Bank outside of San Francisco. It is a comparatively young institution, having been organized in 1921 with \$1,000,000 capital.

BRANCH BANK QUESTION COMES UP AGAIN IN CALIFORNIA

The branch banking controversy is breaking out in California again, due to the mandamus proceedings recently instituted by the Bank of Italy, San Francisco, Calif., to compel the Superintendent of Banks to show cause for denials of permission to open numerous branches in and around Los Angeles.

The suit arises out of a ruling of the banking department made in 1923, providing that a bank with its head office in one city, let us say San Francisco, shall not establish a branch in another city, as, for example, Los Angeles, or the adjacent territory, except by purchase of or consolidation with an existing bank, unless the Superintendent of Banks shall find that the public convenience requires an abrogation of the rule. Furthermore, banks purchased or consolidated in cities outside of the city in which the head office is located shall not be operated as branches unless both banks shall have been in operation for at least three years prior to the sale or consolidation. The Superintendent of Banks may waive this clause also, in the interest of public convenience.

The application of this ruling has seriously curtailed the state-wide banking program of the Bank of Italy, and it has made various efforts to remove what it considers an unjust discrimination. One of these consisted of the introduction of a bill into the legislature to amend the bank act, stripping the Superintendent of Banks of his

authority to grant permits for the establishment of branch banks. This, however, was so promptly and vigorously opposed by other branch bankers that the bill was killed in committee. Failing in this, the mandamus proceedings have been brought.

The California League of Independent Bankers is very much opposed to the move, and has retained Max Thelen, formerly president of the California Railroad Commission, and now a San Francisco attorney, to assist the state banking department in the proceedings. The arguments were held before the Supreme Court about the middle of September. It looks as though the branch banking question in California will be thoroughly gone over and finally settled, at last.

Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. TYSON

A VERY successful harvest throughout Canada is now progressing to completion. Yields in general have been such that, at prices which have prevailed and still prevail, the buying power of the agricultural community, which forms such an important section of the Canadian population should be materially increased. Estimates of anything from \$250,000,000 to \$300,000,000 increased agricultural income as compared with last year are heard. Particularly are there improved conditions in western Canada. Commencing with the middle of July and increasing during the harvest season there has been a real and substantial trade expansion as reflected in the movement of goods to wholesale houses. Confidence grows that the crop of 1925 will put the western provinces on a sound financial basis. There is still a burden of debt being carried by the farmers, but in the last couple of years it has been reduced and this year's dollar crop promises not only sufficient income to meet current obligations and provide a substantial margin of new buying power but also to provide

new confidence and a more satisfactory credit basis.

If, as predicted, this year's crop will enable business in western Canada to move out of the period of depression which has prevailed for some years and sees a sound commercial situation re-established, it will mean better conditions throughout the whole country. The West, as a buyer of eastern manufactured products, provides a market which, as between good and bad times, usually makes all the difference between minimum and profitable operations for industry in the eastern provinces. This year's results on the prairies are regarded with particular satisfaction because they represent the return from what is probably the closest to a normal agricultural performance that the country has seen. On the one hand, there has, in recent years been a reduction of the debts contracted during the period of war and post-war inflation, while the year's income will be almost altogether from agricultural sources. Thus neither income from real estate speculation, new construction or other extraordinary sources on the one hand, nor abnormal debt accumulations on the other are unduly interfering with agricultural operations which, in the last analysis, represent the fundamental basis of the country's prosperity.

There has been, in recent months in western Canada, a marked improvement in the demand for farm lands. The head of a western trust company reports that his firm has disposed of more land in the past five months than in the previous five years; other companies report improvement to a greater or less extent. This refers to practically all sections with the exception of areas in southern Alberta and southwestern Saskatchewan which suffered from drought. These areas provide one of the great problems which the country has to solve. They are not proving satisfactory for wheat farming. Irrigation may reclaim portions of them but some sections may eventually go back to grazing land. Further confirmation of the greater demand for western land is found in an official report of the United States Bureau of Immigration which states that the number of farmers settling in the Canadian West is 50 per cent. greater than for last year, while the Canadian Pacific and National Railways and the Hudson Bay Company have sold more land than in any similar period for ten years. Encouraged by this situation the Hudson's Bay Company

**ONE BANK COVERS THE
LOS ANGELES
METROPOLITAN DISTRICT**



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest percentage wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

**SECURITY
TRUST &
SAVINGS BANK**

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$200,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

is organizing a new subsidiary for the development of immigration.

An important factor in the retail trade situation is the increased volume of tourist traffic this year. Every province reports a much larger volume of business from this source than ever before. It is estimated by the National Parks Board that the tourists left \$150,000,000 in the country last year. The indications are that this amount will be greatly increased when the figures for 1925 are available. This tourist business is particularly well regarded in that it represents cash returns for services and manufactured goods rather than for exports of raw materials.

The announcement of a federal election to take place during the latter part of October will be regarded as a settling rather than a disturbing factor in business, even though there will be the usual, but short period of pre-election uncertainty. The Government, throughout the four years of its life, has had less than a satisfactory working majority in the House, and with the progressive party making it a three-cornered situation with the Liberal Government and the Conservative opposition, the carrying on of the country's affairs has been difficult and unsatisfactory to the business and financial community and large taxpayers in general. The election campaign gives little evidence of clear cut issues. There is, as always, the tariff, but the people have come to recognize that it is merely a question of degree of protection as between the two dominating parties and as both Premier King and Mr. Meighen, the leader of the opposition, have announced their support of the idea of appointing a tariff commission—along the lines of the tariff commission in the United States—to advise the Government on fiscal matters, there is less interest than usual in the tariff issue.

Taxation, transportation and immigration are other issues entering into the campaign but the election proposals of the leaders have a good deal in common in regard to them. Appealing to the taxpayers Mr. Meighen, the opposition leader, makes the proposal to eliminate wasteful extravagance alleged in connection with the National Railways. A report recently made on the railway situation in the Senate indicated that the system was adding to the national debt at the rate of about \$100,000,000 a year. Mr. Meighen believes that this amount can be cut in two. As government leader Mr. King's proposal in regard to the railway situation is to bring about some sort of work-

ing co-ordination between the National and the Canadian Pacific to reduce duplication and in other ways curtail waste. To this President Beatty of the Canadian Pacific has replied, expressing willingness to co-operate in a practical way, but at the same time offering his definite opinion that little is to be gained in this direction so far as the Canadian Pacific is concerned. The C. P. R., according to Mr. Beatty, is being operated in a highly efficient way and is likely to suffer rather than benefit by any program forced upon it in the interest of the Government system. As to immigration, while there is a sharp difference of opinion on the open door and selective policies, there is pretty general discontent throughout the country among practically all classes, excepting organized labor, with the results which have been obtained in recent years. The Government party evidently recognizes this in the appointment of a Minister of Immigration and the promise of a more progressive policy in this direction.

With the opening of the Panama Canal and the diversion of a growing percentage of western Canada's crops through Pacific Coast ports there has been an adjustment in business in western Canada. This movement will evidently be accelerated by the recent order of the Dominion Railway Board lowering the rate on wheat and wheat products from prairie points through the Rocky Mountains to the Pacific Coast on a basis of the rate on similar shipments through the Atlantic seaboard and ignoring the higher cost of the mountain haul. This order, however, while passed by the chairman of the board and one other member forming an official quorum, is being opposed by the remaining three members of the board and a formal appeal has been made by the Toronto Corn Exchange. If the order is sustained, it will mean that products from a large portion of the prairies will be more cheaply transported to world markets via the Pacific route. Established grain handling facilities and institutions will, of course, suffer, as will the railways, not only because of the reduction in the rates for the mountain haul but because the Pacific route means a much shorter haul than through the Atlantic. It is also to be anticipated that, as the western movement of grain increases, the amount of merchandise entering by the Pacific ports will also increase. Vancouver has been particularly aggressive in seeking to gain the benefits of the Panama route by having merchandise shipped from eastern Canada by boats through the canal. To this

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department

Standard Bank of Canada

TORONTO

Capital Paid Up \$4,823,400
Reserve Fund and Undivided Profits 3,051,110

end, a customs officer has been appointed in New York so that goods shipped from eastern and central Canada by rail to that point can be handled in bond but so far the restriction has been enforced that this regulation applies only to vessels of British register. Altogether the Panama Canal is having an important influence on grain transportation and merchandise distribution in Western Canada and this has no doubt stirred on the agitation for the completion of the Hudson Bay Railroad in the hope of opening up a still cheaper wheat route by the northern passage. There is lacking, however, satisfactory technical information which would insure that, taking all the risks into consideration, wheat could be more cheaply handled through Hudson Bay than by the other route even though the mileage is considerably less. The northern passage is open during only a short period of the year and the shipping hazards are very great.

Canada's borrowing of \$70,000,000 on short term notes in New York is being criticised in some circles on the basis that there is no indication that long term borrowing can be arranged to better advantage a year hence. On the other hand, arguments are advanced that with European borrowing and business expansion the money rates will likely be higher rather than lower when this short term loan is due. A decrease of \$8,325,704 in the net debt of the Dominion at the end of August in comparison with that at the end of July is shown in the official financial statement. Compared with the same time last year there is a decrease of \$20,594,038

in the net debt. The total debt is now given at \$2,366,923,600.

The bigger crop this year is in evidence in the transportation figures. For the last week of August freight car loadings increased over 1924 by 4.4 per cent., while for the year to that date the decrease was 3.6 per cent. Grain receipts for 1925 season to the end of August were 15.2 per cent. higher than for the corresponding period last year.

ROYAL-UNION DIRECTORS

In the absorption of the Union Bank by the Royal Bank of Canada the following directors of the former have been added to the board of the combined institution: W. R. Allan and R. T. Riley of Winnipeg; Stephen Haas, Toronto; John H. Price, Quebec; W. H. Malkin, Vancouver.

Mr. Allan, former president of the Union Bank, is senior partner in the firm of Allan, Killam and MacKay. Mr. Riley is president of the Northern Trust Company. Stephen Haas of Toronto is president of George H. Haas Son and Company Limited, John H. Price, Quebec, is president of Price Bros. and Company, Limited. W. H. Malkin of Vancouver, as head of the wholesale grocery company of W. H. Malkin & Co., Ltd.

The fact that Toronto, Quebec, Winnipeg and Vancouver are given additional representation is in keeping with the policy of the Royal Bank to have committees of its board in all important sections of the country.

J. W. Hamilton, late general manager of the Union Bank of Canada, has been appointed as assistant general manager with

headquarters at Winnipeg. This arrangement should be particularly gratifying to customers of the bank in the three prairie provinces, where the Union Bank was so largely represented.

YOUNG CANADIAN WITH MORGAN

Another young Canadian banker has been slated for an extremely important and promising position in one of the largest financial institutions of the United States. W. A. Mitchell of the credit department of the Royal Bank of Canada, head office, has joined the firm of J. P. Morgan & Co., to

undertake the reorganization of the foreign credits department of that firm.

Mr. Mitchell had a wide experience in banking, especially in the handling of credits. He was chosen a short time ago to do a special piece of work in the Paris branch of the bank, and gained valuable experience there. His unusual ability was observed by the Morgan firm during the purchase of the Bank of South America by the Royal Bank of Canada when he was given charge of the taking over of the assets of that institution. It was not long after this work was completed when Mr. Mitchell was approached by the Morgan firm. He has since become an officer of that institution and is now in Europe in connection with his new work.



New York A. I. B. Educational Program

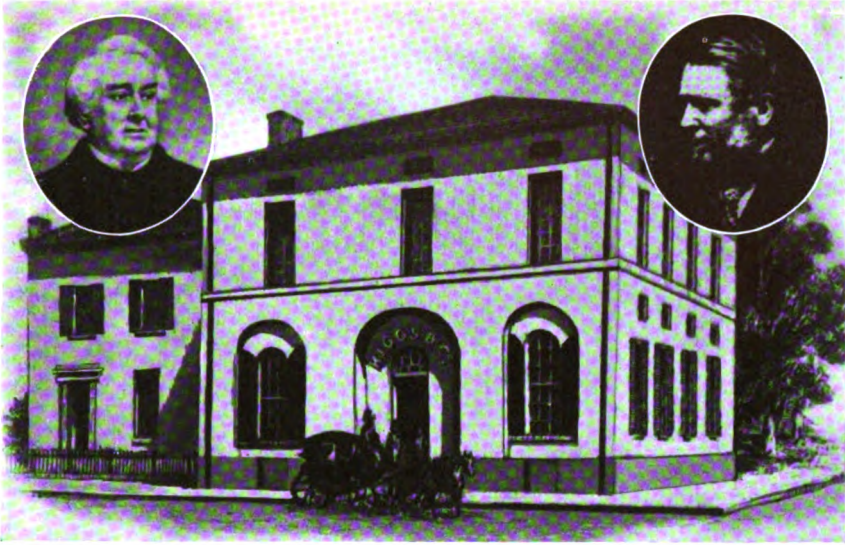
HOW to educate bank clerks so that they will understand the significance of the jobs that they are performing, and will be prepared to advance through the jobs ahead of them to executive or semi-executive positions is one of the biggest of our banking problems. For the bulk of the force of every bank is recruited from boys who have had only a grammar school education. Some, but hardly a majority of the clerks have had some high school training. But even this is usually of so general a nature as to be of little use in banking, except indirectly. There must be some agency to furnish technical education in banking to those no longer attending school.

This is the chief function of the various chapters of the American Institute of Banking—the greatest training school for bank clerks in the world. The work is well illustrated in the educational announcement of New York Chapter, Inc., which has recently come to hand, and which is probably typical. The courses at New York Chapter, which are carried on in cooperation with Columbia University, are selected to fill the need of every type of bank clerk. For the very young clerks, such as messengers, there are the preparatory courses, which make sure that they get proper grounding in arithmetic, book-keeping, English, etc., to handle the standard courses later. These standard courses are

divided into the standard banking course (for employes of commercial banks), the standard trust company course, the standard investment banking course, and the standard savings banking course. They include special training in the various special lines, and all include some essential general training in economics, money and banking, corporation finance, and some law, and lead to the prized Standard Certificate of the American Institute of Banking.

A man's education, however, should not stop with the completion of this or that course—it should be a continuous process. Realizing this, the chapter offers to graduates of the standard courses various special courses, such as advanced accounting, analysis of financial statements, credits, income tax procedure, foreign exchange and foreign trade, applied psychology, public speaking, and trust problems.

And finally, for those who have completed all of the courses that would be useful to them, there is another avenue of education open in the bankers forum, which holds a series of monthly meetings, at which current events and problems in the banking field are discussed by various authorities, followed by questions and comments by members of the forum. This rounds out and makes complete, a program which offers educational opportunities to every one in the bank, from messenger to president.



Home of the banking house of Riggs & Co. The second floor housed the first office of the Surgeon General, U. S. A. Upper left, William Corcoran, founder of the Riggs National Bank, Washington, D. C., and the Corcoran Gallery of Art. Upper right, George W. Riggs, partner of Corcoran in banking firm of Corcoran and Riggs which later became the Riggs National Bank

The Romance of the Riggs National Bank

By W. H. Smith

IN 1836 when the second United States Bank was staggering under the sledge hammer blows of Andrew Jackson, the Ajax of American politics, its Washington branch had in its employ William W. Corcoran, at the head of its real estate and suspended debt department. Mr. Corcoran had formerly been in the merchandising business but had failed, the failure being brought about by the unsettled financial condition of the country. After his failure he took the position mentioned with the Washington branch of the second Bank of the United States. There he was a proved success.

In 1836 the bank was tottering to its fall and Mr. Corcoran, full of faith in the growth and prosperity of the country, decided to go into business for himself. He resigned his place with the bank and opened an exchange and brokerage office in a little eight by twelve room on Pennsylvania avenue. There in that dingy little room, was the acorn that sprouted and grew, until it has become one of the great and successful financial institutions of the country, the Riggs National Bank, having among its de-

positors clients in almost every country on the globe. It has branched out from that little room until it occupies with its main office a large modern building on Pennsylvania avenue, just across from the Treasury building, and four modern bank buildings occupied by its branch offices.

For more than half a century it has been one of the favorite banks of presidents and other high officials of the Government, and of ministers and ambassadors from foreign countries, for the same strict fidelity, caution and liberality which characterized it in the beginning have been the guiding forces of its management.

It was a little exchange and brokerage office, with only a small amount of capital, but the integrity of Mr. Corcoran was so well established in the community that, notwithstanding his former failure, his new business soon began to be prosperous, and although the great bank which grew from that modest beginning has had to weather a number of bad financial storms it has been able to withstand them all and to come out stronger than before.

In 1840 Mr. Corcoran took into partner-



Main office of the Riggs National Bank, Washington, D. C.,
opposite the U. S. Treasury

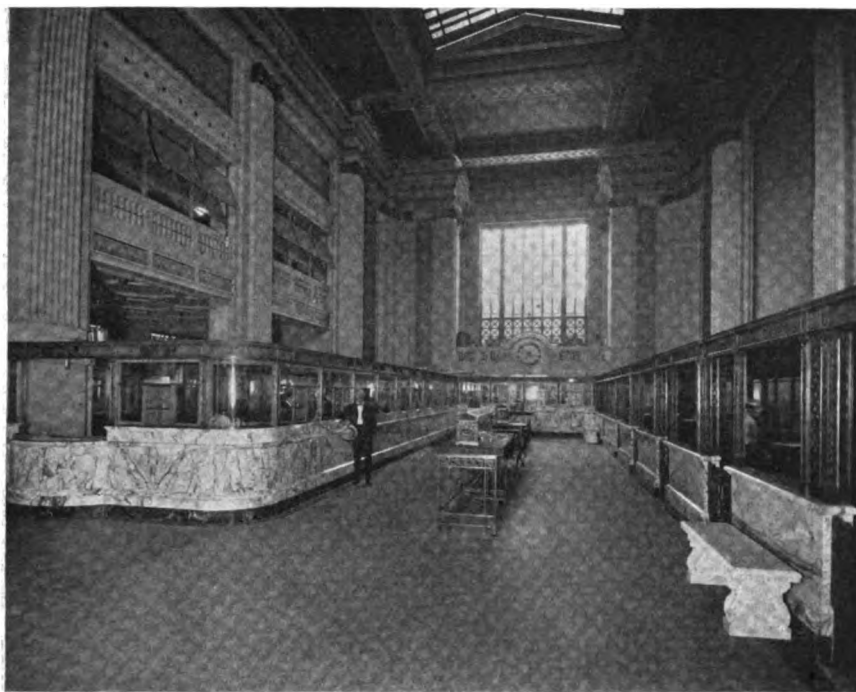
ship George W. Riggs. It was a fortunate event. There was a marked difference in the characteristics of the two men and one supplemented the other. Mr. Riggs was a graduate of Yale, while Mr. Corcoran's education was only such as was obtainable in those early days from private schools. In financial dealings he was bold, but his boldness was tempered by judgment. Mr. Riggs was cautious, moving more slowly than his partner, but when his mind was once made up he was the equal in energy of Mr. Corcoran.

The new firm of Corcoran & Riggs added banking to the former exchange and brokerage business. It was not long before the firm became known in all the financial centers of the country. So great was their prosperity that Mr. Corcoran felt able to call in all his former creditors and pay them in full the losses they had sustained from

his unfortunate and unsuccessful mercantile experience. This he did, paying out more than \$40,000. This was a voluntary act of justice, as he had long before been released by law from any obligation, but it was an act of such moral justice as to win him the highest respect of the people.

By 1845 the business had grown to such proportions as to make necessary larger quarters than those then occupied. About this time the second Bank of the United States, which had gone out of existence, offered its assets in Washington for sale. They were immediately purchased by Corcoran & Riggs. The assets included a modest brick building on the corner of Pennsylvania avenue and Fifteenth street, a large number of land warrants, suspended debts of a very large amount, together with the vaults and furniture of the old bank.

Taking the land warrants Mr. Corcoran,



View of the main banking room of the head office of the Riggs National Bank, Washington, D. C.

who had absolute faith in the growth of the country, located them in every section, thus becoming one of the largest real estate owners in the country. The same care and sagacity were exercised in locating the land warrants as had been displayed in the management of the bank and brokerage business, and consequently they brought great wealth to Mr. Corcoran.

At this time, one financial enterprise of Corcoran & Riggs startled the moneyed men of the country. The war with Mexico brought a heavy load to the Government. As has been the fate of the country from the beginning, the Government plunged into this war without any preparation and found itself handicapped for the want of funds, as the Treasury was practically empty. Bonds, or "stock certificates" as they were called, were freely offered but found few takers. It was then Mr. Corcoran determined upon his bold move, offering to take about the whole amount. His partner protested, but in vain; Mr. Corcoran believed in the country and in its ability to pay, and believed it would pay.

The sum offered was not large as sums go in these days, but in 1846 it was a large bid for a strong bank, and, on the face of

it, a daring bid for a small bank like that of Corcoran & Riggs. This bold move brought the attention of financiers throughout the country to the Washington bank, and won for it the admiration and support of the high public officials composing the administration.

By this time, the name of Mr. Corcoran as a successful banker became known to the leading financiers of the old world. Shortly after the close of the war with Mexico currency became scarce in this country, and it was necessary for Corcoran & Riggs to dispose of some of the Government securities they were holding, and Mr. Corcoran made a hasty trip to England.

The financiers of London gave him the cold shoulder when he offered his certificates for sale, asking a little more than par. They told him it would be impossible to dispose of a single certificate. He was not disheartened, but went after the moneyed men in his own irresistible manner. The result was that in a few days he disposed of about \$5,000,000 worth at a figure slightly above par.

In 1848 George W. Riggs retired from the firm, his younger brother, Elisha, taking over his interest. By this time the fortune of Mr.



Du Pont Circle office of the Riggs National Bank, Washington, D. C.

Corcoran was growing with a rapidity almost unknown and unbelievable in those days. As his wealth increased, his gifts to charitable objects increased both in number and in amount.

In 1854, having accumulated what was then considered a very large fortune, he retired from the banking business, disposing of his interest to George W. Riggs, his former partner, and the firm name became George W. Riggs & Company. Mr. Corcoran had investments almost everywhere, being largely interested in Washington real estate. Leaving the bank, he did not retire from business, but gave all his time to the management of his many investments.

Mr. Corcoran was a great lover of Washington. He believed it was destined to be eventually a city with a large population, centering there a love of art and music. Looking forward to this he began to plan a distribution of his wealth so as to make Washington as beautiful as he saw it in his

dreams. Among the first of his many contributions to Washington was a cemetery. In speaking of his intentions in that direction he said: "I will select a spot to be made sacred to the dead. Its beauty will lessen the regret of farewell to life."

He did select such a site. It is on the heights of Georgetown, an elevation overlooking the beautiful valley along Rock Creek, and giving a charming view of Washington and the Potomac river. It was covered by a dense growth of majestic oak trees, giving it the name of "Oak Hill." It is one of the most beautiful sites dedicated to the dead in all the country. Having opened this cemetery he sent to Tunis and had the remains of John Howard Paine, the author of "Home, Sweet Home," disinterred and brought to this country and reinterred in a lot chosen for the purpose.

His most important contribution to Washington was a magnificent gallery of art. He gave freely and liberally to colleges



Park Road office of the Riggs National Bank, Washington, D. C.

and churches, his contributions reaching more than a million dollars. This mention of the charities of Mr. Corcoran is made simply because the fortune which enabled him to make them had its inception in the bank whose story is being narrated.

After Mr. Corcoran's retirement from the bank, Mr. Riggs conducted its affairs so as to retain its high place in the confidence of the people. In 1866 Charles C. Glover, a young man still in his teens, entered the employ of the bank as a sort of general utility man, serving for the day on any desk that happened to be vacant. This selection of Mr. Glover was a most fortunate thing for the bank, for the City of Washington and for the nation at large.

His early training as utility man in the bank soon made him master of every branch of the business, conversant with the duties of every employee. He made a study of the banking system and of the financial situation in this and other countries. So efficient did he prove that in 1873 Mr. Riggs took him into partnership, turning over to him the direction and management of the bank.

Mr. Glover introduced into the management and conduct of the bank a greater liberality than had formerly prevailed, with the result that in two years the deposits doubled. A stormy time was ahead of all

financial institutions. The panic of 1873 tested the credit of every bank in the country and hundreds of them were compelled to close their doors, while hundreds of others were obliged, because of the money stringency, to limit the amount a depositor could withdraw. It was to the credit of the Riggs bank that it paid promptly, and in full, every check presented. This was largely due to the foresight and energy of the new management.

The panic of 1873 ended, and when it ended the Riggs Bank was stronger than ever before. Following the example set by Mr. Corcoran when he was at the head of the bank, it continued to be a liberal buyer of all securities issued by the Government, and it has followed that policy to the present time. Whenever the Government offers any securities, whether they are in the shape of bonds or certificates, the Riggs National Bank is always one of the heaviest buyers.

George W. Riggs died in 1881, and Mr. Glover became the dominant partner, exercising his own judgment in all things. His sagacity was soon tested. In 1893 the financial horizon began to be clouded over. Uncertainty appeared in every direction. Capital began to go into hiding. There was a vast shrinkage everywhere, railroad and manufacturing industries were languishing,



CHARLES C. GLOVER

President of the Riggs National Bank, Washington, D. C. from 1896 to 1921,
now chairman of the board

banks were curtailing their loans, yet everybody wanted money.

The financial situation was very bad. The Government did not know what to do or seemingly did not know how to turn the tide. The Riggs bank had several hundred thousand dollars on deposit in New York. Mr. Glover called for the money but was informed by the New York banks that there was no currency with which to meet his call.

With this information he at once called upon Mr. Carlisle, Secretary of the Treasury, and advised him to urge the President to call an extra session of Congress to take the financial condition of the country into consideration. Mr. Carlisle demurred and then Mr. Glover showed him the correspondence with the New York banks. "What can Congress do?" asked the Secretary. "Not much, perhaps," was the reply. "It may need to do nothing. All that is wanted is confidence; that restored, everything will work out right. The news that Congress has been called to meet will restore confidence, and

the trouble will be over by the time it assembles."

The foresight of Mr. Glover and his knowledge of the situation were justified. Congress was called to meet on September 7, only a few weeks off, and by September 1 the panic was practically ended. During its existence Mr. Glover continued to buy real estate notes as fast as they were offered and, as everybody was frightened and wanted money, the offerings of notes were large. He loaned money on real estate right and left, first at 8 per cent., then at 7, then at 6, as the panic subsided. By September 1, loans could not be made even at 5 per cent., as money was so plentiful nobody wanted it. The bank's profit from this liberality in making loans when other banks were calling in their outstanding loans, was very large, adding much to the wealth of the stockholders. The instrumentality of Mr. Glover in inducing the President to call Congress in session became known to other bankers and largely enhanced his reputation



MILTON E. AILES

President of the Riggs National Bank, Washington, D. C.

with them. It made him financially a national character.

By this time (1896) Mr. Glover determined to change the private bank of George W. Riggs & Company to a national bank, to be known as the Riggs National Bank. At this some of his partners at first strenuously objected, but Mr. Glover insisted. He purchased a lot adjoining the site of the bank and contracted for the erection of a new building fitted in every way to be a model for the transaction of a banking business. The new bank was started and in a few months the value of its stock increased to \$800 per share. Even after its later reorganization, when the capital was doubled, it sold for \$600 per share and in all its career, the shares have never been purchasable for less than \$400 per share.

In 1907 the financial skies were again clouded over and a panic came which rocked the financial system to its foundations. Financial panics, like those which sometimes

seize upon an army in time of battle, are generally without any adequate cause. So it was in 1907. Without any apparent cause, money began to flow from the banks into hiding; investments almost wholly ceased, and bankers and people began to feel disaster was approaching. Mr. Glover, with the foresight which characterized his financial career, saw the storm that was coming and immediately sought the high Government officials to warn them and to point out one means of salvation—one that would not only prevent the panic then impending, but if made part of the permanent financial policy of the Government would render money panics impossible in the future.

He impressed his views on President Roosevelt, insisting that if our currency was made more elastic, money stringency would never be felt. He advocated a law that would give the Treasury officials the authority in times of emergency to issue an additional amount of currency, which could easily be withdrawn when no longer needed.

Business could only be transacted safely when there was an abundance of stable currency and to be stable the currency must be backed by the Government.

He prepared his arguments and data with great care and began his missionary labors with the cabinet and Congress. He laid the facts he had gathered before them and backed them with the arguments he had prepared, urging at all times and everywhere the necessity for prompt action. Thus, in the Riggs National Bank was born what has become known as the Aldrich-Vreeland Act, an act that then saved the country from widespread financial disaster and was the safety-valve until the establishment of the Federal Reserve System in 1914.

The business of the bank has steadily increased from year to year. Following the policy which had always governed it, of putting its facilities in the easiest reach of its patrons, the bank has established four branch offices in different sections of the city, easily available to business. For these offices handsome buildings have been erected and equipped with all the modern conveniences for the speedy and safe transaction of business.

In June, 1921, Mr. Glover resigned as president of the bank, to become chairman of the board, and was succeeded by Milton E. Ailes, who is carrying out the best traditions of the bank. Mr. Ailes served sixteen years in the Treasury Department of the United States. He succeeded Frank A. Vanderlip when the latter was appointed Assistant Secretary of the Treasury in 1897, under Lyman J. Gage, to which position Mr. Ailes succeeded in 1901. Mr. Ailes is a director of the Seaboard Air Line, the Washington Railway & Electric Co., and the Norfolk & Washington Steamship Co. He has been a member of the executive council of the American Bankers Association and has written extensively on financial topics.

Washington owes much to the presidents the bank has had since its origin. Mr. Corcoran gave to the city and to the nation the magnificent gallery of art now known by his name, and the Louise Home. In addition he gave away thousands and thousands of dollars in private charities. Mr. Riggs was a liberal giver and Mr. Glover may well be styled "The Father of the Park System of Washington."

He had been connected with the bank but a short time when he began to take an active interest in civic affairs. Intending to

make Washington his future home, he became ardently interested in everything that would make for the prosperity of the city. At that time Washington had numerous small parks, or rather plots of ground, devoted to "air spaces" for the citizens. These were not enough for the ambitions of Mr. Glover.

Along the bank of the Potomac was a stretch of land open to overflow at every period of high water, thus becoming a breeding place for disease. Mr. Glover conceived the idea of having the Government reclaim these flats and convert the ground into a park. To accomplish this, he at once set about the work of converting members of Congress to this plan. His labors were eventually successful and 700 acres were added to the park area of the city. On a part of this reclaimed ground now stands the beautiful Lincoln Memorial. Success only widened his ambition to assist in making Washington beautiful. Zoo Park, and that most romantically beautiful of all parks, "Rock Creek Park," were the conceptions of Mr. Glover's brain and were secured through his efforts.

Mr. Glover's activities in beautifying Washington were not confined wholly to the creation of parks. He is a member of the Protestant Episcopal Church. He conceived the idea that here, in the nation's capital, the church ought to have a cathedral of such proportions and of such architectural beauty that great religious denominations would ever regard it with veneration, as the Jews regarded the Temple of Solomon. It is now under construction, and when fully completed will be the most beautiful structure of the kind in the country.

Besides Mr. Glover as chairman of the board and Mr. Ailes as president, the staff now includes: Robert V. Fleming, vice-president and cashier; William J. Flather, C. C. Glover, Jr., and Avon M. Nevius, vice-presidents; George O. Vass, vice-president and assistant trust officer; H. G. Hoskinson, Earle M. Amick, F. G. Burrough, Nelson B. O'Neal, and B. Gwynn Dent, assistant cashiers; R. G. Marx, auditor; Frank J. Hogan, general counsel and trust officer; George M. McKee, assistant trust officer; I. J. Roberts, secretary to the president.

Under this management the bank continues to occupy the leadership in size and prestige of the banks of the national capital, with resources exceeding \$40,000,000, an increase of \$5000 during the year 1924.



The Bristol Trust Company, Bristol, Conn., as seen from the rear, after completion of alterations and additions by the Griswold Building Co., Inc., New York

Bristol Trust Company Remodels Its Banking Home

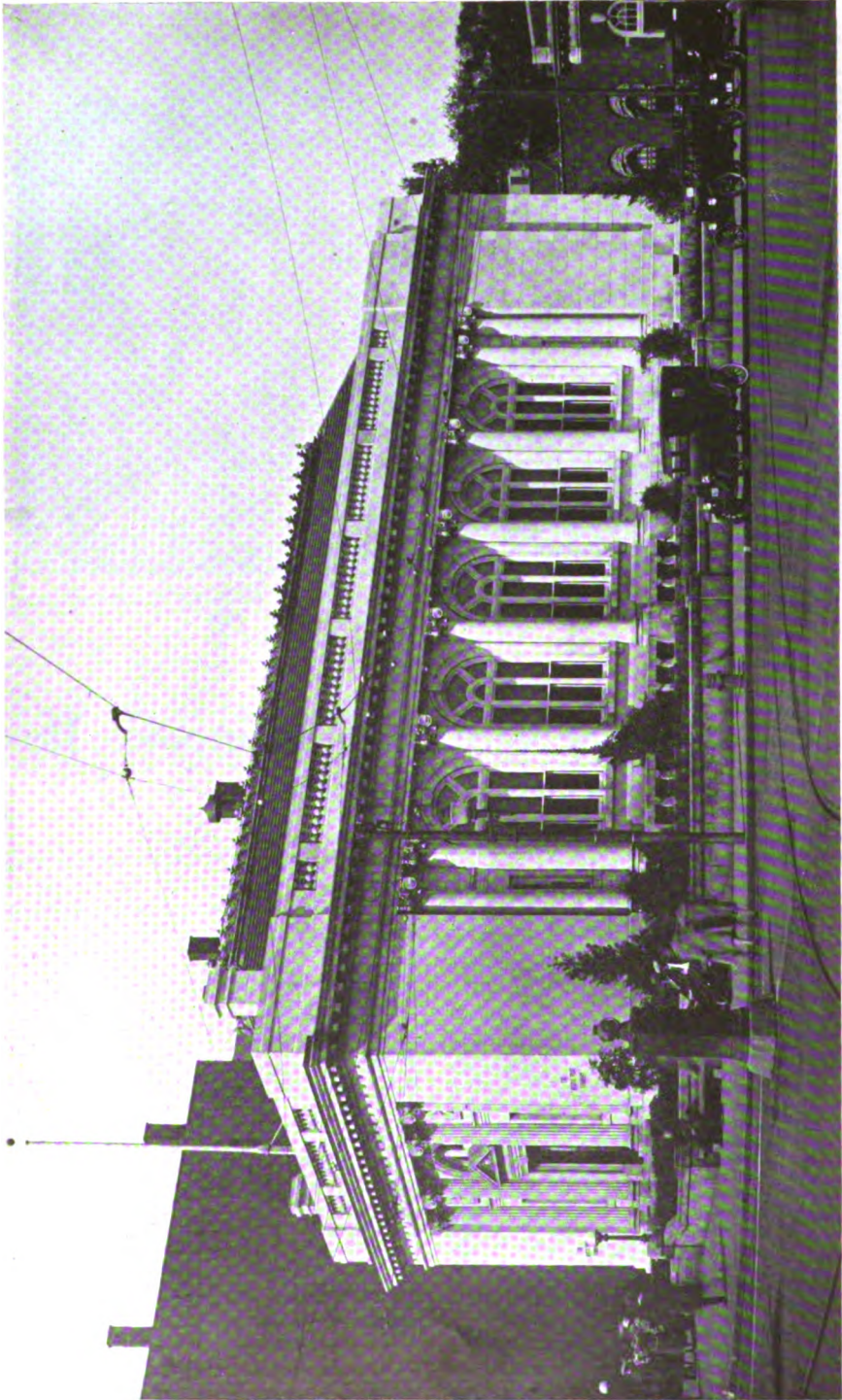
THAT the spirit of progressiveness with a foundation of sound business principles and a record for consistent service will find a fitting reward is given convincing proof in the newer and larger reconstructed home of the Bristol Trust Company of Bristol, Conn.

In lengthening and widening the bank to its present ample proportions, the exterior design was carried out in white marble, and extreme care was exercised in maintaining true proportion and beauty. The natural result is a finished piece of architecture which, in reflecting the dignity and solidarity of a strong banking house, contributes that certain sense of warmth and welcome often lacking in monumental design. Five large steel framed windows on the River Street side of the bank, coupled with other windows in the front, side and rear of the free standing building, provide for a well-lighted and ventilated interior. Sixteen feet have been added to the front without detracting from the pleasing uniformity of the entrance where four fluted Corinthian col-

umns lend their grace to the general design.

The vestibule, with an old gold ceiling, tinted walls and marble wainscoting and flooring, is a picturesque portion of the richly decorated interior. The private office of the president, located off the vestibule and conveniently near the officers' space, is furnished with mahogany furniture and wall panels, and the ladies' room, directly across is carried out in white mahogany with delicately tinted paneled walls. The spacious officers' quarters are complete with mahogany furniture and wainscoting and rubber tile flooring.

A spacious public lobby is bordered by a counter-screen of imported Rossata marble surmounted by handsomely ornamented bronze of a special design by Di Lorenzo. Located along the tops of the counter-screens in bronze receivers are the concealed reflector lights which throw the correct line of light on the counters insuring at all times rapid and accurate work. All cage work and equipment in the work spaces is of steel, being but a part of the fireproof construction



The Bristol Trust Company, Bristol, Conn., after the completion of alterations and additions by the Griswold Building Co., Inc., of New York, specialists in designing and building banks



Interior of the Bristol Trust Company, Bristol, Conn., looking from the mezzanine floor at the rear

used throughout the entire building. Flooring in the work spaces and in the cages is of $\frac{1}{4}$ -inch thick battleship linoleum.

The interior as a whole is rarely to be equalled in beauty. From the soft toned gray marble flooring of the public lobby, the quiet richness of the Rossata marble of the counter-screens, to the beautifully decorated ceiling, nothing is lacking in presenting that artistic blending of color which contributes so largely to the general tone of refinement in the interior. By gazing toward the newly added rear mezzanine, one automatically raises his eye to the ceiling and follows its masterfully painted detail back to the center of the room where a magnificent dome of delicately tinted glass lends its soft hues to the perfect shading of color in the decorating scheme. Below this dome in panels, on the four sides of the recess, are depicted the figures of Commerce, Industry, Agriculture and Finance, in the artistic splendor of mural paintings. One cannot help but be greatly impressed by this representation of true art.

On the left of the entrance is the trust department, so planned and equipped that it is a unit in itself of the bank which is so well fortified to meet the most exacting requirements of modern banking service. This department takes in the newly added width of

the building as does the extra work space which extends nearly the length of the addition. In the rear of this working space are



Detail of the counter screen in the Bristol Trust Company, Bristol, Conn., showing the special design of ornamental bronze by Di Lorenzo



Interior of the Bristol Trust Company, Bristol, Conn., as seen from the entrance



The directors' room of the Bristol Trust Company, Bristol, Conn.



Interior view of the Bristol Trust Company, Bristol, Conn., showing the handsome mural paintings which adorn the recess under the dome over the center of the main banking room

conveniently located a large stationery room and book vault.

Directly to the rear, and on the main axis of the public lobby is located the safe deposit department and safe deposit and security vault which has a capacity for over two thousand safe deposit boxes. This vault is constructed of 18 inches of solid reinforced concrete, the entire inside of the vault being lined with laminated armored steel. The massive door at the entrance to the vault is of 10 inches of solid steel, and with its time locks, it is a formidable guardian of entrance. The vault is protected still further by the most modern of **electric** burglar-proof pro-

tection, while the bank is also equipped with an additional daylight hold-up alarm system. Separated from the front section of the vault by a highly polished steel grille are the individual money chests of the tellers. Closely adjoining the vault are the coupon booths and a payroll room where the payrolls of large concerns can be made up under the protection of the bank and also the convenience of being where the money is at hand.

An open rear mezzanine provides more available work space and receives plentiful daylight from five large windows in the rear of the building. The directors' room, direct-

ly off this mezzanine, is one of the truly beautiful features of the bank, and while tastefully decorated, it still adheres to the dignity which such a room demands. The walls are wainscoted to the ceiling in rich mahogany, offering a pleasing contrast to the vaulted ceiling which possesses a study in carefully executed detail. The furnishings of the room correspond in taste with the decorations, and the complete effect of richness and refinement may be easily called to mind. A private wash room and coat closet adjoins this room for the use of directors.

The basement of the bank is given over to a men's wash room and club room, the girls' rest and retiring rooms, two large

vaults, stationery rooms, the bank's heating plant, and additional space for storage. Storage facilities for silverware and other articles of value are found in either of the two vaults provided for these purposes, and constructed of the same thickness of reinforced concrete as the safe deposit and security vault. The vaults were installed by the Mosler Safe Company, Hamilton, Ohio.

The Griswold Building Company, Inc., of New York City, who are specialists in designing, building and equipping banks, were the architects and builders for the alterations and additions to this modern banking home.



© UNDERWOOD & UNDERWOOD

Joseph Caillaux, French Finance Minister, being greeted at the Union station, upon his arrival in Washington, for the Debt Conference, by Myron T. Herrick (at right) U. S. Ambassador to France, and Emile Daeschner (center) French Ambassador to this country

Call Loan Fallacies

[An editorial in the *Wall Street Journal*.]

FOR several weeks the stock market has been experiencing a recurrence of calling of loans as the banks sought to readjust their reserves from time to time. This process invariably causes a flurry in call money rates with a consequent disturbance to trading. Neither is it a good thing for business to witness. Since the Federal Reserve System was supposed to stabilize money rates the question naturally arises as to what is wrong with the system.

Blame for our still rather crude money market is not with the Federal Reserve but with the banks and bankers. The Federal Reserve Act furnished the machinery for making our money market as stable as any in Europe, but the banks do not make proper use of it.

Calling of loans to adjust reserve position is necessary. There is bound to be a "slack" in reserve to take in or let out from time to time. The trouble is the banks still cling to the stock exchange collateral call loan market as the place for regulating this slack, whereas the proper place is in the bill market. It is difficult to make the banks understand this, or if they understand, a 5 or 6 per cent. rate on the stock exchange as against $3\frac{1}{2}$ per cent. on bills, as at present, proves irresistible.

Trouble also occurs when money turns easy or the banks find themselves with a surplus. Rather than have idle funds on hand, they dump them on the call money market, bearing down the interest return in the whole structure of call loans. Hence, the extremes in call money rates.

It is the average that counts and it is better to maintain stable call money rates, adjusted systematically in accordance with business requirements. It is not necessary to do away with the stock exchange call money market. But for the most part its collateral loans, not being subject to rediscount and the direct stabilizing influence of the Federal Reserve, should bear a fair business rate for money. They are not entitled to preferred rates compared with bankers' acceptances or short-term Government obligations.

The slack in the call money market, that is, that portion of call funds loaned by banks solely for the purpose of adjusting their reserves, is about \$100,000,000, or 10 per cent. of the entire amount out on call. It is this \$100,000,000 that causes the mischief in the money market. If the banks would turn to the bill market to handle this \$100,000,000 slack, they would secure a better return on the larger volume of call funds outstanding the year round. Collateral in the bill market, being eligible for open market operations of the Federal Reserve Banks, enables the discount houses to repay loans when called without disturbing rates on other classes of business.

The American bill market is losing ground again to the sterling bill in the international field. One reason is the American bankers do not support it properly. They cannot get away from the stock exchange call money habit. Nevertheless, they are "missing a trick" by failing to see where the bill market can be of direct advantage to them.



Five Billion New Insurance for First Half Year

AMERICANS may be the world's most prodigal spenders, but this international reputation for expensive living is tempered to a marked degree by disclosures recently made which tend to prove that they are among the thriftiest of all people.

In addition to savings bank deposits and home investments, the people of the United States bought and paid for new life insurance protection to the amount of more than \$5,000,000,000 during the first six months of the year. These figures were but recently reported by the Association of Life Insurance Presidents to the United States Department of Commerce.

Statisticians of the Prudential Insurance Company have computed these figures and, allowing \$25 as the average premium for each \$1000, which is conservative, they have shown that this additional thrift amounted to more than \$130,000,000, or \$21,666,666.66 of savings for each month.

Impressive as these statistics are they fail to tell the entire story of the heavy recruiting in the army of thrift. In 1924, the American people saved and paid as premiums for the year \$2,220,000,000 on the \$65,000,000,000 of insurance in force on the books of 251 companies.



Coasting without snow over the slippery cobbles of Funchal. Funchal, Madeira, is the first port of call of every cruise to the Mediterranean, and also the first port of an eastward cruise around the world



The market man makes his morning rounds through the picturesque streets of Gibraltar



One of the beautiful beaches in Ceylon. During the visit to the Island of Ceylon, the cruise traveler enjoys surf bathing equal to that at Waikiki Beach in Honolulu

Winter Cruises

Photos by the Publishers Photo Service, Courtesy of Thos. Cook & Son

EACH winter sees a substantial increase in the great fleet of cruise ships that sails out of New York with passengers from every section of North America. The cruise idea, which many experienced steamship men characterized as a fad destined to run its course in one or two seasons, continues to absorb more and more ships and to attract more and more winter travelers. If a census were taken of the "floating cruise population" of the United States found on the seven seas dur-

ing next February or March, it would probably number easily fifteen thousand persons, voyaging around the world, to the Mediterranean or to the West Indies. Nor is the cruise wanderlust confined to these popular routes, for last winter a well-filled ship girdled the continent of South America, sailing down the east coast, through the Straits of Magellan, up the west coast and through the Panama Canal. This year a ship carrying American tourists will sail around the Cape of Good Hope and return



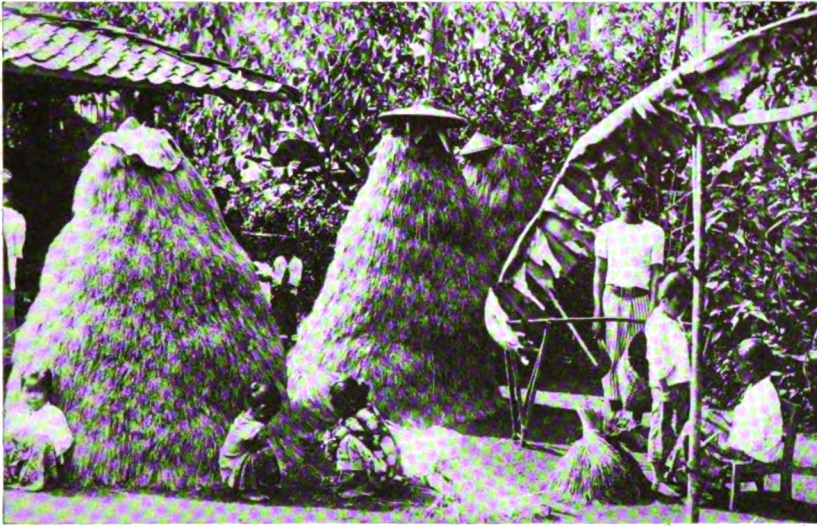
The monkey temple at Benares. Benares is the center of the Hindu religion in India. The city has two thousand temples and over five thousand idols set up for public worship

to this side via the Suez Canal and the Mediterranean Sea.

However, the established popularity of the Mediterranean cruise and the cruise around the world is not seriously challenged, for the largest and finest liners are still found in these branches of travel and the majority of the cruising public still looks on these trips as the ideal way to pass the winter months.

Who are the cruising public? Why does

such a large class of people indulge in extended voyages de luxe to every part of the globe? The average passenger list of a cruise around the world or to the Mediterranean is only partly representative of the American leisure class which has increased at such an astonishing rate since the war. Though every cruise has its quota of pleasure seekers and vacationers, it also has a good sprinkling of professional men and women—artists, writers, physicians and



Drying rice in Java. Rice is the staple food of the natives of Java

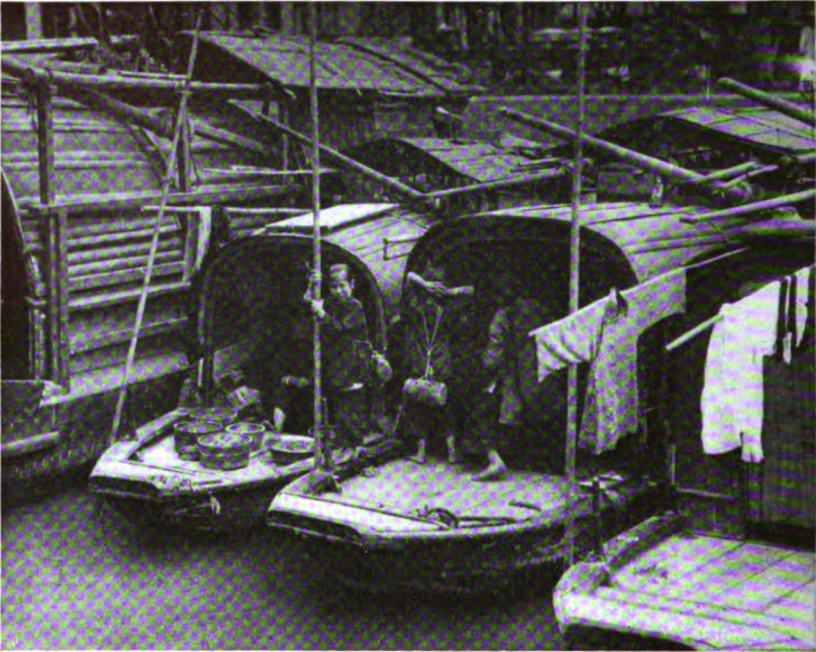
others who look on travel primarily from the educational standpoint. Many persons view the voyage rather as an investment than as a pleasure jaunt. This attitude seems particularly true of the 'round the world traveler, who is generally an avid seeker after knowledge. During the last cruise of the "Franconia," which made the

world voyage for Thos. Cook & Son last winter, it was necessary to repeat every travel lecture given on board the ship, and numerous excerpts from the talks were printed for distribution to the passengers.

In contrast to this is the case of a party of business men who made the long inland trip from Bombay to Agra, and then neg-



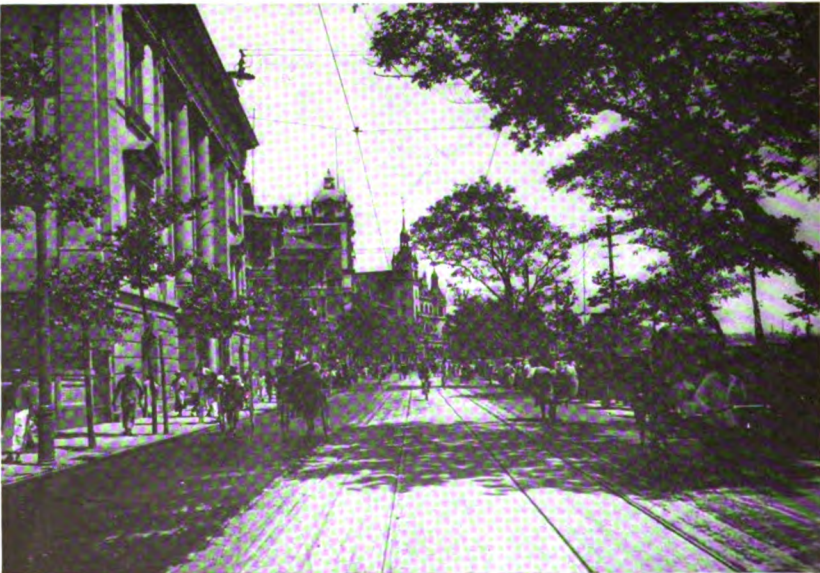
Rice paddies in the shadow of the volcano, Java. The population of Java numbers more than 30,000,000. The island is the most prosperous and productive of the East Indies



Sampans in the Canton river, China. The river population of Canton numbers more than 200,000,000. Many of these people never set foot on land

lected to see the famous Taj Mahal. These cruise members were obviously making the journey with the idea of enjoying a complete rest, and made no effort to see all

the sights. And here is probably the secret of the popularity of cruise travel: it offers the widest possible range for individual enjoyment—rest, recreation or study, and



The wide bund at Shanghai the China of tomorrow. Shanghai is destined to become the commercial metropolis of the East



Japanese girls going to market. Hiking parties are an ancient institution in Japan



A Japanese garden in springtime. The art of garden making is one of the oldest in Japan. Each tiny tree and stone conforms to the traditional canons of decoration



A street peddler in Cairo. The world traveler gets his first taste of Oriental bargaining in the streets of Cairo

above all, the exhilaration of new scenes and new impressions for all.

Thos. Cook & Son, who organized the first pleasure cruise to the West Indies, thirty-two years ago, are continuing to charter great liners for these cruises and the winter cruises arranged by the firm for 1926 will again set a high standard. For the Mediterranean cruise the White Star

liner, "Homeric" has again been secured and already the passenger list is two-thirds completed. This ship is scheduled to sail from New York on January 23, 1926.

The Cunard liner, "Franconia" will represent Thos. Cook & Son in the Round-The-World cruise, sailing eastward from New York on January 14, and following an itinerary that has proved the most practical

yet devised as regards climatic conditions in the Tropics and the Far East. This ship will cruise through the Mediterranean, reaching Egypt at the height of the season, visit India and the East Indies during the coolest weather and will arrive in China and Japan in springtime, when the cherry trees are in bloom and the celebrated flower festivals are in full swing.

Cherry blossom time in Japan is a never-to-be-forgotten sight, a sensation, incomparable and in itself worth a journey much longer than an eastward voyage through the Suez Canal or westward across the Pa-

cific. It is at the old capital, Kyota, that the cherry trees are found in greatest numbers, in the midst of the most favorable settings, and it is here that the important festival is held. In Maruyama Park at Kyota, and on the nearby hillside, the Japanese congregate. Here a family, there a devoted couple, all dressed in native costumes, resembling gay butterflies in a pink and white setting of blossoms. This scene is repeated on several consecutive days, and is a general holiday time with pretty booths erected in the park, and merry making everywhere.



Why Bank Stocks Are Attractive Investments

[From a statement by Dillon, Read & Co.]

IF anyone doubts the value of bank stocks let him pick up the bank quotation supplement and see for himself the prices quoted for the stocks of not only the leading and largest banks, but the smaller and the less important ones. He will find about 2 per cent. of these stocks quoted below par and many around \$400 or \$500 a share, the original stock having been subscribed at \$100 plus a proportional share of the original surplus.

When one sees the stocks of the First National of New York selling above \$2150 a share, the First National of Chicago around \$457, the Wells Fargo & Union Trust of San Francisco at \$193 and the stocks of younger and less important banks in large and small cities alike selling relatively as high, is it not reasonable to conclude that original investors in bank stocks have found them considerably profitable and sufficiently safe?

It is no doubt true that many people feel that bank stocks are "too high," but there is no more insidious fallacy than that of thinking a stock, or anything else for that matter, is a bargain because it is low priced. There is only one factor to consider in purchasing a security, and that is its true value. One must look further than par values and market prices if one is to survive as an investor these days.

There are several objections which are generally offered by the investing business man to the purchase of bank stocks which offhand might seem to be real objections.

These are (1) the double liability attached to most bank stocks in the United

States; (2) their low apparent income yield; and (3) the limited market for their sale. In regard to double liability the instances in which the bank stockholders have actually been called upon to pay any of this double liability after liquidation of a bank through failure are few and almost negligible.

Few Holders Called on to Settle

Records show that in the last twenty years only three national banks have failed in New York City and in no one of the three cases was an assessment levied on account of stock liability. The low income yield in spite of large dividends resulting from the high prices at which most bank stocks sell is misleading.

It is because a good bank takes more pride in its surplus than in its dividends. It is because the excellent earnings of the past have not been paid out in dividends but have been added to a surplus which is generally invested in interest-bearing securities, adding a definite amount of book value to the stock and thereby increasing the earning capacity of the institution.

While it is true that bank stocks as a class do not enjoy so active a market as do the larger railroad, public utility and industrial security issues listed on the New York Stock Exchange, nevertheless the definite book value of the stock, which may be calculated at any time and which virtually indicates the liquidating value per share of the bank, gives a certain element of stability in connection with the marketability of bank stocks that no other form of stock issues enjoys.



Main office of the Cleveland Trust Company, Cleveland, O. (center) and some of its branches

Cleveland Trust Company History

ON September 10, 1925, the Cleveland Trust Company entered upon its thirty-first year of service to the city for which it is named. Within the space of three decades (brief, as trust companies go) it has become a nationally-known financial institution, with over \$220,000,000 of total assets, and with deposits of \$211,013,465.06. It is said to have a greater number of accounts than any other bank in any one American city, and few trust companies exceed it in the amount of trust funds it administers.

It was in 1894, when a state law was passed authorizing safe deposit companies to conduct trust business, that a group of leading citizens of Cleveland decided to establish a trust company, taking over the business of a newly established safe deposit company then located in the basement of the old Garfield building. The plan encountered some opposition, due to its novelty, but the articles of incorporation were finally signed on September 19, 1894. It was not, however, until September 10, 1895—nearly a year after incorporation—that the doors of the new company were opened for business, with a capital of \$500,000, a paid-in surplus of \$100,000, four employes, and a small office in the Garfield building. Before the close of 1896 deposits passed the million dollar mark, and the first dividend was paid in January 1897.

In January 1903, in order to better serve the community, the policy of branch banking was initiated, by consolidation with the Eastern Reserve Trust Company. This policy has been extended until today the bank has forty-nine offices in Greater Cleveland, and branches in Lorain, Bedford, Painesville, and Willoughby.

When the late Frederick H. Goff became president of the bank in June 1908, he established what have come to be known as the "Four Unusual Safeguards," which are: No Loans to Officers or Directors; Directors Who Direct; Continuous Daily Audit; Joint Control of Assets. The steady growth of the business of the company has justified the establishment of these high standards.

The Cleveland Trust Company rendered a distinct service to the community, when it established, in January 1914, the Cleveland Foundation—the first of the community trusts. Under the foundation it is possible to bequeath money for charitable purposes without specifically designating any bene-

ficiary, knowing that the fund will always be given to an institution or purpose that needs it. The plan has been widely copied in more than fifty cities, and is still growing, for it provides probably the most flexible method for wise giving that has yet been devised.

In April 1917, after careful consideration,



HARRIS W. CREECH
President Cleveland Trust Company, which
celebrated its thirtieth anniversary on
September 10

the company joined the Federal Reserve System, leading the way for state banks and trust companies in Cleveland. When it appeared, in 1922, that larger banking units were needed, the company merged the Garfield Savings Bank and the Lake Shore Banking and Trust Company with it.

This is a history of which the Cleveland Trust may well be proud. But it is not looking so much at the past as to the future—"To continued growth and usefulness." In the words of Harris W. Creech, president of the bank, "It will be the constant purpose of the trust company to serve to the best of its ability the people of Cleveland—a city whose possibilities of growth and importance cannot be measured today, a city which is destined to be one of the greatest producing centers on the earth."

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revolvable Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.
55 Maiden Lane New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	

Some Recent Bank Building Operations

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

New Type of Tellers' Counter Has No Cage

FOR several months the Federal-American National Bank, Washington, D. C., has been trying out a new type of bank counter, which is unusual in that it has no grilles, gratings or steel roof. It seems more like a piece of furniture than equipment, and lends an atmosphere of friendliness to the bank, as is shown in the accompanying photograph.

The counter in the Federal-American National Bank is constructed of black walnut. On its paneled front, 3 feet, 6 inches from the floor rests a shelf, 8½ inches wide, and large enough for writing. Eight inches above this is a second ledge, covered with a slab of black glass 21 inches wide. On the top of this slab rises a slight railing of metal, consisting of four slender bars about three inches apart and crowned by a decorative strip. This railing is supported at intervals of about 3 feet by stanchions of ornate design. The plate bearing the name of the bank official at any definite station behind the counter is suspended from this railing, bringing it directly on the line of the eyes, instead of above the wicket where it is less easily seen, as is the case in the usual style of tellers' windows. The designation of the rank or position, such as "paying teller" or "receiving teller" is placed on a tablet just underneath the first ledge.

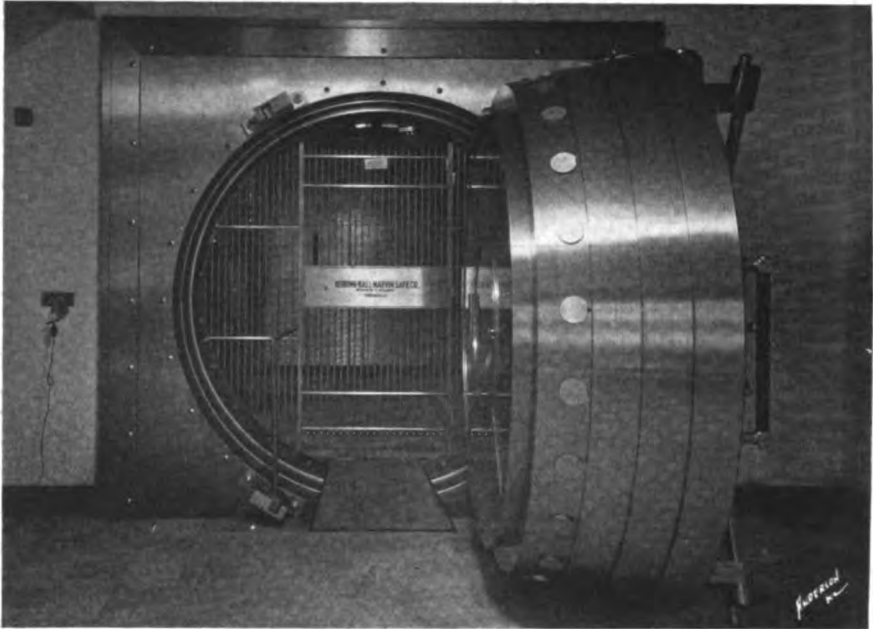
The new type of counter enables customer and teller to see each other readily, and to converse more easily than where the conventional screen is employed. Furthermore, it enables both to concentrate more on their transactions. Underneath the glass top ledge of the counter on the tellers' side is a very large recess or space, lighted with electric lights provided with reflectors. This is illustrated in the cross section of the counter shown on the next page. In this

space the teller counts the money he takes from the cash drawer, and then passes it over the counter to the customer, who puts it on the ledge in front of him and verifies the amount. The trying out of this procedure for several months at the Federal-American National Bank has indicated that the customers are delighted and naturally do not object to not seeing the money counted, as they verify the count themselves before leaving.

It might seem that the new type of counter is an inadequate protection against robbery. But the top of the counter is so much wider than it seems, that it is quite impossible for anyone to reach over into the recess.



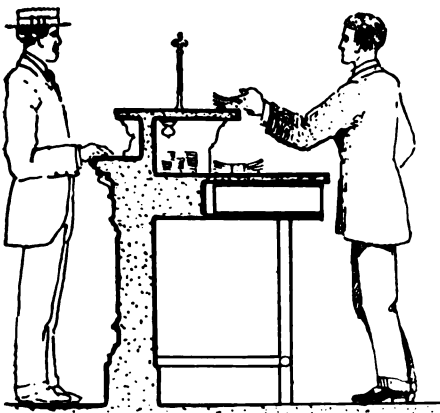
View of the interior of the Federal-American National Bank, Washington, D. C., showing how the new counter designed by Alfred C. Bossom, architect of New York, contributes to a friendly atmosphere, as compared with the usual barred wickets.



Entrance to the safe deposit vault of the Broadway and Seventy-third street branch of the United States Mortgage and Trust Company, New York. The vault was built and installed by the Herring-Hall-Marvin Safe Co., Hamilton, O.

And the bank sneak, who used to try to get hold of money by means of hooks, or balls of wax on strings, is no longer a menace. The real menace is hold-up men and the banks rely more on the detectives,

guards, and watchmen in the main banking room for protection against hold-ups, than on mechanical devices. The protection of the floor men is just as effective with the new counter as with the former barred tellers' windows.



A cross section of the new tellers' counter recently installed in the Federal-American National Bank, Washington, D. C., by Alfred C. Bossom, architect, New York. This new form of counter is expected to replace the usual barred tellers' wickets.

The new counter was designed for the bank by Alfred C. Bossom of New York City, and John Poole, president of the bank. Mr. Bossom also designed the new home of the bank. Similar counters will probably be installed in a number of banks, in the near future, to replace the old style screens.



Liberty Discount and Savings Bank Enlarges Quarters

THE picture on the next page, which is reproduced from the architects' sketch, gives a comprehensive idea of what the building of the Liberty Discount and Savings Bank, Carbondale, Pa., will look like when the work of rebuilding, enlarging, and re-equipping is completed.

It will be, when completed, twice the size



An exterior view of the proposed Bank of Nutley, Nutley, N. J., taken from the architects' sketch. The building was planned and is being constructed under the supervision of Holmes & Winslow, bank architects and engineers, New York.

of the quarters now occupied by the bank, and will be a testimonial to the growing business of the bank. The exterior will be of Indiana limestone, and the interior will be floored with pink Tennessee marble, with an imported marble counter and a bronze counter screen. The furniture and cabinet work of the interior will be of high grade mahogany.

Morgan, French & Co., bank architects and engineers, New York, are the architects for both the building and its equipment.



Colonial Building for Bank of Nutley, N. J.

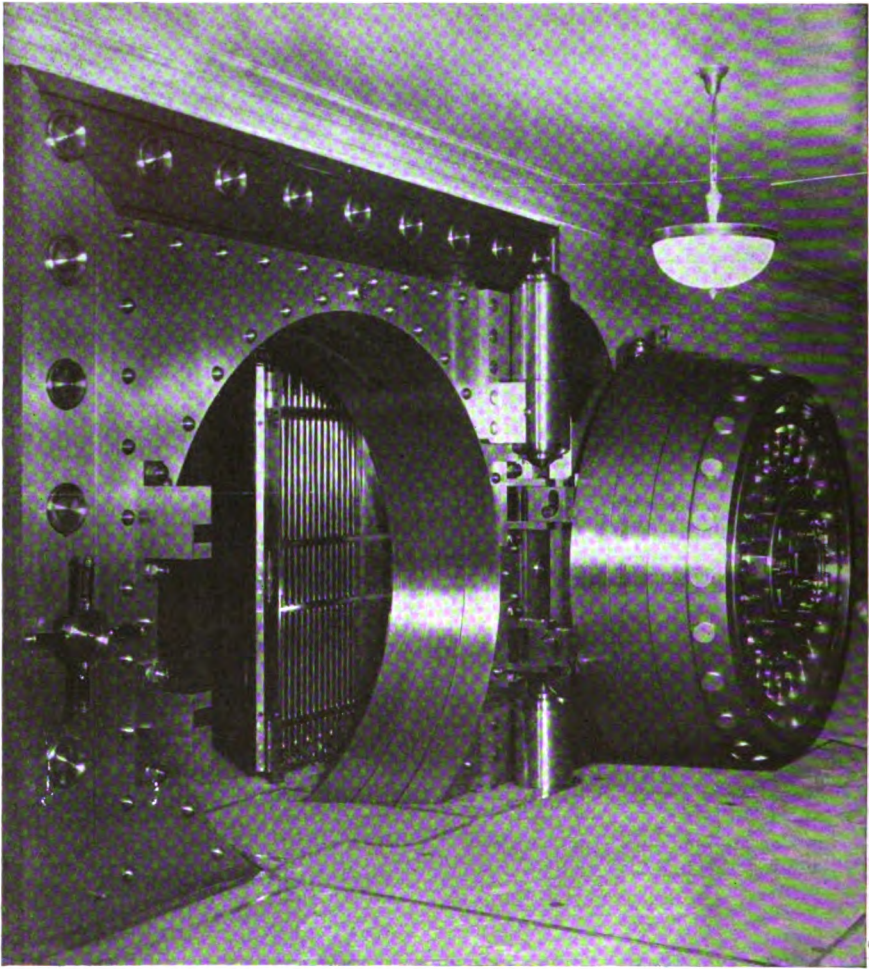
THE Bank of Nutley, Nutley, N. J. has recently awarded a contract for the building of a new individual bank building, and a picture of the architects' sketch is shown at the top of this page. The building is to be located in the middle of a large and prominent corner plot, and will have windows on all four sides, thus affording ample light and ventilation. The Colonial design which has been adopted is particularly applicable for bank buildings in urban sections. The exterior will have a base of Woodbury granite, and will be constructed of red tapestry brick with varie-

gated shades for the panels between the piers and corner quoins. The pilasters, cornices, etc., will be of Bedford Indiana limestone. The bank will be roofed with slate shingles of varied shades.

The public lobby will be located directly



The proposed new building of the Liberty Discount and Savings Bank, Carbondale, Pa., which was planned and will be erected under the supervision of Morgan, French & Co., bank architects and engineers, New York.



Main entrance to the safe deposit vault of the Illinois Trust Safety Deposit Company, Chicago. Vaults and entrances built and installed by Herring-Hall-Marvin Safe Co., Hamilton, Ohio.

in the center of the interior. At the rear will be a large safe deposit and security vault, prominently located, and easily accessible to both the public and the employes of the bank. There will also be a silver storage vault in the basement.

Albert E. Howe is president of the bank, and William J. Berg and Percival S. Hill are first and second vice-presidents, respectively. Charles A. Lambert is chairman of the building committee in charge of the construction of the new building.

The building will be constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York.

American and British Bank Building Contrasted

AMERICAN bankers, accustomed to the rapid building operations and the speedy alterations to existing buildings, would find a striking contrast between those methods and the methods which are employed in the extensive alterations of the Bank of England. These changes were observed with much interest by Alfred C. Bossom, bank architect and engineer, of New York City, who recently returned on the steamship "Adriatic" from a brief visit to the British metropolis. While there he

had a heart to heart talk with the English architect in charge of this tremendous work of giving a new dress to the estimable "Old Lady of Threadneedle Street."

"The task of increasing the capacity of this historic structure," said Mr. Bossom, "presents peculiar difficulties, in view of the vast volume of business which courses every



● BACHRACH

ALFRED C. BOSSOM

Bank architect of New York City, who recently returned from Europe

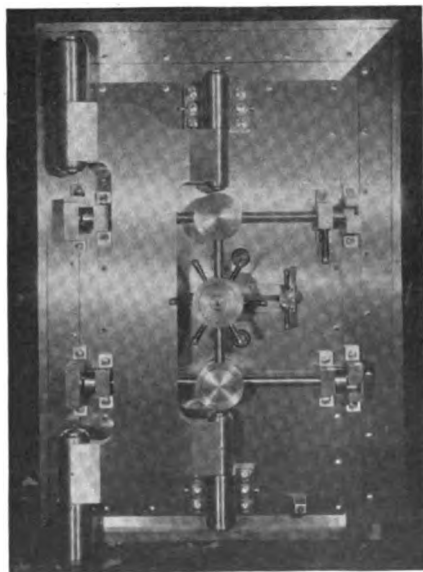
day through that great institution. The management is erecting in the center of the venerable old building the nearest approach to an American skyscraper. This new structure occupies much of the court of the old building and will be used to accommodate numerous departments and to house a large clerical force which is practically driven out of doors to other buildings by the expansion of business. American banks when they are making such extensive alterations as these, usually move into temporary quarters, and this has been done by institutions which really carry on an enormous amount of business in the course of a banking day. However, things have to move

more slowly in London on account of the narrowness of the streets and the congestion of traffic and for very many other reasons. So it is that the changes in the Bank of England are being made practically by piecemeal; a small part of the wall is taken out here and a new part erected there, or only a little of the foundation is built at a time.

"This is business going on as usual with a vengeance, and reminds one very much of the operations of a construction gang rebuilding an American railroad while the traffic seems to be absolutely according to schedule.

"At the present rate, it may take years for the Bank of England to complete the new construction and to make the extensive alterations which are required by the plans. Possibly, five years from now something of this work will still be in progress. However, this is not unusual as certain improvements which were begun in The Strand twenty years ago, designed to relieve congestion, have not as yet been finished.

"It is very interesting to compare the methods of construction employed in Great Britain and in the United States, both of



One of the three entrances to the new vaults of the Norristown-Penn Trust Company, Norristown, Pa. The vaults were furnished and installed by the Herring-Hall-Marvin Safe Co., Hamilton, Ohio.

which seem to be peculiarly adapted to the special requirements of the country and the condition of business."



Bank Building Notes

York Safe & Lock Co., York, Pa., are installing a two-story security and safe deposit vault of the most modern construction in the new Fifth avenue branch of the Farmers' Loan and Trust Company, New York. A picture of the architects' sketch of this building was reproduced in our September issue.



The Security Trust and Savings Bank, Los Angeles, Calif., now has under construction three new buildings to house its branches in various sections of Los Angeles.

The Central National Bank, New York,

has leased the first floor of the new building between Fortieth and Forty-first streets on Broadway. The building will be named the Central National Bank building.



The Peoples Trust and Savings Bank, Chicago, Illinois, has enlarged the quarters of its bond and real estate loan departments. The new quarters extend the entire width of the west end of the ground floor, providing for the growing volume of business in these departments and offering greater convenience to present customers and friends.



The new building of the Italian Savings Bank, Spring and Lafayette streets, New York, has been completed, and was formally opened to the public on September 28. The December issue of *THE BANKERS MAGAZINE* will contain a complete description and several views of the new building.



Book Reviews

PROSPERITY THROUGH POWER DEVELOPMENT.

By Julius H. Barnes, Arthur T. Hadley, Guy E. Tripp and others. New York: National Electric Light Association.

At the First World Power Conference which was held in London, July 1924 the following resolution was passed by the delegates:

"RESOLVED, That it is the opinion of this Conference that the world's most crying need today is greater production and manufacturing activity among its people under conditions which promote individual prosperity and happiness, and that this can be largely achieved by the fuller development of national power and resources and by the establishment of the most economical means for the general distribution and utilization of energy."

This thought was developed by hundreds of speakers before the Conference, and the collected addresses form one of the most valuable of recent contributions to social science.

An abstract of these addresses has now been prepared in book form and issued by the National Electric Light Association.

This book should be of interest to any banker who is concerned with economic problems, especially as these apply to the subject of public utilities.

THE MAKING OF A STOCKBROKER. By Edwin Lefèvre. New York: George H. Doran Company. Price \$2.50.

THIS is a reprint of a number of articles which originally appeared in *The Saturday Evening Post*. Mr. Lefèvre had previously written a similar book "The Reminiscences of a Stock Operator" which is said to be the story of the famous Jesse Livermore. A broker, so the introduction explains, suggested that he do the same thing for the brokerage business, and clear up the mistaken ideas which are so prevalent about brokerage houses.

The story is of a broker by the name of John Kent Wing. The book is dedicated to John Wing Prentiss. It takes but little detective ability to guess, then, that this is the life story of Mr. Prentiss, and of the growth of Hornblower & Weeks. It is an absorbing story, filled with anecdotes of various incidents of Wall Street history. Not the least interesting is the story of the dramatic rise and fall of W. C. Durant, told under a fictitious name.

The purpose, which is to show how brokerage methods have evolved to their present high standards, is accomplished very effectively.

PAPER

\$1,665,000,000
paid by checks in one day

In a single day last January, the banks of New York City alone cleared over \$1,665,000,000 in checks. To transact the same amount of business with currency New York would require one-third of all the paper money in circulation in the United States.

The important position which the check has attained in modern business emphasizes the need for the utmost protection to guard against fraud.

To assure this protection, the majority of banks in financial centers throughout the country use National Safety Paper.

Ask your stationer, printer or lithographer.

George La Monte & Son


FOUNDED 1871

61 Broadway, New York

*National Safety Paper is also made in Canada
by George La Monte & Son, Ltd., Toronto*



BANK of the MANHATTAN COMPANY.

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.*

RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, Toronto, Canada

A. W. AUSTIN, President

E. A. BOGERT, Vice-Pres. & Gen. Mgr.

C. S. BLACKWELL, Chairman of the Board

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

STEPHEN GIRARD'S METHODS



WHERE his competitors thought in terms of thousands, Stephen Girard thought in millions; when they considered one enterprise he had a dozen under way. In the scope and magnitude of his undertakings, Girard foreshadowed even modern American mercantile methods.

In its breadth of vision, its largeness of view, this bank—successor to Stephen Girard's banking business—follows in the footsteps of its predecessor. Like him, it owes its success to the large, comprehensive scope of its activities. It is a big bank, with extensive facilities for serving you efficiently.

THE GIRARD NATIONAL BANK
PHILADELPHIA

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

NOVEMBER 1925

No. 5

The Federal Farm Loan System
 Can a Trust Company Successfully
 Administer a Great Newspaper?
 Results of The Bankers Magazine
 Prize Contest
 It Looked Like Real Money—But It
 Wasn't
 Financial Advertisers' Convention
 Organization of Thrift in
 Great Britain

FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y.

UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U. S. A.

PUBLISHED MONTHLY BY
THE BANKERS PUBLISHING CO.
 W. C. WARREN, PRES. W. H. BUTT, VICE-PRES. K. F. WARREN, TREAS. G. R. DUFFIELD, SEC.
 BOSTON NEW YORK CHICAGO

J. P. MORGAN & CO.

Wall Street, Corner of Broad

NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.

Foreign Exchange, Commercial Credits.

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

*Offers these
Services to
Banks,
Corporations
and
Individuals*



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$29,000,000

100 Broadway

57th St. & Fifth Ave.

40th St. & Madison Ave.

SEEKING NEW BUSINESS
ON OUR RECORD

STATEMENT OF CONDITION

At the close of business, September 28, 1925

ASSETS

Loans and Discounts	\$119,285,327.80	
U. S. Bonds and Certificates	6,024,500.00	
Other Bonds and Investments	10,590,698.20	
Banking House	1,500,000.00	
Acceptances	6,582,478.37	
Cash, due from Banks and U. S. Treasurer	32,960,816.15	
Other Assets	599,637.18	
		<u>\$177,543,457.70</u>

LIABILITIES

Capital Stock	\$4,500,000.00	
Surplus	16,500,000.00	
Undivided Profits	1,097,039.48	22,097,039.48
Reserved: Taxes, Interest, etc.	1,053,366.60	
Circulation	345,397.50	
Acceptances	8,084,555.85	
Due to Federal Reserve Bank	13,700,000.00	
Other Liabilities	188,475.66	
Deposits:		
Individuals	\$99,827,785.07	
Banks	32,246,837.54	132,074,622.61
		<u>\$177,543,457.70</u>

THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE *and* 46th STREET

SEVENTH AVENUE *and* 32nd STREET

DIRECTORS

Charles Scribner	Joseph D. Oliver
Richard Delafield	Lewis Cass Ledyard, Jr.
Francis R. Appleton	David M. Goodrich
Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus *and* Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by
THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAQ." NEW YORK

Volume CXI

NOVEMBER 1925

No. 5

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	691
<p>Bryan's Place in History—French Debt Negotiations—Rechartering the Reserve Banks—For Better Bank Supervision—Bankers' Educational Endowment Fund.</p>	
A Review of the Operations of the Federal Farm Loan System	
.....By R. D. Kilborne	697
<p>Professor Kilborne of the Amos Tuck School of Business Administration, Dartmouth College, describes briefly the history and organization of the system, and then compares the actual results of the system with what it was expected to accomplish. It was expected that it would reduce and equalize interest rates paid by farmers, would encourage the growth of co-operative associations, and would reduce farm tenancy. The first of these has been accomplished, but in the other two, the system has failed.</p>	
Results of THE BANKERS MAGAZINE Prize Contest	701
<p>Including expressions of opinion on the importance of bank educational work, by two of the judges in the contest.</p>	
Some Aspects of Collateral in Country Bank Credits ..By Frank S. Wettack	705
<p>The concluding article of Mr. Wettack's series on country bank credits emphasizes the necessity of requiring financial statements from borrowers, examining the assets to determine who holds legal title to them, going over the character of the assets with reference to their marketability, considering the general conditions of the borrower's business, and remembering that business conditions change constantly, quickly and without warning.</p>	
Can a Trust Company Successfully Administer a Great Newspaper?	
.....By William Hayes	709
<p>The will of the late Victor F. Lawson, publisher of the <i>Chicago Daily News</i>, left his estate, including his newspaper, to be administered by the Illinois Merchants Trust Company, Chicago. This article includes excerpts from comments by the press on the situation.</p>	

(Contents continued on page vii)

Service

THE service rendered by a financial institution is the chief factor in retaining customers.

In both our Banking and Trust Departments we are still serving many of the grandchildren and great-grandchildren of those who originally opened deposit or fiduciary accounts with us.

Experience—Fidelity—Permanence



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office
149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited

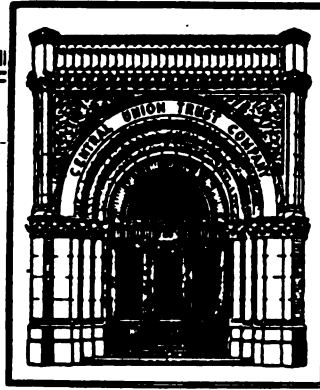
RESOURCES OVER QUARTER BILLION DOLLARS

1864

1925

*Comprehensive
Foreign
Banking
Service*

*Traveler's
Checks
Foreign
Currency*



61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafield
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY NEW YORK

PLAZA OFFICE
5th Ave. & 60th St.

42ND STREET OFFICE
Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER NATIONAL BANK OF THE CITY OF NEW YORK

Established 1851

OFFICERS

WILLIAM WOODWARD
PRESIDENT

E. HAYWARD FERRY
VICE-PRESIDENT

HENRY P. TURNBULL
VICE-PRESIDENT

WILLIAM E. CABLE, JR.
CASHIER

SAMUEL WOOLVERTON
VICE-PRESIDENT

J. NIEMANN
ASST. CASHIER

JOSEPH BYRNE
VICE-PRESIDENT

WILLIAM DONALD
ASST. CASHIER

CHAS. H. HAMPTON
VICE-PRESIDENT

GEORGE E. LEWIS
ASST. CASHIER

JOSEPH S. LOVERING
VICE-PRESIDENT

FREDERICK A. THOMAS
ASST. CASHIER

JAMES P. GARDNER
VICE-PRESIDENT

WALTER G. NELSON
ASST. CASHIER

CHARLES B. CAMPBELL
ASST. CASHIER

FOREIGN DEPARTMENT

WILLIAM B. SMITH
ASST. CASHIER

WILLIAM H. SUYDAM
VICE-PRESIDENT
AND MANAGER

WILLIAM H. ALLEN
ASST. CASHIER

Capital \$5,000,000
Surplus and Profits 2,500,000

The "Hanover" is New York Correspondent of over 4000 Banks

CONTENTS—Continued

	Page
A New Form of Signature Card	713
Carrying on its face the standard form of collection agreement recommended by the general counsel of the A. B. A., and also the stop payment disclaimer clause, the importance of both of which has been brought out by recent cases described. It also carries a service charge agreement.	
It Looked Like Real Money—But It Wasn't <i>By Richard F. Durham</i>	715
One of the most interesting features of the A. B. A. convention at Atlantic City was the display of counterfeit money, in charge of Joseph A. Kavanagh of the U. S. Secret Service. This article gives a complete and detailed description of the display, the way counterfeiters work, and some famous cases of counterfeiting.	
Bankers Survey State Banking Laws	720
New modern banking codes have been adopted in some states. There is a tendency toward uniformity among the states in laws dealing with bank organization, regulation and supervision. Various other trends in state banking legislation are described.	
Banking and Commercial Law	723
Important decisions of current interest handed down by state and Federal courts upon questions of the law regarding banking and negotiable instruments—Bank Not Liable on Note Indorsed by President Without Authority—Agreement to Charge Back Overdraft Check.	
Banking Publicity	729
Largest Gathering of Financial Advertisers on Record Hears Splendid Program at Columbus—a detailed report of the convention of the Financial Advertisers' Association, including an account of the department meetings, the exhibit, the entertainment features, excerpts from several speeches, and the new officers—Editorial Column—Who's Who in Bank Advertising.	
International Banking and Finance	749
Organization of Thrift in Great Britain—Review of Countries—International Banking Notes.	
Some Bank Credit Problems	779
"Audited Statements and Auditors' Certificates" the eighth article of a series by the Credit Editor on credit and credit department methods; also the usual questions and answers.	
The Federal Reserve Exhibit	785
An account of the very interesting visual demonstration of the services of the Federal Reserve System to member banks, which was omitted from the October number because of lack of space.	
Banking and Financial Notes	789
Items of current interest to bankers about banks and banking in every section of the country are included in this department each month.	



Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

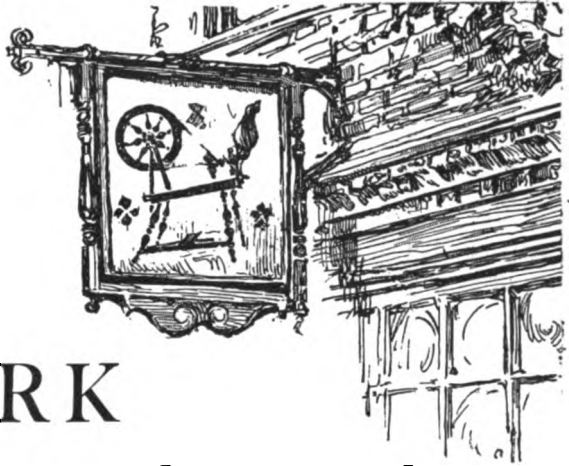
FAIR DEALING

MANY years of fair dealing have created an atmosphere of friendly confidence which distinctly marks the relations between the officers of this institution and its CORRESPONDENT BANKS.

The
COAL & IRON
NATIONAL
BANK

OF THE CITY OF NEW YORK

Liberty and West Streets



A MARK

in which *to place confidence*

Directors

CHELLIS A. AUSTIN, President
 ELLIOTT AVERETT, Vice-President,
 United Cigar Stores Co.
 EDWARD J. BARBER, President,
 Barber Steamship Lines
 HOWARD BAYNE, New York
 HENRY S. BOWERS, Goldman, Sachs
 & Co.
 HARRY BRONNER, Blair & Co., Inc.
 H. D. CAMPBELL, Vice-President
 HAROLD BENJAMIN CLARK, White,
 Weld & Co., New York
 J. S. COFFIN, Chairman, Franklin Rail-
 way Supply Co., Inc., New York
 DELOS W. COOKE
 EDWARD J. CORNISH, President,
 National Lead Co.
 LOUIS N. DE VAUSNEY, Vice-President
 CHARLES G. DU BOIS, President,
 Western Electric Co.
 FREDERICK F. FITZPATRICK, Presi-
 dent, Railway Steel Spring Co.
 HENRY C. FOLGER, Chairman, Stan-
 dard Oil Co. of New York
 BENNETT L. GILL, Terrell, Texas
 EDWARD H. R. GREEN, President,
 Texas Midland Railroad
 GEORGE W. HILL, Vice-President,
 American Tobacco Co.
 JOHN L. KEMMERER, Whitney &
 Kemmerer
 ELGOOD C. LUFKIN, Chairman,
 The Texas Co.
 CHARLES D. MAKEPEACE, Vice-
 President
 PETER McDONNELL, General Agent,
 Transatlantica Italiana S. S. Co.
 THEODORE F. MERSELES, President,
 Montgomery Ward & Co.
 ALBERT G. MILBANK, Masten &
 Nichols
 JOHN J. RASKOB, Vice-President,
 E. I. Du Pont de Nemours & Co.
 JOSEPH SEEP, Chairman, South Penn
 Oil Co.
 S. STERN, Vice-President
 JOSEPH B. TERBELL, President,
 American Brake Shoe & Foundry Co.
 C. C. THOMPSON, New York
 HENRY WHITON, President, Union
 Sulphur Company

TRADE MARKS are as old as trade. In "ye olden days" you purchased your flannel "At the Sign of the Golden Fleece over against St. Dunstan's Church," your hosiery at the "Hood and Scarf," your silk at the "Rose and Ball," and your haberdashery at the "Civet Cat."

These marks symbolized both the character and quality of a business. They were a means of identification and protection to the consumer, and a pledge and a mark of pride on the part of the merchant or manufacturer.

The Seaboard can place no trade mark on its services, but there *is* a sign from which you can form an estimate of what you can expect of this bank. The names of the Seaboard's directors are just as true an indication of character of this bank as the heraldic signs in the olden days. These men are directors in fact, as well as name. They direct and make the policies which have brought to the Seaboard the reputation it enjoys.

The SEABOARD NATIONAL BANK

of the City of New York

BROAD AND BEAVER STREETS

115 BROADWAY

24 EAST 45TH STREET



Convenient for all

CORN EXCHANGE NATIONAL BANK

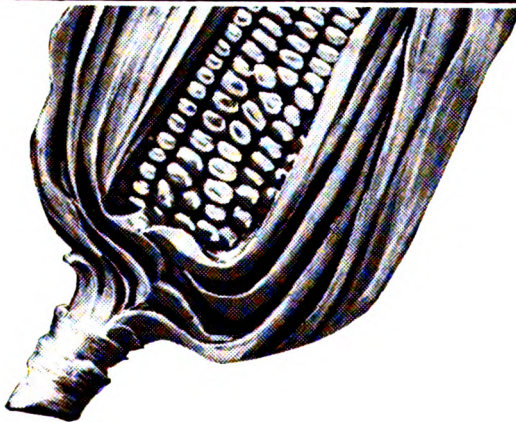
PHILADELPHIA

MAIN OFFICE

Chestnut Street at Second

CENTRAL CITY OFFICE

1510-12 Chestnut Street



The Publisher's Page

THE prize winning article of THE BANKERS MAGAZINE Prize Contest will be published in the December number. This article, "American Banks in Competition Abroad," by Samuel T. Bitting, is a spirited appeal for the rational development of American banking in foreign fields. Mr. Bitting remarks on the changed trend in the volume and character of foreign trade, and discusses the many items entering into the international balance sheet on which the United States needs a body of well formed opinion. He shows why we let foreign banking alone in the days prior to the war, as we did, in lesser degree, foreign commerce. He points out where we can learn much from our experiences during the post-war period. He discusses the dearth of experienced men, and men with aptitude for foreign banking work, which has existed in the past, and shows how this difficulty may be alleviated, if not overcome. Mr. Bitting is connected with the Hongkong, China, office of the International Banking Corporation of New York.



IN an article written by him, which will appear in the December number, Congressman L. T. McFadden, Chairman of the Committee on Banking and Currency, U. S. House of Representatives, will present his case for his bill H. R. 8887, which proposes to amend in several respects the National Bank Act, particularly with regard to branches of national banks. Mr. McFadden's article will be accompanied by the full text of his proposed measure.



TWO articles of particular interest to bank advertisers are scheduled for early appearance in the BANKING PUBLICITY section. These are the two concluding articles of a series on bank window advertising which have been written for THE BANKERS MAGAZINE by M.

E. Chase. The first of these two articles, "Financial Windows of the East," will appear in the December number. This article will contain authentic and informative interviews with leading exponents of bank window advertising in financial institutions of the eastern states, and will be accompanied by a number of photographs of contemporaneous bank windows which have been proving their effectiveness. The second and final article of the series, "Financial Windows of the South and West," which will appear in an early number will likewise contain a number of helpful interviews with leaders in bank window advertising among banks in the sections of the country which the article covers, and will include a number of photographs of unusually good bank windows.



LACK of space has made it necessary to transfer for appearance in the December number two articles which it was announced on this page in September would appear in the November number. These two articles are "Good Will or Good Bye!" by Allan B. Cook, and "A Helpful Plan for Getting New Business," by Mahlon D. Miller.



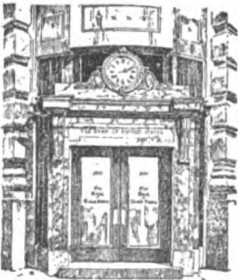
THE final one of a series of five articles on the general subject "A Complete Campaign for New Trust Business," by Theodore Tefft Weldon, advertising manager Northern Trust Company of Chicago, will appear in the December number in the BANKING PUBLICITY section. In Mr. Weldon's final article, "The Trust Selling Campaign Viewed as a Whole," he will review the trust selling effort with all its interlocking elements. He divides his discussion of the sales effort into five parts, namely: 1. The interior effort on customers of other departments. 2. Window and lobby displays. 3. Cultivating the lawyers. 4. Making the most of the news value of trusteeship. 5. System and mechanics necessary to an aggressive campaign.

—At the New York End

For more than a century THE BANK OF AMERICA has stood four-square to the storms of finance. Alike through peace and war, prosperity and panic, this Bank has passed with increasing strength.



Capital, Surplus and Undivided Profits over \$11,000,000



Main Office
Fifth Ave. at 32nd Street

The Bank of United States

Member Federal Reserve System

**Resources Over
\$70,000,000**

DEPOSITORY FOR
United States Postal Savings Funds
State of New York City of New York

Foreign Exchange

Domestic and Foreign Letters of Credit Issued

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

Accounts of Banks and Bankers Invited

AN OLD PROVERB — AND YOUR COLLECTION PROBLEM

A day's interest *saved* on the collection of an item is exactly equal to a day's interest *earned* on a loan of like amount.

The significance of this self-evident statement lies in the fact that the average commercial bank handles every ten days, in checks and collections, an amount equal to its total loans and investments.

Save both time and money by sending your items through our twenty-four-hour transit and collection department.

THE
PHILADELPHIA
NATIONAL
BANK

Capital, Surplus and Profits, \$17,000,000



The business of correspondents is dealt with in the most careful individual way at all times.

THE NORTHERN TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$7,000,000

CHICAGO

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

**Pine Street, Corner William
NEW YORK**

BONDS FOR INVESTMENT

**Harris, Forbes & Company
Incorporated
Boston**

**Harris Trust & Savings Bank
Bond Department
Chicago**



Investment Service for Banks

THE Bond Department of the Illinois Merchants Trust Company is organized to give trained counsel and complete service in all matters pertaining to bonds. Banks and Investment Houses located anywhere in the country may, without obligation, look to us for suggestions as to the most desirable current investments, for the disposal of bonds they now own, for information relative to issues in which they are interested, or for any other service which our long experience and complete facilities enable us to render.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

THE FOREMAN BANKS

FOUNDED 1862

When Lincoln was president this bank was founded. It has always preserved a Lincoln-like simplicity in its dealings. We invite your business on our 63-year record.

The Foreman National Bank

The Foreman Trust and Savings Bank

La Salle and Washington Sts., Chicago

Combined Capital, Surplus and Undivided Profits exceed

\$10,000,000



CAPITAL and SURPLUS
\$9,000,000.00

YOU WILL FIND THIS BANK an active, well-managed institution. Your financial requirements, whether large or small, will receive the benefits of a strong organization, ready to cultivate an interest in the affairs of its customers and friends.

CENTRAL TRUST
COMPANY OF ILLINOIS
CHICAGO

The CONTINENTAL and COMMERCIAL BANKS CHICAGO

Statements of Condition September 28, 1925

CONTINENTAL and COMMERCIAL NATIONAL BANK of CHICAGO

Resources

Time Loans	\$158,010,639.19	
Demand Loans	108,133,116.83	
Acceptances	4,159,448.36	
Bonds, Securities, etc.	18,859,187.00	\$289,162,391.38
U. S. Bonds and Treasury Notes		44,813,547.45
Stock of Federal Reserve Bank		1,200,000.00
Bank Premises (Equity)		7,900,000.00
Customers' Liability on Letters of Credit		6,163,294.53
Customers' Liability on Acceptances		875,563.19
Overdrafts		11,637.79
Cash and Due from Banks		129,959,601.64
		\$480,086,035.98

Liabilities

Capital		\$ 25,000,000.00
Surplus		15,000,000.00
Undivided Profits		6,828,252.22
Reserved for Taxes		1,933,817.91
Circulation		50,000.00
Bills Payable (with Federal Reserve Bank)		6,000,000.00
Liability on Letters of Credit		7,142,529.38
Liability on Acceptances		1,787,640.66
Deposits { Individual	\$270,998,000.76	
{ Banks	145,345,795.05	416,343,795.81
		\$480,086,035.98

CONTINENTAL and COMMERCIAL TRUST and SAVINGS BANK

Resources

Demand Loans	\$19,675,527.10	
*U. S. Gov't Bonds and Treasury Notes	27,619,420.74	
*Bonds due in 1925 to 1927 inclusive	12,927,663.22	
*Other Bonds	8,650,368.87	
Cash and Due from Banks	24,113,063.69	\$92,986,043.62
Time Loans		23,373,405.22
		\$116,359,448.84

*Adjusted to cost or market price, whichever is lower

Liabilities

Capital	\$ 5,000,000.00	
Surplus	10,000,000.00	
Undivided Profits	1,450,957.60	
Reserved for Taxes, Interest and Dividends	2,104,562.99	\$ 18,555,520.59
Demand Deposits	\$31,711,769.23	
Time Deposits	55,931,907.97	
Special Deposits	10,160,251.05	97,803,928.25
		\$116,359,448.84

Total Deposits	\$514,147,724
Total Resources	596,445,484
Invested Capital over	62,000,000



Meeting the Needs of a Greater Philadelphia

Capital and Surplus \$3,750,000.00
Resources over . \$30,000,000.00

FRANKLIN TRUST COMPANY

Southwest Corner Fifteenth and Chestnut Streets

West Phila. Office
Fifty-second and Market Sts.

Front Street Office
Front and Market Sts.

Germantown Office
5708 Germantown Ave.

Frankford Office
Frankford Ave. and Paul St.

PHILADELPHIA, PA.

America's Largest Exclusively



Day - and - NIGHT Bank



NORFOLK, VIRGINIA

Organized 1885

UNITED STATES DEPOSITORY

Capital \$1,000,000
Surplus and Profits \$1,310,000

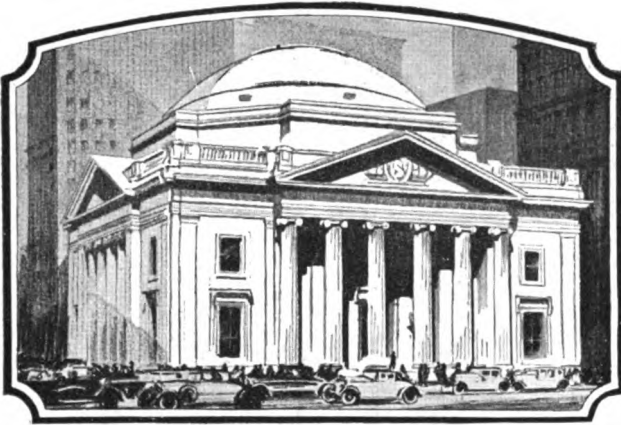
- W. A. GODWIN President
- A. B. SCHWARZKOPF Vice-President
- J. B. DEY, Jr. Vice-President and Cashier
- C. S. WHITEHURST Vice-President
- I. T. VAN PATTEN Asst. Cashier
- E. D. DENBY Asst. Cashier
- R. H. MOORE Asst. Cashier
- H. B. REARDON Auditor

The Oldest National Bank in Eastern Virginia

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.

PRESENTED TO THE CORPORATION OF
NORFOLK BY L' GOV ROBERT DINWIDDIE,
MAY 1789



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds \$400,000,000
Corporate Funds - \$1,521,000,000

GIRARD TRUST COMPANY

BROAD AND CHESTNUT STREETS • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street



Detroit—

The Peoples State Bank with its large resources has aided greatly in the development of Detroit's citizens and industries.

May we serve your banking needs, in this, the most prosperous city in the world.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

DETROIT, MICHIGAN

Branches Throughout Detroit

RESOURCES OVER \$150,000,000



The A B C

of international banking is provided through our 61 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France, Spain and England

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America

and

Commercial Bank of Spanish America

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

Incorporated under the laws of the State of New York

49 Broadway, New York

For Your Fiduciary Business In Massachusetts

During more than 47 years of active fiduciary experience in Massachusetts we have met and solved practically every type of Trust and Estate problem.

This Company offers its spe-

cial training and experience to individuals and corporations having fiduciary business in this State, and invites correspondence with the President or other officers of the Company.

CHARLES E. ROGERSON, *President*

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At ARCH and DEVONSHIRE STREETS

Boston 6

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System

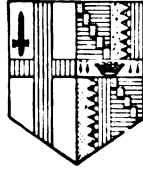


Capital	-	-	\$1,000,000.00
Surplus	-	-	300,000.00

DR. L. A. BIZE	_____	President
W. W. TRICE	_____	Vice-President
ISAAC MAAS	_____	Vice-President
L. L. BUCHANAN	_____	Vice-President
D. H. LANEY	_____	Cashier
W. W. BLOUNT	_____	Assistant Cashier
EUGENE KNIGHT	_____	Assistant Cashier
C. E. HESTER	_____	Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2

Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland



GLYN, MILLS & Co.

(Established 1753.)

Registered with unlimited liability 1885.

Incorporating

Child & Co. — and — Holt & Co.
(Established before 1800) (Established 1809)

BANKERS

Army and Air Force Agents

Navy and Prize Agents

Managing Partners

LORD WOLVERTON

LAURENCE CURRIE

LORD HILLINGTON

General The Hon. Sir H. A. LAWRENCE, K.C.B.

Brigadier-General A. MAXWELL, C.B., C.M.G., D.S.O.

ERIC CORE BROWNE, D.S.O.

FREDERICK WILLIAM FANE

Head Office: 67, LOMBARD STREET, LONDON, E. C. 3

Childs Branch: 1, FLEET STREET, LONDON, E. C. 4

Holts Branch: 3 & 4, WHITEHALL PLACE, LONDON, S. W. 1

The Bank, which is represented by Agents and Correspondents in all the principal Cities and Towns of the United Kingdom and throughout the World, conducts every description of Banking business, both British and Foreign.

Letters of Credit issued.

Home and Foreign Credits established.

Executorships and Trusteeships undertaken.

DRESDNER BANK



Head Office:
BERLIN W 8
Behrenstrasse 35-39



*Branches in about 100 towns,
including*

**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:
PROEHL & GUTMANN

Telegrams: Dresdagent

Statement of the ownership, management, circulation, etc., required by the Act of Congress of August 24, 1913, of The Bankers Magazine, published monthly at New York, N. Y., for April 1, 1925.

State of New York, County of New York. Before me, a notary public in and for the State and County aforesaid, personally appeared J. R. Duffield, who having been duly sworn according to law, deposes and says that he is the business manager of The Bankers Magazine and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1913, embodied in section 443, Postal Laws and Regulations:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Bankers Publishing Co., 71 Murray street, New York; editor, E. H. Youngman, 71 Murray street, New York; managing editor, Keith F. Warren, 71 Murray street, New York; business manager, J. R. Duffield, 71 Murray street, New York.

2. That the owners are: (Give names and addresses of individual owners, or, if a corporation, give its name and the names and addresses of stockholders owning or holding one per cent. or more of the total amount of stock.) Bankers Publishing Co., 71 Murray street, New York; Warren Publications, Inc., 71 Murray street, New York (W. C. Warren holds 99 per cent of stock); W. C. Warren, 71 Murray street, New York; W. H. Butt, 71 Murray street, New York; E. H. Youngman, 71 Murray street, New York; J. R. Duffield, 71 Murray street, New York; K. F. Warren, 71 Murray street, New York.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent. or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions, under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is..... (This information is required from daily publications only).

J. R. DUFFIELD,
Sworn to and subscribed before
me this 23th day of Sept., 1925

ALEXANDER PUGLISI,
Notary Public.
My Commission expires March
30, 1926.

Facilitate Your Canadian Collections

THE BANK OF TORONTO

Incorporated 1855

Offers to Banks and Business Houses in the United States and Foreign countries prompt, accurate, satisfactory service through its branches at

Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000



Reserves
\$7,000,000

—
JOHN R. LAMB
*General
Manager*

—
Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

BANKER & TRADESMAN

New England's Leading Business Weekly—Covers
the Business, Financial and Real Estate News of
the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.



ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

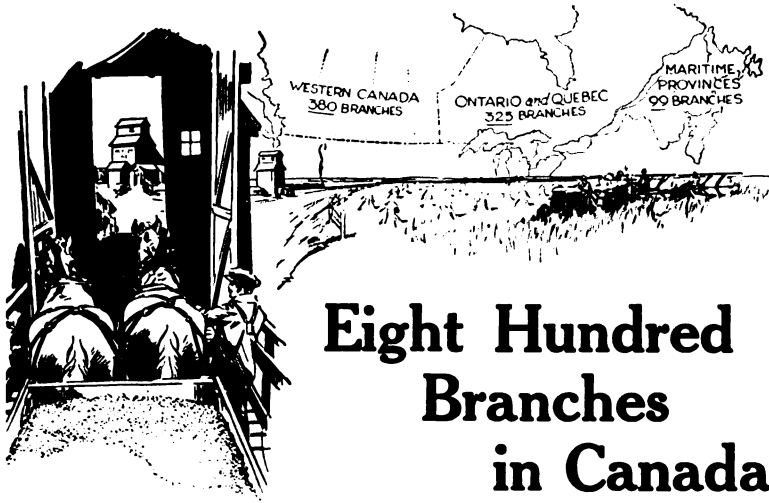
GENERAL MANAGER'S OFFICE: TORONTO, ONT.
 J. A. McLEOD, General Manager

NEW YORK AGENCY - - - - 49 WALL STREET
 P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E. C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
 Royal Bank of Scotland**
**NEW YORK—Bank of New York & Trust Co.
 National Bank of Commerce in New York**



Eight Hundred Branches in Canada

IN view of the good crop which has been harvested in the Canadian West, it is of importance to manufacturers, wholesalers and all other business interests to know that we provide banking service at 380 points in Western Canada.

With the largest number of branches in the Dominion and over 100 abroad, this Bank offers unequalled facilities for handling collection business.

The Royal Bank of Canada

Resources exceed 743 Million Dollars

New York Office - - 68 William Street

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) - - - \$7,000,000
Reserve Fund - - - - - 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE-PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER

H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents**UNITED STATES**

New York—Bank of the Manhattan Co.
Boston—National Shawmut Bank.
Philadelphia—Fourth St. National Bank
Buffalo—Marine Trust Co.
Chicago—First National Bank.
San Francisco—Wells Fargo Bank &
Union Trust Co.
Seattle—Seattle National Bank.
Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
Scotland—The Commercial Bank of Scot-
land.
Ireland—Northern Banking Co., Limited,
Belfast, and Branches.
**FRANCE, BELGIUM and
SWITZERLAND**
Lloyds & National Provincial Foreign
Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

	\$5=£1
Capital Subscribed	\$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 30th June, 1925	290,254,305

375 BRANCHES AND SUB-BRANCHES.

*All descriptions of Banking, Trustee and Foreign
Exchange Business Transacted.*

The Bank is prepared to act as Agents for Foreign Banks
on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

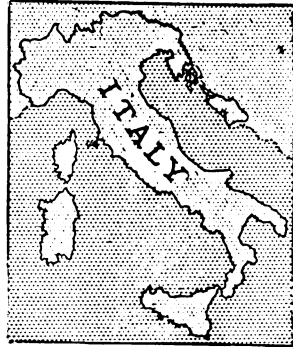
Over 60 Branches and Agencies Throughout Italy



VENICE OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.



The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.

Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 468,462,200

Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO

LIMA, PERU **Established 1889**

Capital Fully Paid Lp. 500,000,000
Surplus . . . Lp. 589,553,670

BRANCHES
Callao—Arequipa—Chincha Alta—Mollendo—Trujillo
Representatives for the U. S. A.

Banca Commerciale Italiana

Agency in New York - - 62-64 William Street
Phone: John 1000



Commerz-und Privat-Bank
Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R.M. 63,000,000

All Banking Transactions

Extensive Trade Information Service

Cable address for main offices and branches

"HANSEATIC"

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000 Surplus and Profits \$726,000 Resources \$8,622,663

WM. H. FOLTS, President
JOHN H. CHILES, Vice-President MORRIS HIRSHFELD, Vice-President
T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
S. B. ROBERDEAU, Asst. Cashier LEFFLER CORBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000



Head Office

8 Moorgate Street, London, E.C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY

83 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

(Affiliated with Barclays Bank, Ltd.)

Subscribed Capital	. . .	£1,800,000
CAPITAL PAID-UP	. . .	£ 600,000
Reserve Fund	. . .	£ 720,000

Head Office : 37 to 39 King William Street
 London, E.C. 4

BRANCHES

EGYPT. Alexandria, Cairo, Port-Said, Suez, Tantah,
 Zagazig, Mansourah, Assiut, Beni-Suef, Minieh,
 Musky.

SUDAN. Omdurman, Khartoum, Port Sudan, Makwar,
 Wad Medani.

PALESTINE. Haifa, Jaffa, Jerusalem, Nazareth.

MEDITERRANEAN. Malta, Gibraltar.

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed.....Yen 60,000,000
Capital Paid UpYen 52,500,000
Reserve Funds.....Yen 14,180,000

KOJURO NAKAGAWA, Esq.
President

HIROZO MORI, Esq.
Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.
TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyen.
CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.
OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

K. YAMAMOTO, Agent

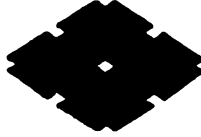
London Office: 25 Old Broad Street

Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

The Sumitomo Bank, Limited

Cable address: "Sumitbank" ESTABLISHED 1912
(Successors to The Sumitomo Bank)

Capital Subscribed Yen 70,000,000
Capital paid up " 50,000,000



Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President

K. YUKAWA, Esq., Managing Director S. YOSHIDA, Esq., Managing Director
N. YATSUSHIRO, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (2)	Kyoto (2)	Nagoya
Shimonoseki	Moji	Hiroshima (2)	Hakata	Hyogo	Niihama
Kurume	Kure	Wakamatsu	Kokura	Yanai	Onomichi

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay
Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo
Bank of Seattle, Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues
Commercial and Travellers Letters of Credit available in all important parts of the
world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed Yen 100,000,000.00
Capital Paid-Up Yen 60,000,000.00
Reserve Funds (June 1924). Yen 47,100,000.00



Head Office : TOKYO, JAPAN

(No. 1 Suruga-cho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq. N. KIKUMOTO, Esq.

H. KAMESHIMA, Esq. R. IMAI, Esq.

New York Agency, 61 Broadway, New York City

Home Branches :

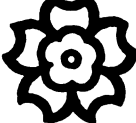
Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji,
Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru,
Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches :

Bombay London New York Shanghai

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		Yen 80,000,000
Capital Paid-Up . . .		Yen 50,000,000
Total Resources . . .		Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUKI

Y. KATAYAMA

Directors
I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

CHOSŌN: (*Korea*) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.
 MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.
 JAPAN: Tokyo, Osaka, Kobe, Shimonoseki.
 CHINA: Shanghai, Tsingtao, Tientsin, Tsinao.
 SIBERIA: Vladivostok.

New York Agency, 165 Broadway
 H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,900,000.00
DEPOSITS (June 30, 1925)		172,915,129.34

Yukinori Hoshino, Esq., Managing Director
 Seiichi Kawakami, Esq., Managing Dir.
 Hikotaro Ohmura, Esq., Director
 Shikazo Sato, Esq., Director
 Manroku Matsui, Esq., Auditor

Chusuke Yoshii, Esq., Managing Director
 Seijiro Gion, Esq., Director
 Tadanosuke Emura, Esq., Director
 Kyuemon Hirooka, Esq., Auditor
 Kin-ichiro Hoshijima, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

**General Banking, Foreign Exchange and Trust
 Business Transacted**

New York Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 American Express Co.
 Irving Bank-Columbia Trust Co.
 Guaranty Trust Company of New York

London Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 Midland Bank Ltd.
 Bank of London and South America, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office: Athens

*Branches: Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Tricala, Mytilene, Canea, Zante, Plomari and Tripolitza*

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

*Correspondents in the principal towns of Greece and in foreign countries
throughout the world*

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East, on the Continent, on Great Britain, Africa, America and Australia, and transact Banking Business of every description.

LONDON CORRESPONDENTS :
 The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office :

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's, Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

NATIONAL PROVINCIAL BANK

LIMITED

Established 1833

(\$5=£1)

Subscribed Capital - - -	\$218,085,400
Paid-Up Capital - - -	47,397,080
Reserve Fund - - -	47,397,080

Head Office: 15, BISHOPSGATE, LONDON, E. C. 2

UNION BANK OFFICE: 2 Princes Street, London, E. C. 2

OVER 1,100 OFFICES in ENGLAND and WALES

The Bank offers special facilities for the conduct of accounts of
Colonial and Foreign Banks

AFFILIATED BANKS

COUTTS & CO., GRINDLAY & CO., LTD.

ASSOCIATED BANKS:

Bank of British West Africa, Ltd.

P. & O. Banking Corporation, Ltd.

Lloyds & National Provincial Foreign Bank Ltd.

The British Italian Banking Corporation, Ltd.

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ESSAME

Assistant Manager—W. A. LAING

Secretary—F. H. McINTYRE

195 Branches throughout Australia and New Zealand, viz.:—

In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western
Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of
Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits
issued available throughout the World.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth,
United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			<u>\$675,606,797.21</u>

Cable Remittances made to, and drafts drawn on United States,
Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened

Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE NATIONAL BANK OF AUSTRALASIA

LIMITED

ESTABLISHED . . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)	\$50,000,000
Capital Paid Up	\$20,000,000
Reserve Fund	\$11,500,000
Total Assets March, 1925	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager
E. H. WREFORD

Deputy Chief Manager
JAMES WILSON

Chief Inspector
J. A. G. HADLEY

Inspector and Manager, Foreign Department: E. J. OSBORNE

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank, Limited

Authorized Capital	\$15,000,000
Paid-up Capital	\$7,500,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,100,000

HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
and 370 Branches and Agencies in Australia

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. BILLS NEGOTIATED or sent for COLLECTION. REMITTANCES made by TELEGRAPHIC TRANSFER. WOOL and PRODUCE CREDITS arranged. LETTERS of CREDIT and DRAFTS issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.

CHICAGO—First National Bank.

SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital £4,000,000
Reserve Fund £3,700,000
Reserve Liability of Proprietors
under the Charter £4,000,000
£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2
EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

VICTORIA	Victoria, Contd.	N. S. Wales, Contd.	Queensland, Contd.
Melbourne: 394 & 396 Collins St.; 384 Elizabeth St.; 71 Collins St. East	St. James Sale Shepparton Stawell Strathmerton Tallangatta Terang Traralgon Tungamah Walwa Warragul Warrnambool Weidernburn Weldpool Wycheproof Yackandandah Yarram Yarrawonga	Cootamundra Corowa Creekwell Dorrigo Dubbo Forbes Glen Innes Goulburn Grafton Greiffell Hamilton Howlong Jerilderie Kempsey Kyogle Lismore Maitland (West) Maitland (East) Moree Murwillumbah Muswellbrook Narrabri Narromine Newcastle Nowra Orange Parkes Peak Hill South Grafton Stroud Tamworth Tullamore Wagga-Wagga Wee Waa Young	Ipswich Kingaroy Longreach Maryborough Oakay Richmond Rockhampton Roma Toogoolawah Toowoomba Townsville SOUTH Adelaide Kooringa Mount Barker Port Lincoln Port Pirie Warrabara WESTERN AUSTRALIA Perth Albany Beverly Bunbury Fremantle Gnowangerup Kalgoorlie Moora Northam Wagin Wickepin TASMANIA Hobart Burnie Deloraine Devonport Fingal Latrobe Launceston Sheffield Stanley Ulverstone Wynyard
Bairnsdale Ballarat Benalla Bendigo Bright Castlemaine Charlton Chiltern Cobram Corryong Drouin Euroa Fish Creek Foster Geelong Katamatite Kingston Koroit Korong Vale Korumburra Leongatha Mirboo North Mooroopna Morwell Nathalia Namarukah Port Fairy (Belmont) Rutherford	NEW SOUTH WALES Sydney: Martin Place; 85 Pitt St.; 555 George St. So.; Wentworth Ave.; 236 William Street Bondi Junction Castlereagh St. Hurstville Kogarah Leichhardt Marrickville Newtown North Sydney (84 Mount St.) Petersham Albury Ballina Bathurst Bega Bellingen Berrigan Blayney Broken Hill Ceasnock	QUEENSLAND Brisbane Cairns Charters Towers Chillagoe Cooyar Crows Nest Herberton Hughenden	WESTERN AUSTRALIA Perth Albany Beverly Bunbury Fremantle Gnowangerup Kalgoorlie Moora Northam Wagin Wickepin TASMANIA Hobart Burnie Deloraine Devonport Fingal Latrobe Launceston Sheffield Stanley Ulverstone Wynyard

Branches in New Zealand

Wellington Ashburton Auckland Christchurch Dannevirke Dunedin Eltham Featherston Felling Gisborne Gore Hamilton	Hastings Hawera Invercargill Kaiaia Levin Mania Mangonui Marton Masterton Matawata Morrinsville Napier	New Plymouth Otaki Palmerston Nth. Patea Raetihi Rotorua Stratford Taihape Taumarunui Tauranga Te Aroha Te Kuiti	Temuka Te Puke Timaru Waipawa Waipukurau Waioa Wanganui Waverley Whakatane Whangarei
---	--	--	--

Principal Correspondents in North America

CANADA: Bank of Montreal Canadian Bank of Commerce	UNITED STATES, Contd.: National City Bank of New York Continental & Commercial Nat. Bk. of Chicago Illinois Merchants Trust Co., Chicago National Bank of the Republic, Chicago Fourth Street National Bank, Philadelphia Wells Fargo Bank & Union Trust Co., San Francisco
UNITED STATES: Bank of New York & Trust Co., New York Hanover National Bank, New York National Bank of Commerce, New York	

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers, Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorized Capital - - - - -	£10,000,000
Subscribed Capital - - - - -	£8,916,660
Paid-Up Capital - - - - -	£2,229,165
Reserve Fund - - - - -	£2,893,335
Uncalled Capital - - - - -	£6,687,495
	£11,809,995

BANKING BUSINESS TRANSACTED IN ALL PARTS OF THE WORLD

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch: 9 Northumberland Avenue, W. C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolingsal

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

Branches and Agencies Throughout
SOUTH and EAST AFRICA

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in { Bank of British West Africa, Ltd.
New York { Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

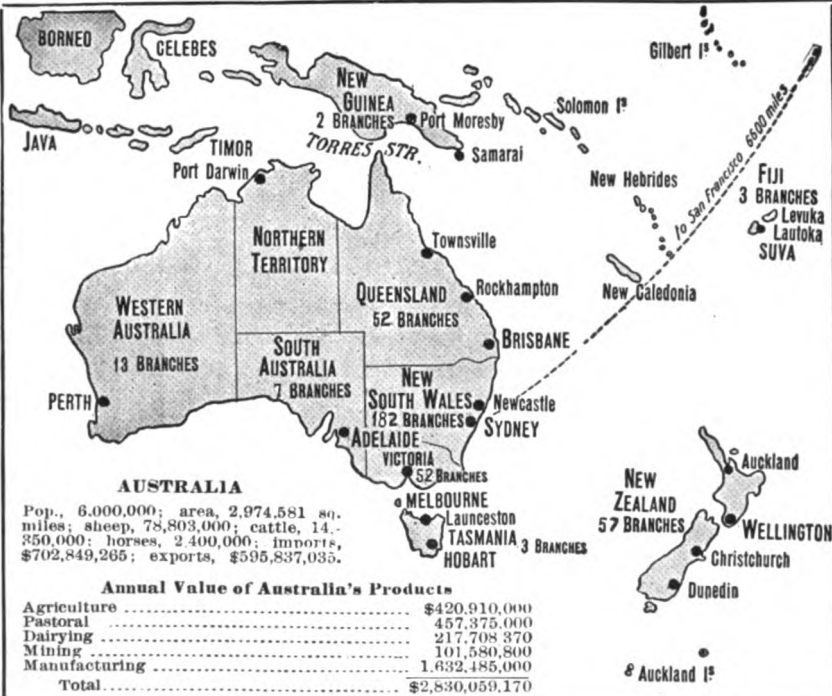
AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		\$80,750,000

Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager

403 BRANCHES AND AGENCIES



403 BRANCHES AND AGENCIES

AUSTRALIA
 Pop., 6,000,000; area, 2,974,581 sq. miles; sheep, 78,803,000; cattle, 14,350,000; horses, 2,400,000; imports, \$702,849,265; exports, \$595,837,035.

Annual Value of Australia's Products

Agriculture	\$420,910,000
Pastoral	457,375,000
Dairying	217,708,370
Mining	101,580,800
Manufacturing	1,632,485,000
Total	\$2,830,059,170

Head Office—George St., Sydney

London Office—29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London

Cable remittances made to and drafts drawn on Foreign Places **DIRECT**

Foreign Bills Negotiated and Collected.

Letters of Credit Issued.

NEGOTIABLE THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York :

Standard Bank of South Africa, Ltd.
 National City Bank of New York
 National Bank of Commerce in New York

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, September 30, 1925

RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers.....	\$141,427,448.73
U. S. Government Bonds and Certificates.....	38,130,278.95
Public Securities.....	26,500,240.27
Other Securities.....	22,832,297.12
Loans and Bills Purchased.....	355,639,756.69
Real Estate Bonds and Mortgages.....	1,775,650.00
Items in Transit with Foreign Branches.....	10,328,218.69
Credits Granted on Acceptances.....	35,411,670.80
Real Estate.....	8,006,771.68
Accrued Interest and Accounts Receivable.....	9,762,753.59
	<u>\$649,815,086.52</u>

LIABILITIES

Capital	\$ 25,000,000.00
Surplus Fund.....	15,000,000.00
Undivided Profits.....	6,229,296.34
	<u>46,229,296.34</u>
Bills Payable.....	5,000,000.00
Accrued Interest, Reserve for Taxes, etc.....	4,261,797.57
Acceptances	35,411,670.80
Outstanding Treasurer's Checks.....	29,940,665.37
Deposits	528,971,656.44
	<u>\$649,815,086.52</u>

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

NOVEMBER 1925

VOLUME CXI, NO. 5

Editorial Comment

Bryan's Place in History

ONE of the notable incidents of the last summer was the death of William J. Bryan. He had been prominent in the political affairs of the country for such a long period, and had exercised so commanding an influence in the councils of his party, that his passing from the stage of action was an event of exceptional importance. His career will long be a subject of unusual interest.

Compared with the attention he received, his official life was short. Prior to his first nomination for the Presidency he had served in the House; and for a short time in the Administration of President Wilson he was Secretary of State. To this latter distinguished post he was fairly entitled from the fact that his influence was responsible for the nomination of Mr. Wilson. But the office was evidently not to his liking, and he took an early opportunity of resigning. His taste was for the forum, where he could present his views to the American people unhampered by the limitations imposed by the State Department. He nevertheless took some pride in his work as Secretary of State, citing the fact that he had signed twenty-three arbitration treaties.

Mr. Bryan was a strong advocate of peace, and it is plain that he was distressed when events carried us into the Great War. But, on the other hand, he raised a regiment when this country was involved in war with Spain, and became its colonel. That he saw no actual service in the field was no fault of his. And,

rather curiously for one so devoted to peace, according to his own desire, his final resting place was at Arlington amid the soldier dead.

There is no doubt that, according to his lights, Mr. Bryan was a sincere patriot, and it is much to his credit that notwithstanding his pacific leanings, he placed his life at the service of his country. It has been truly said that he was a typical American product. He was, in many respects, representative of the great Middle West from whose soil he sprung and where most of his active political career was passed.

One phase of Mr. Bryan's career stands out as a beacon light. In an age noted for political cowardice, he was always politically brave and courageous. His political honesty was as undoubted as his personal integrity. When great issues were at stake you always knew that he would be on one side of the fence or the other, not astride of it. When the issues were economic, he was probably on the wrong side; but there he was, proclaiming his views so clearly and persistently that no one could possibly mistake them. This is praise that can justly be bestowed upon few of his political contemporaries. In 1896, it will be recalled how long it took Mr. McKinley to speak out boldly in favor of the gold standard. Bryan from the outset of that memorable campaign plainly declared his purpose of putting the free coinage of silver into practice at the earliest moment he was empowered to do so.

It may be said that Bryan's political

courage was bad politics, since he failed to achieve the high office to which he three times aspired. But his failure can hardly be attributed to his political honesty and courage. The reason for it must be sought elsewhere. It probably lay in the fact that there was something in his character which, in the judgment of the people, unfitted him for the Presidency. He was perhaps more dramatic and spectacular than most of our Presidents have been. Then his economic views failed to meet the approval of a rather practical and hard-headed people.

The fact is that Bryan's economic theories were generally wrong, as his moral instincts were almost invariably right. He was really not an economist nor a statesman, but primarily a crusader and moral reformer; and he possessed the zeal which people of his type usually have. While, therefore, his qualities unfitted him for the Presidency, they enabled him in his particular field to render great service to his country. He helped in clearing the moral atmosphere of business.

Mr. Bryan never liked the bankers, especially those of "Wall Street." He thought they were chiefly instrumental in defeating him for the Presidency. Probably he greatly overrated the political power of "Wall Street" and did not give due weight to the lack of popularity of some of his own economic theories.

Although failing in his attempts to bring about the free coinage of silver, Mr. Bryan came, in the course of time, to exercise a powerful influence in shaping American financial legislation. When Mr. Wilson was inaugurated President, the Nebraskan was all-powerful in the councils of the Democratic Party. And when banking legislation was undertaken the results of his leadership became plain. Mr. Bryan had great faith in the efficacy of Government as applied to money and banking. This was shown in his advocacy of the free and unlimited coinage of silver at the sixteen-to-one ratio. It is not

to be wondered at that he impressed his views of Governmental potency on the framers of the Federal Reserve Act. Thus we have the control of the Federal Reserve System vested in the hands of the Government, and the Federal Reserve notes are obligations of the United States. It is known that Mr. Bryan felt great satisfaction in the part taken by himself in securing this legislation. Probably in fairness he should be given credit for helping to secure the enactment of this measure notwithstanding its economic imperfections for which he was no doubt largely responsible. At least Mr. Wilson and Mr. Bryan did something which the Republicans were unable to do in passing a comprehensive banking measure.

In his earlier career Mr. Bryan vehemently declaimed against great wealth, but as he grew in years his views were changed somewhat, and in one of the last speeches he ever penned this significant passage occurs:

"If one is entitled to draw from society in proportion to the service that he renders to society, who is able to estimate the reward earned by those who have given to us the use of steam, the use of electricity and enabled us to utilize the weight of water that flows down the mountainside? Who will estimate the value of the service rendered by those who invented the phonograph, the telephone and the radio? Or, to come more closely to our home life, how shall we recompense those who gave us the sewing-machine, the harvester, the threshing-machine, the tractor, the automobile and the method now employed in making artificial ice?"

He might have carried his illustration further, showing that the great captain of industry and the financial organizer are entitled to rewards not easily computable.

Unfortunately, Mr. Bryan seemed often to miss the fundamental aspects of the problems which engaged his attention. Thus in his free-silver campaigns he contended that the supply of metallic money was insufficient. This

contention, at the time, was not without some validity. But where he was wrong was in thinking that the free coinage of silver would have increased the metallic supply of money. Again, in his denunciation of evolution, he missed the point of real importance. His argument rested upon the claim that if the theory of evolution were accepted the Christian religion would be destroyed. He failed to take account of the fact that the Founder of that religion had declared that all the law and the prophecies hung upon two commandments—love toward God and man.

Mr. Bryan had prepared a speech in connection with the Scopes trial at Dayton, Tennessee. It was of great length, occupying more than a page of newspaper space, and almost entirely devoted to an attempt to destroy belief in what is commonly known as the Darwinian theory. But near the close of this last message of the "Great Commoner" to the American people, the mists seem to have cleared from his eyes, when he said:

"If civilization is to be saved from the wreckage threatened by intelligence not consecrated by love, it must be saved by the moral code of the meek and lowly Nazarene. His teachings, and His teachings alone, can solve the problems that vex the heart and perplex the world."

After leaving the cabinet of President Wilson, Mr. Bryan's political power declined, and at the Democratic National Convention of 1924 his counsels went unheeded. He turned in recent years more and more toward moral and religious issues.

Mr. Bryan's career has now passed into history. It must be considered as singular that a man whose financial theories had been repeatedly and decisively rejected by the people, came to occupy a prominent place in the shaping of an important banking measure upon which he has left the impress of his peculiar views.

French Debt Negotiations

REGRET, but not despair, will be experienced by many over the failure of the French Minister of Finance to effect a definite settlement of the debt which France owes to the United States. Delay in adjusting this obligation operates to postpone economic recovery in Europe, and indirectly affects business conditions in this country. But, as intimated above, no ground exists for despairing over the situation. On the contrary, solid reasons for satisfaction exist, especially in the fact that France, after long neglecting to take any positive steps toward providing for meeting her debt to this country, has now taken action in the matter, thus showing an intention of clearing up the obligation as circumstances permit. Declarations of intention to pay had frequently come from official quarters, but these promises were less definite and satisfying than the actual presence in this country of a French commission appointed for the purpose of negotiating a settlement of the debt due this country; and although the recent negotiations at Washington were unsuccessful, they represent a first step in the adjustment of this most difficult problem.

The failure to reach an agreement arose from a difference of opinion between the United States World War Foreign Debt Funding Commission and the French representatives as to the amount France could or ought to pay. France's offer was to pay \$40,000,000 annually for five years, \$60,000,000 for the next seven years, and \$100,000,000 annually for fifty-six years—the total payments amounting to some \$6,200,000,000. In rejecting this proposal, the American Commission said:

"The total payments offered imply a return of the principal of this debt and somewhat less than one per cent. per annum. In order to illustrate the sacrifice which such a plan would impose upon our people we may point out that the present value of the above

payments if made in full (upon the basis of interest which we bear on Liberty bonds) is about \$1,750,000,000. This amount compares with over \$4,100,000,000 which we have to meet in charges upon our taxpayers in respect of the loans to France. In the plan which we laid before you the present value of the payments which we proposed would be about \$2,800,000,000 as compared with the \$4,100,000,000 as above, so that we have made most important concessions."

As an alternative, the American Commission proposed that France pay \$40,000,000 annually for five years, this amount to be considered as full current interest on the debt during that period. At the end of the first five years the two Governments were to review the capacity of France to pay, and determine at that time the amounts which should be paid over such further term as might be then agreed. This proposal the French Commission could not accept, but decided to refer the offer to the French Government.

A payment of \$40,000,000 annually would represent interest at about one per cent., and at the end of the five years the principal of the debt would remain as at present.

It will serve a useful purpose in reaching a final adjustment of this matter if the recent negotiations at Washington make it clear that America is not acting harshly toward France. That we are not exacting is shown by the fact that we offered to forego the payment of some \$200,000,000 of interest and \$1,300,000,000 principal of the debt. The suggestion that for the next five years one per cent. be accepted in discharge of interest on the debt which France owes the United States, hardly looks as though America was intent on driving a hard bargain.

The United States World War Foreign Debt Funding Commission stated the belief that "it is fully recognized by both commissions that the only basis of negotiation fair to both peoples is the principle of the

capacity of France to pay." This "capacity to pay" is probably a term that needs explaining. The present capacity to pay is one thing, and the future capacity is likely to be something very different. This difference will probably be very great when debt payments are spread over so long a period as a half-century or more. Then the economic capacity to pay is one thing, and the political practicability of paying certain sums, quite another. Cabinets whose tenure of office depends upon the popular will, can do no more than the people will approve. To pay debts, heavy taxes must be laid and close economy in expenditure practiced. People will submit to such a policy only if it appears tolerable and just.

The French debt to the United States has not been settled, and this is to be regretted chiefly because such a settlement would have greatly tended to stabilize European economic conditions, and would have powerfully contributed toward making easier the work of French statesmen in restoring the finances of France to a sounder state. But a preliminary step toward settlement has been taken, and after full consideration of the subject, subsequent steps should be less difficult. That a genuine desire for a just and speedy adjustment of the debt is growing, both in France and the United States, warrants the hope that final settlement need not long be delayed.



Rechartering the Reserve Banks

AMONG the resolutions adopted at the recent convention of the American Bankers Association was one in favor of prompt settlement of the question of the rechartering of the Federal Reserve Banks. It was declared that "Continuing uncertainty about the future of the system is sure to prove a grave menace to the progress and prosperity of the country." The resolution favored either indefinite char-

ters for the banks, or that they be rechartered for ninety-nine years.

As the Federal Reserve Banks, by virtue of their existing charters, have an assurance of eight years more to live, it is difficult to understand the urgent demand now being made for their recharter. Is their existence threatened? If so, by whom? Surely, if the Federal Reserve System continues to demonstrate its usefulness in the next eight years as it has done since 1913, efforts for its overthrow will be fruitless. The good sense of the American people can be fully relied on to preserve the Federal Reserve System if it is worth preserving. Should it prove unsatisfactory, during the next eight years, why blunder now into fastening the twelve Federal Reserve Banks upon the country for ninety-nine years?

Before committing the country permanently to the maintenance of the twelve Federal Reserve Banks we ought to be given a further opportunity of observing how they will function under what we call normal conditions. Let us, above all, find out whether they are liable to become dangerous agents of inflation. Besides, since banking practice and opinions are rapidly changing in these times, the country may conclude within the next eight years that twelve Federal Reserve Banks are too many. There is no present emergency demanding a recharter of the Federal Reserve Banks, whose existence is threatened by nobody. It is difficult to understand the motives of those who demand the immediate recharter of the banks.



For Better Bank Supervision

HERE is a resolution, adopted by the State Bank Division of the American Bankers Association at Atlantic City, which is worthy of very careful thought:

"We recommend the general plan and organization of clearing house associa-

tions in cities and also in country communities comprising one or more counties, with the establishment of a bureau for the exchange of credit information and the installation of the examiner system providing for examination by private examiners working for the association under the supervision of a management committee chosen from the membership. We believe that this plan, as advocated by the Clearing House Section of the American Bankers Association, materially reduces the risks in banking and is, therefore, worthy of the hearty support of the members of the division."

This brings forward again the whole question of bank examinations. The supervising officers of state banking departments and the national banking system are not, as a rule, appointed because of their banking experience, but because they are political or personal friends of the governors or Presidents who appoint them. That these qualifications are not of the right character to secure a proper discharge of the duties of these important offices, goes without saying.

Probably we are reaching a point in our bank examinations where we need to distinguish between those made with the object of enforcing an observance of the laws, and others which aim to enforce the practice of sound banking methods. If the law covered all cases of infringement on the strict principles and practices of banking, such distinction could not be made. But the standard of bank legislation varies, and even where it is highest, considerable opportunity exists for violating the rules of good banking while keeping within the law.

But even if this view of the matter be incorrect, much may be said as to the propriety of a bank examination made by bankers, acting in some organized capacity, as contrasted with the examinations made by state and Federal authorities. If the scope of clearing house examinations could be widened,

so as to include substantially all banks, we may conclude, from the known results of this type of bank inspection, that the standard of banking would gradually be much improved.



Bankers' Educational Endowment Fund

THE raising of a fund of \$500,000 to be used as an educational foundation for the training of young men in economics and banking, through the efforts of the American Bankers Association, is a further evidence of the great interest taken by this organization and by the American Institute of Banking in the cause of sound banking and economic education.

Probably the opinion of a well-known banker, expressed not long ago, that we are a nation of economic illiterates, was an exaggeration; but the statement was valuable in serving to call attention to our mental deficiencies regarding matters of vital interest to the continued well-being of the country.

If the masses of our people are not economically enlightened, we are not alone in this respect. Just now England is experiencing serious industrial depression, and quite generally it is held that lack of an understanding of elementary economic facts on the part of wage-earners is, to a considerable extent, responsible for this depressed condition of industry.

Very likely there are others besides "wage-earners" who need economic enlightenment. There are not a few employers whose souls are not lighted with wisdom from on high, and who would be greatly benefited if they could be

brought to realize their ignorance. The fact is that most of us are too much disposed to consider that others need instruction rather than ourselves. This is one of the weaknesses of human nature.

But with the multiplication of the opportunities for learning, the more people there must be who take advantage of them. Therefore, the provision of additional facilities for acquiring a sound knowledge of banking and economics must be hailed as a good sign, heralding the approach of a day when we shall be less ignorant than we now are of those things which so nearly concern our material welfare.

And there is plenty of work yet to be done before our people attain that general understanding of banking principles that will cause them not merely to approve sound banking legislation, but to demand it.

We have made a little progress in this direction already—the unifying of our banks through the Federal Reserve System, abolition of the independent treasury, the rejection of the necessity for bond-security for bank circulation—these are some recent gains due to more enlightened views among bankers and the masses of our people.

But no one who gives careful thought to the matter can regard these gains, great as they are, as other than forerunners of greater ones to come. A little more understanding, and we shall rid the Federal Reserve System of politics, put the control of the system where it belongs—in the hands of bankers—and quit issuing "bank notes" that are obligations of the Federal Government. No doubt we shall do other things of even greater moment as our eyes become opened further to the light now beginning to dawn.



A Review of the Operations of the Federal Farm Loan System

By R. D. Kilborne

ONE can not very well review the operations of this rural banking system without sketching the important points of the system. This banking system came into being through the passage of the Federal Farm Loan Act on July 17, 1912. This act provided for two new types of banks: the one type of bank known as Federal Land Banks and the other as joint stock land banks. There were to be twelve Federal Land Banks and as many of the joint stock land banks as necessary. The theory was that the former group, while originally Government-owned, were to be transformed into co-operative banks, while the latter were to be privately owned and managed corporations. Both banks were to be allowed to loan money on farm mortgages provided the loans were used for any one of the four specific purposes mentioned in the act. The basic units of the system were to be the national farm loan associations which were co-operative associations composed of farmers who wished to borrow money.

Superimposed upon the two types of banks was the Federal Farm Loan Board which has general control of and jurisdiction over both types of banks.

After the hectic days of the Great War the system got into real operation. Loans were made and mortgage bonds issued. These bonds found a ready investment market because they were tax-exempt. However, operations of the system were checked for the time being when in 1919 a case was instituted in the Federal courts by Charles E. Smith, a stockholder in the Kansas City Title and Trust Company, who sought to enjoin the trust company from investing its funds in bonds of the Federal Land Banks and joint stock land banks. His contention was that Congress had

exceeded its constitutional power in creating these banks. Finally, in 1921 the U. S. Supreme Court upheld the constitutionality of the law; and both types of banks began to resume operations.

The Agricultural Credits Act of March 4, 1923, provided for two new types of banks known as intermediate credit banks and national agricultural credit corporations. The former were to be placed under the jurisdiction of the Federal Farm Loan System while the latter came under the control of the Comptroller of the Currency. This same law also increased the legal limit of any single loan made by a Federal Land Bank from \$10,000 to \$25,000 which was the upper limit for a single loan granted by the joint stock land banks.

In the following review of the operations of the system no attention will be paid to the intermediate credit banks and national agricultural credit associations because these banks have been in operation such a short time that it is impossible to judge their effectiveness.

The Interest Rate

One of the reasons for the passage of the original act was to reduce the interest charges paid by farmers on long time loans. This seems to have succeeded. The average interest rate on owned farms mortgages according to the census for 1890 was 7.1 per cent. By 1920 the total farm mortgage debt of the United States was approximately \$4,000,000,000. The Census Department obtained rates for almost the entire amount and discovered that more than three-fourths of this debt bore interest at 6 per cent. a year or even less.

The total of loans made by the joint

stock land banks and Federal Land Banks for the entire period of operations ending December 31, 1924, was about \$1,500,000,000. Assuming that these loans had been made through the agency of the old banking channels it is probably no exaggeration to state that the interest rate would have been from 1 per cent. to 2 per cent. higher than the farmers actually paid. This means a saving of from \$15,000,000 to \$30,000,000 a year in interest charges alone. This has been a real service to the farmers.

This lowered interest rate has been brought about as a result of a number of causes. First, the system has standardized farm mortgages. This has been due to the appraisals, to the law regulating the purposes for which the loans have been made, and to the fact that the bonds issued are *instrumentalities* of the United States. One of the difficulties connected with the purchase of farm mortgages in the old days was that the purchaser of such mortgages was compelled to rely upon the statements of local appraisers or the assistance of a farm mortgage dealer. Some of these pursued different policies in regard to appraising land values with the result that some of the appraisals were low while others were high. There was, therefore, no standardization of appraisals and mortgages. Now the mortgages are standardized and the bonds issued by the land banks are the joint liability of all twelve land banks. This gives them a uniformity which did not exist before.

A second reason for reducing and equalizing the interest rate has been the broadening of the market for farm mortgage bonds. This has been due to many causes. First, these bonds are issued in denominations as low as \$40 which makes it possible for the small investor buy them. In other words, it brings in a larger number of potential buyers previously excluded from the purchase of farm mortgage bonds because they were issued in larger denominations. A second cause for the

broadening of the market for these bonds is that they are eligible for investment by many of the savings banks, by trustees and are eligible as security for the deposit of government funds. This has added enormously to their marketability. Third, the market for these bonds has been broadened, one might almost say created, by making the interest on them exempt from Federal, state and local taxes. This means that the investor subject to the heavy surtaxes finds it more profitable to invest all his funds in tax-exempt bonds yielding a lower rate of interest than in other bonds or stocks where the yield is much higher.

The result of this broadening of the market and the standardization of farm mortgage bonds has been to reduce the interest rate paid by farmers on their long time loans. This has been a real service to the farmers.

The Co-operative Movement

In certain other respects the system has not fulfilled some of its expectations. At the time it was started it was thought that the establishment of the national farm loan associations would be but the beginning of the co-operative movement which would extend to other aspects of agriculture beside finance. The co-operative societies of Germany, Great Britain, and Denmark, for example, have achieved rather unusual success in such various fields as purchasing, marketing and the like. It was expected by many that the beginning of the co-operative movement in finance, would give a powerful stimulus to co-operative movements in other fields.

This belief or hope, if one chooses to call it such, has been shaken. The co-operative movement in American agriculture has not developed to any great extent; indeed, it has been with some difficulty that the co-operative side of the national farm loans associations has been maintained. The directors of these associations meet only once a

year. The secretary-treasurers of these associations who are the active operating heads have been recalcitrant in the performance of their duties as is evidenced by the fact that nearly seven hundred of these officials did not send in their reports to the Federal Farm Loan Board for the quarter ending September 30, 1921, until almost two months

people would accept. Despite the lower interest rate on farm mortgages it is apparent from the 1920 Census Report that farm tenancy is on the increase rather than on the decrease. The following table taken from the Census Monograph entitled "Farm Tenancy in the United States" (p. 23) indicates that tenancy is increasing:

Percentage of all Farms Operated by Tenants, by Geographic Divisions and Sections, 1880-1920

Division or section	1920	1910	1900	1890	1880
The North	28.2	26.5	26.2	22.1	19.2
The South	49.6	49.6	47.0	38.5	36.2
The West	17.7	14.0	16.6	12.1	14.0

after they were due and then only when the board authorized the associations to compensate the secretary-treasurers of these associations specially for making these reports. This, of course, is an example of glaring inefficiency.

Another aspect of this co-operative movement in these national farm loan associations has been only partly realized. It was thought that the dividends received by these associations on the stock in the Federal Land Bank would be used to reduce the cost of the loan to the borrower by paying him in turn dividends on his stock in the national farm loan association. As a matter of fact it seems that about 50 per cent. of these dividends have been used for the purpose of increasing the salary of the secretary-treasurer in these associations.

The Question of Farm Tenancy

It seems quite clear that the system has had no appreciable influence in reducing farm tenancy. Some of the advocates of the system thought that this result would be achieved by making it cheaper for the farm tenant to buy land because of the lower interest rate. This was based upon the assumption that it was not desirable to have in the United States a large number of farm tenants, an assumption which most

One can see this growth in farm tenancy in another manner. In 1900 tenants operated 233 acres out of 1000 acres in the United States; by 1910 this number had increased to 258 and by 1920 to 277. In other words, more than one-quarter of all the acres of farm lands in the United States are being operated by tenants.

These figures showing the growth of farm tenancy in this country are borne out by a study made by the Federal Farm Loan Board covering all loans made by Federal Land Banks up to October 31, 1924. Seventy-eight per cent. of these loans were to liquidate mortgages and only 10 per cent. for the purchase of land. A statistical study made by the Department of Agriculture for an earlier period indicates that at least two-thirds of the farmers buying land by means of loans from the system were owners of land.

To summarize, then, the statistics on the matter indicate that farm tenancy is probably growing and that the Federal Farm Loan system has not been able to prevent this.

The Joint Stock Land Banks

These banks were put into the system as a compromise. It was not expected at the time that they would

make many loans. Indeed, some students of the problem thought that they would not come into being. As a matter of fact, one of the surprising developments of the system has been the important work done by these banks which can operate in one state and one contiguous state. These banks have grown in number and in the main they have made an increasingly large per cent. of the total loans made by Federal Land Banks and joint stock land banks. Their number has increased from four in 1917 to eighty in 1924; their loans have grown from about \$8,400,000 in 1918 to approximately \$190,000,000 in 1923 and then fell off to \$74,500,000 in 1924. Loans made by joint stock land banks totalled 6.7 per cent. of all loans made by the system in 1918. This was increased to 49.6 per cent. in 1923 and then fell off to 31 per cent. for 1924. One reason for this is that joint stock land banks were allowed to make single loans up to \$25,000 ever since the passage of the act while Federal Land Banks have had

that privilege only since the passage of the Agricultural Credits Act in 1923. As opposed to this, however, is the fact that the bonds issued by a joint stock land bank are not the obligations of every other joint stock land bank in the system.

How are we to account for this great growth in the operations of these joint stock land banks? To the writer the answer seems simple: They are privately owned and managed corporations. Their operations do not involve so much red tape as the operations of the other type of bank. Private initiative due to the possibility of profits has been and will continue to be the great motive power in business.

To summarize this whole discussion we may say that the system has reduced interest rates, but has failed to develop the co-operative movement and to check farm tenancy. The joint stock land banks have come to be of great importance because they are privately owned and managed corporations.



School Savings Increase \$5,500,000

SCHOOL savings in the United States for the year 1924-1925 increased in aggregate bank balances by \$5,500,000, with a growth of 630,000 in the total number of pupils participating, it is shown in reports made to the American Bankers Association.

"The reports contain many factors to encourage belief in the permanence of school savings as a part of the educational program in the public schools," says W. Espey Albig, deputy manager of the association in charge of the Savings Bank Division. "During the year closing June 30, 1925, the number of reporting school savings systems has increased from 683 which embraced 742 districts to 760 which embraces 1557

districts; the number of schools from 9080 to 10,163; the number of pupils enrolled in schools having savings systems from 3,095,012 to 3,848,632; the participants from 2,236,326 to 2,869,497; the deposits from \$14,991,535.40 to \$16,961,560.72; and the bank balances from \$20,435,144.64 to \$25,913,531.15.

"The number of schools having school savings systems increased 11.9 per cent.; the enrollment of pupils in districts having school savings increased 24.3 per cent.; pupil participation increased 28.3 per cent.; deposits increased 13.1 per cent., and school balances 26.8 per cent."

Results of The Bankers Magazine Prize Contest

First prize, Samuel T. Bitting, International Banking Corporation, Hongkong, China.

Second prize, D. C. Elliot, statistical department Federal Reserve Bank of Cleveland, Ohio.

Third prize, James E. Moffat, Professor Department of Economics and Sociology, Indiana University, Bloomington, Indiana.

Fourth prize, Victor Rosewater, journalist, Philadelphia, Pa.

IN March of this year THE BANKERS MAGAZINE announced a prize competition for the best essays on modern banking problems, offering \$500 in prizes to be awarded on the decisions of three distinguished bankers. The judges have reached their decisions and the names of the winners of the first, second, third and fourth prizes are herewith announced in the box in the ac-

companying column at the top of this page.

The titles of the prize winning articles are:

First prize, "American Banks in Competition Abroad;" second prize, "What About Branch Banking?" third prize, "The Economics of the Installment Plan—A Challenge to American Bankers;" fourth prize, "Deposit Guaranty—Its Operation, Results, Lessons."

The following papers received honorable mention: "The Future of Foreign Banking Business in America," by George Panea, foreign department Indiana Harbor National Bank, East Chicago, Indiana; "Can Banking Be Made Safer?" by A. L. Willouer, Franklin National Bank, Philadelphia, Pa.; "Modernizing Bank Credit Methods," by Carlton P. Fuller, statistical department Western Electric Company, New York; "How Can the Bank Clerk Become a Bank Executive?" by Raleigh



PERCY H. JOHNSTON
President Chemical National
Bank, New York



MELVIN A. TRAYLOR
President First National Bank,
Chicago



J. F. SARTORI
President Security Trust and Sav-
ings Bank, Los Angeles, Calif.

JUDGES OF THE PRIZE CONTEST

E. Ross, Harvey Blodgett Company, St. Paul, Minn.; "What are the Services of the Federal Reserve Banks to Their Members?" by E. R. Laney, American Exchange National Bank, Dallas, Texas; "How May a Bank Clerk Become a Bank Executive?" by Fred W. Cowlin, Security Trust and Savings Bank, Los Angeles, Calif.; "Graphic Records in Banking," by S. F. Clabaugh, vice-president City National Bank, Tuscaloosa, Ala.; "What's Wrong With Our Banks as Employment Centers?" by Allan F. Wright, Fitchburg Bank and Trust Company, Fitchburg, Mass.; "Making Banks Safer," by Jack C. Persons, active vice-president First National Bank, Tuscaloosa, Ala.; "American Capital Overseas," by Ph. de Forceville, foreign department Guaranty Trust Company, New York; "Minor Profits," by A. MacLennan, manager foreign department Dime Savings Bank, Detroit, Mich.; "Services of the Federal Reserve Banks to Their Members," by Roy M. Sasser, Wayne National Bank, Goldsboro, N. C.

Publication of the prize articles will begin in the December number.

THE BANKERS MAGAZINE asked each of the three judges, Percy H. Johnston, Melvin A. Traylor and J. F. Sartori, for an expression of his opinion regarding the importance of bank educational work, to be published simultaneously with the announcement of the awards.

Percy H. Johnston, president Chemical National Bank, New York, makes the following statement:

"I deem it a signal honor to have had the opportunity of serving as one of the judges of the papers submitted in the recent prize contest conducted by THE BANKERS MAGAZINE.

"It is always a real pleasure for me to further the self-education on the part of the younger men of the banking world, and I welcome an opportunity to co-operate in any possible way.

"Education is the light that guides the progress of civilization and it is reassuring to have such substantial evidence that the men upon whose

shoulders lies the responsibility of banking in the future are not resting content with the learning acquired at school or possibly college, but are burning the midnight oil in order that they may be prepared for the duties and responsibilities which some day will be theirs.

"The profession has been enriched through the efforts of the enterprising men who entered the competition and gave of their time and energy to the consideration and analysis of problems which are by no means academic in character, but are of a very practical nature, and with which the banking world is today directly confronted.

"I congratulate those men whose efforts have brought to them distinction and would remind those less fortunate that labor rightly spent is its own and best reward. Many people read; few study. There is a vast difference between the two. Thirty minutes daily spent in study and application will raise any man above the crowd. It is an old and true saying, 'Knowledge is Power.'"

J. F. Sartori, president Security Trust and Savings Bank, Los Angeles, writes as follows:

"There are many reasons why at this time the importance of bank educational work should be emphasized. I am, therefore, glad that THE BANKERS MAGAZINE has held this contest for it has called forth a number of very excellent essays and has called to the attention of many young men in our banks the importance of studying the business in which they are engaged.

"It is my belief that the successful man must be constantly studying the problems which arise in connection with the work he is doing. In banking it goes without saying that a man must learn the routine if he starts in at the bottom. As he goes up step by step, he must become thoroughly familiar with the particular task before him. But he will find it necessary to go beyond the mere mechanical processes of the job. He must master the principles which

underlie the practices which determine the rights and the obligations of the bank; he must have a considerable knowledge of bookkeeping and accounting; and he should be familiar with the provisions of the National Bank Act, the Federal Reserve Act and the state bank act of the state in which he lives. Finally he ought to understand the fundamental principles of economics and finance.

"This sounds like an ambitious program but it is not beyond the reach of any industrious and intelligent young banker. The A. I. B. furnishes the opportunity to acquire much of the information outlined above and for that reason I think the banks owe themselves the duty of liberally supporting the A. I. B., both with their money and with their encouragement.

"I have long felt that every bank which could afford it should supplement the work of the A. I. B. for its own employes. For a number of years educational work has been carried on among our employes and the number of those desiring to take the work offered is larger than can be accommodated."

The absence from this country of Melvin A. Traylor, president First National Bank of Chicago, Ill., who is now in Europe, prevented his contributing a statement supplementing those made by the other two judges, in connection with the contest.

The announcement of the contest, published in the March 1925 number of THE BANKERS MAGAZINE, read as follows:

In order to encourage the serious study of some of the problems of present day banking, THE BANKERS MAGAZINE announces the offer of \$500 in prizes to be awarded the best essays written on any subject now engaging the attention of the banking and business interests of the country.

THE BANKERS MAGAZINE has been exceedingly fortunate in securing as judges three distinguished bankers—each the executive head of an important banking institution in three different sections of the country. These are: In New York, Percy H. Johnston, president of the Chemical National Bank; in Chicago, Melvin A. Traylor, president

First National Bank; in Los Angeles, J. F. Sartori, president Security Trust and Savings Bank.

Although contestants will not be restricted to any particular topic or list of topics, the following titles are suggested in order to give an idea of the type of subject which is recommended:

Can American Banks be Made Safer; And if so, How?

What Are the Sources of a Bank's Popularity?

What Are the Causes for the Relative Gain of the State Banks as Compared with the National Banks?

What Are the Problems Involved in Organizing a Trust Department?

How May the Bank Clerk Become a Bank Executive?

What Are the Services of the Federal Reserve Banks to their Members?

What Can the Bank Do to Convert Small Accounts Into Big Ones?

What Are the Functions of the "Old Business Department?"

Should the Foreign Department be Organized for Service or Profit or Both?

What is the Banker's Part in the Taxation Problem?

As previously stated, contestants need not confine themselves to the topics suggested above, but all of the papers submitted should be concerned with some problem which has to do with banking either directly or indirectly. Papers will not be judged on their literary merits but rather on the contribution which they make to constructive thought on any chosen topic, and the practicability of the solution which they offer for the problem involved.

The complete rules of the contest follow. Be sure to read carefully.

Rules of the Contest

All those who expect to enter the contest should immediately register their names and addresses with the Contest Editor.

Papers may be on any topic pertaining to banking, but should in all cases offer a practical solution for some problem with which banks and bankers are concerned.

Papers are limited to 5000 words. They may be shorter, provided that the subject is thoroughly covered. Ideas should be expressed clearly and concisely, and without the use of unnecessary words.

All papers must be typewritten.

They should be mailed, addressed to the Contest Editor, THE BANKERS MAGAZINE, 71 Murray Street, New York, not later than July 1, 1925.

Papers should be signed by a nom de

plume and be accompanied by the name and banking or business connection of the writer on a sheet separate from the article. The name of the writer should not appear on the article itself, as it will not be known to the judges until after the awarding of the prizes.

THE BANKERS MAGAZINE reserves the exclusive right to the publication of all articles submitted, it being understood that all articles accepted for publication will be paid for whether they win a prize or not.

The Prizes

For the best paper	\$200
For the second best paper	150
For the third best paper	100
For the fourth best paper	50
For each article accepted for publication, but not awarded a prize ..	25

For any further information with regard to this contest, inquiries should be directed to the Contest Editor, THE BANKERS MAGAZINE, 71 Murray Street, New York.



Houston A. I. B. Declares War On Ignorance

THE Houston chapter of the American Institute of Banking recently concluded a very successful membership drive, raising the number of members from 178 in 1924 to 262 by October 12, 1925. Much of the success of the campaign is due to the direction by the energetic president of the chapter, Ira F. Reed, vice-president of the Guardian Trust Company, Houston, Texas.

Mr. Reed sent to all the consuls on August 30, "the first ammunition for use in the big guns in the war on ignorance," announcing that all those enrolled as members of the chapter before September 5, would be placed on the honor roll, and that there would be a very material advantage in being on the honor roll which those enrolling later would not have. Further ammunition was sent to the consuls at intervals of about three days, and reference was again made to the advantage in being on the honor roll.

Finally, upon closing the honor roll with 182 members, the chapter announced that all on the honor roll were eligible for the prize contest for membership. To the member turning in the largest number of additional members before September 19, would go the first prize; a copy of "Encyclopedia of Banking and Finance," by Glenn G. Munn. The second prize was a copy of "The Romance and Tragedy of Banking," by Thomas P. Kane; and the third prize, a copy of "The Paying Teller's Department," by Glenn G. Munn. The prizes in the contest were presented by THE BANKERS MAGAZINE.

Copies of the circular announcing the contest were placed on every bank desk in Houston and short speeches outlining the contests were made before meetings in some of the banks.

Paul Ted Good, general bookkeeper First National Bank, won the first prize in the contest; H. W. Graff, manager loan and discount department, Houston branch of the Federal Reserve Bank, second prize; and Irwin H. Blume, assistant cashier Marine Bank and Trust Company, third prize.

The contest aroused enough interest in Houston to be written up at considerable length in the two of the Houston papers.

The increase in membership was particularly gratifying because, though membership dues were reduced from \$4 to \$3, tuition fees were charged this year, the net result being that more than twice as much cash was received from members as was received last year. Formerly no tuition had been charged for the courses. Many of the instructors gave their services, but now all are to be paid, the chapter believing that more and better effort can be obtained thus. The enrollment in the courses on October 12 was as follows: standard banking, seventy-one; fundamentals of banking, forty-seven; negotiable instruments, forty-eight; commercial law, forty-two; public speaking, sixteen; and economics, twenty. In other words, 244 of the 262 members have gone into the institute with the idea of doing work and accomplishing something.

Some Aspects of Collateral in Country Bank Credits

The Concluding Article of a Series Outlining Principles Upon Which Country Bank Credits Should be Based

By Frank S. Wettack

IT is usually essential that the applicant for a loan furnish a formal written statement setting forth the kind and value of the applicant's assets and the amount and character of his indebtedness. From the financial statement, much may be learned as to the financial stability of the borrower, as shown by the purposes for which he has incurred indebtedness. The amount and length of time his indebtedness has been outstanding, would disclose whether his plans for reducing his indebtedness have ever worked. Successive financial statements disclose the progress the borrower has been making. The National Banking Department and the various state banking departments could do real constructive work in creating sound banking conditions, by uniting in a positive requirement that all bank loans be supported by the written financial statements.

The conservative and careful banker who now requires financial statements, is at some disadvantage in competition with the accommodating, genial type of banker who makes loans pleasantly, promptly and agreeably, without requirement of financial statements, or other preliminaries. The positive legal requirement of financial statements would restrain the latter, through getting before him in a definite form, the actual financial condition of the borrowers. Examination of banks by bank examiners, without the aid of such statements, is a farce, a delusion and a snare.

The financial statement should disclose who holds the legal title to the assets. Many borrowers procure loans on the reputed ownership of property to which the wife has legal title and which is not available for paying the husband's indebtedness.

The amount of exempt property—that which is not subject to being impressed for the payment of a debt—should likewise be identified by the financial statement.

The Marketability of the Borrower's Assets

The marketability of the borrower's assets forms a proper subject of inquiry. Is the probable course of the market downward or upward? Is the borrower's property of such a character that it is productive of income? Are the taxes on it unduly high? Is it of a character that is subject to great depreciation, such as machinery, fixtures, hotel and rooming house furniture, tractors, farm implements, threshing machinery and oil drilling outfits? It costs considerable money to equip a hotel with furniture, but a slight use of the equipment subjects it to great depreciation in its market value. Its value is also dependent upon being used in connection with a suitable hotel lease. Certain stocks of merchandise, such as shoes, millinery and ladies' ready to wear, depreciate in value each succeeding year by reason of changes in style.

Is the property valuable only when used by persons with a special knowledge? It costs a great deal of money to install a modern ice cream plant, but such machinery is valuable only when its use is by a man with a specialized knowledge of this business. An oil drilling outfit is of little value, unless in the hands of a practical experienced driller.

How general is the market for the assets? A good five room, modern residence will interest many purchasers, for that is the standard house for the aver-

age family. A suburban grocery store is of less credit value in a financial statement, because its market is limited to those few who might be interested in this business. A large, expensive residence, is less desirable as a foundation for credit, than the same investment in five small modern houses, because the market for costly homes is limited. Persons financially able to live in fine houses generally desire to erect houses of their own planning. And fine homes are a prolific source of financial disaster. The average owner of a fine home would balk at paying as rent, the amount which the interest on the investment, taxes, insurance and depreciation costs him.

The ownership of equipment used by doctors, dentists and those similarly engaged, is entitled to small consideration as a basis for credit. Such assets must be in the hands of persons skilled in their use, who must also possess sufficient salesmanship to sell their services. Moreover, this line is sold by manufacturers at long profits, on the easiest terms, to practically all comers; hence a young professional man usually buys from a manufacturer, and the market for used equipment is extremely limited.

Thoroughbred live stock, in any considerable number, in the hands of ordinary farmers, must be discounted very heavily as a basis for credit. A market for this class of live stock must be developed, an achievement difficult, if not impossible, to the average small farmer. Draft horses or meat hogs and cattle have a market every business day in the year.

Good, improved, farm land is a desirable asset in the statement of a farmer, but a large area of pasture land, suited only by soil or surface to this purpose, has less strength as an item upon which to base a credit, for the reason that one single season of too much grazing, will ruin the pasture almost beyond recall.

A large rooming house is of far less weight in entitling the owner to credit, than a number of small modern houses the same lumber and

labor would build. Lessees of rooming houses are usually worthy women, struggling to make a living and having a constant battle. For family use, the large rooming house is seldom sought. Persons operating rooming houses seldom acquire means to purchase, and hence their market is limited.

Thus the varying aspects of the assets of the borrower offer an interesting field for analysis by the banker. The inquiry is, whether the assets will contribute to the borrower's success.

The general conditions of the borrower's business or employment should be considered.

The question of whether the activities of the applicant are unduly spread out, merits analysis. If engaged in several lines of business, or operating the same business at different points, can he give adequate personal attention to all? Will it be necessary for him to delegate the management to employees? The ability to pick competent men is rare. Frequently the owner of the business thinks he is picking good men, but the men are picking him. Without competent management, regardless of the cash, credit or opportunity which may exist, the venture cannot be successful.

The Over-Extended Man as a Credit Risk

Another objection to an over-extended man as a credit risk is that, under prolonged adverse conditions, he cannot respond to the added load. When the business requires most efficient management, he is unable to give this because his physical being and mind don't function properly. Repeated blows of adversity weaken men. Prosperity agrees with most men, but few exist who can give their best efforts after an extended period of adversity. Under these conditions it behooves a banker to view with caution, applications for loans from men who are over-extended, either in having too varied interests or too excessive indebtedness, because such conditions are prejudicial to a well poised

mind and the physical fitness necessary to success. Very frequently there will be observed instances where if the owner of varied interests could have held the rudder a little longer and a little steadier, his business ship would have entered a smoother sea, but by reason of nervous and mental exhaustion, control was lost and failure wrecked the venture.

Where the borrower is not located in the bank's vicinity and the borrower's credit becomes impaired, the local banks and local creditors in close touch with the borrower's condition, will in every case enjoy an advantage over the distant creditor, in getting payment or security. In every case of bankruptcy or insolvency, creditors on the ground usually receive substantial payments or have the most valuable assets as security, before the creditor at a distance becomes aware of the unsatisfactory conditions.

Where banking business has been warmly solicited, and an application for a loan results, the banker who has solicited the business is laboring under an adverse influence in giving proper consideration to the merits of the loan. Under such conditions, another officer of the bank could more properly make the analysis.

Enough perfectly good loans will become inferior before collected to give the banker sufficient thought, and loans that are bad at the beginning should be rejected. It is not too much to say that the most losses to banks arise from loans which are fundamentally bad when made. A careful analysis would have shown that nothing but disaster was probable.

Two Fundamental Principles

There are also two fundamental principles, very simple, easily remembered, and of vital importance. The first one is "Remember that when times are good, they will not always stay good." The failure to keep this rule in mind, has wrecked thousands of business concerns. When times are good all the psycho-

logical influences point to the continuation of good times, and excessive credit is granted.

The other rule of equal importance is "Remember that when times are bad, they will not always stay bad." Failure to keep this rule in mind is also disastrous, for under the influence of bad times it is generally thought that times will continue to get worse, and probably never will be good again.

There is a classic story of the stranger who met a farmer on a country road. It had been raining for three days and it was still raining hard.

"Do you think it will clear up?" the stranger inquired.

"Well," replied the farmer, "it always has."

Will the business sky brighten?

As the farmer replied to the traveler in regard to the rain, "it always has."

There has been discussion in recent years on the regular upward and downward trend of prices—referred to as the law of action and reaction. The dissemination of information has been commercialized by agencies which offer, for a consideration, information as to future markets.

The banker should keep in touch with information of this character, and take it for what he can consistently believe it to be worth. In other words, his judgment as to the course of the market should be founded upon all the information possible. He should not make his loans upon speculative values, but he should carefully weigh the question of the course of the market upon the borrower's assets.

The heaviest losses which banks take, usually come from borrowers whose business has enjoyed a marked prosperity immediately preceding the granting of a large line of credit. Carried away by success, the borrower either expands his business to an unwarranted degree, or engages in too many other lines of activity with which he is not familiar—partly upon credit—and this course lays the foundation for the loss.

It is necessary for the banker to closely analyze the causes which have contributed to such marked success. It is common for men always to ascribe their success to their own keen judgment and industry, rather than give the credit to favorable conditions over which they have no control and which may be of very short duration.

There is a condition which thoughtful people must regretfully concede now exists in nearly all circles of business and professional life. We are now passing through a period where the ruling principle seems to be that there should not be thrown into any work the heart and soul interest that is necessary to make successful and satisfactory business conditions. Will the prevailing low standards of industry and efficiency conceded to exist among all classes in America, delay the return of business prosperity?

The Most Important Thing to the Average Banker

At bankers' conventions there will frequently be presented by men of great renown, discussions of the principles of a correct currency system, deposit guaranty, the Federal Reserve System, the War Finance Board and other proposed extensions to these existing institutions. The most important thing to the average banker, is the ability to grant credit only to successful people, upon successful ventures. If he can successfully do this, his depositors have the best guaranty, and he has no

need of the other agencies which are primarily designed to repair losses made through poor loans, rather than to prevent such inferior loans in the first instance.

The object of the careful analysis advocated is not only to reject loans without merit, but to conserve credit for persons whose ventures have the elements of success, and thus provide the bank with profitable employment of its funds. If the inferior loans are eliminated, there will be that much more credit to further projects of merit, and the borrowers, the bank and the community, will all be benefited.

The banker's profession is rendering a difficult and important service; his main compensation is not in money profits, but in a consciousness of having served well not only the business activities of his community, but in affording the widow, the orphan and the uninformed, counsel and protection. As a class bankers measure up to a high standard.

There is no other calling that offers more opportunity for service and helpfulness to others. There is no other employment that brings the close contact with humanity in its strength and weakness. There is no other contact with human activity, struggles, triumphs, defeats and victories, closer than the banker's. His is the opportunity to preserve and make full use of these accumulated experiences for his fellows. His chief compensation is the compensation of knowing that he promotes the forward movement of the human family.



Can a Trust Company Successfully Administer a Great Newspaper?

The Experiment of the Illinois Merchants Trust Company With the Chicago Daily News Creates Much Discussion

By William Hayes

THE will of the late Victor F. Lawson, publisher of the *Chicago Daily News*, left his estate, including his newspaper, to be administered by the Illinois Merchants Trust Company of Chicago. Shorn of legal verbiage, it means that one of the great newspapers of the United States comes under the direct control of a bank, to sell or to operate as it sees fit, as trustee, for the beneficiaries under the will.

The Lawson will has created a storm of discussion, favorable and unfavorable, in newspapers of Chicago and elsewhere. All bankers should be interested in this new development of trust service by reason of the proof it affords of the reputation for efficiency and honesty developed by bank trust departments in the public mind in the comparatively few years of their existence.

A few years ago such an action would have been called insane and no successful newspaper publisher would have been likely to try it. There is something about the banking mind and the newspaper mind which has always been considered as not agreeing. Where the one is daring, even audacious, in its fearless treatment of the affairs and happenings of the day, the other is considered by the public as cautious and methodical.

A modern newspaper's chief asset is the good will of its reading public. Let that good will be shaken, and the chief asset may shrink in value rapidly. The cornerstone of the structure is public confidence. Until recent years, any live newspaper man the country over would have feared as he feared nothing else

having his paper connected in the public mind with the so-called money power.

When such a successful far-sighted publisher as Victor F. Lawson turns his back so positively on such a viewpoint and entrusts the future well-being of his newspaper, to make or to mar, in the hands of a bank, there is ample reason to believe that banks as such occupy a much more lofty position in the mind of the public than they ever did before.

Mr. Lawson died without a son or a newspaper-trained kinsman to whom to leave his newspaper. He desired naturally that the great thought force he had built up so successfully should continue to function. He showed by the disposition of his estate his love for his fellow man. And he showed also his confidence in the honesty and business skill of a modern trust company by placing his newspaper in its hands.

Scrutator in *The Chicago Tribune*, comments as follows on the Lawson will:

"The will of the late Victor F. Lawson is a milestone on the road toward the institutionalizing of private property.

"It is an effort to confer the continuity and impersonality of the corporation upon a form of property that has remained almost as personal as the first primitive enterprises of the capitalist era.

"Although it is within the discretion of the trustee to sell the *Daily News* property and thus let it revert to the usual newspaper status of personal ownership, it is the plan and evidently was the intent of the testator to estab-

lish it as a perpetual institution. This purpose was emphasized by a statement yesterday by the head of the trust company.

"The management falls logically to the lieutenants trained by Mr. Lawson, who are the custodians of his ideals and methods, while his functions of ownership are transferred to a self-perpetuating body.

"Newspapers, as a class, present a contradiction that illustrates the inadequacy of most of our definitions and classifications of the various kinds of property. In function the newspaper has become like the great public utilities, as it has expanded and required the investment of enormous capital.

"In its relation to its readers the newspaper has become subject to the same kind of social obligations that are imposed by law on public utilities and these unwritten obligations have been increasingly observed as newspapers have grown, because the penalty of non-observance is death—death inflicted at the news stands by the withholding of patronage.

"With the obligations of the public utility, there are for the newspapers none of the privileges—no exemption from the iron game of competition, no fixed return, no assured support from organized finance. With the great increases in fixed capital required of newspapers has come no appreciable increase in their security against ill fortune—for the great bulk of their value remains intangible—based upon the day by day creation of demand and good will. In truth it is a kind of property that is made over 365 times a year.

"The greater and wealthier newspapers become, the less are they subject to the personal desires or whims of their owners, yet the force that drives them and directs them is personal as in no other enterprise. The 'personal element' in the newspapers remains as strong as ever, although they have ceased to reflect personality so much in the old-fashioned editorial way.

"This writer never met a newspaper man who felt that he was working for a corporation—always his allegiance was to a man or men. Corporate in form, newspapers have remained personal in management. The chain newspapers are no exception—back of them all is an 'old man' or a group of lieutenants who derived their spirit from him.

"The problem of passing on such a system of management has become one of the main topics of shop talk in recent years. When newspapers were small affairs, personal organs of an editor, merely, they usually died with the founder or lived with his family, if the family were chips off the old block. Most of the long-lived papers have been family controlled, although some of them passed quickly from one able man to another by purchase. But as the newspapers have grown into great social organs, become mouthpieces for great cities, states and sections, it was inevitable that they must become institutionalized—made immortal, if that can be done. That is the object of the Lawson will. In it the name of the *Daily News* does not appear. It was unnecessary because theoretically the *Daily News* all along has been published by an impersonal corporation and all that was necessary for the testator to do was to pass on his interest.

"The result will be an experiment that will interest not only newspaper men but all Americans who see every day more and more property passing under corporate control while statesmen impose upon the inheritance of property penalties that inevitably tend to institutionalize large scale economic activities.

"The constant contradiction between the functions of the paper and its property phase assails the publisher as age advances if he lacks heirs qualified for succession. If the functions alone had to be passed, most publishers probably have lieutenants at their sides upon whom to cast the mantle.

But the property instincts dictate that blood or great public purpose shall inherit the values."

Editorial comment from various newspapers is on the whole favorable to the experiment made by Mr. Lawson. Some, however, as *The Chicago Tribune*, point out the danger of institutionalizing such a personal thing as a newspaper. We quote in part as follows:

"What was to be done with the *Chicago Daily News* has been a topic of speculation for some years and not merely among newspaper men. The publication of Mr. Lawson's will has answered this interesting question, but has not foreclosed speculation. The devolution of a great newspaper property presents one of the most delicate and difficult of problems because of the nature of a newspaper. There is, of course, the physical property, which is no more difficult to pass on than a factory or farm. But the physical property of a newspaper is rather less the newspaper than the physical body is the man after the vital spark has gone out. Victor Lawson was in large measure the *Daily News* and Victor Lawson is gone.

"How the Lawson plan will work out we would not presume to predict. It may work as well as the Nelson plan with the *Kansas City Star* has thus far, but certainly the overseeing of a newspaper by a bank will not be successful. Every layman is confident he can run a newspaper though he may have no temptation to do his own dentistry or even draw his own will. There is no enterprise that receives so much outside advice and correction as ours. But we are confident that there is no training so incompatible with successful newspaper management as that of banking. The strategy of newspaper success is expansive, aggressive, daring. The training and the natural set of the banking mind and temper are conservative, cautious. The breath of one is publicity, experiment, responsiveness to the variety and flux of the human scene, a dependence on emotions. The care of

the other is privacy, security, exactitude and sure footing."

Interviewed as to the method the bank might be expected to pursue in conducting its new responsibility, a city newspaper, John J. Mitchell, president of the Illinois Merchants Trust Company, said in part:

"In a word, the *Daily News* will continue to be an independent newspaper published under the ideals of Victor Lawson, always by men who knew what Mr. Lawson's wishes and ideas and policies were—what he wanted to accomplish. That is my wish as well as Mr. Lawson's."

The newspaper reporter interviewing him then asked Mr. Mitchell whether, now that the *Daily News* goes actually into the hands of a great financial institution's trust department, there will not be a renewed cry by hostile politicians that the "money interests" are in control of its policies.

"I should say that any such an idea were the wildest kind of a notion," replied Mr. Mitchell. "What does a banker know about running a newspaper? A banker is a banker and not a newspaper editor or publisher.

"Let me tell you that the very fact that a banker and bank have been placed in this peculiar position by Mr. Lawson would lead us to lean backward, as the saying is, so as never to be open to any such charges.

"It is an absurd notion to think anything else. Victor Lawson had ideas and ideals and when he made the arrangement he did he had confidence that a great trust company was the proper authority into whose hands he might best lay the control of his property so that it would be conducted as he wanted it conducted and carried on after his death.

"But because a trust company has been made executor of the *Daily News* under Mr. Lawson's will no more means that Wall Street or La Salle Street will take charge and inject some foreign policy into its conduct than it

would mean that it would interfere with the legitimate course of any other business of which it was trustee.

"The fact that the Illinois Merchants Trust Company was made executor was a great surprise to us all. Mr. Lawson for many years was my warm personal friend. He was a director in the bank. But he never at any time said anything about this to me. The first time I ever saw Mr. Lawson's will was when it was published in the *Chicago Daily News*."

Some other newspaper comment follows:

Arthur Brisbane in the *Chicago Herald-Examiner*, says:

"Victor Lawson leaves his *Chicago Daily News* to the Illinois Merchants Trust Company to operate or sell it, as they choose.

"John J. Mitchell, head of that trust company, is as able a business man as there is in Chicago.

"Nevertheless this advice is offered:

"Sell the *Daily News* while it is still a valuable property. If a great bank were left to the greatest of editors, whoever he may be, Mr. Mitchell would advise him to sell the bank and he would be right.

"A newspaper, like a baby, must grow or die. Putting a newspaper into the hands of a trust company or a committee is like leaving a baby in a straitjacket. Leave it in a straitjacket too long, and you will never get it started again. So it is with a newspaper."

The Economist comments in part as follows:

"We would extol with equal generosity the merits of the person and the will of the late Victor F. Lawson as have our many friends of the daily press but there is one aspect upon which we cannot fail to touch. In his will Mr. Lawson has entrusted to the Illinois Merchants Trust Company a delicate task indeed. We have known of an instance where a trust company was called upon to choose a husband for a beautiful heiress but that is a simple

task in comparison with conducting a great metropolitan newspaper.

"However, the *Chicago Daily News* is in the hands of able men; men so ably trained in the peculiar ability required in journalism that they are perfectly capable of conducting it in the same path of utility and profit in the future as they have done heretofore for the most part. The *Chicago Daily News* is a great force so organized that it will run itself if no one attempts any fireworks or high diving. It will maintain itself and grow if it is let go tomorrow—a duplicate of today with such adaptations as conservative enterprise may suggest. Clever men, as they are known, do not make substantial newspaper properties.

"Mr. Mitchell, president of the Illinois Merchants Trust Company, has told the people who compose the *Daily News* and also the readers of that publication how it will be conducted. LaSalle or Wall Street influence, whatever or however good or bad this may be—we frankly admit we do not know what it is—will not affect it, remarking that should any question of wrongful influence arise his institution will lean backward in the performance of its duty. There has been no doubt as to the integrity of the *Chicago Daily News* in the past and there need be none in the future."

The Peoria, Ill., *Transcript*, is critical as follows:

"Mr. Lawson's success as a publisher was in large measure due to his adherence to a policy of independence which frequently crossed the interests of the banks. A newspaper to appeal to the public imagination must have a soul, and a corporation has none. The Lawson policies plus Lawson proved a financial and journalistic success; the Lawson policies minus Lawson may prove to be Dead Sea Apples.

"The influence of a newspaper is determined partly by its makers and partly by its readers. Policies bearing the label of Lawson were acceptable;

Lawson policies bearing a bank label may not be."

The Rockford, Ill., *Star* calls "leaving the *Chicago Daily News* to a trust company to be administered according to the ideals and practices set up by its founder and proprietor one of the wise provisions in the will of Victor F. Lawson. Whatever pride Mr. Lawson had in his newspaper came from the service it rendered to the community and the support the community afforded. Between the two interests there was a bond of such great importance that the ownership of the physical property and the earnings therefrom were matters of secondary importance. The *News* had certain well-defined principles which the public approved and supported.

"Continuing them in operation and as a guarding force became civic duty and the publisher rose to the occasion when he recognized that fact.

"There have been some lamentable failures to perpetuate newspaper usefulness in this country. Without mentioning important newspaper names it may be said that, after the death of the inspiring genii, newspapers have degenerated into something entirely different from what they were created for

and different from what the public wanted them to be.

"The trust company will hold the paper in a fiduciary capacity presumably retaining its independent character and generally wholesome outlook upon the news and upon men and affairs.

"That will be worth a great deal in the civic life of Chicago and Illinois and it will be like keeping faith with thousands of people who feel the need of such an influence.

"The trust company immediately manifested its good sense in retaining the men whom Mr. Lawson engaged and who are schooled in the paper's service."

There was much more favorable comment of a similar nature from newspapers throughout the United States.

The outstanding feature of interest to bankers nationally in Mr. Lawson's will is the signal proof it offers of the high regard American bank trust departments have earned from the public. They will realize that the successful administration of this difficult trust will promote favorable publicity for the trust functions of banks generally and probably result in a general increase in such business for institutions having trust departments.



A New Form of Signature Card

THE A. E. Martell Company, of Keene, N. H., has recently put out a signature card carrying the standard form of collection agreement recommended by the general counsel of the American Bankers Association, which reads as follows:

In receiving items for deposit or collection, this bank acts only as depositor's collecting agent, and assumes no responsibility beyond the exercise of due care. All items are credited subject to final payment in cash or solvent credits. This bank will not be liable for default or negligence of its duly selected correspondents nor for losses in

transit, and each correspondent so selected shall not be liable except for its own negligence. This bank or its correspondents may send items, directly or indirectly, to any bank, including the payor, and accept its draft or credit as conditional payment in lieu of cash; it may charge back any item at any time before final payment, whether returned or not, also any item drawn on this bank not good at close of business on day deposited.

The importance of this agreement was clearly brought out in the recent case of *Semingson v. Stockyards National Bank*, re-

INDIVIDUAL OR FIRM	
FIRST NATIONAL BANK AND TRUST COMPANY, ANYWHERE, U. S. A.	
is hereby authorized to recognize the below signature _____ in payment of funds or transaction of any other business of said party.	
In receiving items for deposit or collection, this bank acts only as depositor's collecting agent and assumes no responsibility beyond the exercise of due care. All items are credited subject to final payment in cash or solvent credits. This bank will not be liable for default or negligence of its duly selected correspondents nor for losses in transit, and each correspondent so selected shall not be liable except for its own negligence. This bank or its correspondents may send items, directly or indirectly, to any bank including the payor, and accept its draft or credit as conditional payment in lieu of cash; it may charge back any item at any time before final payment, whether returned or not, also any item drawn on the bank not good at close of business on day deposited.	
In case the bank is requested to stop payment on a check it is expected to use all diligent care in stopping same but the bank will not be held responsible in case the check is paid through inadvertence or accident. Request for stop payment shall hold for only thirty days unless request is made in writing to continue same.	
It is agreed that fees may be charged on account of insufficient balances maintained, and for the depositor's checks returned because of insufficient funds.	
AUTHORIZED SIGNATURE _____	
BUSINESS ADDRESS _____	PHONE _____
RESIDENCE ADDRESS _____	PHONE _____
INTRODUCED BY _____	
REFERENCE _____	
REMARKS _____	
DATE _____	DEPOSIT \$ _____
A. E. MARTELL CO., KEENE, N. H. *	

The new form of signature card containing the A. B. A. collection agreement form and the stop payment disclaimer clause on its face. The forms are made by the A. E. Martell Co., Keene, N. H.

ported in detail in the October number of *THE BANKERS MAGAZINE*. A bank sent a check for collection, and received from its collecting agent a draft on another bank, in payment. Upon presenting the draft, however, it was dishonored for lack of funds. The bank, having a written agreement with its depositor similar to the one given above, charged the amount of the check back to its depositor, and was upheld in this by the Supreme Court of Minnesota.

The signature card shown in the cut contains another clause that has heretofore been too little appreciated—the stop payment disclaimer clause, which reads as follows:

In case the bank is requested to stop payment on a check it is expected to use all diligent care in stopping same but the bank will not be held responsible in case the check is paid through inadvertence or accident. Request for stop payment shall hold for only thirty days unless request is made in writing to continue same.

The value of this provision is illustrated by the recent Massachusetts case in which a drawer of a check requested a bank to stop payment, and signed a card containing a similar provision. Through an oversight the bank paid the check and the payment overdrew the account. The bank brought an

action to recover the amount of the overdraft, and was allowed by the court to recover the money.

Where the bank has no agreement of this kind with its depositor, if it pays a check after the drawer has directed that payment be stopped, it is not only precluded from charging the amount of the check against the account of the depositor, but it is not permitted to recover the amount from the party to whom the payment was made, where such party was a bona fide holder of the instrument.

The card contains a third clause, fully as important as the other two, to the effect that:

It is agreed that fees may be charged on account of insufficient balances maintained, and for the depositor's checks returned because of insufficient funds.

The importance of this clause is apparent without further explanation.

It would seem apparent, therefore, that the inclusion of these three provisions in the signature card is a valuable precaution. The cards are made in two sizes—4 by 6 inches and 3 by 5 inches. The smaller size carries the provisions described above on the back of the card, the front specifying that "this account is subject to the conditions on the reverse side of this card."

It Looked Like Real Money—But It Wasn't

Rare Examples of Counterfeiters' Work Given in Exhibit by
Joseph A. Kavanagh of U. S. Secret Service at
A. B. A. Convention

By Richard F. Durham

WOULD any banker—without having the evidence before his eyes—have believed it possible for a man to take an ordinary pen and ink and, on ordinary paper, make an imitation of a \$50 United States note which is perfect in every minute detail? Yet it has been done. And evidence of it was present, on the Steel Pier at Atlantic City during the recent American Bankers Association convention, in the form of a \$50 counterfeit note made by the world famous forger, Jim the Penman. This note was included in an exhibit of one of the rarest collections of counterfeit United States money ever put on display. The exhibit, which ran to a total of about \$3500 in spurious bills, was made by courtesy of the United States Secret Service Department, and was in charge of Joseph A. Kavanagh of that department.

Fortunately for the public, says Mr. Kavanagh, there has never been but one Jim the Penman. Fortunately also, as regards his counterfeiting activities, it took him from three weeks to a month to complete the counterfeiting of a single bill. Jim the Penman was primarily a forger. His limited activities in the field of counterfeiting were merely by way of diversion. He was the world's greatest forger, as well as the most dangerous. His depredations are believed to have run into the millions. It took thirteen years to capture him. He served his time, was released some years ago, and has followed the straight and narrow path ever since.

So far as is known, Mr. Kavanagh remarked, Jim the Penman never completed the counterfeiting of but three

individual notes. These were a \$20, a \$50 and a \$100 United States note. They were made some forty years ago, entirely by hand, on plain paper with an ordinary pen and ink. Two of the notes, the \$20 and the \$50, were on exhibit at Atlantic City. The notes are perfect in every detail, except that the back plate of the \$20 note was left in an uncompleted state. Jim passed this note through a New York firm in 1884.

Counterfeiting, with Jim, was a point of pride rather than a source of profit. He was a man possessed of a high degree of personal vanity. He made counterfeit bills to fool the public. They did fool the public. They fooled almost everybody—except the United States Secret Service.

Tricks of the Counterfeiting Trade

There are many peculiar turns and tricks in the wide variety of methods and processes used by counterfeiters in the manufacture of spurious bills, as was well demonstrated by Mr. Kavanagh in his interesting comment on the bills comprising the exhibit.

One of the most obvious tricks of the amateur counterfeiter is to alter or to add to the numerals on the corners of a bill in such a manner that the bill is raised from, for example, \$1 to \$100. Another method often employed is the pasting of numerals over those printed on the bill, thus raising its denomination to any desired amount. Such artifices can usually be readily detected by anyone at all familiar with the handling of currency.

The more expert operator is not con-

tent with such makeshifts, but pays careful heed to every detail of his work. He endeavors, with painstaking diligence, to reproduce every characteristic of the bill that he counterfeits. He pays particular attention to such matters as color, shading, marginal spacing, imitation of the silk threads, accuracy of geometrical work in the borders, fidelity in reproduction of portraits, and likeness in all details of size and spacing of all letters and figures.

The Work of the Famous Lancaster Gang

"One of the most dangerous gangs ever operating in this country was the famous 'Lancaster gang,' so called because most of their work was done in Lancaster, Pa.," said Mr. Kavanagh. "Here," he continued, pointing to one of the notes in the exhibit, "is a \$100 counterfeit silver certificate, known as the 'Monroe note.' This is an example of the work of the Lancaster gang. It was made by a process of hand steel engraving, and it is one of the world's greatest counterfeits. It is so nearly perfect that the Government, about fifteen years ago, felt it advisable to call in the entire issue of this series (\$28,000,000) rather than take the chance of having these notes circulate among the banks.

"The Lancaster gang," continued Mr. Kavanagh, "were apprehended after making the 'Monroe' counterfeit, and were convicted and sentenced to jail in Moyamensing Prison in Pennsylvania. There were four members of the gang, two of whom were the leaders. They were all engravers who had turned their activities into criminal channels.

"While serving time in this prison the Lancaster gang made a counterfeit \$20 United States note and put it into circulation. This note proved very dangerous. It was widely circulated and gave a great deal of trouble. It is obvious that the note could not have been made and circulated outside the prison without well organized collusion.

Later developments uncovered such collusion. It was found that a number of persons both in and outside of the prison were implicated. This episode became known as the 'Lancaster Conspiracy.'

"The Lancaster gang counterfeited, in addition to the notes mentioned above, some United States Revenue cigar stamps which bore the paper watermark 'I. R. U. S.' When brought to trial the gang said, in their plea, that these letters stood for 'Indian Rheumatic Ulmar Syrup.' What this syrup was, no one ever found out.

The Troublesome "Wilkins" Notes

"Among the most troublesome notes of recent years are the so-called 'Wilkins' notes.

"Wilkins was a young high school boy with an unusually perceptive mind. Unfortunately his mental faculties and his energy were misdirected. He was a good student. He read, with infinite patience and attentiveness, in the New York Public Library, everything that he could find that had to do with the making of paper and with photo-engraving.

"At the age of nineteen Wilkins began to enter seriously upon his counterfeiting career. He manufactured his own paper, and did it so well that it approached as near to perfection as was possible without its being genuine.

"Wilkins made three notes," said Mr. Kavanagh, holding up three very genuine looking bills for the writer's inspection, "a \$1 and a \$5 silver certificate, and a \$10 Federal Reserve Bank of Minneapolis note. These notes are very distinctive, particularly the \$1 note. All three were made from a soft copper plate by a photo-mechanical process on single pieces of Wilkins' highly dangerous paper, in which he had placed silk threads.

"The \$1 silver certificate was the first note made by Wilkins. After putting these \$1 notes out for several months, Wilkins made the plate for his

\$5 certificate and began issuing this latter note. He put out approximately \$75,000 worth of these notes.

"Wilkins then made his \$10 Federal Reserve note. The first person he passed this note through was able to give a detailed and accurate description of him. The second attempt to pass the note, taking place on the Pacific Coast, resulted in his capture. It is a curious fact," Mr. Kavanagh added, "that if anyone presents a \$1, a \$2 or a \$5 note in payment for a purchase, the person to whom it is given will, as a rule, take only a casual glance at him and will consequently have a very poor description of him in his mind's eye. But if anything from a \$10 note up is presented, the person receiving it will often have an indelible impression of the one who presented it, and will be able to give a fairly good description of him.

"During the time that Wilkins was passing the \$1 and \$5 notes, the Secret Service Department received something like 250 different descriptions of him. After he was captured it was found that only in rare instances did these descriptions fit him.

"The \$1 note made by Wilkins is so perfect that only an expert can detect the fact that it is counterfeit. When the bill is placed under a strong magnifying glass it is apparent that the geometrical lathe work lines in the border are broken, and lack the continuity that a steel engraved plate would have.

"Wilkins' \$5 note has several defects, none of which is readily apparent, but some of which may be observed upon careful examination. For example, the letters 'es' in the 'United States' across the face of the note tumble very slightly; the serial number has a tendency to run down hill, and the script letter 'D' in 'Dollars' on the face of the bill has a tendency to be flat instead of oval. These notes all have the same mechanical defect on the reverse side, namely, in that the back plate is three-sixteenths of an inch short. This is due to the fact that when Wilkins tightened up his

photographic apparatus, there was a slight slip that he did not notice.

"The outstanding defect in Wilkins' \$10 Federal Reserve note is in the serial number. The letter 'I' is entirely too large, and the numerals themselves are not perfectly proportioned or distanced. The picture on the face of the note is perfectly black, and carries no high lights or shades whatever."

The Chas. H. Smith Treasury Note

At this point Mr. Kavanagh laid the Wilkins' notes aside and held out two counterfeit United States Treasury notes of the series of 1869. One of these notes was for \$50 and the other for \$500.

"These two notes," said Mr. Kavanagh, "are the outstanding counterfeits of the world. They are hand steel engraved on one piece of paper, and were made by the famous counterfeiter Charles H. Smith. Both notes, on back and front plates alike, are gems of counterfeit workmanship. The picture on the \$50 note is the finest piece of work to be found on any counterfeit note. It is almost impossible for the layman to tell this \$50 note from genuine currency.

"On the \$500 note Smith made two bad slips. He put six toes on one of the feet of the picture of the Goddess of Liberty, appearing on the left face of the note, and in the portrait of John Quincy Adams, in the center of the face of the note, one of the buttons on Adams' coat is square instead of round. This bill is otherwise a splendid piece of workmanship.

The Notes of the Dr. Brockway Gang

"Here," said Mr. Kavanagh, picking up three counterfeit national bank notes from the exhibit, "are some specimens of the highest grade of counterfeiting work in steel engraving." The notes in question were a \$500 note on the First National Bank of Tamaqua, Pa., a \$100 note on the Pittsburgh National Bank, and a \$50 note on the Tradersmen's National Bank of New York City. The

\$50 and \$500 notes were of the series of 1865, and the \$100 note was of the series of 1867. "These notes," continued Mr. Kavanagh, "are all specimens of the work of the Doctor Brockway gang which included, besides the notorious Doctor Brockway, such well known counterfeiters as Ben Boyd and Tom Ballard. All of the three notes mentioned above were plentifully circulated at the time they were made, and occasionally, even now, one of them crops up at one of the Federal Reserve Banks. Boyd made the \$500 note. The back of the genuine note depicts the landing of Columbus. In reproducing this scene in his counterfeit note, Boyd made a faithful reproduction of at least twelve distinct human figures, getting his proportions correct down to the most minute detail. The back plates of the \$100 and the \$50 notes are still more remarkable in their fidelity to detail. The former, which is attributed to Doctor Brockway himself, shows the Embarkation of the Pilgrims, and contains about twenty distinct figures, while the latter note, which Ballard made, depicts the signing of the Declaration of Independence, and contains a total of about fifty figures, both seated and standing."

The Highest Interest Rate Ever Paid by the Government

Mr. Kavanagh next took from the exhibit a counterfeit \$1000 Government bond, known as a 7-30. The Government paid on this issue the highest rate of interest in its history. This bond is the work of the Brockway gang. It is steel engraved, and a perfect specimen. It is of the June 25, 1865 issue. "About \$80,000 of these bonds," said Mr. Kavanagh, "were circulated in Pennsylvania, New Jersey and New York before the Brockway gang was apprehended."

The Brockway gang has long been broken up. Doctor Brockway, the master mind of the gang is dead, and his confederates, Boyd and Ballard, have long since served their time and ceased their counterfeiting activities.

The Marcus Chran "Gambler's Note"

One of the interesting notes of the exhibit was a so-called "gambler's note," made by Marcus Chran. It is a \$100 counterfeit gold certificate, the front plate of which is exceptionally good and will pass any but a most careful inspection. The back plate, however, is glaringly faulty, as it is executed in a salmon color, instead of the gold color which the genuine note carries. This note has been distributed chiefly at race tracks in St. Louis and New York. "Chran, in making this note," said Mr. Kavanagh, "took into account the psychology of gamblers, and did not deem it necessary to pay much attention to his back plate. It is a well known fact among race track frequenters, that a gambler rarely turns a note over in handling it if it is presented to him face up." This note and also a \$20 note which Chran made, which is a dangerous specimen, are still circulating.

The "Split" Notes

"One of the tricks of the counterfeiting trade," said Mr. Kavanagh, picking up what appeared to be a genuine \$20 Federal Reserve note, "is the making of what are known as 'split' notes. The individual, in the execution of a note of this type, takes, as has been done in the case at hand, a genuine \$20 note, splits it through a process which is known to only a few men, and then does likewise with a genuine \$1 note. He then takes the face of the genuine \$20 note and the back of the \$1 note, and pastes them together. He then pastes the numerals '20' over the '1' on the back of the combination note. He goes through the same process with the two remaining pieces of the genuine notes, thus clearing \$19 on the operation. In passing these notes the genuine maximum side is always presented.

"A particularly good example of recent counterfeit work," said Mr. Kavanagh, directing attention to a \$20 Federal Reserve note on the Federal Reserve Bank of New York, "is this bill

executed by Philip Lieberman, alias John Davis, noted as an international forger. Davis is now doing fourteen years in Atlanta for making this bill. It is a very good piece of workmanship, and can be distinguished from the genuine only by a close scrutiny of the front plate, the border of which is entirely too dark. The portrait of Cleveland, appearing on the front plate, is also at fault in that it has no high lights in the background. This note was made on one piece of paper, with pen and ink reproductions of silk threads running through it. Davis, incidentally," added Mr. Kavanagh, "is the only man known to have successfully counterfeited the famous five pound note of the Bank of England."

Of the present day counterfeits are a number, mostly of Federal Reserve notes, which are being made chiefly by Italian operators both in this country and abroad. Among notes of this character included in the exhibit at Atlantic City was a \$100 Federal Reserve note on the Federal Reserve Bank of Cleveland, which is in current circulation. This note was originally a \$1 bill, the paper being genuine. It was bleached through a chemical process, eliminating all coloring matter and obtaining pure white paper, and was then re-engraved and re-colored as a counterfeit \$100 bill. Both back and front plates are very well executed, and the color is close to genuine. Other examples of present day Italian work at the exhibit were a \$5 silver certificate, series of 1899, known as the "\$5 Indian Head Certificate;" a \$10 national bank note on the First National Bank of Ozone Park, N. Y., series of 1902, and a \$20 national bank note on the Grand Rapids National Bank of Grand Rapids, Mich., series of 1902. These three latter examples are poorly executed. They are photographic reproductions, made on two pieces of paper, with silk threads in between. The coloring is very faulty. The makers of these three notes have been taken into custody and are now serving prison sentences. Their plant and plates have been confiscated.

Two Troublesome Specimens in Current Circulation

"Two troublesome specimens which are in current circulation," said Mr. Kavanagh, indicating two \$20 counterfeit national bank notes, "are now being manufactured in and circulated from Mexico. They are a \$20 note on the Central National Bank of San Angelo, Texas, series of 1914, and another of the same denomination on the First National Bank of Fayette, Idaho, series of 1921. The notes are steel engraved on two pieces of paper, with silk threads in between. The back plates are particularly well executed. The green coloring in these bills is somewhat too dark, but is good enough to be very deceptive. The Fayette note is detectable upon close scrutiny by the charter number '2532' directly over the seal on the face of the note, as the numerals will be observed to have been colored by hand. The serial number in the upper border of this note is crude in that the numerals are almost three times as broad as in the genuine note. The men who are manufacturing these notes are still at large, and as the notes are still circulating, banks are being warned to be on the lookout for them."

The Prize Note of the Exhibit

Perhaps the prize note of the entire exhibit was a \$10 Federal Reserve note, made in Germany, and obviously intended for foreign circulation. The note is absolutely colorless and toneless except for the dead black used in printing its various parts. The bill is printed on an ordinary cheap grade of paper. The German eagle is used in the seal, and the name of the Treasurer of the United States is given as "J. Duche." German script letters are used in the words "Washington" and "America," is spelled with a "k." "This shows," said Mr. Kavanagh, "what is it possible to pass in some parts of the world as United States currency. It ought not to pass," he concluded, "even as a valentine."

Bankers Survey State Banking Laws

A SURVEY of state banking laws conducted by the State Bank Division of the American Bankers Association shows marked progress toward greater uniformity and more efficient bank supervision, it is declared by Frank W. Simmonds, in charge of the division, in a statement giving the results of the investigation. He says that the movement for state guaranty of bank deposits appears to have gone into eclipse.

"The division has urged that the office of bank commissioner be freed from politics and all other functions of state government, and tenure be made more secure with sufficient compensation and discretion to attract men of outstanding ability," Mr. Simmonds says. "Gratifying progress has been made during the last year in important bank legislation in many states. Idaho, Wyoming and Oregon led the list by adopting entirely new modern banking codes, while Texas and Montana have new codes in preparation.

"The survey shows that it is generally agreed there should be a high degree of uniformity among the states in laws dealing with certain fundamental principles of bank organization, regulation and supervision, and that there is a strong tendency in this direction. We find a very definite trend toward increasing the minimum capital requirements of banks to \$25,000; creation of banking boards to act in an advisory capacity with the state bank commissioner; and legislation empowering bank commissioners to take complete charge of insolvent banks and to liquidate them as distinguished from liquidation through the courts.

"We find also a trend toward legislation providing for closer supervision and regulation of building and loan associations; more equitable taxation of bank stock; legislation providing for merger, conversion or consolidation of banking

institutions; the legalizing and regulating of what is known as 'departmental banking;' broadening the field for investment of funds of saving banks and trust companies; and increasing the power of the bank commissioner as to granting or denying charters for new banks, and authorizing his making reasonable rules and regulations governing bank management and prescribing penalties for the violation thereof.

"Additional general characteristics of state bank legislation are for increasing the compensation of the bank commissioner and lengthening his term of office of four, five or six years, with power to appoint necessary deputies and examiners; legislation providing for the reduction of mandatory bank calls to three and reducing the number of examinations required by law annually to one; making issuance of worthless checks a misdemeanor; limiting or prohibiting an officer or director of a bank borrowing from his bank unless his collateral is approved by a majority of the board of directors; and limiting or prohibiting the opening of branch banks.

"The question of state guaranty of bank deposits appears this year to have passed into an eclipse, so far as the extension of the idea is concerned, notwithstanding the fact that state guaranty laws were recommended by the governors of two states, and bills were introduced in several of the states all of which were defeated. The general tendency, so far as state guaranty of deposits laws are concerned, is distinctly the other way, the indications being that several states now having guaranty laws are trying to free themselves from this legislation. Oklahoma has abandoned the plan of state guaranty of deposits, and this year the South Dakota legislature has repealed the state guaranty law and has referred the repeal to the people at the next general election for ratification."

Banking and Commercial Law

SPECIAL

**BANKERS
MAGAZINE**

SECTION

1810



1925

*A Distinctive Service for
Your New York Business*

**THE
MECHANICS & METALS
NATIONAL BANK
OF THE CITY OF NEW YORK**

Deposits, Sept. 28, 1925, \$271,000,000

G. W. McGARRAH
Chairman of the Board

JOHN McHUGH
President



Main banking room of the Newburgh Savings Bank,
Newburgh, New York

MARBLE clad walls with sculptured panels depicting early events in the history of this interesting old city on the Hudson, are the outstanding features of this splendid new banking room.

*Design, Engineering Service,
Construction Management by*

WEARY AND ALFORD COMPANY

Bank and Office Buildings
1923 Calumet Avenue
Chicago

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Bank Not Liable on Note Indorsed by President Without Authority

Stansell v. Payne, Supreme Court of North Carolina, 127 S. E. Rep. 693.

THE president of a bank executed a note in the name of a development company, indorsed the note individually and in the name of the bank, and procured a loan thereon from the payee named in the note. The bank received no part of the money loaned on the note. The president absconded. Upon maturity of the note the plaintiff brought an action thereon and recovered a judgment against the bank. Upon appeal the judgment was reversed on the ground that the president of the bank had neither express nor implied authority to indorse the note, and therefore the bank was not liable on the indorsement.

Action by L. W. Stansell against T. J. Payne and the Industrial Bank of Mecklenburg. Judgment for plaintiff, and defendant last named appeals. Reversed.

OPINION

CONNOR, J.—On November 5, 1923, T. J. Payne, acting as and in the name of Carolina Farms & Development Company executed a note, in words and figures as follows:

\$2000 Charlotte, N. C., Nov. 5, 1923.

Four months after date, without grace, we promise to pay to the order of Mrs. L. W. Stansell, at the Security Savings Bank, two thousand dollars, at its banking house, with interest after maturity at the rate of 6 per cent. per annum till paid. Value received. All indorsers of this note waive notice of its dishonor.

Carolina Farms & Development Company.
By T. J. Payne.

Said note was indorsed by T. J. Payne. The said T. J. Payne was on said date, and for some time prior thereto had been president of defendant Industrial Bank of Mecklenburg. At the time he executed and personally indorsed said note, he also placed thereon, with a stamp, the words "Industrial Bank of Mecklenburg, by T. J. Payne,

President." After said note had been thus executed and indorsed by T. J. Payne, he delivered same to plaintiff, who thereupon, as consideration for said note, delivered to said T. J. Payne her four checks, aggregating \$1,946.67, payable to Carolina Farms & Development Company. These checks were collected by the said T. J. Payne. No part of the proceeds of said checks was received by defendant, Industrial Bank of Mecklenburg.

Plaintiff had known T. J. Payne since July 23, 1923, during which time he was president of Industrial Bank of Mecklenburg and a director of the Security Savings Bank. She is a widow. He had looked after her personal business. He applied to her for the loan of this money, which was a part of the proceeds of policies of insurance upon her deceased husband's life. She saw him execute the note and sign his name on the back of the note as president of the defendant company. She relied upon the indorsements on the note. He did not tell her the purposes for which he borrowed the money. She had previously loaned \$1500 to defendant, and had received therefor note signed by the cashier of defendant. This note had been paid promptly, at maturity. Plaintiff acted in good faith in this transaction and believed that the indorsement made by T. J. Payne, as president, was a valid indorsement by defendant.

The note upon which this action is brought was not paid at maturity. This action was begun on August 27, 1924. T. J. Payne had fled the state, and no personal service of summons had been made upon him. His property in this state was attached and the sum of \$459.65 was realized from a sale thereof. This sum was applied as a payment on the note, on December 24, 1924. No other or further payment has been made on said note. Judgment was rendered that plaintiff recover of defendant, Industrial Bank of Mecklenburg, the sum of \$2000, with interest from March 5, 1924, and costs, subject to a credit of \$459.65 a. of December 24, 1924. Defendant excepted to this judgment, contending that it was not liable on said note, by reason of the indorsement thereon.

T. J. Payne had no express authority

from defendant to indorse in its name the note upon which this action is brought. Nor can such authority be implied from the facts agreed as stated in the record. The implication does not arise from the mere fact that T. J. Payne, on the date of the indorsement of the note, was and for some time prior thereto had been president of defendant. The president of a corporation is but "the executive agent of the board of directors, to perform such duties as may be devolved upon him; he is not the corporation and cannot take the place of the governing board, and make contracts, or incur liabilities outside the ordinary business of the bank, without special authority." 3 R. C. L. 440. *Dowd v. Stephenson*, 105 N. C. 467, 10 S. E. 1101. There had been no transactions between plaintiff and T. J. Payne, as president of defendant bank, prior to the indorsement of this note, in the interest of the bank, from which his authority to indorse the note could be implied. She had previously loaned \$1500 to the bank, but the note for this loan was executed by the cashier of the bank, and the loan was made to the bank. This loan was made to the Carolina Farms & Development Company. There was no representation that the bank had any interest in the loan; plaintiff's checks, given in consideration of the note, were payable to Carolina Farms & Development Company and delivered to T. J. Payne who executed the note in its name, and personally indorsed the same.

Defendant bank had no interest in the loan; T. J. Payne had a personal interest in the transaction. In *Brite v. Penny*, 157 N. C. 110, 72 S. E. 964, Justice Brown, writing for this court, said:

We recognize the general doctrine held by all courts, that a corporation is not bound by the action or chargeable with the knowledge of its officers or agents in respect to a transaction in which such officer or agent is acting in his own behalf, and does not act in any official or representative capacity for the corporation.

This principle has been approved in numerous opinions of this court, and has been uniformly and consistently applied in numerous cases brought to this court by appeal. *Corporation Commission v. Bank*, 164 N. C. 357, 79 S. E. 308.

In *Grady v. Bank*, 184 N. C. 158, 113 S. E. 667, 28 A. L. R. 660, Chief Justice Clark, writing for the court, says:

It is a well-settled principle of law that the cashier cannot bind the bank by his acts in respect to matters in which he is personally interested, and third persons are bound to know that the cashier has no authority to use the funds of the bank for his own benefit.

See, also, *Bank v. West*, 184 N. C. 220, 114 S. E. 178.

In *Trust Co. v. Trust Co.*, 188 N. C. 766, 125 S. E. 536, we held that the guaranty of the note of a customer of the bank, by its cashier who had authority to discount notes owned by his bank, was binding on the bank, where the cashier had no personal interest in the transaction and the proceeds of the discount were credited to the account of the bank. The facts of this case make it easily distinguishable from the instant case. So in *Williams v. Bank*, 188 N. C. 197, 124 S. E. 125, we held the bank liable to a customer, for whom the bank had duly discounted a note, the proceeds of which the cashier had not applied as directed by the customer. In that case the cashier had received the proceeds of the note, within the scope of his authority as cashier, and the bank was properly held liable for the misapplication. The principle of the law which was held decisive in *Grady v. Bank*, supra, did not apply.

The principle that where one of two persons must suffer by the wrongful act of another, the loss must fall upon the one who first reposed the confidence and made it possible for the loss to occur, cannot avail plaintiff upon the facts in this case. Defendant is liable for the acts of its agent, T. J. Payne, only when within the scope of his authority, express or implied. It is plaintiff's misfortune that she made no inquiry as to the authority of the president to indorse the note. She had notice that he was acting, in this transaction, not in the interest of defendant bank, but in the interest of himself, or at least of a third party—Carolina Farms & Development Company. She acted in good faith and believed the indorsement made upon said note in name of defendant by its president valid. This fact elicits sympathy for her, but cannot fix defendant with liability for the unauthorized act of T. J. Payne.

The exception to the judgment must be sustained. Upon the facts as stated in this record, defendant is not liable to plaintiff on account of the alleged indorsement. There is error, and the judgment must be reversed.

**Agreement to Charge Back
Overdraft Check**

Stephens v. First National Bank of Cleveland, Texas, Court of Civil Appeals of Texas, 271 S. W. Rep. 395.

The plaintiff deposited in the defendant bank a check for \$100 drawn by another of the bank's depositors. Subsequently, the check was charged back against the plaintiff's account on the ground that it was an overdraft and that the drawer had not made it good. In an action by the plaintiff against the bank to recover the amount of the check, the cashier of the bank testified that the check was accepted only on the condition that it would be made good in the event that payment should be refused. On the back of the check was a written memorandum to the effect that the check was credited "with understanding that if not satisfactory to be made good." It was held that the bank was entitled to charge the check back against the plaintiff's account and that the plaintiff could not recover.

Action by Joe Stephens and wife against First National Bank of Cleveland, Texas. Judgment for defendant, and plaintiffs affirmed. Affirmed.

OPINION

HIGHTOWER, C. J.—This suit was instituted by the appellants, Joe Stephens and his wife, Icy Stephens, against the First National Bank of Cleveland, Texas, seeking to recover the amount of a deposit for the sum of \$100 alleged to belong to Mrs. Stephens, and for the further sum of \$15 as attorney's fees.

The defendant bank answered by general demurrer and general denial, and especially answered that the check deposited by Stephens for his wife was taken by the bank for collection only as against the drawer of the check. This will suffice as a statement of the substance of the pleadings. The controversy arose upon the following facts:

On September 4, 1922, one E. N. Ward drew his personal check, payable to the order of W. H. Brooks, in the sum of \$100 on the First National Bank of Cleveland, Tex., the appellee here. Brooks, by indorsement in blank, sold the check to H. Cohen. Cohen sold the check for its full

face value to appellant Joe Stephens, who a day or two thereafter presented the check to the bank for payment, but it was not paid for the reason that Ward at that time did not have sufficient funds in the bank to meet the check. On September 15, 1922, the check was again presented by Joe Stephens, and, in explaining what then took place between the bank, acting through its cashier, and Stephens, his evidence was, in substance, as follows:

When he presented the check on this occasion, the cashier of the bank asked him if he wanted the money on the check or desired credit on the bank's books. He told the cashier that he desired the amount of the check placed to his wife's account. He testified that he explained to the cashier the reason why he wanted to deposit the amount of the check in his wife's name, his reason being that he had purchased the check with money which was the separate property of his wife. The check was introduced in evidence and showed upon its face to have been marked "paid" September 15, 1922, but upon the back of the check was this written notation: "Credited to account of Mrs. Icy Stephens 9/15/22, with understanding that if not satisfactory to be made good."

At that time the bank, through its cashier, delivered to Stephens a deposit slip reading as follows:

Deposited in the First National Bank, Cleveland, Texas, by Mrs. Icy Stephens.

September 15, 1922.

Please list each check separately.

Dollars	Cents.
Currency	
Silver	
Gold	

Checks as follows:

E. N. Ward	\$100.00
Thanks	
Duplicate.	

C. V. Mangum, Cashier.

Total	\$100.00
-------------	----------

The bank's cashier, Mr. Mangum, testified, substantially, that when Mr. Stephens first brought the check to the bank, Ward did not have sufficient funds in the bank to pay it, and that before the check was again presented he, the cashier, had been informed of an understanding and agreement that had been entered into between the drawer of the check, Ward, and his creditors, by which they had all agreed that F. B. Henderson of

Cleveland, Texas, would act in the way of a trustee for Ward and his creditors, and that outstanding checks issued by Ward to creditors, among them the check in question, were to be paid off by Henderson in proportion to the respective amounts due such creditors from lumber sales made by Ward and collected by Henderson; that when the check was presented the second time to the bank, he, the cashier, informed Mr. Stephens that he thought that a part of the amount called for by the Ward check to Brooks, if not all of it, had already been paid by Henderson under the arrangements above stated, and he testified that Mr. Stephens thereupon stated that this was not one of the old outstanding checks that Ward had given, and that the arrangement with Henderson above mentioned had no connection with this check, and that Stephens felt sure that the check would be honored and paid by Ward. He further testified that on this occasion, while he and Stephens were talking about the check, he, witness, stated that Mr. Ward was out of town, and that it would be impossible for him to get in touch with Ward for perhaps two weeks; that thereupon Stephens suggested that the bank take the check for collection, and that if Mr. Ward refused payment that the check be charged back and taken from Mrs. Stephens' account; that after this suggestion on the part of Mr. Stephens, he, the cashier, in the presence of Stephens and with his consent, wrote on the back of the check the notation: "Credited to account of Mrs. Icy Stephens 9/15/22, with understanding that if not satisfactory to be made good."

The cashier further testified, in substance, that as soon as he could get in communication with Ward after the check was put in the bank, he presented it to Ward, and that Ward refused to honor it, stating that the amount called for by the check had already been taken care of through payments made to Brooks under the arrangement had between Ward and his creditors and Mr. Henderson; that after Ward had refused to honor the check, the cashier, in accordance with his agreement with Stephens relative to the check, charged the same back to the account of Mrs. Icy Stephens, and thereupon gave to Mr. Stephens for his wife the following charge slip:

Charge Mrs. Icy Stephens: Check signed by E. N. Ward, payable to W. H. Brooks charged back to your account as per agreement with Mr. Joe Stephens, who deposited

the check with the understanding that if not satisfactory he would make it good. \$100. This amount paid twice to Mr. Brooks. Cleveland, Texas, October 3, 1922. \$100.

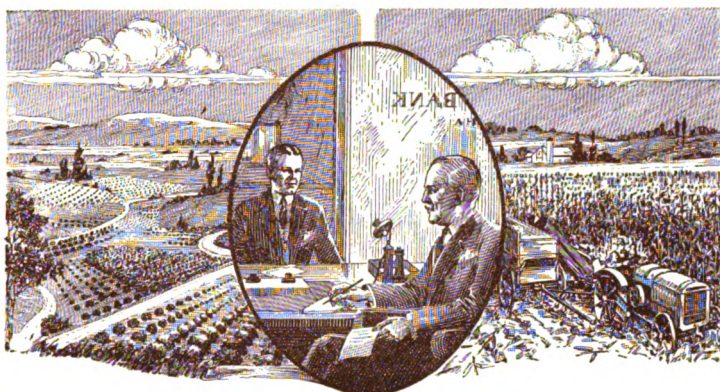
When the bank, defendant below, offered in evidence the written notation on the back of the check in question, which we have copied already, and in connection therewith offered the testimony of the bank's cashier, as we have stated it, the plaintiffs objected on the ground mainly that it was, in effect, permitting the defendant to alter and contradict the written contract of acceptance of the check by the bank, as shown by the word "Paid" perforated on the face thereof and the deposit slip issued as we have shown, by parol testimony, which was wholly inadmissible, but the objection was overruled and appellants saved the point by proper bill.

The case was tried with a jury, and but one special issue was submitted by the court, which was as follows:

At the time the check in question was presented to the First National Bank for payment by Joe Stephens, was there an agreement had between Joe Stephens and the First National Bank that said check was to be charged back to the account of Mrs. Icy Stephens in the event payment was refused by E. N. Ward?

To this question the jury answered "Yes." and upon this answer, judgment was rendered by the court that plaintiffs take nothing by their suit.

Able counsel for appellants has advanced a number of propositions, under which he contends that the judgment should be reversed, and most of them are based upon a number of sections of article 6001, Complete Texas Statutes, known as the Negotiable Instruments Act, passed by our Thirty-Sixth Legislature. We shall not go into these propositions in their numerical order or in detail at all, for we are certain that if the written notation upon the back of the check as we have quoted it, and the evidence of the bank's cashier, in connection with that notation, were admissible, the judgment in this case must be affirmed. We see no reason why this testimony was not admissible relating to this transaction between the holder of the check in question and the drawee bank. The drawing of the check by Ward was not an assignment of that amount of money to the payee named until the check had been unconditionally



*"Where Shall We Invest
These Funds?"*

As crop money liquidates loans, correspondents of the Union Trust Company find the facilities of this Bank exceptionally complete to help them keep surplus funds profitably employed in prime commercial paper, call loans and short term investments.



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

UNION TRUST COMPANY CHICAGO

THOROUGHLY ORGANIZED TO REDUCE THE TIME ON ITEMS IN TRANSIT
FOR CORRESPONDENTS EVERYWHERE

accepted by the bank. If the check had been unconditionally accepted, then, of course, the bank, in refusing to recognize Mrs. Stephens as the owner of the deposit, would have been clearly liable in this case. But when Joe Stephens was informed, if he was when he presented this check the second time for payment, by the bank's cashier that the bank would only accept the check or cash the check upon condition that Mr. Stephens would agree to make the check good in the event its payment should be refused by Ward, Stephens had the right to accept such conditional acceptance or reject it, he being the holder of the check at the time, and if he chose to let the bank take the check with such understanding, which was, in effect, a presentation of the check to the bank for collection, then we see no reason why that transaction should not be binding upon the parties. We do not regard the case of *Bull v. Novice State Bank* (Tex. Civ. App.) 250 S. W. 232, or the case of *Commercial State Bank v. Harkrider* (Tex. Civ. App.) 250 S. W. 1069, as being in conflict with this view. In the case of *Downey v. Na-*

tional Exchange Bank, 52 Ind. App. 672, 96 N. E. 403, the court, among other things, said:

According to the weight of authority, where it appears that a check, bearing an indorsement not indicating that it was indorsed for collection, is passed to the credit of the depositor as cash, and nothing further appears, the presumption arises that the transaction constitutes a sale of the check to the bank. This presumption, however, is not conclusive and may be rebutted by facts or circumstances showing a contrary intention.

A number of authorities are cited in support of the holding.

We have concluded that it was clearly permissible for the bank, the appellee, to offer in evidence, as it did, the written notation on the back of the check in question, and to supplement that and explain it by the testimony of the cashier, Mr. Mangum, which, together, was sufficient evidence to warrant the finding of the jury and the judgment of the court in this case. It is ordered that the judgment be affirmed.



More Subscriptions For A. B. A. Educational Fund

ADDITIONAL individual subscriptions to the American Bankers Association Educational Foundation of \$500,000, launched at the recent Atlantic City Convention of the organization, have been announced at association headquarters in New York as follows: Kuhn, Loeb and Company, New York, \$5000; Arthur Sachs of Goldman, Sachs and Company, New York, \$5000; William C. Potter, president Guaranty Trust Company, New York, \$1000; Charles A. Hinsch, president Fifth-Third National Bank, Cincinnati, Ohio, \$1000; E. F. Swinney, president First

National Bank, Kansas City, Missouri, \$1000; and Robert F. Maddox, chairman Atlanta and Lowry National Bank, Atlanta, Georgia, \$1000. The last three are all former presidents of the association. It was also stated that the directors of the Irving Bank-Columbia Trust Company of New York, who were announced at Atlantic City as giving \$2500, had made their subscription a round \$3000. Total actual cash and pledges now in hand are over \$482,000, while conditional promises outstanding indicate that the final total will be over the designated half million mark.

Security increases as time goes on

A RAILROAD is thrown into bankruptcy. The bonds, long considered gilt-edged, are worthless. A nation repudiates its obligations and thousands of investors suffer. . . . Supposedly sound investments are wiped out by uncontrollable circumstances.

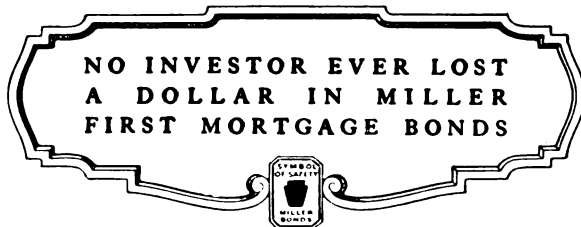
However, there is one investment that is unaffected by the actions of foreign governments, that does not depend on the prosperity of one industry, that offers safety which increases with time—the first mortgage real estate bond, underwritten by a reputable house equipped with the experience and personnel to issue this highly specialized type of security.

The building—an apartment, office or hotel structure—which is the security for the bond issue, continues to earn a fair income over a long period of years. These earnings pay interest and provide funds for the retirement of the bonds as they mature. And the building remains as security for the outstanding bonds. The mortgage is not released until the last bond is retired.

Miller Bonds have these features: Interest up to 7 per cent. . . . The guarantee clause . . . Normal federal income tax refunded. . . . Various state taxes refunded or paid.

Real estate bonds offer safety and a liberal income. But they should always be purchased from houses of the conservative type whose success is founded on the fact that: "No investor has ever lost nor ever will lose a dollar in our first mortgage real estate bonds." G. L. Miller & Co., Incorporated, 30 East 42nd Street, New York City. Offices and representatives in principal cities.

Send for Booklet—B-401



Banking Publicity

Special Section of The Bankers Magazine

NOVEMBER 1925

Largest Gathering Of Financial Advertisers On Record Hears Splendid Program At Columbus

Much Emphasis Placed On Importance of Analysis Of Field By Bank Before Making Advertising Appropriation

By RICHARD F. DURHAM

THE importance of a careful analysis by a bank of the territory which it serves and of basing the advertising appropriation of the bank on the results of such an analysis rather than on an arbitrary figure, was one of the chief points brought out at the tenth annual convention of the Financial Advertisers' Association at the Deshler Hotel, Columbus, Ohio, October 14-15-16.

Another point which was stressed during the proceedings was the value of building up within a bank's organization a

spirit of appreciation of the aims which the bank is striving to obtain through its advertising, and a spirit of co-operation on the part of the bank's personnel in the attainment of these aims.

The largest number of financial advertisers ever assembled together listened at the Columbus convention to a highly instructive and interesting program which included subjects on all phases of bank and investment advertising. More than 500 men and women in charge of the advertising of banks and investment houses

in all parts of the country attended the convention.

The Department Meetings

The main sessions of the convention were supplemented by departmentals. Four such meetings were held; namely, a commercial department meeting, an investment department meeting, a savings department meeting, and a trust department meeting. At each of these group meetings varied phases of the publicity and new business getting problems of the department in question were covered in a highly competent manner by timely and authoritative addresses.

Both the general and the group sessions were marked by the excellence and practical helpfulness of the addresses, and much credit is due the program committee and its chairman C. H. Handerson, advertising manager of the Union Trust Company of



Left to right: E. H. KITTREDGE, retiring president Financial Advertisers' Association, and advertising manager Hornblower & Weeks, Boston; CARROLL RAGAN, newly elected president of the association, and advertising manager United States Mortgage and Trust Company, New York; H. G. HODAPP, first vice-president of the association; of the National City Company of New York.



MARVIN E. HOLDERNESS

One of the founders of the F. A. A. and one of its first presidents; vice-president First National Bank in St. Louis.

Cleveland, for the discrimination and sound judgment which was used in the selection of the speakers.

The Exhibit

A valuable feature of the meeting was the excellent and well arranged display of financial advertising in the ball room of the Deshler in which more than seventy-five financial institutions, and a number of firms specializing in financial advertising, participated. It was the first time that the latter had been invited to exhibit, and they took effective advantage of the opportunity.

This exhibit was by far the best that has ever been presented at a convention of the association with respect to both the quality and the number of the panels on display. The exhibit committee, under the guidance of its chairman, Guy W. Cooke, assistant cashier First National Bank of Chicago, deserves to be commended on the splendid way in which the exhibit was handled. The panels were arranged and displayed in a particularly attractive manner.

The following names were included in list of exhibitors at the convention:

Merchants Bank, Mobile, Alabama; American Southern Trust Company, Little Rock, Ark.; California Bank, Los Angeles, Calif.; Mutual Bank and Trust Company, Hartford, Conn.; American Security and Trust Company, Washington, D. C.; Bank of Bay Biscayne, Miami, Florida; The Southern Banker, Atlanta, Ga.; Call's Bankers Service Corp., Savannah, Georgia; Central Manufacturing District Bank, Chicago; Central Trust Company of Illinois, Chicago; Chicago Trust Company; Depositors State Bank, Chicago; Financial Advertisements Corp., Chicago; First National Bank, Chicago; Halsey, Stuart & Co., Chicago; Illinois Power & Light Corp., Chicago; Meyer Both Company, Chicago; the Northern Trust Company, Chicago; Northwestern Trust and Savings Bank, Chicago; P. M. Reed & Banker Associates, Chicago; State Bank of Chicago; Union Bank of Chicago; Union Trust Company, Chicago; Fletcher Savings and



GUY W. COOKE

A past president and one of the founders of the F. A. A., chairman of the exhibit committee at the convention; assistant cashier First National Bank of Chicago.



F. W. ELLSWORTH

A founder, a past president and for many years a director of the F. A. A.; vice-president Hibernia Bank and Trust Company of New Orleans.

Trust Company, Indianapolis, Indiana; DePuy Publications, Des Moines, Iowa; Homer National Bank, Homer, La.; Hibernia Bank and Trust Company, New Orleans; Doremus & Company, Boston; Detroit Trust Company; Dime Savings Bank, Detroit; First National Bank, Detroit; Security Trust Company, Detroit; Union Trust Company, Detroit; Minnesota Loan and Trust Company, Minneapolis, Minn.; Commerce Trust Company, Kansas City Mo.; Fidelity National Bank and Trust Company, Kansas City, Mo.; First National Bank in St. Louis; Lafayette-South Side Bank, St. Louis; Mercantile Trust Company, St. Louis; Mississippi Valley Trust Co., St. Louis; Fidelity Union Trust Company, Newark, N. J.; National Bank of America, Paterson, N. J.; Buffalo Trust Company, Buffalo, N. Y.; Fidelity Trust Company, Buffalo; the Peoples Bank of Buffalo, Buffalo; the Bankers Service Corp., New York; Henry L. Doherty & Co., New York; Equitable Trust Company, New York; G. L. Miller & Co., Inc., New York; National Service

Bureau, Inc., New York; the National City Company, New York; S. W. Straus and Company, New York; Edwin Bird Wilson, Inc., New York; Central National Bank Savings and Trust Company, Cleveland, Ohio; the Cleveland Trust Company; the Union Trust Company, Cleveland; the City National Bank, Columbus, Ohio; Lawrence Savings and Trust Company, New Castle, Pa.; Franklin Trust Company, Philadelphia, Pa.; Purse Printing Co., Chattanooga, Tenn.; American National Bank, Richmond, Va.; Planters National Bank, Richmond, Va.; Staples & Staples, Inc., Richmond, Va.; the Bluefield National Bank, Bluefield, W. Va.; First Wisconsin National Bank, Milwaukee, Wis.

Election of Officers

At a business session on the closing day of the convention Carroll Ragan, advertising manager of the United States Mortgage and Trust Company of New York was elected president of the association for the ensuing year, succeeding E. H. Kittredge, advertising manager of Hornblower & Weeks, Bos-



CLINTON F. BERRY
Second vice-president of the Financial Advertisers' Association; assistant vice-president Union Trust Company of Detroit.

ton. H. G. Hodapp, of the National City Company, New York, was elected first vice-president of the association; Clinton F. Berry, assistant vice-president Union Trust Company of Detroit, second vice-president; Kline L. Roberts, advertising manager Citizens Trust and Savings Bank, Columbus, Ohio, third vice-president; Carl A. Gode, manager advertising department Illinois Merchants Trust Company of Chicago, treasurer; and Preston E. Reed, Chicago, executive secretary.

Entertainment Features

A variety of interesting entertainment features for the delegates to the convention and their guests had been planned, and these were carried out by a number of local committees under the direction of Robert H. Schryver, general chairman, and president of the Citizens Trust and Savings Bank of Columbus. These features included an informal dinner for the men at Indianola Park, at which two boxing bouts were held for the benefit of the gathering; a dinner and theater party for the women; an auto-

mobile tour of Columbus; and a formal supper dance in the ball room of the Deshler.

The Opening Session

At the opening session of the convention addresses of welcome were delivered to the delegates by the Honorable Cyrus Locher, director of commerce of the State of Ohio, on behalf of the Governor of Ohio; James J. Thomas, Mayor of the City of Columbus; and Robert H. Schryver, president Citizens Trust and Savings Bank of Columbus.

President Kittredge in a brief address to the assembled delegates and guests, extended a warm welcome to members who had joined the organization since its last convention. He emphasized the need for closer co-operation among financial advertisers in an endeavor to show the relationship between constructive financial publicity and the rapid development and expansion of financial service and of business now going on in the banking field. He added that the present convention, with an attendance of over 500 bank advertisers, was the larg-



C. H. HANDERSON
Chairman of the convention program committee and advertising manager Union Trust Company of Cleveland.



CARL A. GODE
Treasurer of the F. A. A., and manager advertising department Illinois Merchants Trust Company, Chicago.



A. D. WELTON

Chairman of the commercial department meeting of the convention, and publicity manager Continental and Commercial National Bank, Chicago.

est ever held by the association, and that it gave promise of being the most successful.

Building a Typical Advertising Campaign

Speaking before the opening session on the subject "Building a Typical Advertising Campaign," G. Lynn Sumner, president Association of National Advertisers said:

"I have a notion that when a great many banks get around to the point of deciding what they will do about advertising this year; what they will spend for this or for that, they figure, 'Well, we will spend \$10,000, \$15,000 or \$20,000 for advertising.' They feel kind of guilty about it; that it is kind of a necessary evil, a kind of floating kidney in the organization which has to be supported.

"Now what is the reason for that attitude? I am afraid that the reason that that attitude is held by so many bankers is because they look upon advertising as something separate and apart; something that creates its own job and does its own job. That is not what advertising is at all. Ad-

vertising does not do anything for you unless you give it a job to do. That is, it seems to me, the all important thing. You must figure out what is to be done. Advertising is nothing in the world but the means to an end. You must figure the goal you want to achieve, and then use advertising to reach that goal for you.

"What have you got to sell? You have the services of a bank. You have the idea of saving money and being thrifty and making something for



H. ENNIS JONES

Assistant to the president Franklin Trust Company of Philadelphia, who addressed the convention as the representative of the City of Philadelphia and Poor Richards Club, Philadelphia.

yourself, and making safe investments. You know what you have to sell. I do not need to elaborate that for you.

A Few Facts the Bank Advertiser Should Have

"But what do you know about your market? How many times do you ask yourself these questions? How many wage earners are there in the territory in which this bank works? What is their average wage? What is their standard of living? How much, out of that average wage, should peo-

ple be able to save? How much are they saving? What is the relation of the average deposit in the savings banks to the average wage? What have you done about budgets that show what the average saving should be out of the average wage? How many banks are there in the territory that are drawing from those wage earners and drawing from them that portion of the average wage? What should be the normal share of that money as deposits? Do you get it? If not, why not? What is your average normal deposit for this year and what would you like to have it be for next year? How much of an increase in savings deposits on any commercial basis would you like to see next year as compared with this?

"Map it out. Once a year or once in six months sit down and figure, 'Now, this is what we did this year, and this is what it cost us, and a year from today we would like to see our deposits so and so. And there is a market here that represents so many people, and they are making so much



ETHEL B. SCULLY

Vice-president Morris F. Fox & Co., Milwaukee, Wis., and a director of the F. A. A., who spoke at the investment department meeting.

money, and they ought to save so much and they ought to deposit so much with us. We can afford to pay such and such a percentage to get deposits in this bank. Now let us go out and get them.'

"If you can get through personal investigators, going from house to house, if you can get from the commercial statistics of your board of trade, from your state bureau, from your United States Census Bureaus, the basic facts that will give you the information as to what is going on in your trade territory regarding the money people are making and the amount they ought to save, then you have some idea what your market is, what you have to work on, from that.

"What do you want to do? Set your own objective. In between that is going to come the advertising. And until you get those two things you are not ready for your advertising. But when that time comes, then comes the consideration of what is the best way to increase, to attain the increase in business that you want, and you are ready for consideration of a



FRANK J. CAMPBELL

Advertising manager First National Bank, Detroit, a speaker before the commercial department meeting.

plan and medium and message to people."

What to Expect From Advertising

E. St. Elmo Lewis, vice-president Campbell-Ewald Co., Detroit, speaking on the subject "What Can We Expect From Our Advertising" at the opening session of the convention said:

"I have never seen any advertising in finance, in trust company work, in bank work, commercial or savings bank—



E. ST. ELMO LEWIS

Vice - president Campbell - Ewald Company, Detroit, Mich., who was one of the speakers at the opening session of the convention.

it doesn't make any difference—that in any fundamental brought forth one iota of difference from the advertising done for anything else. Successful advertising is founded upon certain fundamental principles. I shall mention briefly three things in the approach to an advertising problem.

"First comes the analysis of what the job is. Now, the job is not to do some advertising. The job is not to spend \$15,000 or \$20,000 or more. That is not the job. The job is to find out something in the public consciousness or the public pocketbook or the public will-



MARTIN L. PIERCE

Director of research The Hoover Co., North Canton, Ohio, who addressed the convention on the subject of merchandising in a bank.

ingness to buy. The job is to find out what part of that thing you can get. In the parlance of the military chiefs, that is the objective of the campaign. Where are you going? What do you want to get? Where do you want to go.

"It is perfectly obvious, I am quite sure, to anybody, that if you are going to Chicago and you only have the price of a ticket to Albany, if you are in New York, it is all right to have Chicago as your ultimate objective, but your immediate objective is Albany, because it is as far as you can go.

"There are some bankers in this audience—I am going to let you indict yourself; I am not going to indict you—some who have the idea that with a ticket to Albany they can somehow reach Chicago, and without any reference to the ultimate objective, the ultimate purpose of the campaign, they appropriate a budget, the amount of which is totally inadequate to the objective. This simply is not done by any advertiser that I know of that has ever been successful.

(Continued on page 735)

Banking Publicity

RICHARD F. DURHAM, Editor

Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

NOVEMBER 1925

SOME of the fallacies of attempting to determine a bank's advertising appropriation by any hard and fast rule were pointed out by Fred M. Staker of the Commerce Trust Company, Kansas City, Mo., in an address before the Financial Advertisers' Association convention in Columbus. He refers particularly to the methods which base the appropriation on some percentage of capital and surplus, deposits or gross profits. The chief trouble with such methods is, as Mr. Staker says, that: "Advertising a bank bears no relation to capital account or deposits or profits."

The advertising appropriation of a bank can be sensibly based on just one thing, and that is—what does the bank want its advertising to do? Does it want its advertising to merely build up good will for the bank? Does it want it to help rent safe deposit boxes? Or does it want it to help increase the number of savings depositors? The objective *must* be determined before the advertising can be expected to function properly.

Now a bank can no more determine an objective for

its advertising without knowing beforehand all about conditions existing in the community which it serves than can the general of an army, who knows nothing of the conditions facing him, determine an objective for that army. So determining the objective involves knowing the conditions to be met.

If all communities were alike, the advertising of a bank in Tennessee could be made to fit the needs of a bank in a community of the same size in Wisconsin, and one bank could be guided in determining its advertising objective by the experience of another. But communities of the same size in different sections of the country are not alike. They are very unlike. And conditions within them are constantly shifting and varying.

Each individual bank is faced with a different set of conditions, and each has its own definite and particular problems to meet. These problems are not to be met haphazardly or by guess work. They are not to be met by a blanket appropriation of such and such a sum of money for "advertising." They are only to be met by knowing thoroughly the territory in which the bank operates, and by hard thinking and careful planning. When the objective has been arrived at; when the bank knows what it wants to do, and has decided what mediums are best suited to doing it, then the cost

can readily be ascertained. If the cost is considered out of proportion to the results aimed for—then the bank must modify its plans to conform to whatever it feels it can afford to appropriate.

ONE of the most timely, as well as one of the most interesting addresses given at the F. A. A. convention was that of Arthur M. DeBebian, advertising manager of the Equitable Trust Company of New York, before the investment department meeting, on the subject: "Is the Investment Offering Doing Its Job?" Mr. DeBebian's address will be found in this number of **BANKING PUBLICITY** on page 742.

Mr. DeBebian says that something is obviously wrong with the methods now being used in the presentation of investment offerings. As one remedy he suggests the helpfulness of a secondary campaign of an educational nature for the benefit of dealers, and outlines the methods of procedure followed in one such campaign which proved very effective. "It is our job in the next few years" concludes Mr. DeBebian, "to step in on each slow moving piece of financing, prepare a forceful selling campaign and convince our employers that the right kind of advertising will do the job, where the older method falls flat."

Largest Gathering of Financial Advertisers

(Continued from page 733)

Determining the Objective

"The first thing is to determine the objective. To do this you must make an analysis of your territory. Now, what comes out of your analysis of all the different kinds of people you do business with and the conditions—I do not mean only wage earners and clerks, but the big business corporations and men and the organizations that contribute to the banks or the trust companies.

"You make your analysis and you make the analysis inside of the corporation as well as outside, and then out of that fund of information comes what? Comes a theme, comes a set of ideas, comes an objective, and out of that objective comes also the necessary things to be done to accomplish it. But principally a theme, principally an idea, that you want to attach to your particular bank.

"That sometimes calls for vision; that sometimes calls for long distance vision; that sometimes calls for some very drastic realizations of the difference between your bank and other banks. But if it is founded upon an analysis it has the fundamental character of approach, and that is, that you are going at the thing objectively, and not subjectively. It may not be what you like, but you are trying to find out what the public wants, and then you make the bank fit its fundamentally correct economic wants. I am not trying to make a bank add all the frills and furbelows and fashions of the people. No. But a fundamentally correct economic interpretation of what you find, and build a bank around it.

"Then after that you plan a campaign to reach your objective, by which you use all of

Who's Who in Bank Advertising



PAUL L. HARDESTY

Assistant cashier Union Trust Company of Chicago

MR. HARDESTY became associated with the Union Trust Company of Chicago in 1920, and a year later was made advertising manager. In 1925 he was appointed assistant cashier. His institution concluded on March 31 of this year a ninety-day campaign for new business which achieved remarkable results. New business aggregating \$11,649,190 and new customers numbering 4738 were secured through this campaign. The results of the campaign were given prominent publicity through very effective full page newspaper advertisements planned under Mr. Hardesty's direction and run in Chicago newspapers. Mr. Hardesty is a director of the Financial Advertisers' Association, and in 1925 was re-elected chairman of the Chicago Financial Advertisers, a departmental of the Chicago Advertising Council. Following his graduation from college in 1917 he enlisted in the United States Navy and served for the duration of the World War, being promoted through successive ranks to lieutenant.



W. J. PARHAM, JR.

Cashier Merchants Bank, Mobile, Ala., who spoke before the convention on the subject of bank window displays.

the different methods and means available, printing press, publications, and your training and skill, and all they can give you.

"I have asked you to realize that a definite vision, a definite concept, a definite idea or theme, is essential to the success of every advertising campaign, and it is so recognized by every advertiser worth while who has been a successful advertiser for a period of five years or more. And I will say that to anybody in the United States who knows anything about the subject.

"Therefore, it is not something that I propound to you in the way of theory, but it is a proposition that is known to every advertiser who has demonstrated that his advertising is successful.

"You should expect actual, tangible results from your advertising. By the same token, I say to you that you should not expect the same kind of results that the butcher expects when he kills a beef; that advertising results are peculiar to advertising, but that old advertisers and successful advertisers have learned how to

measure the results of advertising. And they do not measure them by coupons. But you must set up a certain method for measuring your organizations' benefits from advertising.

Building Up a Morale Inside the Bank

"One of the results that you should expect from advertising is this, that you should build up a greater morale inside of the institution as a result of your advertising, because your advertising should promise something. It should promise something to the public. It should express those high ideals or that vision or that theme which we have been talking about in such a way as to put the burden upon every man behind every counter and window in your organization from the president down, and you should give a bond to the public that when it came in contact with your organization, each member of that organization would make good.

"Therefore, it might be an interesting thing to compel every man in the organization to read the advertising. It would not be the first time. I do not mention banks particularly. But I will say to you that I met a gentleman the other day who is the head of a great corporation in the City of Chicago. I said, 'What is the benefit of your advertising?' I noticed a lot of institutional work, which is the most difficult to trace in its effect. He said, 'The greatest benefit we got was this.' He said, 'We did not know until Smith'—that was the man who had charge of it—'came into our organization what a really big organization we had. And then Smith commenced to tell us what we were, commenced to make us see what we were and what we were trying to do. He formulated a clear idea out of

a rather hazy indefinite thing.'

"If you doubt that; if you think everybody knows what the organization stands for, just take fifteen questions tomorrow morning, when you go into your own bank or when you go back home, just state fifteen questions about the fundamental policies of your bank, put them on paper, distribute them among your employes, and ask them to answer. I will venture to say that they cannot answer fifty per cent. And if they do answer all of them, you will be surprised at the kind of bank they think you are running. Just try it. It is a self-analysis proposition.

"Cleverness" in Advertising

"Do not be misled by cleverness in advertising. Cleverness is something that makes you more conscious of the advertisement than of its story. Cleverness is something that makes you more conscious of the man who is writing than of what he says. Cleverness is not something that induces friendship. It does not persuade. It does not make you feel that you would like to know that organization or that advertiser. But men and women continually think, just as soon as they start to write a piece of advertising copy—you will find this trouble with untrained and green copy men—that they are trying to say something that is simply brain staggering, that will make them stop. 'Put something in the headline that will just bring them one!' That is the kind of conversation you hear in the copy department among the youngsters.

"The cheapest trick in business is to be clever and to put forth new and original ideas. The difficult thing is to breathe through all the advertising the spirit of quiet confidence, sincerity and character."

"That is my conception of successful bank advertising.

"Everything in this world—and here is where the stunt idea generally creeps into the bank, through the idea of getting something immediately, making some immediate results, tangible on the ledger—everything worth while in this world is achieved by men of faith, men who believe you cannot get more out of a thing than you put into it, men who are willing to bill their stuff right and wait in the firm confidence that service in the long run is going to make friends and make business. Let us see if we cannot breathe some of this courage, this quiet faith, and this reserve power into our advertising.

The Importance of Being Human

"If you are putting analysis into the placing of it, then you can get your message to the people and you should expect to get it to the people and you should expect to know and have tangible evidence that that message is getting to them. If you are putting a sympathetic, human understanding of their problems into your copy, then you are bringing people into your front door that you would never get in any other way, whether they come with the advertising in their hands or not. If your first task is finding who the customer is and budgeting your expense, you will be practicing the thrift which you preach. If you have planned to extend enough to reach all of the people you want to do business with, planned to talk to them and make them feel your advertising has been written by someone with a friendly understanding, then you may expect tangible and definite results.

"But if you put into your advertising knowledge of men

as well as things, of hearts as well as business cycles, of hopes as well as credit, of despair as well as discounts, of success as well as stocks, of failures as well as funds, if you are advertising this human sympathy, this grasp of human problems in your community, whether it be a business man or the humblest laborer in the street, I say to you, that you will tie him to your bank, to your institution, with bonds that are infinitely more strong than steel or silver or gold, the bonds of sympathy, or sentiment.

"I say to you that sentiment rules the world. It was not until sentiment was aroused that the United States went into the Great War. I say to you and I reiterate to you that sentiment rules the world. Sometimes we are afraid of sentiment, because we are afraid of being mushy, we are afraid of being sentimental, which is an entirely different thing from having sentiment. And then we get cold, we throw around ourselves a barrier, and build stone walls between ourselves and those very people whom we want most to serve. But I say to you, don't be afraid, don't be afraid to put sympathy into the printed word.

"Humanity wants only to be happy. The bank to a certain extent is one of the means to that end.

"We strive for money because we believe it will give us an opportunity to enjoy the company and the friendship and the approval of the kind of people we want to stand well with. And all of this comes back to your advertising, because your people that belong to you discover them in the community and talk to them as you would talk to your best friend."



FRED M. STAKER

Manager of publicity Commerce Trust Company of Kansas City, Mo., and a speaker at the opening session of the convention.

Building an Advertising Budget

Fred M. Staker, manager publicity department Commerce Trust Company, Kansas City, Mo., in his address, "Building an Advertising Budget," said:

"The *Wall Street Journal* recently said that the banks of the United States spend \$35,000,000 annually for advertising. For that amount of money no doubt we need a budget.

"In order to build, one must first lay a foundation. The foundation of any advertising budget is 'what do we want to accomplish?'

"A department store has twelve items it desires to feature for tomorrow's market. The advertising manager knows from experience just what space to use in order to move that merchandise. He knows the cost of space. In the last analysis his problem is one of multiplication. He has approximately a given quantity of goods to sell about 300 days each year.

"Please do not understand me to belittle the job of the department store advertiser for he has a thousand obstacles to overcome. But he does have a

definite job of selling to do and some fairly reliable statistics on the power of printer's ink. Whether or not his appropriation is based upon some definite percentage relation to income or capital or annual volume, I do not know. For the purpose of this discussion I am not interested in knowing, because the problems of the merchandise advertiser and the financial advertiser are not analogous in fundamentals.

"The volume of sales of bank service; i. e., deposits, bonds, mortgage loans, safe deposit boxes, trust business, bear no percentage analogy to the sales of shoes, overcoats, automobiles or sourkrout.

"What do we want to accomplish?

"The merchandiser answers, 'mostly to sell goods today.' The banker answers, 'mostly to build favor in the community from which we may reap an annual reward for the next five decades.'

Determining the Appropriation

"Let's assume that our bank has decided that advertising is a good investment. What method shall we use to determine the appropriation? Our first thought is to correspond with some other banks who advertise, to learn their best method.

"Replies begin to come in. When they are all assembled we analyze them with the following results:

- (1) Not one of them discloses the amount of its appropriation.
- (2) Seven of them suggest that the appropriation should be 1 per cent. of the capital and surplus of the bank.
- (3) Five think 1/10 of 1 per cent. of the deposits is a good measure.
- (4) One of them recommends 5 per cent. of the gross profits of the bank.
- (5) And—very significant—not one of them applies the method he recommends.

"As a basis for an advertising appropriation each of these

proposed methods is to my mind purely arbitrary and of small merit. Let's examine how these proposals would work out. The figures used in my illustration are in round numbers and are taken from the last edition of the American Bank Reporter. If they are not exactly current they will at least serve the purpose.

A Few Fallacies

"First, take the proposal of 1 per cent. of the capital and surplus.

"Let us suppose that a large Chicago bank has \$500,000,000 in deposits, and that another



CHAS. S. ANDERSON

Chairman hotel reservation committee of the convention and assistant cashier Ohio National Bank, Columbus, Ohio.

bank in the same city has deposits of \$400,000,000. These banks are approximately equal in size, both are big advertisers, so they are fairly comparable. Now suppose that the capital and surplus of the former bank is \$55,000,000 whereas that of the latter institution is \$15,000,000. Therefore, the former bank should spend annually \$550,000 whereas the latter should spend only \$150,000.

"The Clay County State Bank of Excelsior Springs, Missouri, has deposits of \$1,-

000,000, its capital is \$10,000 and its surplus nine times as big; i. e., \$90,000. Its 1 per cent. appropriation would be \$1000 a year to advertise a bank in a town of 5000 people, while a Chicago bank with \$150,000 to spend gets only 150 times as much money for 600 times as many people.

"In my high school days I learned a phrase—'*reductio ad absurdum.*' Whatever that means, that's what this is.

"Now what about 1/10 of 1 per cent. of the deposits as an advertising appropriation? The National City Bank of New York would spend \$850,000, the Mechanics and Metals \$250,000, the Bankers Trust \$350,000 and the Union Trust of Cleveland \$265,000. In other words, the National City would appropriate as much as the M. and M., Bankers Trust and Union Trust combined. Certainly, such proportion would be all out of balance.

"Another proposal is 5 per cent. of the gross profits. Maybe you think I am going to get myself tangled up in some wild guesses about what profits are made by various banks. I'm not.

"But I submit that a \$10,000,000 bank that is making 7 per cent. gross profit is much more in need of advertising than a \$10,000,000 bank that is making 20 per cent. gross. Yet the recommendation would give the prosperous bank three times as large an appropriation. More of that absurdum thing.

"I said a while ago that none of the banks admitted using the methods they proposed in their replies and I think they are smart in that. Advertising a bank bears no percentage relation to capital account or deposits or profits.

"It is not my province to recommend to you what advertising you should use for your bank. That is a matter for your better judgment. But, having decided what is neces-

sary to do in order to accomplish the result you desire and having arrived at the cost of doing it, the next question is—getting the money.

A Safe Rule to Follow

“Here is a pretty safe rule—‘get all you can and spend all you get.’ But let me add spend it for *advertising*, not as a slush fund. I believe that the advertising manager is justified in insisting that *he alone* shall debit to the advertising account. If the executives of the bank want to make a subscription to the Chamber of Commerce or the Labor Temple News or the Convention Fund of the National Association of Ex-Bartenders, *that is not advertising*.

“If they insist on charging it to advertising in order to avoid taxes, then persuade them to divide the bookkeeping and charge their expenditure to advertising account and yours to publicity account or perhaps make a classification of advertising accounts as No. 1 and No. 2. Don’t permit them to give away the money appropriated to your use because one of the best ways to build an advertising appropriation is to make productive use of the money you have.

“Another thing; when solicited by an advertising medium which you do not approve just say frankly, ‘I cannot use this because it is not profitable. My appropriation is allowed me as an investment fund and I cannot in good conscience invest it where the returns are doubtful.’

“Perhaps you are expecting me to propose a division of your fund among the various mediums. I shall not attempt to do so any more than I should presume to say that you ought to spend so much for pens and pencils, so much for letter-heads, and so much for blank checks. The advertising

appropriate for your bank might not fit my bank at all. The people you desire to reach determine the mediums to use.

“However, it is interesting to note that the country over, there is a general opinion among financial advertisers that 50 to 60 per cent. of the advertising money should go to newspapers and 20 to 25 per cent. to direct mail.

“In conclusion let me summarize.

(1) There is no logical or satisfactory percentage basis for determining the amount of a bank’s advertising appropriation.

(2) Determine what you want to accomplish through advertising.



ROBERT H. SCHRYVER
President Citizens Trust and Savings Bank, Columbus, Ohio, and general chairman local committees of the convention.

(3) Plan the campaign to carry through, then ask for enough money to accomplish it.

(4) If the amount you request is not forthcoming, trim the edges of your plan to fit what you have to spend and supplement your advertising with constant propoganda for more money next year.

(6) Spend all you get and get all you can, for I dare say your board will never give you more than you can use intelligently.”

Analysis of the Savings Market

Speaking at the savings department meeting on the subject of “Analysis of the Savings Market,” W. Frank McClure,

vice-president Albert Frank & Company, New York, said:

“During the last few years, bankers have been confronted with two problems of major importance—problems which have become matters of concern to executives and subjects of serious discussion whenever and wherever bankers congregate.

“These problems are—the increasing cost of doing business and the increasing cost of securing business. It is with the selling phase of the functions of a bank that this monograph is going to deal and specifically with that phase which has to do with the location, the extent and chief features of the ‘savings market.’

I. What an Analogy Between a Bank and Manufacturing Enterprise May Show

“A—Banks in many respects are passing through the same evolutionary process that manufacturing enterprises have been experiencing for a number of decades and it may not be amiss to draw, briefly, a few parallels and determine whether or not the banker can adapt to his own purpose some of the methods found profitable by the manufacturer in overcoming his many problems.

“Within the memory of many of us, a decided change in the industrial structure of the United States has taken place. The small privately owned enterprise has given way very largely to the corporate form of ownership; and enormous industrial units of the present day appeared. Local markets expanded to national, even international markets and the welfare of business became dependent upon the purchasing ability of millions of people located in scores of states and in many countries. In the early days, production was on a more or less haphazard basis, but under the stress of competition, the necessity of lowering pro-

duction costs forced a rigid examination and study of overhead and so what is called "scientific management" appeared, fostered by such apostles as Taylor and Harrison. First applied to the production division, later to the administrative division of industry, scientific management became a measure of factory efficiency. The standardization of methods and conditions, the predetermining of results cut unit production costs to a figure envied by foreign economists.

Applying Scientific Methods to Sales

"With the second line along which scientific management later developed, we are more concerned—that is, the sales angle. While industrial executives had brought to a high degree of efficiency the ability to produce something to sell, they were still more or less haphazard in the methods of finding out when, where and to whom to sell. It was recognized that markets could be gained only through the same application of scientific methods to their analysis as proved so successful in the field of production. 'Market research,' 'commercial research,' or 'sales investigation' developed with results that are apparent to us all. Sales policies are now formed only after a vast amount of investigation. Sales territories are organized and subjected to rigid analysis. Intensive studies of population; of distribution channels; of buying habits; of sales appeals are made. Then, upon such a basis, advertising programs are established.

"B—Now then, what has all this to do with banks? Have not banks applied so-called 'scientific management' to the 'production' side of their business? When banks were small, overhead was a clearly discernible item, but, as they de-

veloped they grew into highly organized institutions, offering many services that became more and more expensive to maintain. Cost accounting showed where economies could be ef-



W. E. BROCKMAN

Manager of publicity Minnesota Loan and Trust Company, Minneapolis, Minn., who addressed the investment department meeting.

fectured and much waste eliminated through standardization. As a result, bank services today are highly standardized and a degree of efficiency and economy has been attained measurably greater than that of even a decade previous.

"The parallel so far is obvious. However, when we come to pursue the parallel further, to compare the methods adopted by manufacturing concerns in determining theirs, we find to a large extent that the parallel ceases. For banks, in many cases, are just entering into what may be crudely termed 'a buyer's market.' Certain conditions have developed recently that compel attention to be turned very forcibly to markets which the bank desires to cultivate—conditions similar to those which confronted the manufacturer and which forced him to apply more scientific methods to the selling of his goods.

II. Conditions Exerting a Negative Effect upon Savings Deposits

"A brief review of existing conditions brings to light much striking evidence.

"a. Savings deposits have not increased at a rate proportionate to the increase in population and the increase in national income, when the factor of accrued interest is not taken into the final computation.

"b. The cost of obtaining savings accounts shows, in a great majority of cases, too high an initial sales cost.

"c. The growth in the number and size of banks in each community has revealed to executives the factor of competition.

"d. Many developments have cut deeply into savings deposits, such as:

1. The growth of building and loan associations.
2. The growth, year by year, of the practice of "instalment buying" or the "partial payment plan" in the buying of commodities ranging from wedding rings to automobiles.
3. The increase in employe and customer ownership of stocks and bonds.
4. Local and distant real estate developments.
5. The annual increase in volume of life insurance.
6. Intensive sales effort on the part of the manufacturer and jobber to get the business of the 85 per cent. or so of the people interested in small savings.
7. The continued upward movement of the stock market which has kept millions of dollars from being entered in the pass books of savings depositors.

"e. The higher standard of living, compared with ten or fifteen years ago.

"f. The changing economic structure of the United States, which, as a whole, demands a revision of sales methods in many states and communities.

1. The economic structure of many communities has changed radically, even since 1918.

"III. There is evident, therefore, a necessity of developing some method of analyzing more accurately the savings market.

"The all important task, fac-

ing those of us responsible for the carrying out of advertising programs, is this—Is there a method or can a method be devised which will enable us to measure accurately the savings market? To our knowledge, there is no method now available; nor has any systematic attempt been made to arrive at a definite method. The following, then, will endeavor to contribute something of practical use.

What an Analysis Involves

"A market analysis must take into consideration four leading factors—

- a. When to sell
- b. Where to sell
- c. To whom to sell
- d. How to sell.

"No matter to what refinement we carry market studies, the results to be aimed at are—

—To find out who has the money to open or increase a savings account.

—Where he or she is.

—When is the best time or period to advertise to or solicit these prospects.

—What appeals will be most effective in reaching them and in securing the desired results.

"A study of a host of other factors is involved, but with them we shall not deal here. Some of these factors relate to the internal workings of the individual bank; others are so local in their nature that specific mention of them would be irrelevant in a general discussion of this nature.

a. When to Sell

"If the advertising manager could determine definitely during which period or periods of the year the amount of money in a community increased; or better still, when the surplus—the margin between income, and living expenses—of the greatest percentage of the community was increasing, his task would be three-quarters finished. If business conditions did not change, perhaps he could do so.

"For some months, the writer has been interested in the problem of whether or not there was some relation between the business cycle (and its component elements) and savings deposits.

"So my own organization pursued this very interesting problem further in the endeavor to form some basis for reaching the conclusion that there was some relationship of the kind named above.

"1. The first step, was to determine the relationship between general business conditions, employment and factory wage-earners' income.

"2. Money incomes and savings.

"Practical applications—

"To what practical use can this analysis be put? To my mind, it contributes much to the solution of the problem of when to sell; when to apply advertising pressure to obtain or maintain savings deposits.

"Advertising or new business managers might find it worth while to work out an analysis applicable to their own state. From this, they could establish a proportionate analysis, if it may be so stated, that would

enable them to establish the relation between savings deposits and employment and general business conditions in specific communities.

"They could then formulate programs with some degree of accuracy so far as the time element is concerned. Appropriations could then be distributed over fruitful periods. When indications are apparent that deposits will likely decrease or at least not increase, would it not be well worth while to run copy to prevent withdrawals? And when the sky begins to clear, after a period of depression, the advertising manager may expect an increase, not immediately but a number of months later, in savings deposits. Maximum results might perhaps be realized if advertising were made to anticipate by a few months the upward trend in savings; at least, campaigns should certainly be inaugurated in advance of the upswing in savings. A.

b. and c. Where to Sell and to Whom to Sell

"Who has the money to open new accounts or to increase an existing account? This subject presents fewer difficulties than that of 'When to Sell,' particularly in small communities or medium-sized cities. In these cases, data regarding population; the various groups or classes of people comprising the population; the yearly rate of growth of each group, and other necessary and relevant information is comparatively easy to obtain.

"But large cities like Chicago and Philadelphia present difficulties that harass the advertising manager. In Chicago, the problems facing the loop banks are naturally different from those confronting the outlying banks, which serve the surrounding communities. And



JULIAN M. CASE

Manager business extension department Dime Savings Bank, Detroit, Mich., who addressed the general convention.

again, even accurate and worthwhile population data regarding these communities may be lacking.

"Evidently there can be no standardized formula for determining the income and surplus of communities and no standardized method of locating precisely what group or groups would be the logical ones to appeal to at specific periods of the year. Even if there were, such a standardized formula and method would probably "go out of style" in a year's time. Changes in living standards and in opportunities for expenditure have to be considered in any attempt at comparing income data collected at different periods and in different types of localities.

"The problem, however, is pierced by rays of light and perhaps the directing upon it of intensive study may remove some shadows.

1. To what classes in a community shall we appeal during the various periods of the business cycle?

2. An endeavor to develop a method of determining the surplus income in a community.

Budget data—In this we are assisted greatly by the results disclosed by budget investigations conducted by the United States Bureau of Labor—investigations which cover a large number of families living in a number of states.

"Other available data:

1. Number of families—The number of families in towns of 2000 population and in cities are known.

2. Amounts expended for some of the most important commodities.

3. Number of automobile registrations by classes of makes.

d. How to Sell

"Would not this study, if carried out for a state or community, form some background against which the copy writer could place his "sales arguments" and, by stepping off, to a distance, as it were, get a better perspective of the timeliness, the applicability and general effectiveness of his appeals?

"At least it would cast a better light before him, enabling him to see farther ahead and too see more distinctly the many hitherto obscure obstacles that have beset his path.

The Future Ahead of Bank Advertising

"Taking up again our analogy between the bank and the man-



ARTHUR M. DeBEBIAN

Advertising manager Equitable Trust Company of New York, who addressed the investment department meeting.

ufacturing enterprise, it has been encouraging to note that the 'distribution' problems of the banker and the manufacturer have much in common. And so, in concentrating on the problem of securing more efficiency in distributing bank services, the banker is accumulating information that might prove exceedingly useful to his customers in meeting their own distribution problems.

"Much pioneer work must still be done. The time and facilities at the disposal of the new business manager are too limited to enable him to carry out as extensive and intensive surveys as he might desire. If, at any time, he feels the need of information or should like the co-operation of an organization whose function it is to

assist him in every way possible, let him be assured that the services of my organization are at his disposal."

Is the Investment Offering Doing Its Job?

Arthur M. DeBebian, advertising manager of the Equitable Trust Company of New York, speaking before the investment department meeting on the subject "Is the Investment Offering Doing Its Job?" said:

"Is the offering advertisement doing its job?

"That is a question that cannot be intelligently answered without first putting a question in return. What is the job expected of such an advertisement?

"Twenty-five years ago the selling of securities was a simpler task than it is today. The buyers consisted of a comparatively well known group of savings banks, insurance companies, financial institutions and a small aristocracy of individual investors.

"But, if the large investment houses, banks and trust companies were dependent upon this same group of buyers today, the tremendous volume of financing accomplished would be impossible. There are two distinct classes of security sellers today, the wholesalers and the retailers. The wholesaler's job is to sell the dealer. The dealer's job is to find investors in practically every walk of life.

"I don't think there can be any doubt of the importance of the small investor, or the need for cultivating the huge market he provides. He is apparently the ultimate consumer of the great volume of investment securities. Yet he is not a good investor. He is losing over a billion dollars a year in fraudulent investments, something like \$3,000,000 a day. Obviously, something is wrong

with our method of teaching the doctrine of sound investments.

How Can Situation Be Bettered?

"But just how are we going to better the situation?"

"Ask the wholesaler to humanize his copy?"

"What happens when an investment house decides to break away from custom and tradition and talk to the individual investor in his own language?"

"Let me cite a very interesting instance."

"Quite recently, one well known New York investment house did try to reach the public by putting in its offering advertisements only what information it thought would be of interest to the public. One of the advertisements did actually appear—a storm of protest from their attorneys burst upon them. They had taken a very dangerous step. Their deletion of parts of the advertisement could be construed as deliberate withholding of facts from the public. They were inviting legal action."

"The members of the firm were frightened; they appealed to their attorneys for a type of advertisement safe to publish and the result was a setback to a style much worse than the one preceding the outbreak of radical copy."

"Quite a few wholesalers of bonds have had similar experiences, therefore, when they form a selling group and allot bonds to dealers for sale in their territories, they are quite satisfied to continue to advertise their new issues in the orthodox way. It is the dealer who participates in these issues and subsequently tries to sell his bonds to the public, who must be brought to realize that advertising in his territory whether by the syndicate management for his benefit or ad-

vertising done by him independently unless addressed to the investor in terms he will understand is largely wasted.

A Secondary Campaign for Benefit of Dealers

"I have always felt that the sum set aside by the syndicate members for the offering advertisement should be divided and a substantial part used in a secondary campaign for the benefit of the dealers participating in the issue. I believe that a great deal could be accomplished if some of the leading wholesalers would take the initiative in this type of advertising. There are several ways of conducting such a campaign. Each way has been tried and tried successfully. Here is one way—

"Let us assume that we are about to market a bond issue for a large industrial firm, but a firm little known to the general public."

"A preliminary ground-breaking campaign could precede the formal offering of bonds. It could be done in one or a series of advertisements addressed to the investor in terms he can understand. The advertisements should be illustrated if possible. A series of small pamphlets should be prepared for a direct-by-mail campaign to be conducted simultaneously with the advertising. All this copy should be put out not over the names of the dealers or the syndicate but over the name of the firm borrowing the money."

"The State of San Paulo issue originally offered in March, 1921, offers an outstanding example of the effectiveness of this type of campaign. My organization participated with several other large Wall Street institutions in this financing. The issue moved along very well until the syndicate had disposed of all but two million dollars of the bonds, then the

participating dealers encountered considerable difficulty in arousing further interest among investors.

An Effective Educational Campaign

"An educational advertising campaign was decided upon. It consisted of a series of illustrated advertisements giving interesting facts about San Paulo; one advertisement showed the size of the State of San Paulo to be equal to the entire New England group of states; one portrayed its leadership in agricultural and commercial pursuits; another dealt with its high credit standing; another with the character of its people, etc."

"A portfolio of these advertisements was mailed to each dealer together with a schedule of insertion dates, papers to be used, etc. The advertising was supplemented with a few carefully prepared leaflets for direct-by-mail work. The effect of this publicity was felt almost immediately, and before half of the series had been published the last bond had been placed. The educational work done on the first San Paulo campaign undoubtedly had a beneficial effect on the next piece of financing undertaken by the State—the second offering of bonds being rapidly taken up."

"The total cost of preparing one of these educational campaigns is negligible in comparison with other syndicate expenses and is always of assistance to the dealer in coaching his salesmen even if not actually used in the newspapers."

"Bond offering copy in some respects is unquestionably reactionary. It is the only branch of financial advertising that has not shown great progress in the last ten years."

"Our large banks and trust companies are telling their stor-

ies to the public just as effectively as the merchant and the manufacturer and they are reaping a rich harvest by their courage. But why hasn't offering advertising been modernized. Because there are many obstacles barring the way to a radical change in the present style of investment offering advertisement.

A Few Stumbling Blocks to Modernization

"There is the element of time. Many of you know that the information used in bond circulars and advertisements is usually prepared in great haste, sometimes overnight. There is the fear of misstatements regarding the property and the necessity for legal approval before publication.

"There is the pride in creating the impression that the issue has been largely oversubscribed in a few hours. But does all this compensate for the unplaced bonds that lie on dealers' shelves for months, while they dread that the banks from whom they have borrowed may call their loans, forcing them to take the only expedient and lighten cargo at a severe loss.

"There is another viewpoint which we will have to consider, too. Many investment bankers already realize the advantages of educational advertising. They know that they must interest the public in their bonds, but they want this work accomplished through separate campaigns, which will in no way affect the present method of presenting new issues publicly.

"That method is all right for the big firm, but the smaller dealer cannot afford such an increase in overhead. His only chance for benefit from offering advertising lies in getting real selling copy inserted by the syndicate management in the

papers circulating in his territory. And I firmly believe that if advertising is inserted to help the dealer sell bonds, it should certainly be selling copy.

"We cannot expect immediate and concerted action from the investment banker in modernizing the offering advertisement. It is a radical step which will have to be approached cautiously. It is our job in the next few years to step in on each slow moving piece of financing, prepare a forceful selling campaign and convince our employers that the right kind of advertising will do the job, where the older method falls flat, and I feel that we will be most successful if we employ a method similar to those I have tried to outline above."

Directors and Representatives of F. A. A.

The following were elected directors of the association at the close of the convention:

C. E. Bourne, Royal Bank of Canada, Montreal; A. E. Bryson, advertising manager Halsey, Stuart & Co., Chicago; Frank Fuchs, advertising manager First National Bank in St. Louis; F. W. Gehle, vice-president Mechanics and Metals National Bank, New York; Paul L. Hardesty, assistant cashier Union Trust Company, Chicago; Robert J. Izant, advertising manager Central National Bank Savings and Trust Co., Cleveland; Harry H. Johnson, Atlanta and Lowry National Bank, Atlanta; F. R. Kerman, vice-president Bank of Italy, San Francisco; E. H. Kittredge, advertising manager Hornblower & Weeks, Boston; W. S. Patton, South Texas Commercial National Bank, Houston; Marjorie E. Schoefel, assistant secretary Plain-

field Trust Co., Plainfield, N. J.; Ethel B. Scully, vice-president Morris F. Fox & Company, Milwaukee; Fred M. Staker, advertising manager Commerce Trust Company, Kansas City; C. H. Wetterau, assistant vice-president American National Bank, Nashville; Charles R. Wiers, assistant vice-president National Shawmut Bank, Boston; R. E. Wright, manager commercial service department First Wisconsin National Bank, Milwaukee.

Representatives, national commission Associated Advertising Clubs of the World are C. H. Handerson, Guy W. Cooke, and E. H. Kittredge to succeed F. W. Ellsworth whose term has expired.

Detroit was chosen as the convention city for 1926, but no date for the convention has yet been set.

Resolutions Passed By Convention

The following resolutions were among those passed by the convention:

WHEREAS, The officers and Directors of the Financial Advertisers' Association for the year 1924-1925 have served most wisely and loyally their association, and

WHEREAS, E. H. Kittredge, the retiring President, has given most freely of his time, his talents and his great energies to the furtherance of the organization's well being, and

WHEREAS, The Program Committee selected for this convention, under the able chairmanship of C. H. "Gus" Handerson, presented one of the most constructive and generally helpful programs it has been the good fortune of the attending members to enjoy, and

WHEREAS, The Extension Committee, under the able leadership of its Chairman, Robert J. Izant, has given generously of its time and skill throughout the year to developing a progressive and virile program of activity for our organization, therefore be it,

RESOLVED, That the deep and true appreciation of this Association be expressed to these brilliant leaders and their associates.

Statement of Condition

The UNION TRUST Co.

CLEVELAND

At the Close of Business on
September 28th, 1925

RESOURCES

Cash and Due from Banks.....	\$ 46,558,049.54
United States Bonds and Certificates.....	19,994,742.81
Other Bonds and Securities.....	81,111,174.84
Loans and Discounts.....	202,848,122.85
Secured Advances to Trust Estates.....	199,178.79
Real Estate and Buildings.....	16,247,079.58
Accrued Interest, Accounts Receivable, Etc.....	3,208,047.54
Overdrafts	25,618.88
Customers' Liability under Letters of Credit and Acceptances	24,581,998.67
<i>Total</i>	\$344,719,007.50

LIABILITIES

Deposits of Individuals, Corporations, Banks, Etc.	\$269,912,216.60
United States Government Deposits.....	6,222,604.75
Accrued Interest Payable on Deposits.....	1,321,822.16
<i>Total Deposit Liability</i>	\$277,456,643.51
Dividend Payable, October 1st, 1925.....	\$ 556,250.00
Bills Payable with Federal Reserve Bank.....	5,000,000.00
Letters of Credit and Acceptances	24,546,461.42
United States Bond Account.....	550,000.00
Reserve for Taxes, Unearned Income, Etc.....	1,281,150.27
Capital Paid Up.....	22,250,000.00
Surplus and Current Earnings.....	18,128,502.80
<i>Total</i>	\$344,719,007.50

The UNION TRUST Co.

CLEVELAND



© UNDERWOOD & UNDERWOOD

WILLIAM M. GREVE

President the Prudence Company, New York

ONE of the most valuable assets of the Prudence Company, Inc., is its president, William M. Greve. Mr. Greve is one of the most capable real estate men in the country.

He has been with Realty Associates since its organization in 1901, and was one of the guiding hands in organizing the Prudence Company, Inc., whose stock is owned by Realty Associates. A large part of the Prudence Company's success and profitable operations have resulted from ideas worked out with the other officers and directors. The directors of the Prudence Company are as follows: Frank Bailey, Leo S. Bing, Irving T. Bush, Joseph P. Day, Edward C. Delafield, Jackson A. Dykman, William H. English, William M. Greve, William Guthman, Crowell Hadden, Louis J. Horowitz, Clifford S. Kelsey, Arthur H. Waterman and William H. Wheelock.

To a great extent it is through Mr. Greve's leadership and magnetism that the present loyal and efficient organization of the Prudence Company has been built up. Mr. Greve is president and director of Realty Associates, Gerritsen Park, Incorporated, Greve & Co., Prudence-Bonds Corporation, Prudence Company, Inc., and a trustee of the Brooklyn Trust Company.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
Boston

Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

How The Equitable can help your foreign business

If you are engaged in foreign business and carry an interest-bearing account with The Equitable's office in Paris, you may—

ENJOY the advantages of an American bank and be sure that your business will be handled with American methods.

PAY foreign bills by check, thus effecting a saving in interest.

ESTIMATE import costs on a definite exchange basis, thus eliminating the speculation involved in meeting future obligations.

BUY Exchange to replenish your balance when you consider foreign rates to be most favorable.

ESTABLISH a valuable local reference overseas.

SECURE first-hand trade and credit information.

SAVE your traveling representative time and trouble through our Foreign Travel Service Bureau.

Among the forty-six principal banks in the Paris clearing house, the Paris office of The Equitable has ranked from twelfth to fourth in clearings during the past eighteen months. By using the foreign banking services of The Equitable your business will benefit by the prestige and good-will of one of the largest banks abroad.

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

UPTOWN OFFICE
Madison Ave. at 45th St.

IMPORTERS AND TRADERS OFFICE
247 Broadway

FOREIGN OFFICES

LONDON: 10 Moorgate, E.C.2
Bush House, Aldwych, W.C.2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

Organization of Thrift in Great Britain

[This article was furnished to THE BANKERS MAGAZINE by a London banker who prefers that his name be not given. It will be found to contain an interesting, and it is believed an authentic survey, of savings activities in Great Britain. Later an article along similar lines will be published dealing with savings activities in the United States.—THE EDITOR.]

THE British joint stock banks are not specifically organized to cater for savings-bank business. They are essentially commercial banks. Their deposits are repayable on demand or very short notice and their business is to finance industry through the medium of trade acceptances and short-dated loans. They do not take participations in industrial or other issues, and long-term investments or any proposal involving the extended lock-up of funds would be regarded as outside their province. Business of such a nature, which in other countries might be handled directly by the banks, is in England restricted to the special types of finance and investment houses or to the insurance companies or other organizations having funds at their disposal which are not immediately callable.

For the reason, therefore, that the first principle in the organization of the joint stock banks is the maintenance of a high degree of liquidity in their assets, they are not able to earn so high a percentage return as may otherwise be possible, and they cannot, therefore, offer a high rate of interest for deposits.

Banks Definitely Encourage Thrift

But while there is not so large a savings bank development definitely within the organization of the joint stock banks as there is in other countries, the activities of the joint stock banks in the definite encouragement of thrift are by no means negligible.

All of them specifically invite small deposits, generally of £1 and upwards, upon which interest is allowed. The advantages of dealing directly with a conveniently situated local bank, the

unrivalled security which the standing of the bank gives and the convenience provided for deposits and withdrawals without delay, have been found, by experience, to be quite as important as the interest factor, and large sums are held by the joint stock banks which must be regarded as savings. The total current and deposit accounts of the ten London clearing banks is approximately £1,656,000,000. Of this amount, it is estimated that rather less than 50 per cent. is on deposit account, bearing interest.

It is probable that from the point of view of the bank a very large number of extremely small deposit accounts is not a source of direct profit, but the advantages gained through an extension of connections and the possibilities of small deposits ultimately expanding into large ones, must be taken into consideration.

Government Facilities for Thrift

Undoubtedly, the most important of the various thrift organizations in Great Britain are either directly controlled or are supervised by the Government.

The Post Office Savings Bank is specially designed to encourage thrift among persons of small means. Depositors have the direct security of the state and interest is allowed on each completed pound at a fixed rate of 2½ per cent. per annum. Deposits may be made at practically any post office in the country and, in amounts not exceeding £1, withdrawals may be made on demand. For amounts exceeding £1, application must be made by post to the central department, and the equivalent of three days' notice is therefore imposed.

The Post Office Savings Bank is not expected to be a profit-making organization and it is not intended that it should compete with the commercial banks. As a safeguard against the



Resources
over
\$170,000,000

AUTOMOBILES

MICHIGAN is justly famed for her motor vehicles. Even in the most remote corners of the world they provide daily transportation.

While this industry is but thirty years of age in this state, last year it reached a total of \$2,218,011,702., wholesale value.

From the beginning, this bank has been an important link in the making and marketing of motor vehicles. It offers unequalled facilities for serving all having banking business in the Great Lakes Region.

FIRST NATIONAL BANK

DETROIT MICHIGAN

The First National Bank, the Central Savings Bank, and the First National Company of Detroit, are under one ownership.

abuse of facilities solely intended to encourage thrift, the amount allowed to be deposited in any one year is limited to £500. Facilities are also provided for the purchase of Government securities through the post office.

The Post Office Savings Bank does not open an account for a smaller sum than one shilling, but a system is in operation which is largely used in schools, under which forms are issued upon which penny stamps may be affixed. When the form contains twelve penny stamps, it is taken to a post office and exchanged for a deposit book.

The table below gives particulars showing the extent of the activities of the Post Office Savings Bank.


Trustee Savings Banks

Next in importance to the Post Office Savings Bank should be mentioned the trustee savings banks. These are under close Government supervision through an inspection committee appointed under the Savings Bank Act of 1891. Trustee savings banks also, are institutions not conducted for profit. They are controlled by trustees who receive no remuneration for their services and all the funds deposited with them, except for a margin necessary for expenses and till money, are invested with the National Debt Commissioners. The Government is responsible for all moneys actually handed over to the National Debt Commissioners; but, apart from this, there is no direct Government guarantee.

Trustee savings banks are established

Bonds for banks

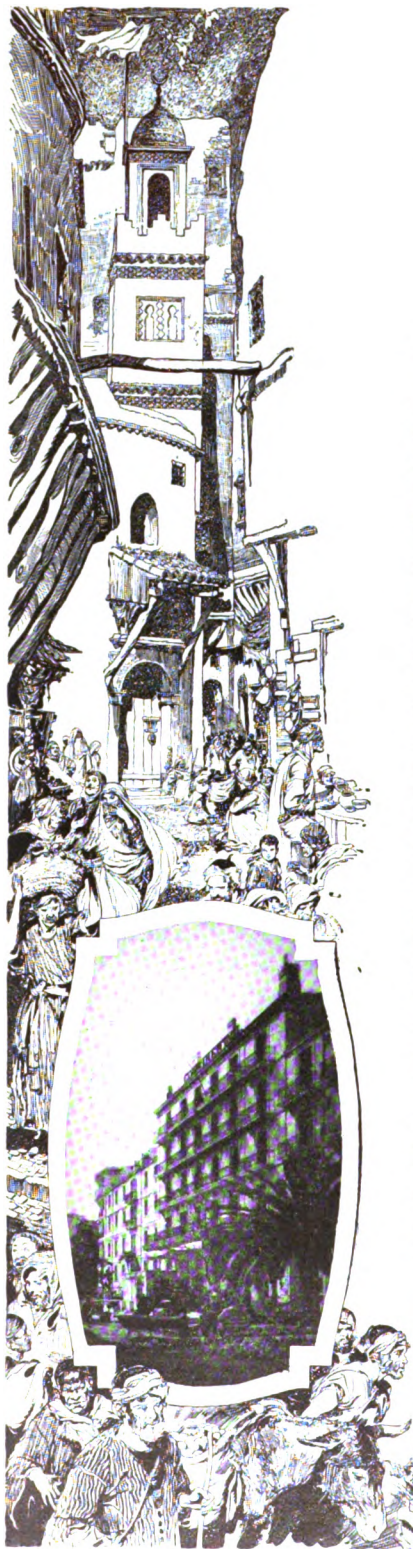
**Nation-wide facilities
for buying or selling.**



NEW YORK NEW ORLEANS
CHICAGO SAN FRANCISCO
BOSTON PHILADELPHIA
LONDON MONTREAL
TOKYO

mainly in the towns. They appeal more particularly to investors who prefer to deal with the actual office at which their accounts are kept, and they offer rather greater facilities for withdrawals than is possible in the post office. Slight variations as to minimum deposits exist among these banks. In some instances, a penny bank is established within the organization of the trustee savings

Year	Received £	Amount of interest credited £	Paid £	Due to depositors at end of year £	Number of		Average		
					accounts open at end of year Active No.	amount due to each depositor in active accounts			
						£	s.	d.	
1913	51,165,624	4,375,386	50,397,407	187,248,167	9,180,950	20	7	0	
1915	54,328,429	4,469,871	63,003,924	186,327,584	9,971,675	18	12	10	
1917	60,537,740	4,557,870	58,488,710	203,262,059	11,037,277	18	7	7	
1919	167,726,035	6,018,850	142,029,842	266,348,366	13,203,045	20	2	10	
1921	83,299,484	6,294,213	91,945,200	264,156,529	11,411,676	23	1	11	
1922	87,491,582	6,265,328	89,770,204	268,143,235	11,733,564	22	16	1	



Vollo KASBAH,

The Enchanted Part of Algiers

EUCALYPTUS woods above. The blue bay below. Snow crowned mountains in the distance. And in this setting . . . Algiers! With its narrow stairways for streets. Its veiled women . . . bare feet clasped by heavy golden anklets . . . fingers henna-tipped. Its dim Houses of Allah . . . the glimmer of hanging lamps cast on prostrate shrouded figures . . . the air opalescent with incense. In the bazaars . . . the cobblers stitch red leather babouches. Black bearded M'zabites pass in flowing Arab garb. Merchants and buyers screamingly bargain. The "Hand of Fathma," the Arab mascot, is for sale.

Less than a century ago, this was Pirate Town . . . ruled by the scoundrelly Kasbah. Today, the luxurious Hotel Continental entertains the visitor to this cosmopolitan city. And the magic carpet that sails to Algiers from Marseilles in twenty-six hours is — a French Liner.

With Marseilles and the Riviera only an overnight trip from Paris . . . why not start up "the longest gangplank in the world" now? You step on board a DeLuxe French Liner — or one-class cabin boat — in New York. For six days, you enjoy all the luxuries of a hotel afloat . . . with unexcelled service, cuisine and happy companionship.

You are still under French Line management when you motor into the heart of Islam . . . over thousands of miles of fine macadam highways. Where you enjoy the luxuries of the twenty-seven famous Transatlantique hotels in the color and mystery of Algeria, Tunisia and Morocco. Write for illustrated brochure a trip in itself.

French Line

Compagnie Générale Transatlantique
19 State Street, New York

Offices and Agencies in Principal Cities
of Europe and the United States



A Complete Banking Unit

- devoted to serving correspondent banks in the United States outside New York City;
- directed by officers who maintain personal contact with all parts of the country, thereby keeping constantly informed on business conditions and banking requirements;
- possessing in its own organization every banking investment and trust service;
- offering all the facilities, world-wide connections and total resources of our entire institution.

This is the Irving-Columbia Out-of-Town Office, in the Woolworth Building, New York — a Banking Office that, for all correspondent banking purposes, is a complete bank in itself.

IRVING BANK-COLUMBIA TRUST COMPANY

N_{ew} York

bank, small amounts being accumulated until they amount to a sum which can be transferred to an ordinary savings account.

Home Savings Banks Encouraged

Home savings banks are also encouraged by the issue of special "home banks" or money boxes. The rate of interest allowed is fixed by the Government and is at present $2\frac{1}{2}$ per cent.—the same as in the Post Office Savings Bank. A statutory limit is imposed upon the amount that may be received from any one person by way of deposit in any one year, the limit now being £500. In addition, however, special deposits may be received for investment in securities of a type approved by the National Debt Commissioners. The liability of the trustee savings bank, in such cases, is for the amount of the special deposit and the depositor is not entitled to any specific security in respect of his deposit. The two sections of ordinary and special deposits are, also, kept quite separate and the assets of the savings bank in respect of ordinary deposits are not liable for any loss or deficiency in respect of special investments.

In November 1923, the number of trustee savings banks in existence was 148, the total number of depositors being 2,250,000, and the total deposits amounted to over £103,000,000. In addition to this amount, stock due to depositors held by the savings banks amounted to £30,000,000.

Small Investments in Government Securities

An important development in the organization of thrift in Great Britain occurred during the war. With the great increase in the volume of Government securities, facilities were provided for the direct investment of small sums.

In the case of most of the war loans, ordinary applications for amounts of £100 and upwards were accepted through the Bank of England, but in addition a special register was established at the post office through which applications for £5 and upwards were received.

Sales of such holdings did not involve the intervention of a broker, the transaction being undertaken by the post office, and the system proved to be very popular. The large increases shown from 1914-1919 in the following table are due to war loan transactions.

NEW YORK AGENCY

THE BANK OF CANTON LTD

200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK

Correspondents in Important Centers of the World

Investments Through the Post Office

Year	Securities bought	Securities sold	Securities standing to the credit of holders at the end of the year
	£	£	£
1918	2,344,760	1,846,681	26,575,937
1915	34,015,474	5,917,735	54,674,587
1917	51,996,962	5,257,446	150,983,409
1919	41,500,304	11,929,830	215,253,304
1921	14,297,015	8,848,653	209,730,818
1922	19,175,680	22,604,530	206,301,968

The National Savings Committee

A further development also inaugurated during the war period was the organization of the national savings committee. This committee was established to encourage saving mainly through the issue of War Savings Cer-

tificates, afterwards renamed National Savings Certificates. War Savings Certificates were first issued in 1916, and were sold through the post office, at first at 15 shillings, 6d. and later at 16 shillings. Each of these certificates is of a nominal face value of £1, but is payable at that amount only after the expiration of five years in the case of the earlier issues and six years in the case of later issues. The certificates are not transferable, but the holder may surrender at any time and obtain payment at rates varying according to the date of encashment. By a subsequent modification, the life of the certificate may be extended to ten years, at the option of the holder. Whenever the certificate is surrendered, the amount is payable free of any deduction for income tax. No individual may at any one time hold more than 500 savings certificates. The National Savings Committee organized sub-committees throughout the whole of the country

Niederösterreichische Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve

220 Billiards of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5=£1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C.2

and encouraged savings clubs wherever they could be established (e. g., in business houses, in the army and navy, and in various schools). The success of the movement is indicated by the fact that, from the commencement in 1916 to the end of the financial year 1923, the total subscribed amounted to £485,765,509. Of this figure the actual capital repayments during the same period amounted to £131,923,978, so that the net amount, after deducting repayments, is £353,841,531.

Thrift Organizations Not Under Direct Government Control. (a) The Birmingham Municipal Bank

One municipality in Great Britain (Birmingham) has established a municipal bank. Interest is allowed at 3½ per cent. and the funds of the bank are mainly employed in making advances to the Birmingham Corporation. Ad-

vances are also made to borrowers desirous of purchasing their own houses. Deposits amount to about £2,800,000.

(b) The Yorkshire Penny Bank

Many years ago there were a considerable number of banks in England described as penny banks, their particular function being to receive deposits from one penny upwards. Practically all of these have now ceased to exist, with the exception of the Yorkshire Penny Bank Ltd., which has over 3000 branches, agencies or collecting centers, composed as follows:

136 town branches.
702 village branches.
2456 banks for school children.

3294 total branches.

On June 30 last the bank had over 1,000,000 depositors, the deposits amounting to over £29,000,000.

Knauth, Nachod & Kühne

Leipzig, Germany



Established 1852

Seventy-three years of continuous banking
experience

*Correspondents and connections in all
parts of the world*

Commercial and Travelers' Credits Foreign Exchange. Securities

Co-operation extended to investment bankers
in all matters involving the financing of

Commercial Firms, Industries and Municipalities

A well trained staff specializing for many
years in the transaction of American busi-
ness insures prompt and efficient service

*Correspondence conducted in the English language
All standard Codes used*

13 Rathausring
LEIPZIG, GERMANY

Cable address
NACHOD, LEIPZIG

Commonwealth Bank

Spring Street and Bowery

First Avenue Office

77th Street and First Ave.

Bronx Office

155th Street and Third Ave.

Lexington Office

Lexington Ave. at 57th Street

New York

Resources over \$19,000,000.00

Member New York Clearing House

Member Federal Reserve System

New York State Depository

Complete Foreign Banking Facilities

Correspondents in All Parts of the World

(c) Railway Savings Banks

Provision for the encouragement of savings is also made by the railway companies of the country. These companies have obtained statutory powers for the formation of Railway Savings Banks. The interest allowed averaged, during 1920, over $8\frac{3}{4}$ per cent. Deposits are only received from employes. The number of deposit accounts in the Railway Savings Banks in 1920 was 119,272, and the total deposits were £10,323,939—an average of £86 per account.

(d) Life Assurance

One of the most important methods of saving in Great Britain is through life assurance. The premium income of the ordinary life assurance companies in 1922 amounted to £50,000,000, a large part of which represents premiums for policies of small amounts. In addition, there are what are known as

the industrial life companies. These companies issue life assurance policies for small amounts and through the system of local house-to-house collectors, the premiums are payable, in the majority of cases, weekly. The premium income of these companies in 1922 amounted to £31,500,000.

(e) Building Societies

These societies are established under the Building Societies Act, and their object is to assist their members in acquiring dwelling-houses, business premises, or other freehold, copyhold, or leasehold property, for occupation or investment. Members' subscriptions are accumulated in a fund which may be augmented by deposits and loans, and advances are made from the fund to assist members in the purchase of properties. Security for advances is given by a mortgage upon the property purchased. In 1922 there were 1212 of these societies, with a membership of

BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited **Bombay (India)**

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

1,000,000, the amount standing to the credit of members amounting to over £80,000,000, and to depositors and creditors over £20,000,000. Advances on mortgages totaled over £83,000,000 of which £47,000,000 represented mortgages of £500 and under. More than 250,000 persons are now purchasing properties through building societies, their average indebtedness to the societies on capital account being £320. Nearly a third of the members were, at the end of 1922, in receipt of loans on mortgage from the societies, and during the same year £14,600,000 was repaid to the societies by way of reductions on the loans.

Land Purchase Societies

The general object of these societies is to enable persons to become owners of plots of land for the erection of

dwelling-houses. The societies acquire land, cut it up into plots, make roads, lay down sewers, etc. The plots are then apportioned, and may be paid for either by a lump sum or by instalments. In 1922 there were thirty-four of these societies, with 3000 members.

Mortgage Societies

These societies are similar in their operations to societies registered under the Building Societies Act; viz., they lend money to members upon mortgage security to enable them to become owners of their houses. In addition, some of the societies buy and sell land, build houses, and let or sell them to members or others. In 1922 there were nineteen of these societies, with a membership of 14,000, the total balance outstanding on mortgage being £1,250,000.

Housing Societies

This group includes various societies whose main object is the direct provision of dwelling-houses. In 1922 there were 245 of these societies, with a membership of nearly 13,000. The share capital at the end of 1922 amounted to £728,000, and the sum due to creditors on loan to over £7,250,000.

Investment Societies

There is also a small number of investment societies, the object of which is to enable small investors to obtain the advantage of collective investment. In 1922 there were eighteen of these

IONIAN BANK LIMITED

1839—1925

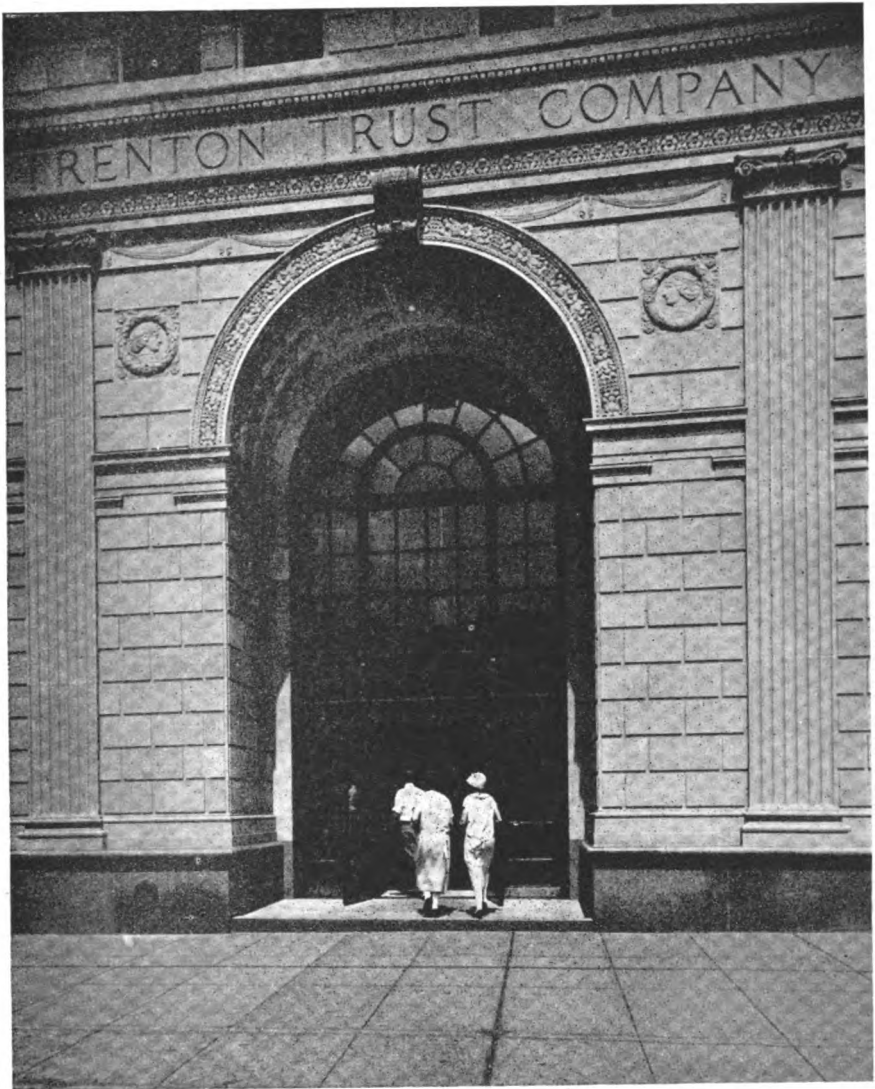
A British Bank

LONDON

GREECE

TURKEY


EGYPT



Trenton Trust Company, Trenton, N. J.

THE Trenton Trust Company has demonstrated that a bank can have security as well as a doorway that extends an invitation in itself.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
660 FIFTH AVENUE, NEW YORK



Typical
Circular Door to a modern
Safe Deposit Vault

as manufactured and installed by

Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

New York, Boston, Chicago, San Francisco,
Birmingham

The Herring-Hall-Marvin Safe Co. for nearly a century, has built and will always continue to build the same undeviating quality into its products.

*Cable Address
"Fireproof," New York*

societies, with a membership of 1600, the average amount of interest paid on share capital being about 4½ per cent.

(f) Friendly Societies

Among the societies specially designed to make provision for such contingencies as sickness, death, burial, etc., may be mentioned "The Independent Order of Odd Fellows," the "Ancient Order of Foresters," and many others. These societies conduct their business through local branches, called variously lodges, courts, tents, etc. They insure commonly against sickness and death and undertake national health insurance business. As some of the funds of these societies consist of moneys contributed under the National Health Insurance Act, they cannot all be regarded as savings in the strict sense of the term, but the funds are all used, in some form or another, for relief in case of emergency. There are about 20,000 of these societies, with a membership of over 3,000,000, and total funds in 1920 amounted to £35,500,000.

In addition to the foregoing, various other similar societies exist, among which the following may be mentioned:

Collecting Societies

These receive contributions by means of paid collectors. They insure principally sums at death and, to a minor extent, endowment and sickness benefits.

1920 Number of societies	52
1920 Number of policies	13,631,079
1920 Total funds	£23,817,260

Sickness Benefit Societies

The principal object of these societies is to ensure sickness pay, although they often provide other benefits such as death pay, accident pay, superannuation, etc.

1920 Number of societies	2,348
1920 Number of members	1,135,127
1920 Total funds	£9,266,898

**Your
Paris Correspondent**

More of your clients are visiting Paris now than ever before

Are they receiving the personal service to which they are accustomed at home?

We understand their problems and can do much to render their visit more pleasant



Mail Facilities for Clients

**Direct Correspondents
Throughout Europe**

The Travelers Bank
20 Place Vendome
Paris

Bankers Correspondence Invited

Deposit Societies

These combine the usual objects of the sickness benefit societies with the features of a savings bank. The surplus of contributions, after providing for any assurance in respect of which they are paid, is allocated to the individual members' accounts, and accumulated for them with such additions as they may choose to make, and may be withdrawn by them as the rules allow.

1920 Number of societies	94
1920 Number of members	816,426
1920 Total funds	£8,535,242

Death and Burial Societies

These insure a sum of money to be paid at death or for funeral expenses only.

The CRUISES SUPREME 1926

On the famous Cunarder

"FRANCONIA"

Sailing Eastward

from New York January 14th

Around the World

By sea and by land—30,000 miles—
133 days—a wonderful world panorama;
each country is visited at a time of the
year when climatic as well as other con-
ditions offer their greatest attraction.

*An exceedingly complete World Cruise Guide Book, depicting the full
itinerary is now ready; let us send you a copy.*

Fares are fully inclusive and cover all shore excursions.

On the White Star "Ship of Splendor"

"HOMERIC"

the largest, most modern, most replete
and most luxurious steamer sailing to
the Mediterranean.

From New York January 23rd

Mediterranean

The itinerary covers the widest field
of worth-while points, including sixteen
days in Egypt and Holy Land; optional
visits to Paris and London on the home-
ward trip; also stop-over privileges.

*Supreme in every detail: in the superb specially chartered ship; in the
cruise management and in the entertainments aboard and ashore.*

Cook's Fleet of Nile Steamers and Dahabeahs stands foremost on that river.

THOS. COOK & SON

585 Fifth Avenue

NEW YORK

253 Broadway

Philadelphia Boston Chicago St. Louis San Francisco Los Angeles Toronto Montreal Vancouver



Foreign Banking

Complete facilities for financing all types of international transactions in dollars or foreign currencies. ∴ ∴

INTERNATIONAL ACCEPTANCE BANK, INC.

PAUL M. WARBURG
Chairman

F. ABBOT GOODHUE
President

52 Cedar Street, New York

1920 Numbers of societies	_____	358
1920 Number of members	_____	938,184
1920 Total funds	_____	£2,718,821

Widows and Orphans Societies

These provide allowances for widows and orphans of deceased members.

1920 Number of societies	_____	73
1920 Number of members	_____	43,265
1920 Total funds	_____	£980,802

There are also numerous friendly societies designed for such objects as the provision of convalescent homes, medical attention, shipwreck relief, miners' accident relief, superannuation, pensions and annuities.

1920 Total number of societies	_____	984
1920 Total number of members	_____	948,000
1920 Total funds	_____	£4,672,000

It will be seen that the organization of thrift in Great Britain covers a very wide field and provides extensive facilities for saving in many forms. Little

or no attempt has so far been made to co-ordinate the various activities, and it is possible that this involves some over-lapping and waste of energy. Broadly speaking, the thrift movement is conducted on a non-profit making basis, for with few exceptions, the savings banks are under Government control, while the building societies and other activities conducted under the Friendly Societies Act, are almost invariably organized on a co-operative basis, any surplus earned being included in the benefits afforded to members.

The methods of propaganda include press advertisements, notices in public vehicles, and display notices at the offices of the institutions concerned. Greater than all these, however, is the personal element. In the case of insurance companies, benefit societies, etc. the agents are largely to be found in the workshop and the office. It is this type of propaganda which experience

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	. . . . .	\$15,000,000	(£3,000,000)
Capital Subscribed	. . . . .	9,000,000	(£1,800,000)
Capital Paid-up	. . . . .	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits	. . . . .	7,291,105	(£1,458,221)

BANKERS:—Bank of England; Midland Bank Limited

*Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan
Mauritius and Dutch East Indies*

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit rates quoted on application.
On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

shows to be most effective and it is this type which should be developed and, where practicable, developed in co-operation with the employers.

So far as Great Britain is concerned, there is little need for special protection for emigrant savings. Most emigration is to English-speaking countries and home remittances are made through English-speaking institutions and are received and invested through well-known home banks or organizations such as have been described.

The account given of the comprehensive thrift organization existing in Great Britain suggests that the success

achieved is largely due to the extent to which varying requirements are met by societies specializing in particular forms of thrift. There can be no doubt that, at least in Great Britain, this specialization is a source of strength and that the best results are obtained when a society established for one particular purpose definitely limits its activities to the functions it is qualified to perform.

Possibly it may be suggested that an international organ to study and co-ordinate all the diverse thrift organizations would be of greater value than one limited to the consideration of savings banks.



Review of Countries

Great Britain

THE reduction in the Bank of England's rate from 4½ to 4 per cent. on October 1 seems to have been greeted in London with both surprise and wonder. Lloyds Bank Limited says in comment on the reduction that: "Though the higher rate had been ineffective for some time the monetary situation was anomalous, the New York exchange standing at the gold exporting point and other exchanges also being against us." The bank continues:

The usual autumn tendency is for gold to leave and the bank rate to rise. Since the restoration of the gold standard there has been, on balance, a considerable influx of gold, and although the reduction of the

rate in August proved a turning point in this respect, no doubt the central institution has been able to gauge the possibilities of the position and can look with complacency on the probability of any further considerable exports.

The *London Times* of October 2, says in an editorial regarding the reduction that since the decision to reduce the rate came as a surprise to the City the effect was proportionately great; stock markets were buoyant, and both investment stocks and speculative securities advanced in price. The *Times* continues:

For some weeks past the 4½ per cent. rate has proved increasingly ineffective, the market rate of discount being 1 per cent. below the official minimum. Every one was

BANK OF ATHENS

Established in 1893

Capital and Surplus Dr. 95,000,000
 Resources more than Dr. 1,306,000,000

Head Office: ATHENS, GREECE

NEW YORK AGENCY: 25, Pine Street

LONDON OFFICE: 22, Fenchurch Street

BRANCHES

<u>GREECE</u>	Castoria	Gythion	Patras	Tripolitza
Aegion	Castro	Hydra	Piraeus	Tsotyliion
Agrinion	Cavalla	Ithaca	Potamos	Volo
Amalias	Chalcis	Jannina	Preveza	Xanthi
Amphissa	Chio	Kiato	Pyrgos	Xilocastron
Argos	Corfu	Kyparissia	Rethymo	Zante
Argostoli	Corinth	Lamia	Salonica	<u>EGYPT</u>
Calamata	Cozani	Larissa	Samos Vathy	Alexandria
Calavryta	Dedeagatch	Levadia	Sorovitch	Cairo
Candia	Dimitiana	Limni	Sparta	Port Said
Canea	Drama	Megalopolis	Syra	<u>CYPRUS</u>
Carlovassi	Florina	Mitylene	Thebes	Limassol
Carpenissi	Gargaliani	Nafpactos	Trikkala	Nicosia

OVER 80 CORRESPONDENTS THROUGHOUT GREECE

The Bank transacts every description of Banking business in Greece, Egypt and Cyprus.

Special facilities granted to American Banks for their drawings in Drachmae and U. S. Dollars on the Head Office, Branches and Correspondents in Greece.

aware of this situation; but the unpropitious season of the year, the fact that several exchanges (including the American) are against us, that our great export trades are still depressed by too high prices, that the first half of the current financial year has just closed with an unexpectedly large budget deficit, and that the money market is still subject to regulations that restrict its freedom—all these factors caused most people to regard a reduction of the bank rate as unlikely. The autumn is usually a period when gold exports take place, when credit is contracted, and the bank rate rises. The fact that, in spite of the season of the year, the bank court should decide upon the unusual step of reducing the bank rate indicates, therefore, that they had no alternative. Many people concerned with the money market might have preferred to see a removal of the embargo on foreign loans. This embargo was imposed, very rightly no doubt, during the period when excessive lending would not have taken the form of an export of gold, bringing a cure in its train, but would have caused a fall in the exchange and a consequent rise in the level of prices. It is to be hoped, however, that it may be possible to remove it in the not distant future. The policy underlying the restoration of the gold standard was to set in

motion certain well-tried measures for making our prices competitive in the international markets. To some extent the retention of the embargo on foreign issues, while laudable as a temporary precautionary measure, tends to defeat this object, for it tends to restrict the export of gold; while the influx of gold brought here under the stimulus of high rates of interest has helped to produce a condition of monetary ease that was not warranted by our trade position, by the level of prices, or by the real monetary situation.

Since August, when the last reduction in the bank rate was made, we have lost over £4,000,000 of gold, but we have still £4,000,000 more than at the end of April, when the return to gold took place. In all the circumstances it would probably have been better to use the gold to strengthen the cover for the currency note issue than to allow it to create an anomalous monetary condition. So long as the cover for the currency note issue remains inadequate and the embargo on foreign issues is retained, we must regard the London money market as in an abnormal condition, unable to discharge its full and proper functions as an international monetary center, and the country as unable to enjoy the full advantage of the gold standard. For these

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kreditkassen

First established
private bank in
Norway

BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company

reasons it seems unlikely that a further reduction of the bank rate will be made. On the contrary, everything suggests that steps will be taken to make the 4 per cent. rate effective, since the last thing the country needs is a speculative "boom" based on cheaper money, which would have the effect of forcing up prices.

Inferences Suggested by the Reduction

The *New York Times* of October 2 says editorially that the reduction of the Bank of England's rate will suggest several inferences to the observant mind. "One is the bad guess of those cocksure London critics," says the *Times*, "who foresaw that the bank would lose all its gold under full redemption of its notes unless it progressively raised the discount rate. The rate is now 4 per cent., as against 5 when it returned to free gold payments, yet the bank's report of October 1 shows that £4,700,000 more gold has been received from abroad in the five intervening months than has been withdrawn for export."

The *Times* says that the reduction in the rate also shows confidence in the future of free gold payments. The editorial goes on to say that:

This second reduction in the rate also shows confidence in the future of free gold payments. If the outward movement of gold in the past few weeks, an entirely familiar incident of the season when England is buying foreign wheat and cotton, had been looked upon by the management as imperiling maintenance of such payments, at least the bank rate would not have been put lower. Yesterday's change is precisely such action as might have been taken in an easy-money period before the war. It is all the more striking in that the sterling rate is now virtually at the point warranting shipment of gold from London to New

York. Evidently, the restored gold standard is believed to be too firmly established to be jeopardized by any of the usual pre-war influences.

One other aspect of the reduction is less agreeable. It was evidently made to conform the bank's rate more closely to the open London market. After last April's gold resumption, when the bank rate stood at 5 per cent., the Lombard Street discount rate declined from $4\frac{3}{4}$ per cent. to $4\frac{1}{4}$ per cent. in August (when the bank rate first came down) and to $3\frac{1}{2}$ last week. It is difficult to explain this falling money rate, which is unusual at London in the autumn, except by the growing depression and inactivity of British trade. This is the distinctly unpleasant side of Great Britain's present economic situation. It has some striking resemblances to the similar trade depression which prevailed during the first six months after our own specie resumption of 1879. But at the moment it is an outstanding element of discouragement, and all people interested in international finance will watch to see whether Continental Europe's abundant harvests, after a year of exceptional scarcity, will or will not cause revival in the foreign market for British goods.

Germany

AT a recent meeting of Berlin bankers several speakers warned against the dangers of foreign borrowing although all were in agreement that capital is needed, says an article in the *New York Journal of Commerce*. The article goes on to say that: "Even Reichsbank President Schacht, who is praiseworthy cautious, has all along declared that the replenishment of capital cannot take place out of native savings within reasonable time, and that foreign loans are necessary. Yet every sound German finan-

The Yokohama Specie Bank, Ltd.

(Yokohama Shokin Ginko)

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed .		.. Yen	100,000,000
Capital paid up . . .		.. Yen	100,000,000
Reserve Fund . . . .		.. Yen	80,500,000

(90.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Penang	Honolulu	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hamburg	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tientsin
Calcutta	Hankow	Kobe	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton	Harbin	London	Newchwang	Saigon	Sydney	Vladivostok
Changchun				Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

cier has a healthy fear of foreign borrowing, not because the foreign money is not needed, but because he cannot see how it is going to be paid back." The article continues:

Germany's Stock of Foreign Exchange

Germany's stock of foreign exchange is always represented as being sufficient to meet any calls upon it when interest has to be paid abroad or when capital has to be repaid. But it is not always clear how the individual borrowing concerns will acquire the marks with which to buy this exchange from the Reichsbank. Further, it is not certain whether the national stock of exchange will always remain adequate for all drains upon it. The last trade report (for August) shows a passive balance of 454,000,000 marks, this after deducting from the import side a net gold and silver import of around 100,000,000 marks. The twelvemonth terminating August 31, which constitutes the first "Dawes year" (reparations year), has produced an import surplus of 4,305,000,000 marks. The surplus represents credits from and investments by foreigners, and if these credits and investments dry up undoubtedly imports will decline. But in that case, where is Germany to get the exchange necessary for payment

of interest on (not to mention repayment of capital of) the past credits? The Bankers' Congress naturally passed a resolution advising caution, in particular condemning such borrowing from abroad as is not designed to increase native production.

It is not enough to increase native production indiscriminately. It is necessary to increase the production of such kinds of goods as have a certain foreign market—if such goods exist. Only in this way will sufficient exchange come in to cover the increased goings-out on interest which result from every foreign loan. Otherwise the stock of exchange—which is the Palladium of the new currency—will decline. Already, as far as is known, it has materially declined. At first this decline was due largely to conversion of foreign bills into gold, in accord with Dr. Schacht's policy and declaration on this point. The Reichsbank is allowed by its statutes to keep part of its legal cover in foreign exchange. The whole legal cover is 40 per cent. of circulation, and of this three-quarters must be gold, while the remainder may be stable foreign exchange. This regulation is really an alleviation to the bank. But Dr. Schacht declared three months back that he considered complete gold cover superior, and that the partial exchange enactment rule is merely

BANQUE CHRISSEVELONI

Head Office: BUCHAREST, ROUMANIA

New York Agency, 115 BROADWAY

Capital Lei 200,000,000 Resources Lei 1,200,000,000

Established 1848

Affiliated Banking Houses in PARIS and VIENNA

Branches in CONSTANTINOPLE and all over Roumania

COMPLETE FOREIGN BANKING SERVICE

Correspondence invited from those interested in Central Europe and the Near East

RADU IRIMESCU, New York Agent

a "makeshift." He intended, he said, to convert the whole of the bank's legal cover exchange into gold. In fact this has already been done to a certain extent. But in the week ending September 15 the bank's report for the first time shows a decline in the holding of legal cover exceeding the gain in the amount of gold. So that—again—for the first time—the absolute amount of circulation cover held by the bank in gold and exchange declined. This has been rightly commented on as a sign of the strong strain which is imposed on the Reichsbank by the demand from business quarters for exchange; and this strain is, of course, in part an outcome of the heavy import surpluses.

The import surpluses have so far been mainly financed by foreign loans and investments, in part by realizations by German individuals and firms of their hoarded foreign currency. Were this not so the strain upon the Reichsbank would be unbearable. The question of the amount of foreign cash which has flowed into Germany and which has given her what European economists called a "borrower's active payment balance" at a time when her trade balance is heavily passive, was discussed at the Bankers' Congress. It was stated that foreign long term loans and credits granted since the Dawes settlement of a year ago, including the American-Dutch-Swedish Rentenbank Institute's loans, but not including the Reparations loan, total 660,000,000 marks. This is, of course, a mere fraction of the deficit on the foreign trade balance, given as above at around 4,000,000,000 marks. But the congress brought out the fact that a much larger sum has come in in shape of short term credits, and of foreign investments in German home-issued loans, stocks and other securities.

Germany's Troublesome Floating Debt

The total of these, constituting in effect a floating debt, any part of which may have to be paid back to abroad at any moment

if only the foreign holder chooses to realize, is put officially at 1,600,000,000 marks. An authoritative member of the congress declared that this estimate was too high. But he added that even a modified estimate would mean a higher indebtedness to abroad than is safe for Germany, and he declared that the floating debt to abroad must be reduced.

In no case should it be increased. But the increase cannot be prevented. Foreigners cannot be prevented buying German mark stocks and bonds. The exchange so brought into Germany is used to import more and more goods, without any corresponding increase in exports. Whenever the foreign investors and speculators realize on their stocks and bonds, the mark proceeds will be converted into dollars, sterling, and gulden, and transferred to abroad. This, taken together with the heavy interest and capital liabilities on the regular loans, might be a serious peril to the currency. Obviously the peril cannot arrive as long as further foreign loans are negotiable, because the new capital inflow will always sufficiently meet the outflow, consisting mainly of mere interest and dividend liabilities. But the intelligent German asks: How long is this to go on? Some day, whether through distrust in Germany or because the lending countries may need their capital at home, the inflow will cease.

Foreign capitalists in this respect are less critical than competent Germans. This is shown by contrasting the methods of a purely German creation (though capitalized from abroad), the Gold Discount Bank, with the methods of foreign lenders. Both practically do the same in effect, if not formally.

Methods of the Gold Discount Bank

The Gold Discount Bank advances exchange to Germans with which to pay for imports. Foreign capitalists advance exchange with the aid of which (as the trade figures show) Germans also largely pay for

imports. But the Gold Discount Bank pursues the rigid rule that its loans shall be made only when the borrower can give a guarantee that the imported materials will be directly re-exported in the shape of finished goods; in other words, when the transaction leads to more exchange coming into Germany than goes out, and when the borrower will get from his exports the exchange necessary to repay the Gold Discount Bank. The foreign lender is more lenient. In most cases he is content if the borrowing German firm is itself solid and can give proper security. Unlike the Gold Discount Bank, he exacts no guarantee that the general condition of Germany's payment balance will ensure his getting his dollars, pounds or gulden back.

This article is not intended to frighten foreign lenders out of dealings with Germany. It is merely a summary of what German experts say themselves, a summary of commonplaces arising out of the by no means satisfactory condition of Germany's foreign trade balance and foreign payment balance.

France

THE indecisive results of the conference between the French and American Debt Commissions are a source of disappointment to the people of both countries, as well as to other countries interested in the question of the settlement of international indebtednesses.

As matters stand at the present writing there is a tentative arrangement for a postponement of a definite settlement for a period of five years. During this period France would pay annually the sum of \$40,000,000, representing interest at the rate of 1 per cent. per annum on her consolidated debt to the United States of approximately \$4,200,000,000. This proposed arrangement is the outcome of a counter proposal made by the American Debt Commission following the rejection of France's final offer to pay \$40,000,000 annually for the first five years; \$60,000,000 annually for the following seven years, and \$100,000,000 annually for the next fifty-six years. The text of this counter proposal reads:

We wish to express our high appreciation of the frank and earnest effort of our French colleagues to find a basis for settlement of this, the most difficult problem which confronts our two peoples.

We have before us the revised offer of the French Commission, that is, France should pay \$40,000,000 annually for the first five years; \$60,000,000 annually for the fol-

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Saesrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

lowing seven years, and \$100,000,000 annually for the next fifty-six years, thus spreading payments over sixty-eight years—there being important conditions attached to this proposal which render these payments entirely uncertain.

The total payments offered imply a return of the principal of the debt and somewhat less than 1 per cent. per annum. In order to illustrate the sacrifice which such a plan would impose upon our people we may point out that the present value of the above payments if made in full (upon the basis of interest which we bear on Liberty bonds) is about \$1,750,000,000. This amount compares with over \$4,100,000,000 which we have to meet in charges upon our taxpayers in respect of the loans to France. In the plan which we laid before you the present value of the payments which we proposed would be about \$2,800,000,000 as compared with the \$4,100,000,000 as above, so that we have made most important concessions.

The Question of France's Capacity to Pay

We believe it is fully recognized by both commissions that the only basis of negotia-

Aktiebolaget Unionbanken

Successors to Wasa Aktie Bank (established 1879), Abo Aktiebank (established 1896),
Landtmannabanken, Aktiebolag (established 1910)

Head Office in Helsingfors (Finland)

Offices in Wasa and Abo and Branches at 54 other places in Finland

Capital - - - Fmk. 100.000.000

Funds - - - - " 56.000.000

Telegraphic Address "Unionbanken"

Banking business of every description transacted

tions fair to both peoples is the principle of the capacity of France to pay.

The nub of the difficulty of the two commissions arises from a difference in judgment as to the future capacity of France to pay without, as we have stated, undermining her economic and social fabric, and this difficulty narrows itself to the future rather than to the present, for we are prepared to accept the views of the French commission as to the immediate difficulties of France.

In order that we shall not be unmindful of every effort to meet the whole problem and at the same time to maintain the agreed principle of settlement, and that there shall be no break in the effective continuity of our discussions, we wish to lay before you the following suggestion; that is: While we cannot accept the proposal made we do propose that France shall undertake unconditionally to pay the \$40,000,000 per annum mentioned in your statement as your capacity for the next five years.

This is to be considered full current interest on the debt during that period, and at the end of this five-year period the two Governments shall again review the capacity of France to pay and determine at that time the amounts which shall be paid over such further term as may be then agreed. The above is, of course, subject to the approval of Congress.

It appears to us that within this period of five years the economic problem with which we are mutually confronted will have been much clarified and we shall both be in position to make better determination. We know that it is the earnest desire of the American people not only to be just, but that they are willing to make necessary sacrifices. We believe that with peace, the natural progress of industry and commerce and the recovering strength of France, a basis can be found at such later date which will meet the views of our two countries.

The Fall of Caillaux

Under the above head an editorial in the *Commercial and Financial Chronicle*, New

York, for the week ended October 31, says in part:

The resignation of the Painleve Government in France, and the formation of a new Ministry without M. Joseph Caillaux as Finance Minister, was no occasion for surprise. Something of the kind, either the resignation of the Ministry or its more or less radical reconstruction on the side of finance, has been forecast ever since the failure of the French debt negotiations at Washington, and the reported refusal of the Government to approve the compromise which was offered. The debt issue, however, is only one of several issues which not only made M. Caillaux's continuance in office unlikely, but which also raise doubts as to whether the new Ministry which has been formed may reasonably hope for a long lease of life.

The main reason for M. Caillaux's downfall is, of course, his failure to devise and put into operation effective remedies for the generally disordered financial condition of France. The difficulties of the task were admittedly great. They included the stabilization of the franc, the stopping of ruinous speculation in francs and a debilitating export of capital, the funding of the foreign debt on practicable terms of payment, the establishment of rigorous economies in public expenditure, and such provision of revenue as should make possible a bona fide balancing of the budget. To do all of these things at the same time would have been a huge undertaking, even under conditions which in any proper sense could be regarded as normal, but the difficulties in the way were rendered many times more serious by the existence of an inflated currency as a heritage from the Herriot Government, the necessity of funding a huge domestic debt consisting mainly of short-term obligations, a pronounced unwillingness in the country to accept heavy increases in taxation, and a political situation in general which made the Ministry unstable.

It was unfortunate that M. Caillaux, whose financial abilities his worst enemies have

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:
HELSINKI
 (Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk.	- - -	150,000,000
Reserve Fund and Profits Fmk.		115,000,000
Deposits etc. (31/12 '24) Fmk.	-	1,704,000,000

All descriptions of banking business transacted

Telegraphic address: **KANSALLISPANKKI**

never denied, should have been heralded into office as a kind of financial wizard from whom miracles were to be expected. It was equally unfortunate that he should have occasionally spoken on financial questions with a confidence which his performance failed to justify. One who is hailed as a savior, and talks in a large way of what he expects to do, must realize what is expected of him or suffer eclipse, and eclipse has happened, for the moment at least, to M. Caillaux. Whether or not, however, taking all the circumstances into account, he might have succeeded better than he did is less important for the future of France than is a clear realization of the nature of the difficulties which he faced, and which Premier Painleve, who has himself taken over the portfolio of Finance, will also have to meet.

Italy

AN improved tone in the Italian industrial situation as evidenced by increased importations of American raw cotton, mineral oils and bar copper has served to increase total imports from the United States to 3,866,000,000 lire during the first six months of 1925, according to a report

received at the U. S. Department of Commerce at Washington from Rome.

The figure, which is 1,400,000,000 lire greater than the value of imports from this country during the corresponding period of last year, includes the value of increased quantities of American manufactured products imported, the demand for which arose from better conditions in industrial centers of Italy.

Large gains in wheat imports from the United States were noted for the first six months of this year, the report stated, but this is attributable to the low Italian wheat yield during 1924.

While the value of the lire was lower during the period of this year considered than during the corresponding period of 1924, the report declared that the increase of a billion four hundred million is more than enough to make up the difference and may be accepted as an indication of the persistent demand for American products on the part of Italy.

The increase of imports of American manufactured products is taken as strong evidence of this demand. For example, imports of American machinery and apparatus during the first six months of 1924 were

INCASSO-BANK

AMSTERDAM

ROTTERDAM-THE HAGUE

38 other Branches throughout HOLLAND

Established 1891

Paid-up Capital	.	.	.	.	Fl. 25,000,000
Reserve Fund	.	.	.	.	Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: INCASSOBANK

valued at 35,500,000 lire, 12.2 per cent. of the total Italian imports of this class, as compared with 62,500,000 lire, or 12.9 per cent. of the total, for the first six months of this year. This increase is due in part to higher prices, as is shown by quantity statistics which give a tonnage gain of only 16 per cent.

Importation of American cotton manufactures advanced in spite of the activity of the local industry and reached a value of 8,249,000 lire, as against 5,847,000 in the 1924 period.

Italian exports to this country include a wider variety of commodities than do their imports from us. Imports are restricted principally to wheat and raw materials, although raw materials and foodstuffs head the list of Italian exports to the United States. For example, unmanufactured silk was the leading item during the first six months of 1924, with a value of 214,556,000 lire, a figure greatly in advance of that for the corresponding period last year, when it stood at 89,421,000 lire. Olive oil, always an important factor in Italian trade, rose

to second place with a value of 97,688,000 lire, as against 69,330,000 for the period last year, while cheese was in third place with a value of 84,629,000 lire.

A most striking advance was registered in artificial silk. In the first six months of this year Italian exports to the United States reached the high total of 1000 metric tons, valued at 51,316,000 lire, as compared with 322 metric tons valued at 5,367,000 lire for the corresponding period of 1924.

The Netherlands

THE reduction in its discount rate by the Bank of Netherlands from 4 per cent. to 3½ was a great relief to the stock exchange, which welcomed the announcement by a bullish outbreak, favoring particularly the rubber share market, according to the *New York Times* of October 10. The *Times* says further:

When the Bank of England reduced its discount rate to 4½ per cent. on August 5 it was believed in this market that he

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed . .	Frs. 60,000,000
Capital Paid Up . . .	Frs. 30,000,000
Reserve	Frs. 10,000,000

Branches :
BRUSSELS _____ OSTEND
CORRESPONDENTS
AT ALL BANKING POINTS

UNION BANK OF SWITZERLAND

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano, Locarno,
Montreux, Vevey, La Chaux-de-Fonds, etc., etc.

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - - -	Swiss Francs	16,500,000
DEPOSITS - - -	Swiss Francs	493,683,244
TOTAL ASSETS -	Swiss Francs	646,434,637

The Bank will be pleased to act as
Your Correspondents in Switzerland

and to be appointed as *paying agents for
Letters of Credit, Travellers' Checks, etc.*

Well equipped to handle your
Swiss banking business

Netherlands Bank would follow suit, but, for various reasons, the change in the Dutch bank rate was postponed until the second British reduction at the end of September.

Theoretically, the par of exchange between the guilder and the pound sterling is 12.107 guilders for one pound sterling, and the practical gold import point at Holland is about 12.045, with the export point 12.17. Yesterday London exchange was steadier at 12.0512.

The reduction of its rate by the Bank of England at a time when gold was flowing out has attracted much discussion. Professor Freyda of Amsterdam University holds the belief that the discount apparatus nowadays does not retain its old-time control over gold movements unless simultaneous changes are made in the price of gold.

In Dutch banking circles it is believed that the Netherlands Bank will reduce the gold price further, largely in view of the fact that the lowering of the London bank rate has sufficed to start a return movement to New York both of American balances and gold. The Dutch bank rate is now on the pre-war level and money for fixed ma-

turities lends at 3 per cent., against $4\frac{1}{4}$ in the first days of September.

Czechoslovakia

CZECHOSLOVAKIA is taking steps to separate her currency system from the Ministry of Finance, and to remove it from all connection with politics by transforming the present "Banking Office of the Ministry of Finance" into a National Bank of Issue. Early in 1919, after the partition of Austria-Hungary, the new Republic of Czechoslovakia, which was one of the successor States to the old empire, found it necessary to arrange to take over the administration of the branch offices of the Austro-Hungarian National Bank, which were located in the territory of Czechoslovakia.

The foreign information department of the Bankers Trust Company of New York has received official data showing that the Banking Office of the Ministry of Finance which was organized for this purpose, since that time has virtually exercised all of the functions of a bank, discounting bills, making advances on collateral, giving banking

RECIPROCIETY

IS THE SECRET
OF OUR
SUCCESS

OUR CLIENTS
HAVE
AND WE

CONFIDENCE

IN US
IN THEM

GUAYAQUIL
ECUADOR

BANCO DE DESCUENTO

facilities to the public in the form of current accounts, and also controlling all transactions in foreign bills and foreign currencies.

This office also was charged with the duty of managing the currency of the State. Under the administration of the Banking Office, the currency of Czechoslovakia gained a greater stability than that of any Continental country which had been engaged in the war.

Norway

THE current monthly report of the Bank of Norway, Oslo, on economic conditions in Norway says that:

The movements in the note circulation of the Norges Bank in July were similar to those of last year, but the figures were lower. The circulation amounted to 384,100,000 kroner at the end of July, as against 387,200,000 kroner last June and 395,300,000 kroner July 1924. Loans underwent a substantial reduction; viz., from 377,900,000 kroner to 324,600,000 kroner, but owing to a seasonal fall in deposits, especially in public deposits, a corresponding reduction in the note circulation was not obtained. A comparison will show a stronger position toward foreign banks than last year, balances held abroad having increased from 10,100,000 kroner to 58,100,000 kroner between July 1924 and July 1925. A foreign indebtedness, which in July 1924 amounted to 9,700,000 kroner, has been covered long ago.

The rise in the krone continues under the influence of speculative purchases for foreign account. The rates quoted in New York on July 31 represented 67.4 per cent. of the parity as compared with 66.9 per cent. June 30, 63.1 per cent. May 31, and 57.1 per cent. February 28. The upward movement is stronger than justified by the economic situation, and there are consequently growing chances for a reaction.

The bond market moved in sympathy with the exchange, krone bonds being on the whole higher, whereas the tendency as regards sterling bonds was weaker. The turnover of bonds on the Oslo exchange in July exceeded that of June. The stock market was dull with declining rates.

Trade With Sweden

Aktiebolaget

Göteborgs Bank

Gothenburg and Stockholm

SWEDEN

Established in 1848

Own capital Kr. 78,750,000
(over \$20,000,000)

Through our many branches and correspondents all over Sweden we are able to offer every accommodation possible for banking transactions in Sweden.

Cable address: Götabank

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)
Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: MANILA, P. I.

BRANCHES: ILOILO, CEBU, ZAMBOANGA



William T. Nolting	President
Joseph F. Marias	Vice-President
Fulgencio Borromeo	Vice-President
R. Moreno	Secretary
D. Garcia	Cashier
E. Byron Ford	Chief, Foreign Department
S. Freixas	Chief Accountant
P. J. Campos	Manager Iloilo Branch
J. M. Browne	Manager Cebu Branch
J. M. Garcia	Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

The fall in the wholesale prices continues and the official index as per July 15 was lower by 6 points at 254 (prices of 1913 equal 100). There was equally a decline in the index for retail prices for fuel and food-stuffs.

The volume of foreign trade in June was higher than in May, but the surplus of imports remained unchanged. The surplus amounted to 102,000,000 kroner for the second quarter of the current year as against 176,000,000 kroner in the corresponding quarter of 1924 (labor conflicts). For the first half-year of 1925 the surplus of imports was 171,000,000 kroner as against 296,000,000 kroner for the corresponding period last year. When compared with the differences between imports and exports in pre-war years the present figures are satisfactory.

There is no improvement on the freight market, although a firmer tendency has been noticed in the River Plate.

There is no substantial alteration in the industrial situation. The work has, however, ceased in the canning factories on account of a conflict between employers and workers. The tariffs are approaching their

end in several branches, and negotiations have been started in order to fix new wages and other working conditions.

The number of unemployed is still decreasing, but remains somewhat higher than in July 1924.



International Banking Notes

The statement of the Chosen Industrial Bank Limited, Keijo, Chosen, Japan, as of June 30, 1925, shows total resources of yen 244,184,346, commercial deposits yen 56,234,508, savings deposits yen 6,915,304, loans and advances yen 148,503,450, paid-up capital yen 15,000,000 and reserve fund yen 2,853,270. The net profit of the bank for the first half-year of 1925 was yen 1,541,062.



The statement of condition of the Commonwealth Bank of Australia as of June 30, 1925, shows total resources of £141,783,644, deposits, accrued interest and rebate £35,155,565, savings deposits £42,318,086,

A common instruction in business transactions with Porto Rico:

"PLEASE PRESENT DOCUMENTS THROUGH
BANCO DE PONCE."

Our main efforts being directed to the promoting of trade relationship between the continental United States and this Island, we have specialized our collecting services to further our purpose.

BANCO DE PONCE

PONCE, PORTO RICO

Capital - \$750,000.00 Surplus - \$175,000.00
Assets - \$5,000,000.00

We solicit your collections. Correspondence invited.

capital £4,000,000 and reserve fund £696,608.

©

The statement of the Colonial Bank, now Barclays Bank (Dominion, Colonial and Overseas) as of June 30, 1925, shows total resources of £10,079,142, deposits at interest and current accounts £6,973,038, advances to customers and other accounts £3,343,607, paid-up capital £600,000 and reserve fund £300,000. The net profits for the first half-year of 1925, after providing for all expenses and including £27,621 brought forward from previous half-year amounted to £93,029. This sum has been disposed of as follows:

	£
To provision for bad and doubtful debts.....	10,000
To write off bank premises	10,000
To staff bonus fund	13,000
To a dividend at the rate of 8 per cent. per annum, less income tax for the half-year ended June 30, last	28,350
To shareholders in consideration for repayment of Dominion income tax for the year ended March 31, 1925	4,350
Carried forward to next account	27,329

©

The statement of condition of the Anglo-South American Bank, Limited, London, as of June 30, 1925, shows total resources of £69,258,559, current deposits and other accounts £42,551,755, advances to customers £22,407,261, paid-up capital £4,367,330 and reserve fund £4,000,000. The net profit for the year, including £350,100 brought forward from previous account, and after providing for all expenses, amounted to £781,122. This sum has been disposed of as follows:

	£
To Interim dividend paid on April 28, 1925	169,234
To final dividend of 5s. per share, less income tax	171,963
To staff pension fund	25,000
Carried forward to next account	414,925

©

The statement of the Nederlandsche Bank Voor Zuid-Amerika as of July 1, 1925, shows total resources of fl. 72,431,743, deposits fl. 16,277,374, capital fl. 17,580,000 and reserve fund fl. 1,200,000. The net profit for the year, after providing for all expenses and including a balance of fl. 449,769 brought forward from previous account, amounted to fl. 1,622,398. This sum has been disposed of as follows:

	fl.
To statutory reserve	850,000
To bank premises account	100,000
To dividend preference shares	4,000
To dividend ordinary shares	525,000
To dividend tax	47,610
Carried forward to next account	95,788

©

The statement of the Yasuda Bank Limited, Tokyo, as of June 30, 1925, shows total resources of yen 686,954,377, current account and other deposits yen 591,120,663, advances to customers, etc., yen 571,870,331, subscribed capital yen 150,000,000 (of which yen 57,250,000 is uncalled) and reserve fund yen 51,622,882.

©

The statement of the Commercial Bank of Australia Limited, Melbourne, as of June 30, 1925, shows total resources of £25,237,440, government and other deposits £19,666,798, bills discounted and other advances £14,273,165, paid-up capital £2,860,204 and

Rotterdamsche Bankvereeniging

Rotterdam

Amsterdam

The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States

J. Enderman, 31 Nassau Street, New York

reserve fund £685,000. The net profit for the year, after providing for all expenses and including the sum of £64,953 brought forward from previous account, amounted to £370,489. This sum has been disposed of as follows:

	£
To reserve fund	101,123
To reduction of bank premises	10,000
To officers' guarantee and provident fund	5,000
To interim dividend on preference shares paid in February 1925	42,347
To interim dividend on ordinary shares paid in February 1925	39,943
To a half-yearly dividend on the preference shares at the rate of 4 per cent. per annum	42,347
To a half-yearly dividend on the ordinary shares at the rate of 15 per cent. per annum	47,158
Carried forward to next account	172,057

©

The statement of condition of the Northern Banking Company Limited, Belfast, as of August 31, 1925, shows total resources of £17,290,400, deposits and current accounts £13,954,740, advances to customers, etc., £10,869,672, paid-up capital £700,000, reserve fund £800,000. The net profit for the year, after providing for all expenses and including the balance of £66,220 brought forward from previous account, amounted

to £188,000. This sum has been disposed of as follows:

	£
To a dividend at the rate of 17½ per cent. on the "A" shares and 8¾ per cent. on "B" shares	109,375
To income tax paid on above shares	23,494
To reduction of bank buildings account.....	50,053
Transferred to contingency account.....	50,000
Carried forward to next account	47,066

©

The statement of the Australian Bank of Commerce Limited, Sydney, as of June 30, 1925, shows total resources of £15,395,936, total deposits £11,294,435, advances to customers, etc., £9,138,344, paid-up capital £1,840,000, and reserve fund £740,000. The net profits for the year, after providing for all expenses, amounted to £180,765. This sum has been disposed of as follows:

	£
To reserve fund	50,123
To reduction of bank premises account.....	10,000
To interim half-yearly dividend at the rate of 7 per cent. per annum paid January last	42,000
To a final half-yearly dividend at the rate of 8 per cent. per annum	73,600

This leaves a balance of £5,041, added to which the sum of £49,517 brought forward

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

from previous account leaves £54,559 to be carried forward to next account.



The statement of the Bank of New Zealand, Wellington, as of March 31, 1925, shows total resources of £47,557,730, total deposits £30,079,282, advances to customers, etc., £19,329,186, paid-up capital £5,029,988 and reserve fund 2,325,000. The net profit for the year, after providing for all expenses and including the balance from previous account, amounted to £1,042,465. This sum has been disposed of as follows:

	£
To a dividend on preference "B" shares (making £112,500 for the year)	79,166
To a dividend on ordinary shares (making £400,000 for the year)	200,000
Transferred to reserve fund (making it £2,575,000)	250,000
Carried forward to next account.....	513,299



The statement of the Industrial Bank of Japan, Limited, Tokyo, as of June 30, 1925, shows total resources of yen 504,976,687, fixed deposits yen 18,936,897, special deposits yen 35,938,703, advances to customers, etc., yen 193,449,292 and paid-up capital yen 50,000,000. The net profits for the half-year,

after providing for all expenses and including the sum of yen 710,898 brought forward from previous account, amounted to yen 3,413,933. This amount has been disposed of as follows:

	Yen
To reserve against losses	350,000
To dividend equalization reserve	150,000
To dividend at the rate of 8 per cent. per annum on paid-up capital	2,000,000
To remuneration to officers	100,000
Carried forward to next account.....	813,933



The statement of condition of the National Bank of New Zealand Limited, London, as of March 31, 1925, shows total resources of £17,371,871, deposits and current accounts £10,822,911, advances to customers, etc. £8,905,737, paid-up capital £1,500,000 and reserve fund £1,470,000. The net profit for the year, after providing for all expenses and including £155,558 brought forward from previous account, amounted to £306,697. This amount has been disposed of as follows:

	£
To a dividend at the rate of 12 per cent. per annum for the year ended March 31, last	90,000
To payment of a bonus of 2 per cent.	30,000
To reserve fund	10,000
To pension and gratuity funds	9,000
Carried forward to next account	167,697



Progress of the Anglo-American Bank of Greece

THE Anglo-American Bank of Greece, Athens, which was organized in the early part of 1924, and began business on June 24, 1924, with a capital of 12,500,000 drachmas has shown a very remarkable growth. The company had been in business only a few months when it was necessary to double this capital to 25,000,000 drachmas. In December of 1924, the bank purchased the Bank of Samos, Samos, Greece, and the capital was again increased, this time to 50,000,000 drachmas. A considerable portion of this final stock increase was taken in England, Canada, Egypt and the United States.

The bank was organized to transact a general banking business, and has already established branch offices and agencies in other cities in Greece and abroad. Judging from the dividends now being paid by other banks in Greece, and from the fact that bank failures in that country are unknown, it seems to have a bright future before it. Net profits for the period ending September 5, 1925, amounted to 223,212.89 drachmas.

The balance sheet as of June 30, 1925, shows total resources of 63,143,737.92 drachmas of which cash on hand amounted to 2,191,873.70, cash with correspondents 11,574,044.72, and investments to 20,032,118.20.

The bank also has an affiliated company, the Anglo-American Securities Corporation, of which George Brown, one of the organ-



GEORGE BROWN

A director Anglo-American Bank of Greece, Athens, and president Anglo-American Securities Corporation

izers and a director of the bank, is president. Mr. Brown was born in Athens, but went to Edmonton, Canada, when about twelve years old. He is interested in many enterprises in Edmonton—banks, theaters, etc. He is also developing a new seashore city named Vouliagmeni, near Athens.



The Aktaion Palace Hotel Athenee-Phallere, one of Mr. Brown's enterprises, within a half hour's travel from Athens



NEW BUILDING FOR THE UNION INSTITUTION FOR SAVINGS,
BOSTON

Thomas M. James Company

3 Park Street, Boston

342 Madison Ave., New York

Architects and Engineers

We would be glad to help you solve your
bank building problem

Write us for booklet

Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, THE BANKERS MAGAZINE, 71-73 Murray Street, New York.—EDITOR.

Audited Statements and Auditors' Certificates

THIS article is the eighth of a series by the Credit Editor on credit and credit department methods. In the April issue, two of the usual types of business organizations (the proprietorship and the partnership) were discussed, with particular reference to the division of ownership. In the May issue, the corporate form of business organization was similarly considered. The article in the June issue was devoted to a general discussion of the most common business statements, the trial balance, the balance sheet, and the profit and loss statement. In the July, August and September issues, the balance sheet was taken up in detail, and the October issue covered the profit and loss statement in detail.

MANY companies have their books audited by an outside accountant; that is, the records and books are regularly kept by the company's own book-keeping and accounting force, but at regular intervals, perhaps once a month, more frequently once a year, the company will engage an independent outside accountant. The duties of the accountant vary usually in accordance with the desires of the company. It would appear that the original idea and thought that prompted the engagement of accountants was to have an independent and disinterested party come in, check over and verify the records and certify to their correctness, criticize and make recommendations regarding the accounting practices of the company and comment concerning the goodness of assets, fullness of liabilities as shown, and also other features surrounding and relating to the financial condition of the company.

To qualify an accountant to make such

an audit and report of a company's position considerable training is required, and to afford reasonable assurance that those who ordinarily perform such work are so qualified, standards and requirements were set up in states as regards one who is to use the title of "certified public accountant." The standards and requirements vary with the individual states and the requirements of some are much stricter than the requirements of others.

However, while such requirements and standards perhaps offer reasonable assurance as to the ability of those who use the title "certified public accountant," it must be appreciated that they offer little assurance to the company employing the accountant, or more particularly to a third party, of either the completeness and scope of the work which the accountant will perform or the extent and clearness of his report. The completeness and scope of the work and the extent and clearness as well as completeness of the report, as a rule, rest with the demands of the company employing the accountant. At times, perhaps the third party has a chance to dictate or suggest. Perhaps it would not be out of line to say that, in many cases, the interest or lack of interest displayed by the third party (the credit man), influences the demands of the company on the accountant. The responsibility for a complete report, therefore, largely rests on the third party, the credit man. Of course, it is seldom that the credit man is asked what sort of a report he desires, but his interest and expressions to the company from time to time should indicate his expectations and wishes.

Of course, the demands of the credit man

The **FIRST**
NATIONAL BANK *of*
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New England business, send it to us. With ten offices covering the city and direct collection facilities throughout this section, we afford quickest and best service. Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

might be such that the company thought the financial disbursement necessary to fulfill his requirements an exorbitant amount. Regardless, however, of the desire of the company relating to the financial disbursement involved or the concessions made by the credit man over his original demands, the credit man should always insist that the accountant, in his report, clearly set forth the depth and scope of his audit and what he has done and what he has not done to substantiate the correctness of the figures submitted.

The credit man should have reason to feel that he is receiving something better and more valuable when he receives an audited report, in preference to direct unaudited figures. In the case of the audited report, the credit man is supposed to receive a report prepared by an independent disinterested accountant. The idea is fine and the auditor should always be a disinterested party, conducting and preparing his report on an independent basis and giving in his report a full intimation as to the depth and scope of his audit. The proper independent audited statement gives the credit man assurance, that he cannot ordinarily gain from a direct statement, that his judgment is well founded, whatever the course of his action might be. A proper auditor's report containing balance sheet, profit and loss statement, explanations of various items, details that relate to features surrounding the business, contingent liability, etc., constitutes a highly desirable form for the credit man to receive information regarding the financial status of the company. If, for financial reasons, the verification of any items or the proving of the correctness of any figures or features has been omitted, it is the accountant's place to state those things which he has and has not done.

We find many accounting firms and individual accountants scattered all over, and, unfortunately, audited statements are not always all that they should be. Individual accountants audit the books of several friends and, in many cases, the audit is not that of an independent disinterested accountant. Some accountants and accounting firms allow their clients to dictate certain features in connection with the audit and the information contained in the report or certificate. The idea sometimes is that the company knows its creditors desire audited figures, and this is the sole purpose and only appetite they set about to

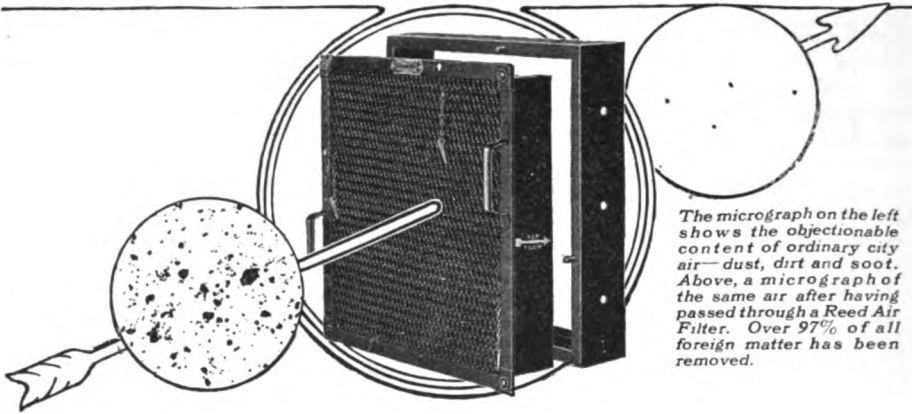
satisfy when they engage an accountant. They want merely a report, with an accountant's signature on it, prepared for as little money as possible, the idea in mind being to obtain more credit, or at least maintain what credit they already have at their disposal. Such a report defeats the purpose of an audit; it is not that of a disinterested party and does not contain constructive criticism which would enable the company to set its organization in better order.

Securing a statement which will be called an audited one because it is over some accountant's signature, and which will make a satisfactory showing to creditors, is perhaps, as indicated above, the thought that in many cases prompts the engaging of an accountant. When audited statements go on such a basis, and the accountant does not set forth in his certificate the nature of his audit, audited statements lose their value. The accountant's greatest asset should be his certificate, and he should never allow his client to practically write it for him.

One of the greatest things that could happen to the accounting profession would be the formation of a national organization of accountants, the organization to set forth and maintain such high ideals and standards that only the highest type accountants could be members; such an organization to be governed by a strong non-partial hand, to make its ideals and standards co-ordinate with the desires, wishes and requirements of credit men and credit organizations in the preparation of audited reports, making these standards known, and dismissing offenders from the organization. Such an organization would find the welcome hand of credit men.

However, it is not the intention of this article to set forth what the accountant should take it upon himself to do. It rather aims to clearly point out that there are many accountants who do not live up to the traditions and purposes of their organization, and that if the profession is growing weaker in this respect, it is necessary for those who use the reports, the credit men, to insist that the accountants live up to the fundamental purposes of their profession.

Certificates should be more than a collection of words, arranged at the foot of the statement in order to afford some means of leading up to a convenient place for the accountant to affix his signature.



The micrograph on the left shows the objectionable content of ordinary city air—dust, dirt and soot. Above, a micrograph of the same air after having passed through a Reed Air Filter. Over 97% of all foreign matter has been removed.

CLEAN AIR—one of your most important assets

CLEAN air, like good character, is one of the bank's intangible but vitally essential assets. Its favorable effect in promoting good health, energy and accuracy among employes is at once noticeable.

That is why more and more banks—large and small—are equipping their ventilating systems with Reed Air Filters—guaranteed to remove 97% of all dust, soot and bacteria from the air.

Safeguard the health and increase the efficiency of your employes; protect your walls and fixtures against the ravages of dirt. It's economy. Write for free bulletins.

REED AIR FILTER CO., Incorporated
225 Central Ave., Louisville, Ky. 50 Church St., New York
Offices in Principal Cities

Reed Air
TRADE MARK
filters ALL METAL

Partial List of Banks Using REED AIR FILTERS

Corn Exchange Bank
New York City
Harriman National Bank
New York City
Mechanics & Metals Bank
New York City
Marshall Field, Clore Ward
& Co.
New York City
W. H. Harriman & Co.
New York City
Aetna State Bank
Chicago
First National Bank
Chicago
Illinois Merchants Bank
(2 installations)
Chicago
Cleveland Trust Co.
Cleveland
First National Bank
Detroit
Federal Reserve Banks
Louisville
Omaha
Denver
Integrity Trust Co.
(2 installations)
Philadelphia
Anglo California Trust Co.
San Francisco
National Savings & Trust
Co.
Washington, D. C.
First Huntington National
Bank
Huntington, W. Va.

It is not uncommon to see certificates such as these:

"Certified correct to the best of my knowledge and belief."

"We hereby certify that the above statement reflects, to the best of our knowledge and belief, the true and accurate financial condition."

"We hereby certify that we have examined the books of account and records of _____ as at the close of business _____ and based upon our examination and information submitted to us, it is our opinion that the above condensed statement shows the true financial condition of the firm at the above date."

"We have audited the accounts of _____, and hereby certify that, in our opinion, the above balance sheet sets forth its true financial condition at _____."

A study of the above certificates indicates many weaknesses. They leave much for one to imagine. All are incomplete. The credit man does not doubt the accountant's statement "in my opinion the balance sheet correctly sets forth the true financial condition" or "the above statement is correct." He realizes that the accountant's training is presumably such as to qualify him to judge the correctness of statements, but on the other hand, the accountant is probably unknown to him and is in no way obligated to him if his judgment as to the correctness should prove wrong. For these reasons alone, the accountant should qualify his remarks as to his estimation of the correctness by giving a full intimation of the depth and scope of his audit and the extent to which he has gone to verify the assets and substantiate the correctness thereof. Such an intimation must necessarily include comment concerning the goodness, basis of valuation, etc., of each asset item and cannot refrain from mentioning the verification and extent of liabilities, contingent liabilities, etc.

Certificates such as the foregoing would intimate that the credit man is to assume that the books of the company have been checked back, that cash on deposit, accounts receivable, other moneys due the company, and debts owed by the company have been verified by direct correspondence to substantiate their extent and correctness as shown by the books; that merchandise has been verified as to quantity and pricing,

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
500 Fifth Avenue
New York

Booklet on Planning & Equipping of Banks will be sent on request

that titles to properties have been searched, etc. It seems out of order that all this should be assumed.

The accountant seems to have little reason to assume he need merely say that the statement is correct and that purely on the strength of this, credit men should feel perfectly safe to loan liberally their own funds, or those of their organizations.

Certificates will bear careful scrutiny and too much should not be taken for granted.

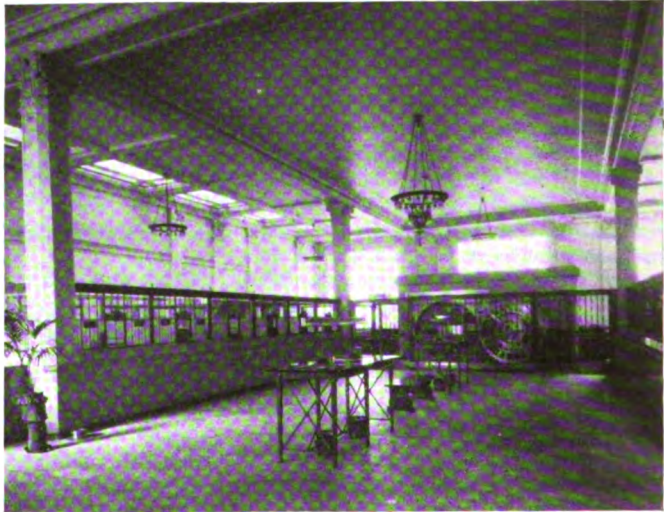
The foregoing articles have covered a discussion of the balance sheet and the profit and loss statement, and have indicated desirable information for the credit man to have respecting each. In the September issue a balance sheet form was suggested, and a questionnaire prepared raising many questions as to details which should be furnished. The audited balance sheet and auditor's report should cover all the reasonable points and questions which might be raised as to the goodness of items, correctness of figures, and financial status of the company.

Some banks, on their own printed form, which they give the customer to fill out,



The Gates Avenue and Broadway branch of the Mechanics Bank of Brooklyn, N. Y.

An interior view from the entrance, showing entrance to safe deposit vault at the rear



LOCATING the second floor underneath the main cornice gives this bank building, built in modified Italian Renaissance style, the appearance of an individual structure, and yet furnishes ample space.

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - - New York

add a printed certificate, and ask the company to have its accountant sign it, thereby certifying to the correctness of balance sheet, profit and loss statement, and full details desired.

Of course, probably most accountants prefer to submit statements and data in their own form of report. The degree of satisfaction of the accountant's report should be in direct proportion to the completeness of his certificate.

The credit man is not after a copy of the accountant's signature, but a report of what he did audit, and what he found.

It would be needless to cover here all the minor points which the certificate should cover. The September issue indicated the information desired. Whether the statements come on one of the bank's own forms, or in an auditor's report, the points to be covered are identical.

Questions and answers on bank credit problems follow as usual and will continue each month.

QUESTION: Many times, in making comments concerning a company and its financial statement, I have pointed out the cash position shown on statement date, and written a sentence or two regarding same. The person reviewing my comments has criticized my dwelling on this feature, stat-

ing no importance could be attached to it. I would appreciate a line from you, giving me your advice.—M. A. C.

ANSWER: Personally, I have never felt warranted in dwelling at any length on comments concerning the cash position, as I have felt it was time wasted. If the analysis is made for an officer or an experienced credit man, I am sure he is not much interested in reading lengthy comments regarding the cash position. Were the cash shown in the statement a reflection of the usual cash working balance over the year, one would be warranted in talking somewhat about it. However, the cash shown on statement date cannot be construed as such. Some merchants will draw their cash down on statement date, using it to pay off debts, and thereby bringing cash below the usual working balance. An equal amount off both current assets and current liabilities, will improve the ratio. From the merchant's standpoint, which is to be considered more important, a satisfactory current ratio or a satisfactory cash position?

In some lines, cash would be larger if statement date immediately followed a holiday season.

In some states a tax is placed on certain cash balances, which is a good reason for companies' drawing balances down.

Alexander Wall in his ratios does not use the ratio of cash to debts. A more interesting ratio is cash plus receivables contrasted to current debt, rather than cash alone.



The Federal Reserve Exhibit

S ECOND in interest only to the display of counterfeit money by the Secret Service, was the graphic presentation at the recent A. B. A. convention in Atlantic City of the services which the Federal Reserve System renders to its member banks. The display was located on the Steel Pier, where the general sessions of the convention were held. It was composed of large charts and pictures,

with the single exception of the exhibit of how many checks the Federal Reserve Banks handle in a day. This was shown by a table holding a wire cage which contained 204,000 checks, the average number which each Federal Reserve Bank handles each day.

The first chart in the exhibit was a large map of the United States, demonstrating the extent of membership in the Federal Reserve System by having the

states with 60 per cent. membership or over colored red, those with a membership of 40 to 59 per cent. a lighter red, and those with membership of under 40 per cent., yellow.

A line chart of the percentage of cash which the banks carried in their vaults and in balances due from banks from 1900 to 1924 was used to demonstrate how the system has reduced the reserve necessary. Before the advent of the system this reserve was between 30 and 40 per cent. It is now slightly above 20 per cent.

Another line chart showed money in circulation, compared with pay-rolls in manufacturing industries. The lines were closely parallel in trend, indicating real elasticity of the currency—the chief purpose of the system.

One of the most interesting charts was the one showing how checks were occasionally routed before the Federal Reserve System, in order to avoid payment of exchange. It showed the route of a check on a Sag Harbor, New York, bank, which was deposited in Hoboken, N. J., sent from there to Boston, thence to Tonawanda, N. Y., from there to Albany, from Albany to Port Jefferson, from there to Far Rockaway, to New York City, to Riverhead, L. I., to Long Island City, and finally to Sag Harbor—a distance of 1223 miles, involving ten days in transit. Under the Federal Reserve System, this check goes from Hoboken to New York City, and thence direct to Sag Harbor—only 93 miles, and requiring but two days.

Another very interesting exhibit was a series of pictures of the services rendered by a Federal Reserve Bank to a country member bank with resources of \$2,000,000 during the month of May, 1925. The pictures included 723 cash items with a value of \$224,500 collected; seven shipments of currency to the bank, total value of \$7500; four shipments from the bank, total value \$35,000; thirty-three non-cash items, to

a value of \$9900 collected; securities valued at \$767,000 held in custody; four rediscounts totalling \$80,000; twenty-three drafts, totalling \$84,400, paid; and six wire transfers of funds to the total amount of \$41,000.

The efficiency with which these services are being rendered was clearly demonstrated by a series of charts showing that from 1921 to 1924 the number of pieces of paper money counted, the number of pieces of coin counted, the number of checks handled, the number of collection items handled, and the number of transfers of funds have all steadily increased; while during the same period the current expenses and number of employes have just as steadily decreased.

There were a number of other charts in the exhibit, showing how Federal Reserve notes are issued and retired; the magnitude of the currency operations of the system; how widely the rediscount privilege is used; rediscounting operations between the Reserve Banks, distributing funds to those sections of the country where they are most needed; how the county clearings plan saves time in collecting checks; the great number of non-cash items collected by the system; how money is saved by wire transfers through the gold settlement fund; the earnings and expenses of the system; how the system has stabilized interest rates and equalized them over the country; the growth of the market for bankers' acceptances; and how an export transaction is financed by bankers' acceptances.

All these charts were handsomely reproduced in a booklet describing the entire display, and containing also pictures of the buildings of all the twelve Federal Reserve Banks. It would seem that no banker, after seeing this exhibit, could doubt the advisability of continuing the existence of the Federal Reserve System.



Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	- - - - -	\$20,000,000
Surplus and Profits	- - - - -	26,388,073
Deposits (June 30, 1925)	- - - - -	490,692,659

DIRECTORS

HENRY W. CANNON

ALBERT H. WIGGIN

Chairman of the Board and President

JOHN J. MITCHELL

President, Illinois Merchants Trust Company, Chicago, Illinois

GUY E. TRIPP

Chairman Board of Directors, Westinghouse Electric & Mfg. Co.

JAMES N. HILL

DANIEL C. JACKLING

President, Utah Copper Company

CHARLES M. SCHWAB

Chairman Board of Directors, Bethlehem Steel Corporation

SAMUEL H. MILLER

Vice-President

EDWARD R. TINKER

Chairman of the Executive Committee

EDWARD T. NICHOLS

Vice-President, Great Northern Railway Company

NEWCOMB CARLTON

President, Western Union Telegraph Company

FREDERICK H. ECKER

Vice-President, Metropolitan Life Insurance Company

EUGENE V. R. THAYER

E. Atkins & Company

CARL J. SCHMIDLAPP

Vice-President

GERHARD M. DAHL

Chairman Board of Directors, Brooklyn-Manhattan Transit Corporation

ANDREW FLETCHER

President, American Locomotive Co.

REEVE SCHLEY

Vice-President

H. WENDELL ENDICOTT

JEREMIAH MILBANK

HENRY OLLESHEIMER

Vice-President

ARTHUR G. HOFFMAN

Vice-President, The Great Atlantic & Pacific Tea Company, Inc.

F. EDSON WHITE

President, Armour & Company

ALFRED P. SLOAN, Jr.

President, General Motors Corporation

ELISHA WALKER

President, Blair & Co., Inc.

MALCOLM G. CHACE

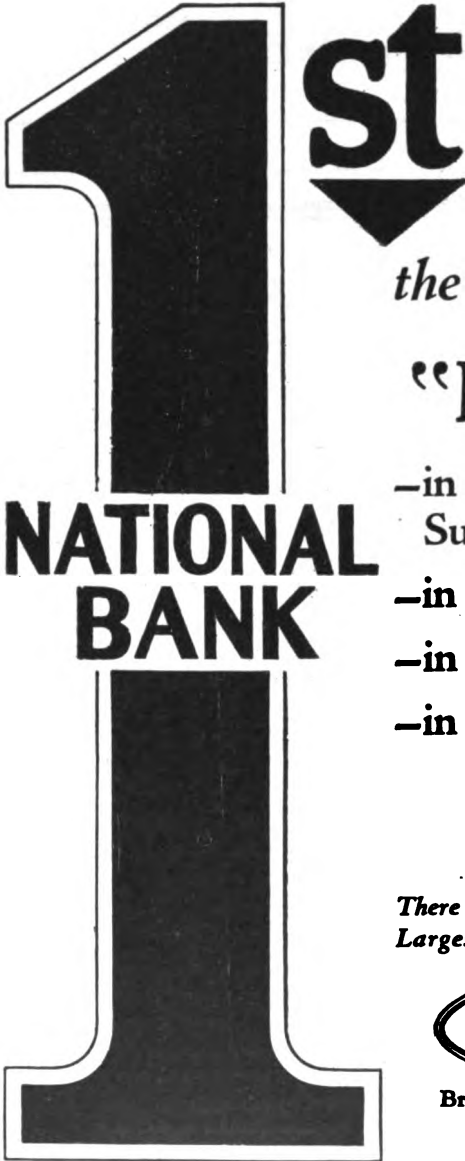
President, Chace & Harriman, Inc., Boston

THOMAS N. McCARTER

President, Public Service Corporation of New Jersey

ROBERT L. CLARKSON

Assistant to the President



*Everything
the name implies*

“FIRST”

- in Capital and Surplus
- in Deposits
- in Resources
- in Service

*There Are Many Things St. Louis'
Largest Bank Can Do For You*



Broadway—Locust—Olive

Banking and Financial Notes

Items of current interest to bankers about banks and banking in every section of the country are included in this department each month

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

DIAMOND JUBILEE OF EMIGRANT INDUSTRIAL

The Emigrant Industrial Savings Bank, New York, recently celebrated its seventy-fifth anniversary with a dinner for about 200 guests and members of the staff. Governor Smith of New York, Professor Michael I. Pupin of Columbia University, United States Senator Royal S. Copeland, State Superintendent of Banks George V. McLaughlin, Frederick H. Ecker, president of the Chamber of Commerce of the State of New York, and John J. Pulleyn, president of the bank were among the speakers at the dinner.

The Emigrant Industrial, which was organized in 1850 by the Irish Emigrant Society to protect the savings of its members and afford them a safe way of sending these savings back to Ireland, began business with twenty depositors and total deposits of \$3,009. Today it is the largest savings bank in the world, with 200,000 depositors and total assets of over \$300,000,000. Business is still carried on at the same site on which it was begun, at 51 Chambers street.

To celebrate the anniversary, the bank has issued a booklet "Five Steps to Fortune," written by the president, John J. Pulleyn.

RECORD CHECK COLLECTIONS INDICATE BUSINESS ACTIVITY

All records for a single day's check collections by the Federal Reserve System were broken on October 14, when more than 3,500,000 checks with a total value of almost \$1,000,000,000 passed through the twelve Federal Reserve Banks.

Collections at the New York Federal Reserve Bank alone aggregated \$259,000,000 on the 659,000 check items, some of which included bundles of a dozen or more separate checks.

Though it is usual for check collections to be heavy at this time of year, due to

the fact that many merchants have to settle for their autumn purchases about this time, the unprecedented collections this year are a good index of the prosperous business throughout the country.

FENTON EXECUTIVE SECRETARY I. B. A. of A.

Frederick R. Fenton, secretary and one of the founders of the Investment Bankers Association of America, has been appointed executive secretary of that organization by the board of governors. Mr. Fenton has



FREDERICK R. FENTON
Secretary and one of the founders of the Investment Bankers Association of America, who was recently appointed executive secretary of the association

been in the bond business for more than twenty-five years, and for the last five years has been president of the investment banking house of Fenton, Davis & Boyle. He has been secretary of the Investment Bankers Association since its organization in 1912, and will retain that position in addition to his new duties as executive secretary.

IS YOUR BANK INTERESTED in the travels of its patrons?

IN the interest of your patrons who may seek your bank's advice on matters of travel this winter, the American Express Company desires to bring to your attention again the experienced and dependable *Service of its Travel Department*. World-wide in extent, and without red tape, this Service is at the command of your patrons, through your bank without cost to either.

Many interesting and varied tours and cruises are offered by this Department for the coming winter. Chief of these are:

Cruise Around the World

On the Red Star *S. S. Belgenland*, the largest and finest liner ever to circle the globe. Sails on her second World Cruise, westward from New York, November 25th, 1925. 132 wonderful days. Visiting 60 cities in 14 countries. The itinerary is the perfected result of long experience. Each country will be visited in its most delightful season. Booking limited to 475. Every comfort and convenience aboard ship. Distinguished attention everywhere on many shore excursions. *Offered in cooperation with the International Merchant Marine.*

To the Mediterranean

The 5th annual cruise of the Holland America *S. S. Rotterdam*. A luxury cruise in every detail, and deservedly the most popular of travel trips. Sails from New York, February 2nd, 1926. Two wonderful months on land and sea. Visiting the Madeiras, Portugal, Spain, Algeria, Tunis, Italy, Greece, Turkey, the Holy Land, Egypt, The Riviera, France, Netherlands and England. *Offered in cooperation with the Holland America Line.*

The Great African Cruise

On the Royal Mail's palatial cruising *S. S. Orca*. A new cruise. Sails from New York, January 19th, 1926. 100 fascinating days to little-visited places, covering British West Indies, Rio de Janeiro, Santos (Brazil), Montevideo (Uruguay), Buenos Aires (Argentina), Capetown, Port Elizabeth, Durban (South Africa), Delagoa Bay, Beira, Mozambique Zanzibar, Mombasa (East Africa), Port Sudan, Suez, Alexandria (Egypt), Italy, The Riviera, Spain and England. *Offered in cooperation with the Royal Mail Steam Packet Co.*

South America and West Indies

7th Annual American Express Tour. Standardized and perfected by experience. Sails from New York, January 28th, 1926, via Pacific Liner *S. S. Essequibo*. A wonderful panoramic journey on sea and land, viz.: Havana (Cuba), Cristobal, Balboa (Canal Zone), Callao, Mollendo (Peru), Arica, Iquique, Antofagasta, Valparaiso (Chile); across the Andes by rail to Santiago, Los Andes (Chile), Mendoza, Buenos Aires (Argentina); by steamer up the East Coast—Montevideo (Uruguay), Santos (Brazil); by rail to Sao Paulo, Rio de Janeiro (Brazil); by steamer to British West Indies and Porto Rico.

For full details on any, or all, of these and other Cruises and Tours—deck plans, itineraries, illustrated booklets, prices, etc., address—Travel Department of the

American Express Co.

65 Broadway, New York

OFFICES IN ALL THE PRINCIPAL CITIES



*Pride Mark
of a
Real Bank*

Big Enough—to handle any financial transaction, national or regional, in an efficient manner.

Small Enough—to consider every account as deserving our best efforts, knowing that our growth depends on our customers' success.

Old Enough—to apply to your bank-building problems 67 years of practical banking experience.

Young Enough—in spirit to bring the enthusiasm of aggressive officers and a progressive board of business men into action in behalf of our patrons.

Strong Enough—to offer the basis of absolute confidence in our resources of more than \$100,000,000.00.

The National Bank of Commerce
with which is affiliated the
Federal Commerce Trust Company
 **in St. Louis**

CENTRAL RESERVE BANK FOR SAVINGS BANKS PROPOSED

A reserve bank for savings banks similar to the Federal Reserve Banks which now serve the National banks and state bank members was proposed at the convention of the Savings Banks Association of the State of New York, which was held at Rye, N. Y., October 14-16.

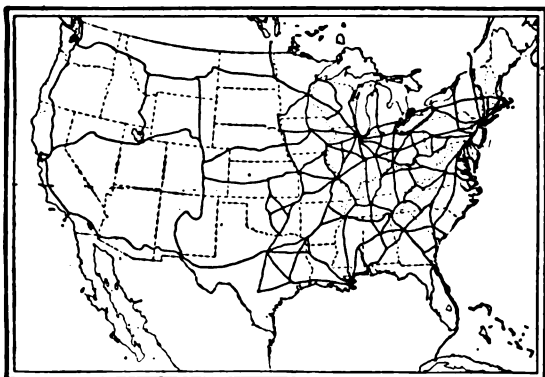
The proposed bank would have a capital of \$1,000,000, all of which would be subscribed for and owned by the savings banks of the State of New York. It would make loans to savings banks on bonds and mortgages and other securities, and then, pledging these securities with a trustee, would issue bonds or participating certificates against them, in convenient denominations. The certificates would be sold to the savings banks, to be in return sold to such of their depositors as want a higher return than they are now getting on savings deposits.

The plan is much similar to the method of operation of the Federal Farm Loan System and the intermediate credit banks. It would furnish to savings banks safe investments to sell to their savings customers. Further,

by making the "rediscount" of mortgages possible (through the proposed bank—for that is what borrowing on them would amount to) the liquidity of savings bank investments would be greatly increased, and the whole savings bank system strengthened.

The plan seems to be sound, and was approved, in principle, by George V. McLaughlin, State Superintendent of Banks of New York.

At the conclusion of the convention, the following officers were elected to serve for the ensuing year: president, Charles J. Obermayer, president Greater New York Savings Bank, Brooklyn, N. Y.; first vice-president, George D. Sears, secretary Buffalo Savings Bank, Buffalo, N. Y.; second vice-president, Roy C. Van Denbergh, vice-president Savings Bank of Utica, N. Y.; third vice-president, Frederick B. Stevens, treasurer National Savings Bank, Albany, N. Y.; fourth vice-president, L. B. Gawtry, vice-president Bank for Savings, N. Y.; fifth vice-president, Philip A. Benson, secretary Dime Savings Bank of Brooklyn, N. Y.; treasurer, William M. Campbell, president American Savings Bank, N. Y.; counsel, Eugene Lamb Richards, trustee



Bridging Space

THE long-distance telephone, surmounting barriers and bridging space, makes the scattered people of the nation neighbors.

Whether you wish to call Chicago, New York, Havana, San Francisco, Boston, Seattle, or any intermediate place, the long-distance facilities exist—ready for your use.

The Bell System today has 5,000,000 miles of long-distance lines, which, with its exchange lines, bring its total wire mileage up to more than 39,000,000 miles.

This nation-wide plant and nation-wide service underlie Bell System securities.



The stock of the A. T. & T., parent company of the Bell System, can be bought in the open market to yield a good return. Write for information.

BELL TELEPHONE SECURITIES CO. Inc.

**D.F. Houston, President
195 Broadway NEW YORK**



*"The People's
Messenger"*

Empire City Savings Bank, N. Y.; and general secretary, Paul W. Albright.

SECURITY ANALYSTS FORM ASSOCIATION

The American Association of Security Analysts was organized at a meeting at the City Club, New York, on October 22, which was attended by statisticians from numerous banks, stock exchange firms and investment houses. Meetings will be held regularly to exchange views on the trend of financial conditions and to discuss the merits of specific securities.

DAVIS HEADS NEW MIAMI BANK

Clark B. Davis, assistant vice-president of the Bank of America, New York, has resigned in order to become president of the newly organized City National Bank of Miami, Florida. The new bank will have



CLARK B. DAVIS

Formerly assistant vice-president Bank of America, New York, recently elected president of the newly organized City National Bank, Miami, Florida

a capital of \$1,000,000, and a surplus of \$250,000.

Mr. Davis was born in Georgia, and obtained his first banking experience there when he left a salaried job in another line at fifteen and entered a bank at no salary.

COLLECTION ITEMS

THE location of our Elk Street Market Branch, in the heart of the Wholesale Fruit, Produce, Butter and Egg, Poultry and Grocery district insures prompt handling of collection items to Buffalo Wholesalers.



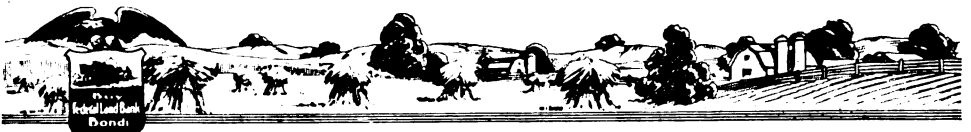
At nineteen, he came North, and later organized the First National Bank of Amityville, L. I. He also built up and is now president of the First National Bank of Bellmore, L. I. Through an introduction to E. C. Delafield, president of the Bank of America, Mr. Davis became an assistant secretary in the Franklin Trust Company, N. Y., and when it was merged with the Bank of America, he became an officer in the latter institution.

GUARANTY TRUST PROFITS GAIN

The statement of the Guaranty Trust Company, New York, as of September 30, shows a gain of \$860,000 in undivided profits. Surplus and undivided profits now stand at \$21,229,296, deposits at \$528,971,656, and total resources at \$649,815,086.

NEW FINANCIAL PUBLICATIONS

McKinley & Morris, New York, are publishing a monthly review under the title "Investment Information." The September



Federal Supervision Safeguards This Standard Form of Investment

Based on our Fundamental Industry—*Agriculture*

IN SETTING UP the Federal Land Bank System, Congress sought not only to meet the urgent needs of American Farmers for long-term land credit, but also to create a standard form of investment suitable for large and small, trained and untrained investors. Congress surrounded this new type of security with every safeguard which a century of experience could suggest and endowed it with extraordinary advantages.

FEDERAL LAND BANK BONDS

Safe — Marketable — Completely Tax-Exempt

Denominations: \$10,000, \$5,000, \$1,000, \$500, \$100 and \$40

These requirements safeguard the money of investors in Federal Land Bank Bonds:

Loans can be made only to those who actually cultivate or are about to cultivate the land mortgaged. *This eliminates the land speculator.*

Loans are limited to 50 per cent. of the appraised value of the land plus 20 per cent. of the insurable value of the permanent improvements.

Before borrowing from a Federal Land Bank, a farmer must seek membership in the local Farm Loan Association, made up of borrowing farmers who know him and his farm. No loan is granted until the land has been twice inspected, first by the Loan Committee of the local Association and then by Government appraisers, appointed by and responsible to the Federal Farm Loan Board.

The application must be approved in turn by the local Board of Directors, the Chief Appraiser of the Federal Land Bank and by the Executive Committee of the Bank officers.

Still further steps are requisite, before the Federal Land Bank can use the mortgage as the basis for an issue of Federal Land Bank Bonds.

The original application, the local loan committee's report and the Land Bank apprais-

ers' reports are forwarded to the Federal Farm Loan Board. Once more, all the documents are carefully analyzed before being finally approved. No individual or group of individuals along the line has any personal interest in making the loan.

The Government not only gives the twelve Land Banks the closest supervision, but through representation on the Boards of Directors *participates* in their management *without*, however, *assuming financial obligation*. Having provided all these safeguards, Congress proceeded to endow Federal Land Bank Bonds as "Instrumentalities of the Government of the United States" with complete exemption from "Federal, State, Municipal and local taxation." This exemption extends to the income from the Bonds.

These Bonds are eligible investments for all fiduciary and Trust funds under Federal administration. They are also acceptable at par as security for all public deposits including Postal Savings.

The confidence of the investing public is evidenced by the absorption of more than one billion dollars' worth of Federal Land Bank Bonds.

A block of Federal Land Bank Bonds will strengthen any diversified investment fund and often increase its *net* earning capacity.

Federal Land Banks are located at

Springfield, Mass. New Orleans, La. Wichita, Kan. St. Louis, Mo. Berkeley, Calif. Omaha, Nebr.
Louisville, Ky. St. Paul, Minn. Baltimore, Md. Columbia, S. C. Houston, Texas Spokane, Wash.

Write today for Federal Farm Loan Board Circular No. 16 descriptive of these Bonds, addressing nearest Federal Land Bank or

CHAS. E. LOBDELL, Fiscal Agent

FEDERAL LAND BANKS, Washington, D. C.



No promise equals performance

For seventy five years the "Old Marine" has served Buffalo. Today, with resources over One Hundred Sixty Millions of Dollars, it is the largest and oldest commercial bank on the Niagara Frontier.

MARINE TRUST COMPANY of Buffalo

*Resources over
One Hundred Sixty Millions of Dollars*

15 issue discusses "The Railroads as Creators of National Wealth," and the October 15 issue "Are Bonds a Purchase or a Sale?"

Pask & Walbridge, New York, are publishing "Bank Stock Topics," which aims to present weekly the current news having a bearing on bank stocks and allied securities as investments.

BAKER HEADS CLEARING HOUSE

Stephen Baker, president of the Bank of the Manhattan Company, New York, has been elected president of the New York Clearing House Association, for the ensuing year, succeeding James S. Alexander. Samuel H. Miller, vice-president of the Chase National Bank succeeded Dunham B. Sherer as secretary. William J. Gilpin, manager; Clarence E. Bacon, assistant manager; and Charles A. Hanna, examiner, were re-elected.

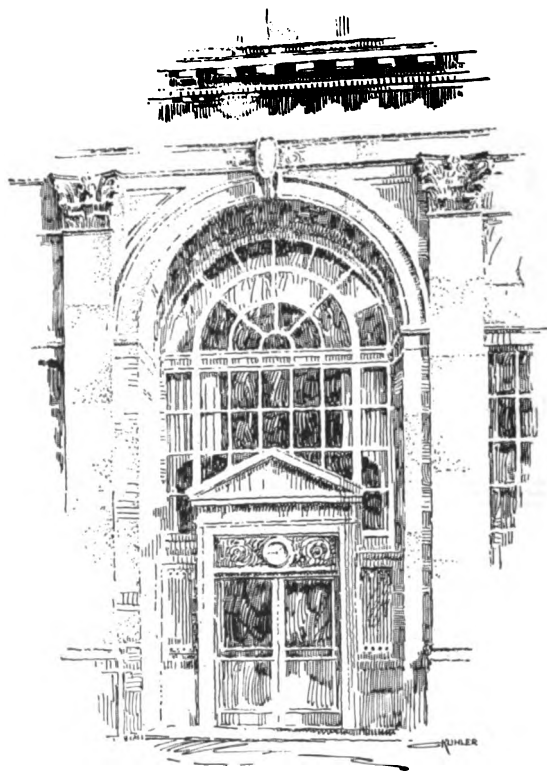
For the year ended September 30, 1925, the clearing house reported the largest volume of exchanges on record, \$276,873,934,-638, compared with \$235,498,649,044 for 1924 and the previous record of \$252,338,249,466 in 1920. The last year also showed a record



STEPHEN BAKER
President Bank of the Manhattan Company.
New York, recently elected president of
the New York Clearing House
Association

FOR THOSE ABOUT TO BUILD

We recommend our dependable preliminary service as a certain means of keeping the final costs within your expectations.



ONE RESPONSIBILITY

The practical value and dependability of this service is due to the fact that in one organization we have architectural, estimating, purchasing and construction divisions working in close collaboration so that the proposed bank building project will come within your reasonable appropriation.

Permit us to send you a list of clients who have enjoyed substantial increases in deposits following possession of their new buildings.

SIMONS, BRITAIN & ENGLISH, INC.

Designers and Builders of Banks

(Our System Permits Competitive Bidding)

COLUMBUS
193 E. Broad St.

PITTSBURGH
336 Fourth Ave.

PHILADELPHIA
929 Chestnut St.

of the largest exchanges on any one day, those on May 1, 1925 amounting to \$1,697,265,868.

CARLETON BUNCE CELEBRATES ANNIVERSARY

Carleton Bunce, vice-president Equitable Trust Company, New York, is celebrating his twenty-fifth anniversary with the bank. During this term of service he spent a number of years abroad, in charge of the



© UNDERWOOD & UNDERWOOD

CARLETON BUNCE

Vice-president Equitable Trust Company, New York, who is celebrating his twenty-fifth year of service with the bank

re-organization work of the Paris office. Later he was manager of the industrial department of the head office at New York. At present he is devoting his energies to the loan department.

INCREASE IN FRENCH LINE EARNINGS

Felix Lachenez-Heute, assistant general traffic manager of the French Line, who recently returned from a business trip abroad, reports that to date the company has handled about 20 per cent. more passengers than last year, and therefore that the gross earnings for 1925 are expected to run 20 per cent. above those for 1924.



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000

Surplus and Profits - 9,000,000

E. F. SHANBACKER
President

The
FOURTH STREET NATIONAL BANK
Philadelphia

Hare & Chase, Inc.*Automobile Finance*300 Walnut Street
Philadelphia

The name Hare & Chase has
fifty-eight years of business
prestige behind it

ark and Essex Banking Company, New-
ark, N. J.

**CITIZENS TRUST, UTICA,
STATEMENT**

The statement of the Citizens Trust Com-
pany, Utica, N. Y. as of September 30,
1925, shows capital, surplus and undivided
profits of \$2,241,356.67, deposits of \$18,523,-
259.34 and total resources of \$21,003,266.78.

**FIFTH AVENUE BANK, NEW YORK,
FIFTY YEARS OLD**

The Fifth Avenue Bank, New York, re-
cently celebrated its fiftieth anniversary,
presenting fifty American Beauty roses to
A. S. Frissell, chairman of the board, the
only living member of the original board
of directors.

The bank began business in the basement
of the old Sherwood House, on the north-
east corner of Forty-fourth street and Fifth
avenue, which later was the Delmonico
building. About 1890, the bank moved
across the street to its present site, sub-
sequently buying some adjoining property

**NEW YORK TITLE STOCK ISSUE
TAKEN**

The issue of \$2,500,000 additional stock
of the New York Title and Mortgage Com-
pany, New York, recently offered to stock-
holders at 365, was entirely taken up by
them.

**BROADWAY NATIONAL, PATERSON,
OPENS FOR BUSINESS**

The Broadway National Bank, Paterson,
N. J. opened for business on November 2
in the quarters formerly occupied by the
National Bank of America, which has
moved into its new building.

**GRIFFIN JOINS NATIONAL
NEWARK AND ESSEX**

B. W. Griffin, formerly assistant vice-
president of the Gotham National Bank,
New York, is now manager of the business
extension department of the National New-



● UNDERWOOD & UNDERWOOD

MISS CAROLINE OLNEY

Manager women's department Chemical Na-
tional Bank, New York, recently re-elected
treasurer of the Association of Bank
Women at their convention in
Atlantic City

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

to enlarge its quarters. Since the time when Peter Minuit bought all Manhattan for \$24, there have been only four transfers of the corner on which the bank stands.

WALL STREET FOLLIES INCORPORATED

The group of bank men and women who have been producing each year a revue, giving the proceeds to the Broad Street Hospital, New York, have incorporated, as the Wall Street Follies, Inc. The following officers have been elected: chairman of the board, Carroll S. Ragan, United States Mortgage and Trust Company; president, Sayers Coe, Doremus & Co.; vice-president and treasurer, John S. Scully of Rees, Scully & Forshay; secretary, Murray R. Schwerens of the *New York Evening Post*; general counsel, John Edmond Hewitt; and director, David J. Andrews, Doremus & Co.

Mr. Andrews was also appointed chairman of a committee to produce the "Wall Street Follies of 1926."

GENERAL MOTORS CREDITS EXCEED BILLION

On October 8, the total amount of money advanced to finance the wholesale distribution and retail sale of cars, and used cars

taken in trade and resold by the General Motors Acceptance Corporation since the organization of the company reached \$1,000,105,782. The total loss experienced during that period amounted to only \$1,299,207, or 135/1000 of 1 per cent. of the volume of business transacted.

ANGLO-SOUTH AMERICAN TRUST COMPANY STATEMENT

The condensed statement of condition of the Anglo-South American Trust Company, New York, as of September 30, 1925 shows total resources of \$17,821,292, deposits of \$12,851,010, and capital, surplus and undivided profits of \$1,578,608.



New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island.

HAGIS VICE-PRESIDENT FRANKLIN COUNTY TRUST

Senator John W. Hagis has been elected vice-president of the Franklin County Trust Company, Greenfield, Mass., to fill the va-

To Trust Company and Bank Executives

This Company offers the facilities of its various Offices and Departments for the handling of business in New York City and surrounding territory. Checking accounts of banking officials are invited.

Inquiries by mail or wire will receive prompt and courteous attention.

UNITED STATES MORTGAGE & TRUST COMPANY 55 Cedar Street

Branches:

Broadway at 73rd Street
125th St. at Eighth Ave.

Madison Ave. at 74th St.
Lexington Ave. at 47th St.

New York

SAFE DEPOSIT VAULTS

cancy caused by the promotion of William B. Keith to the presidency. Mr. Keith succeeds John H. Sanderson, retired.

Senator Hagis has been a director of the trust company since 1919. He is owner and publisher of the Greenfield Daily Recorder.

BOSTON BANKS' CRIME PREVENTION MEASURES

In order to combat the present crime wave, the National Shawmut Bank, Boston, has arranged to have one uniformed member of the Boston police department on each of its trucks used in the transport of money.

The National Shawmut was the first bank in the United States to undertake automobile service for the benefit of its customers, some twenty years ago. The first truck was an electric, and was successful from the start. In the twenty years while this service has been carried on, there has never been a holdup, and the bank and the employees are justly proud of their record.

The bank presidents of Cambridge, Mass., recently held a meeting, under the auspices of the Cambridge Chamber of Commerce, to

arrange for co-operation with the Cambridge police department to prevent robberies in the delivery of pay rolls. Two days a week will be selected for the delivery of pay rolls, and when pay rolls are delivered, the bank cars will be accompanied by a police car equipped with a riot gun.

BOSTON MEMBER BANKS OPPOSE ONE McFADDEN BILL; ENDORSE ANOTHER

At the meeting of the stockholders of the Federal Reserve Bank of Boston, which was attended by about 300 representatives of banks, a resolution was passed opposing Representative McFadden's bill to amend the Federal Reserve Act (H. R. 12453, the text of which was given and discussed in the August number of *THE BANKERS MAGAZINE*). Mr. McFadden's other bill (H. R. 8887), which amends the National Bank Act, removing the inequalities under which national banks operate, was endorsed by a resolution at the same meeting. The December issue of *THE BANKERS MAGAZINE* will carry the text of this latter bill, and a discussion of it written by Representative McFadden.



What your loans tell

Every loan tells a story of its maker. It marks him as a thinking man of sound judgment or as a careless thinker.

Take building loans, for instance. The progressive type of banker favors insulation in the buildings he loans money on. He knows that a house insulated against cold requires less fuel to heat. The mortgagee has less maintenance expense so can meet his interest and principal payments easier.

Houses insulated with Celotex Insulating Lumber have other advantages too. They are stronger because Celotex as sheathing has several times the structural strength of lumber. It is the one material that combines higher insulation value with greater structural strength and is not an extra item in the building. Celotex houses withstand depreciation.

They have quiet rooms because Celotex is also a sound deadener. Such houses are the envy of all who enter. They rent or sell readily and at better figures.

Already more than 60,000 progressive families have built Celotex homes.

The Celotex Company produces more insulation used for general building purposes than all other insulation manufacturers combined.

Ask your architect, contractor or lumber dealer about the advantages of Celotex insulated homes. Or have your secretary write for a copy of our new building book for you. It explains insulation fully.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

CELOTEX
INSULATING LUMBER

"There is a use for Celotex in every building"



Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

OFFICERS OF MASSACHUSETTS SAVINGS BANKS ASSOCIATION

At the close of the recent convention of the Savings Banks Association of Massachusetts, held at Salem, Mass., the following officers were elected to serve for the ensuing year: president, Joseph H. Soliday, president Franklin Savings Bank, Boston; first vice-president, Harry P. Gifford, treasurer Salem Five Cents Savings Bank, Salem;

second vice-president, Francis S. Whittemore, treasurer Gardner Savings Bank, Gardner; treasurer, Edwin W. Hunt, treasurer Whitman Savings Bank, Whitman; secretary, Clifford F. Martin, treasurer City Savings Bank, Pittsfield.

BOSTON RESERVE BANK WANTS TO AID COTTON MEN

Frederic H. Curtis told the National Association of Cotton Manufacturers, at their recent convention in Boston, that the Federal Reserve Bank of Boston is willing to aid them in compiling statistics as to the monthly rate of consumption of their product, in the same manner as the bank has aided retail trade. He described in detail how these statistics were collected for stores. The collection of this information revealed one very useful fact—that consumer buying is remarkably steady through periods of prosperity and periods of depression; and that the great increases in orders, and their consequent declines come from jobber buying. Based on this knowledge, manufacturing concerns have been able to keep their production schedules more steady, and increase their profits—at the same time supplying enough goods to fill the actual consumer demand.

With the co-operation of the cotton manufacturers, consumption of cotton goods could be measured in much the same manner, with as satisfactory results. The Federal Reserve Bank of Boston is willing to undertake the task if the cotton manufacturers want it done, and if they are willing to furnish the necessary statistical information.

COMMERCIAL TRUST, NEW BRITAIN, CELEBRATES ANNIVERSARY

On October 11 the Commercial Trust Company, New Britain, Conn. celebrated its

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djörup & McArdle**

42 Broadway, New York

INDIVIDUALITY

Ask us to show you how we put your bank's
individuality into your advertising

It is something new—and desirable

OUTCAULT ADVERTISING COMPANY

221 EAST 20th STREET, CHICAGO, ILL.

tenth anniversary. It began business with capital of \$100,000, surplus of \$25,000 and total resources at the close of the first day's business of \$207,000. Today it has 20,000



JOHN C. LOOMIS

President Commercial Trust Company, New Britain, Conn., which recently celebrated its tenth anniversary

customers, and total resources of nearly \$5,500,000.

James M. Curtin who was the first president of the company, died in 1924 and was succeeded by John C. Loomis, who still occupies the office.

Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATES

Investment Bankers Association of America—at St. Petersburg, Fla., Dec. 7-11.

National Foreign Trade Association—at Charleston, S. C., April 28-30, 1926.

Texas Bankers Association—at Galveston, Texas, May 25-27, 1926.

HIBERNIA BANK PROMOTES HEINY AND JUDGE

H. E. Heiny has been promoted from assistant auditor of the Hibernia Bank and Trust Company, New Orleans, La., to manager of the bank's Broadmoor branch. Mr.

Bank of Charleston

National Banking Association

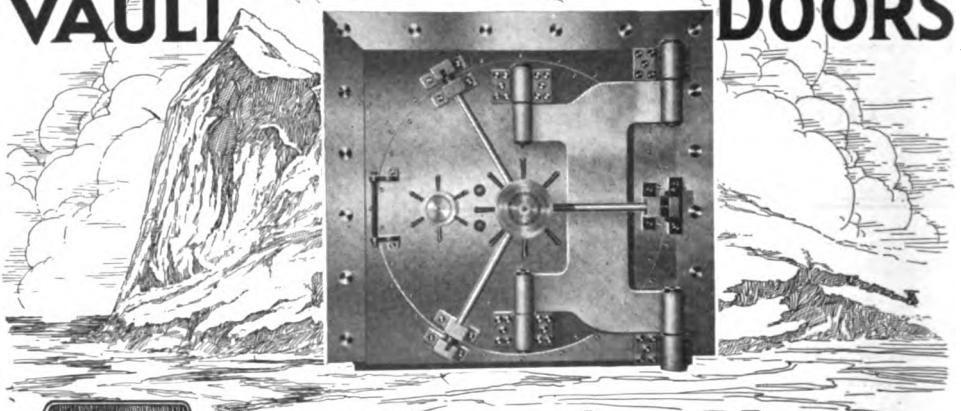
Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . \$1,500,000.00
Resources . . . \$12,500,000.00

DONSTEEL VAULT DOORS



TORCH



EXPLOSIVES



DRILL

Bank Vaults — like fortresses — should be built to resist all forms of attack.

Independent tests — conducted by leading testing laboratories and technical institutions—have proven that DONSTEEL Vault Doors will resist burglarious attacks by torch, explosive or drill.

No known metals are comparable to DONSTEEL in this respect.

Sold only by

THE MOSLER SAFE CO.

**375 BROADWAY, NEW YORK, N.Y.
FACTORIES - - HAMILTON, OHIO.**

Branches in all principal cities

BOSTON
CINCINNATI
PORTLAND
PITTSBURGH

BALTIMORE
ST. LOUIS
SEATTLE
DALLAS

CHICAGO
LOS ANGELES
ATLANTA
CHARLOTTE

KANSAS CITY
SAN FRANCISCO
NEW ORLEANS

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1865

with

EXPERIENCE—Over fifty-nine
years

STRENGTH—Capital and Surplus
\$4,000,000.00

OFFICERS—Experienced, capable and
well versed on conditions
and credits throught this
territory :

invites your business

JOHN M. MILLER, JR.
President

Resources over \$33,000,000

Heiny began his banking career with the Peoples' Bank, in 1907. When it was merged with the Interstate Trust and Banking Company, he went to the Citizens Bank, until it, too was merged, with the Canal Bank and Trust Company. It was at the time of this merger that he joined the Hibernia Bank and Trust Company.

At the same time as Mr. Heiny was promoted, W. J. Judge, who has been serving as acting manager of the Algiers branch, was made manager of that branch. Mr. Judge has been with the bank about six years, most of the time at the Algiers branch.

TIME SAVINGS POSSIBLE BY USE OF AIR MAIL

The Post Office Department announces that the transmission of mail by air can now be effected in less than half the time required by train. Air mail letters dispatched from New York by 9 p. m. one evening are delivered in Chicago by first carrier the following morning. If they must be forwarded by train to other points, they go forward by first morning train in-

stead of a late evening train, saving at least twelve hours. This saving is possible in a very wide zone on either side of the trans-continental air mail route. In business transactions in which time is important, the air mail service is of great value, and the cost is negligible.

DOSKER HEADS KENTUCKY BANKERS

At the conclusion of the convention of the Kentucky Bankers Association, which was held in Louisville, Ky., in September, the following officers were elected to serve for the ensuing year: president, Nicholas H. Dosker, vice-president National Bank of Kentucky; treasurer, A. J. Emerrine, cashier Citizens National Bank, Connesville; and secretary, Harry G. Smith of Louisville.

SOUTHERN BANK DEPOSITS INCREASE

Some idea of how prosperous the South is may be gained from the report that thirty-six leading banks in Nashville, Atlanta, New Orleans, Birmingham, Jacksonville, Chattanooga, Knoxville and Savannah

Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

increased their deposits during the year ending October 2, 1925 by \$90,531,000 or 19 per cent. During this period, deposits of 725 leading banks throughout the country increased only about 3 per cent.

An even more remarkable gain than these, however, is reported from Florida by the Bank of Coral Gables, Coral Gables, Fla., which began business on November 1, 1924 with capital of \$25,000, and on October 1, 1925, had deposits of \$2,164,000.

GROUP A. I. B. CLASSES IN MARYLAND

Holmes D. Baker, president of the Citizens National Bank, Frederick, Md., as president of the Maryland Bankers Association has announced that the Baltimore chapter of the American Institute of Banking is helping to establish group classes for the study of banking in Frederick, Cumberland, Hagerstown, Salisbury, Cambridge and Easton. The classes will take the

standard A. I. B. course, leading to the standard certificate. The classes were arranged for by Matthias F. Reese, assistant cashier of the Baltimore branch of the Federal Reserve Bank of Richmond, who is chairman of the educational committee of the Maryland Bankers Association.

LOUISVILLE NATIONAL HAS BRANCH IN DEPARTMENT STORE

The Louisville National Bank has established a branch in the department store of Herman Straus & Sons Co., to finance customers of the store who are buying on the instalment plan. The customer buys whatever merchandise he desires, and if he is satisfactory to the credit departments of the store and bank, he makes a small initial payment. Then the store arranges for him to borrow the money to pay in full, from the Louisville National Bank, repaying the money to the bank in weekly instalments.

It is doubtful if the plan is a wise one. It seems likely that it will encourage instalment buying, which, it is generally conceded, is already too prevalent in this country.

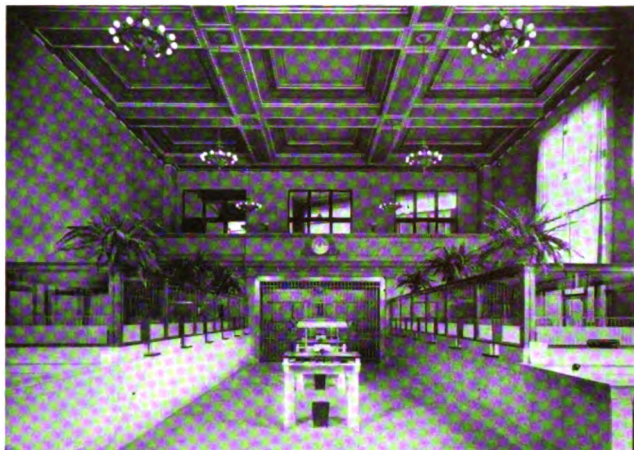
LIFE INSURANCE TO PROTECT LOANS

The United States Fidelity Life Insurance Company of Dallas, Texas, has introduced into that state the use of a life insurance policy as additional collateral for short time loans, particularly in the rural districts. If a man wishes to borrow \$250 for six months, in addition to giving a mortgage on his crop or livestock, or furnishing personal endorsement, he is required to

HOME
of
COURIER
SERVICE
(House-to-House Distribution)
P. M. REED
& Banker Associates
TRIBUNE TOWER  CHICAGO

THE new banking quarters of the National Deposit Bank, Brownsville, Pa., embody the most modern ideas in this type of construction.

This well equipped interior occupies the major portion of the ground floor in the bank's seven story office building.



The Griswold Building Company, Inc.

**SPECIALISTS IN
Designing—Building—Equipping
BANKS**

**101 Park Avenue, New York City
ARCHITECTS BUILDING**

take out a life insurance policy to the amount of \$250 or more. The policy is made payable to his estate, with a provision in it that in case of death or total disability during his life, the insurance company will pay the \$250 to the bank, and the remainder, if any, to the beneficiary.

The arrangement costs the banks nothing (in fact they make a small profit out of acting as agents for the insurance company) and avoids many losses where farmers who have been personally working their farms die or become totally disabled.

It is also favored by the customers, because it protects them, and assures them that in case of any loss of life or health, their families will not have to pay the loans at the banks.

BANK OF CHARLESTON PLANS STATE WIDE SYSTEM

The Bank of Charleston, N. B. A., Charleston, S. C., has purchased controlling interests in the Norwood National Bank, Greenville, S. C., and the Carolina National Bank, Columbia, S. C. Robert M. Small, president of the Bank of Charleston, N. B.

A., announced this was a part of the "creation of a great state-wide banking system capable of rendering comprehensive banking facilities for the growing requirements of the business interests of the state."

"In setting about its expansion," he continued, "the Bank of Charleston selected Greenville first because of its relation to the cotton manufacturing business. The Norwood National Bank has been conspicuous in serving cotton manufacturers. J. W. Norwood, its board chairman, is one of the leading financiers of the whole section, and has had a wide banking experience. The Bank of Charleston and the Norwood National Bank are in a position to serve both the agricultural and the cotton manufacturing interests of the state.

"The bank's next step was to consider the smaller banks of the state. Columbia has been getting their reserves rather than Charleston, for reasons of transportation. Again, the state's collections are deposited in Columbia, the other cities of the state getting but little. Therefore, the Bank of Charleston feels that it has been fortunate in obtaining the control of the Carolina

Instantly OPERABLE!

How the famous Dalton keyboard speeds bank ledger posting and statement work



STEP up to the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine. Enter \$246.75 on the keyboard. You will depress the proper keys instinctively, without thought of column selection. No mass of keys to confuse you.

Think how such simplicity will speed your ledger posting and statement work! Only 10 figure keys, so scientifically arranged that "touch method" comes naturally.

Then note these specific posting features—all exclusive to the Dalton:

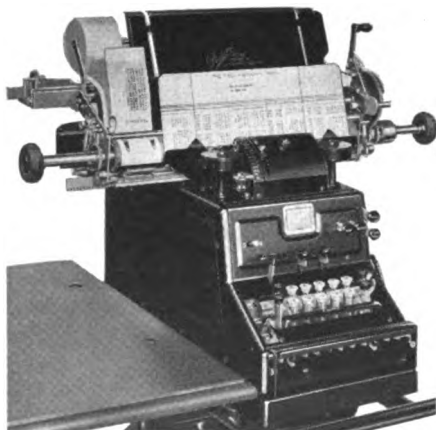
—The machine checks its own work, enabling the bank, if it so desires, to eliminate the expensive "call-back" system.

—Overdraft balances, including the date, automatically printed in RED.

—Position of paper carriage facilitates injection and removal of sheets.

—Improved automatic carriage return eliminates vibration, making the new model exceedingly quiet in operation.

The New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine is readily adaptable to any posting system. Have the nearby Dalton Sales Agent explain all the advantages this machine offers. Or write direct for booklet.



Dalton
Adding-
Calculating . Bookkeeping
Statement and "Cash
Register" Machines

THE DALTON ADDING MACHINE SALES COMPANY

Cincinnati, Ohio, U. S. A.

Agents for Canada: The United Typewriter Co., Toronto and Branches

Sales Agencies in ALL the Principal Cities of the World

National Bank, the oldest and one of the best known Columbia national banks.

"In due time there will be one bank under the scheme of consolidation, with deposits of \$20,000,000 and resources of \$25,000,000."

MILTON E. AILES

Milton E. Ailes, president of the Riggs National Bank, Washington, D. C., since 1921, died at his home at Harpers Ferry, W. Va., on October 29, 1925. Death was due to heart trouble, from which Mr. Ailes has been suffering for some time.

He was born in Shelby County, Ohio, on August 19, 1867, and educated in the public schools of Sidney, Ohio. At the age of eighteen he came to Washington and obtained work as a messenger in the Treasury Department. While serving as a messenger, he studied law, graduated from the National Law School, and was admitted to the bar in 1890. However, he decided to stay in the Treasury Department instead of practicing, using his law training to advance from messenger to stenographer, to private secretary to Lyman J. Gage, while he was Secretary of the Treasury, and finally, to the post of Assistant Secretary of the Treasury in 1901, succeeding Frank A. Vanderlip. In 1908 Mr. Ailes resigned his post in the Treasury Department to become a vice-president of the Riggs National Bank. In June 1921 he was elected president of the bank, and served until his death.

He was active in civic movements in Washington, contributed articles to magazines on financial topics from time to time, and was active in the American Bankers Association, serving on the executive committee for a time. He was a director in numerous corporations. His interests were many and varied.

Light and Power Utilities

Specializing in organizing and extending plants, including the planning of new layout and equipment. All work done promptly and well.

Harold A. Danne

Engineer

41 PARK ROW, NEW YORK

Tel. Cortland 2142

Middle States

Comprising Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa and Missouri.

MARFIELD JOINS GREENEBAUM BANK

C. Howard Marfield, formerly vice-president of the Seaboard National Bank, New York, has resigned to become senior vice-president and director of Greenebaum Sons Bank and Trust Company, Chicago, Ill.

Mr. Marfield, who is 41, began banking as a runner with the National Union Bank of Maryland, Baltimore, in 1900. From there he came to the New York Bank of Commerce in 1902, the North American Trust Company, in 1903, and later the Equitable Trust Company. He was, for some years cashier of the Seaboard National Bank, New York, and was recently appointed a vice-president.

Mr. Marfield has been active in New York banking circles for a number of years.

STEEL-STRONG
COIN WRAPPERS and BILL STRAPS
 HIGHEST GRADE
 BEST QUALITY
 MADE FROM THE WORLD'S FINEST KRAFT
 SOLD IN ALL CITIES
 BY BANK STATIONERS
 Write for catalog illustrated in colors
 THE CL. DOWNEY CO. 945 Clark St. CINCINNATI, O.



Eighth Federal Reserve Bank Adopts Rivet-Grip for Vault Protection.

WITH the adoption of Rivet-Grip System of Bank Vault Reinforcement for the new Federal Reserve Bank at Salt Lake City, Utah, eight Federal Reserve Banks now have their vaults protected by Rivet-Grip.

The merit of Rivet-Grip in resisting burglarious or riotous attack was demonstrated by the Federal Reserve Tests at Sandy Hook. By the use of all methods of penetration known to science, it was proved the most effective, practical system of protection for bank vaults. Since these tests, Rivet-Grip has been adopted by Federal Reserve Banks in the following cities:

San Francisco, Cal. Cleveland, Ohio.
Salt Lake City, Utah. Little Rock, Ark.
St. Louis, Mo. Louisville, Ky.
Pittsburgh, Penna. Minneapolis, Minn.

So effective and satisfactory has Rivet-Grip proved that more than 250 banks of all sizes and in all parts of the country have adopted it. One of the largest private banks in New York has installed Rivet-Grip in 10 of its branches; another in 7.

By virtue of its economical construction and flexibility of design Rivet-Grip provides practical and effective protection for the smallest bank, as well as the largest.

Our handbook on modern methods of bank vault construction gladly sent to those building or remodeling their structures.

The Rivet-Grip Steel Company

Representatives in all principal cities

2741 Prospect Avenue
CLEVELAND, OHIO

“The Value of Fresh Air”

Winter is the time for intensive business. Preventable sickness, absenteeism and inefficiency cause serious losses. Greater profits result if your employees breathe pure air.

Vacations with pay for your employees are an investment in health and ambition. The investment will soon be lost unless a healthful atmosphere is maintained during the cold season.

Modern science demands ventilation with cool, fresh air. By the Gerdes Method of Ventilation healthful and invigorating *unheated* fresh air is diffused without causing draft or chill. A booklet fully describing this method and giving references of the highest character will be sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

He has been prominent in the work of the American Bankers Association and the New York Bankers Association. In 1921 he was president of the Association of Reserve City Bankers. At present he is a member of the executive council, membership committee, and the executive committee of the national bank division of the A. B. A.; a member of the banking and currency executive committee of the National Association of Credit Men, and vice-president of the national bank division of the New York State Bankers Association.

Greenebaum Sons Bank and Trust Company is the oldest banking house in Chicago, having been founded in 1855.

VARDAMAN JOINS LIBERTY CENTRAL

James Kimball Vardaman, Jr., has been elected assistant vice-president of the Lib-tray Central Trust Company of St. Louis, Mo. He will be connected with the country bank department.

He was born in Greenwood, Miss. in 1894, and educated at Millsaps College, University of Mississippi, and George Washington University. He practiced law in Jackson,

Miss. from 1914 to 1917. During the war he was a captain in the field artillery of the A. E. F. Prior to his appointment as assistant vice-president of the bank, he was connected with Whitaker & Co., St. Louis.

D. C. WILLS

David Crawford Wills, chairman of the board of the Federal Reserve Bank of Cleveland, Ohio since its establishment, died suddenly at Grace Hospital on October 22, 1925, following an operation for appendicitis.

He was born in Pittsburgh, August 11, 1872. After graduation from Allegheny High School there, he began work as a messenger in the Mechanics National Bank of Pittsburgh, in 1889. In 1902 he became auditor of the Mellon National Bank, Pittsburgh. He left there in 1904 to serve as cashier and director of the Diamond National Bank. In 1907 he was also elected president of the Citizens National Bank, Bellevue, Pa.

In 1914 he resigned these positions to become chairman of the board of the Cleveland Federal Reserve Bank, which position he has held ever since, except for a few



The baseball team of the First National Bank in Detroit, which won the Detroit Bankers' Baseball championship trophy in 1921, 1922 and 1923; the Spalding trophy and the Burroughs Adding Machine trophy for the Detroit Base Ball League in 1923 and 1924; and the Detroit Industrial League championship and the National Industrial League championship in 1925

months in 1920-21 when he served temporarily as a member of the Federal Reserve Board.

He was a vigorous champion of the Federal Reserve System, both in speeches and in articles, and had come to be regarded as an authority on it. He was also active in the American Institute of Banking, the Better Business Bureau and in many civic and philanthropic enterprises in Cleveland.

A WOMAN BANKER IN POLITICS

Miss Elva Keith, assistant cashier of the Scottsburg State Bank, Scottsburg, Ind., has announced her candidacy for city treasurer of Scottsburg, having been nominated by acclamation at the recent town mass meeting.

FARM MORTGAGE BANKERS ASSOCIATION OFFICERS

The Farm Mortgage Bankers Association, at its recent convention elected the following officers, to serve for the ensuing year: president, George F. Heindel, Ottumwa, Iowa; first vice-president, Joseph McMary, Indi-

anapolis, Ind; second vice-president, E. L. Cradle, Oklahoma City, Okla.; and third vice-president, C. C. Bennett, Denver Col.

IOWA BANKERS STUDY FARMING

Over two hundred bankers in Iowa recently attended a two day course in agriculture at Iowa State University, Des Moines, much similar to the so-called "Nebraska Plan," designed to familiarize the bankers with the farmers' problems. It is to be hoped that the idea will also be taken up in other states.

CAPTAIN EDWARD BAILEY

Captain Edward Bailey, president of the Champaign National Bank, Champaign, Illinois, died recently at his home in that city. He had been ill for several months.

Captain Bailey was born September 8, 1843 at Bloomfield, Ill. At the age of twelve he moved to Monticello with his parents, and lived there several months before coming to Urbana in 1855. They moved from Urbana to Champaign in 1856, and in the

latter city Captain Bailey spent the rest of his life.

Captain Bailey acquired his rank in the Civil War, in which he served two enlistments.

**WRIGHT HEADS MILWAUKEE
ADVERTISING CLUB**

R. E. Wright, manager of the commercial service and savings departments of the First National Bank, Milwaukee, Wis., has been elected president of the Advertising Club of Milwaukee for the year 1925-26. Burr E. Lee, advertising manager of the Second Ward Savings Bank, Milwaukee,



R. E. WRIGHT

Manager of the commercial service and savings departments First National Bank, Milwaukee, Wis., recently elected president of the Advertising Club of Milwaukee

was elected to the board of governors, at the same meeting.

Mr. Wright has had a varied career. After leaving college he served as assistant superintendent of Wesley Memorial Hospital, Chicago; as chief examiner of the Civil Service Commission of Minneapolis and Milwaukee; as executive secretary of the Colorado Tax Payers' Protective League, Denver; and as manager of the Chicago office of the Curtis Publishing Company.

***A Specialized
Service***

for Banks and Bankers which is the result of more than sixty years of experience is offered by

**The First National
Bank of Chicago
and the First Trust
and Savings Bank**

Complete facilities are provided for active and inactive accounts, collections, bills of lading, investments and foreign exchange transactions.



FRANK O. WETMORE,
Chairman

MELVIN A. TRAYLOR,
President

***Combined Resources
Exceed \$350,000,000***

Established Over Half Century

1865



1925



AN INSPECTION
of our stock will
prove of interest to
those who desire

**COATS
WRAPS
SCARFS**

in every fashionable

FUR

C. C. SHAYNE & CO.

Importers and Manufacturers of

STRICTLY RELIABLE FURS

126 WEST 42d STREET

NEW YORK

He is now in charge of publicity and new business work for the First National of Milwaukee and its affiliated institutions.

REINHARD HONORED; MOLUMBY MOVES

H. H. Reinhard, vice-president of the National Bank of Commerce in St. Louis was recently elected a member of the executive committee of the Savings Bank Division of the American Bankers Association. Mr. Reinhard has been with the bank for thirty years, and has been manager of its savings department since the establishment of that department seven years ago.

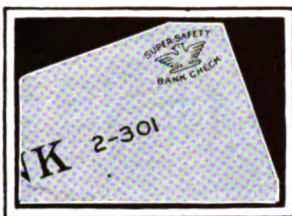


FRANK MOLUMBY
Assistant treasurer Union-Easton Trust Company, St. Louis, Mo. Mr. Molumby was formerly with the credit department of the National Bank of Commerce in St. Louis

Frank Molumby, formerly of the credit department of the National Bank of Commerce in St. Louis, has been appointed assistant treasurer of the Union-Easton Trust Company, St. Louis, Mo.

NORTH WESTERN SECURITIES COMPANY ORGANIZED

The North Western Trust and Savings Bank, Chicago, Ill., has organized the North Western Securities Company, for the dis-



This eagle design identifies Super - Safety Checks—safest supplied by any bank. Look for it!

The Check for the first time becomes a business builder

The unique feature in a new type check is increasing deposits. An educational campaign to 20,000,000 people each month places a new value on checking service. See how both may serve you.

OVER one-third of all the banks in America are turning into profit what has always been an item of loss . . . the check. A new idea now makes this possible. A unique feature protects this new type check against fraudulent alteration and exposes instantly any change with acid, knife or eraser.

Present depositors appreciate this increased protection. New customers are secured because of it.

A national campaign on banking service

Each month 20,000,000 people are told of the protection offered by this new check—the Super-Safety Bank Check. And, in addition, they are shown the dollars and cents value of checking service. How in 8 ways a checking account makes money go farther. Why a service charge on small accounts is justified.

So that you may receive in your locality the greatest possible benefit from this national campaign we offer you without charge a very remarkable plan. A complete year around advertising service for you to use locally over your own name.

In your community this plan benefits you

It includes many business-building plans which have been tested and proved profitable by leading banks. Many new ideas help you increase deposits.

Let us show you this plan more fully. How it will help your own bank. Write immediately to

BANKERS SUPPLY COMPANY, Division THE TODD COMPANY
5951 So. State Street, Chicago

Business-Building Merchandise for Banks
New York Rochester CHICAGO Denver Dallas
Super-Safety Bank Checks protect depositors against check fraud. They are made of the safest check paper supplied by any bank.



Section 5219, taxed the shares of stock in national banks as the property of individual shareholders. The income tax law of Missouri also provided that:

There shall be levied upon the entire net income received from all sources by every individual resident of this state a tax of 1 per cent. upon such income.

This violation of the Federal statute by the state laws, taxing national bank stock as property and also taxing the income from such stock was attacked by the First National Bank in St. Louis, when it asked for and was granted an injunction against the tax collector from collecting either of these taxes, by the U. S. District court in a recent case.

The court ruled that when there are two equally valid statutes of the State of Missouri in operation concurrently, and only one of these is permitted to be operative, neither statute is operative.



Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska.

CONVENTION DATE

American Bankers Association—at Los Angeles, Oct. 4-7, 1926.

CALIFORNIA BANK PROMOTES HAHN

H. F. Hahn, credit manager of the California Bank, Los Angeles, has been elected a junior vice-president. He has been with the bank since February, 1920, and has been credit manager and an active member of the loan committee since 1922.

FIRST NATIONAL GROUP, LOS ANGELES, LOCALLY OWNED

Of the 2675 dividend checks recently mailed to stockholders of the First National-Pacific Southwest banking group, for the quarterly dividend on the shares, less than

tribution of first mortgages, first mortgage real estate bonds, government, municipal, public utility, railroad and industrial securities. It will be located in the same building as the bank, and will provide investment facilities for the clientele of the bank. Colonel Cedric E. Fauntleroy, formerly head of C. E. Fauntleroy & Co. (an investment securities firm) has been appointed vice-president and manager of the new securities company.

AN INTERESTING TAX SITUATION

Section 5219 Revised Statutes of the United States as amended March 4, 1923, provides concerning stock in national banks:

The several states may tax such shares, or include dividends derived therefrom in the taxable income of an owner or holder thereof, or tax the income of such associations; *provided*—the imposition by said state of any one of the above three forms of taxation shall be in lieu of the others.

One of the statutes of the State of Missouri, passed previous to the amendment of

150 of them went to stockholders outside of the State of California.

Under a trust agreement the entire capital stock of the First National Bank, Los Angeles; the Pacific-Southwest Trust and Savings Bank, Los Angeles; and the First Securities Company, Los Angeles is deposited with a corporate trustee, who has issued beneficial certificates against the deposited shares, to evidence the holders' interests. Each certificate represents a definite interest in the net assets of the three companies, and it is on this interest that the dividends are based.

LABOR UNION TO FINANCE FARMERS

The Brotherhood of Locomotive Engineers has organized the Northwest Corporation, officered by the executives of the brotherhood, and has bought control of five banks in North Dakota, through which the brotherhood plans to lend the savings of its members to the northwestern farmers in financial distress. The corporation is organized to "invest its funds in the capital stock of national and state banks and trust companies and purchase an established farm mortgage company." It is capitalized at \$1,000,000, all of which stock is said to have been already subscribed.

The banks in which it already has an interest are the First National Bank, Oakes, N. D.; State Bank of Verona, N. D.; Guelph State Bank, Guelph, N. D.; Dakota National Bank, Aberdeen, N. D.; and the First National Bank, Fullerton, N. D.

LIBERTY BANK CONTINUES EXPANSION

The Liberty Bank, San Francisco, controlled by the Bancitaly Corporation, has taken over the Central Savings Bank, Lodi; First National Bank, Lodi; Bank of Arcata; Arcata Savings Bank; Del Norte County Bank; Bank of St. Helena; and the Farmers State Bank, Tulare, and its Tipton branch. These will be converted into branches of the Liberty Bank, bringing its total number of branches up to twelve.

It is said that the Liberty Bank is continuing the branch banking expansion policy of the Bancitaly Corporation since the California State Banking Department and the Federal Reserve Board have practically stopped expansion in the number of branches of the Bank of Italy, San Francisco.

Blue . 1206
Red . 1207
Green 1208
Yellow 1209

Makes fine lines for—
Figuring, Checking Underscoring and Marking Blueprints

Ideal for—
Draftsmen Teachers
Bookkeepers Students
Dept. Heads Auditors
Editors Writers
—useful to everyone.

Price \$1.00 per dozen

At all dealers or write direct

American Lead Pencil Co., 212 Fifth Ave., N. Y.

Makers of the famous VENUS Pencils
The largest selling quality pencil in the world

HISTORY OF THE FIRST NATIONAL GROUP, LOS ANGELES

The First National Bank, Los Angeles, Pacific-Southwest Trust and Savings Bank, Los Angeles, and the First Securities Company, Los Angeles, comprising the First National-Pacific-Southwest banking group, celebrated on September 25 the golden anniversary of the bank out of which this group has grown.

On September 25, 1875, the Commercial Bank, capitalized at \$100,000 was organized by E. F. Spence, Hiram Mabury and J. E. Hollenbeck. Los Angeles was then a city of less than 10,000 people. On July 31, 1880, the Commercial Bank was converted into the First National Bank of Los Angeles, with capital of \$100,000, reserve of \$50,000, and deposits approximating \$900,000. J. E. Hollenbeck was the first president. He was succeeded by E. F. Spence, who presided

Custom Made Garments for Dress, Business and Sport Wear. Golf Jackets and Knickerbockers a Specialty.

M. ROCK - Tailor
315 FIFTH AVENUE, NEW YORK

Services can be had in the following cities :

Cleveland	Steubenville	Wheeling
Pittsburgh	Toledo	Youngstown

My representative visits the above cities once every month



over the bank until his death in 1892. J. M. Elliott, who had entered the service of the bank in 1881, then was promoted from cashier to president. He occupied the posi-



HENRY M. ROBINSON
 President First National Bank, Los Angeles,
 which is celebrating its golden anniversary

tion for twenty-four years, and is today chairman of the board.

In 1887 the capital of the bank was increased to \$200,000, at which time the total resources were \$3,676,467. In 1893, the capital was increased to \$400,000. From that year the growth has been continuous until

the most recent statement shows capital of \$3,500,000 and resources of \$97,542,899.

On January 1, 1902, the Los Angeles Trust Company was organized with a capitalization of \$250,000. This was increased to \$1,000,000 in the same year. In 1909 it consolidated with the Metropolitan Bank and Trust Company, under the name of the Los Angeles Trust and Savings Bank.

In the meantime the First National had absorbed the Los Angeles National Bank and the Southwestern National Bank in 1905. In 1910, the ownership and management of the First National Bank and the Los Angeles Trust and Savings Bank were unified, and since that time both have grown rapidly.

In 1922, following the introduction of community or territorial service, the name of the Los Angeles Trust and Savings Bank was changed to the Pacific-Southwest Trust and Savings Bank.

The First Securities Company was or-

**YOUR OWN
 HOUSE ORGAN!**

Issued under your own name and over your own signature with all the advantages and none of the drawbacks of syndicated material — large space to put over any or all departments of your institution —

The Cost? Amazingly Low!

P. M. REED
 & Banker Associates

TRIBUNE TOWER



CHICAGO

ganized in 1920 to provide an investment banking service for the group.

Henry M. Robinson is president of the First National Bank of Los Angeles, and Charles F. Stern, formerly state superintendent of banks is president of the Pacific-Southwest Trust and Savings Bank. Mr. Robinson is also president of the First Securities Company, and Mr. Stern and John E. Barber are vice-presidents.



Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. Tyson

BASED on figures available from the Dominion Bureau of Statistics and from other sources it has been estimated that the gross revenue of Canada from all field crops in 1925 will show an increase of more than \$400,000,000 as compared with last year. Production by manufacturers will show some contraction. The grain crops of 1925 are substantially larger than those of last year and the price is uniformly higher. The wheat crop alone, according to the most recent estimate, is about 130,000,000 bushels greater than of last year. With this increase in revenue there has been a marked improvement in the financial and general business situation, particularly in western Canada where there is now definite evidence that the period of depression, brought about by the collapse of the post-war agricultural inflation, has passed and that the farming industries are now on a sound basis although there is still a heavy burden of debt being carried.

But with the exception of some industries, particularly those manufacturing products from the country's raw materials, the industrial situation has been disappointing. Evidence of this is found in the fact that current commercial loans by the banks are smaller by about \$75,000,000 than a year ago, according to the latest government return. In fact at the present time the commercial credits by the banks are smaller

ONE BANK COVERS THE LOS ANGELES METROPOLITAN DISTRICT



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest per capita wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

SECURITY TRUST & SAVINGS BANK

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$200,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

FURNESS BERMUDA LINE

(Bermuda Gov't's Official Contract Steamers)

**Play GOLF in Charming BERMUDA—
Gem of Winter Playgrounds**

(Average Yearly Temperature 70°)

Only 2 Days from New York

**Sailings Twice Weekly From New York
Wednesday and Saturday**

via Palatial Twin-screw Oil-burning Steamers

S.S. "FORT VICTORIA" and S.S. "FORT ST. GEORGE"

No Passports—Modern Hotels

All Outdoor Sports—Golf, Tennis, Sailing, Bathing, Horse Racing,
Fishing, Riding, Driving, etc.

ST. GEORGE HOTEL, St. George, Bermuda

Especially attractive, located in the historic, picturesque and quaint part of Bermuda.
Excellent cuisine and service. Magnificent tiled, heated and covered swimming pool.

West Indies Cruises

Delightful cruises to the Gems of the Caribbean Sea.

For illustrated Booklets on Bermuda or St. George Hotel or West Indies write

FURNESS BERMUDA LINE, 34 Whitehall St., New York
or Any Local Tourist Agent



by about \$375,000,000 than the deposits by the people. At no time in the history of Canada have the business loans of the banks previously shown such a wide margin below the available deposits. In fact during the period of expansion prior to the war, commercial credits by the banks were as much as \$280,000,000 greater than the public deposits. Nor is it likely that the financing of the crop alone will make a material change in this situation, unless business improvement accompanies it on a larger scale, for experience has shown that, even with the largest crop, the marketing machinery is so efficient that current loans are only increased to the extent of about \$25,000,000 to take care of the transactions involved.

Further evidence that the general industries of the country are not thriving is to be found in the fact that for some months the trade figures have shown increasing purchases of manufactured goods from abroad and decreasing imports of raw materials. It is pointed out, for instance, that during the year ending in August imports of raw wool fell off nearly \$2,000,000 and imports of worsted and wearing apparel increased by over 1,200,000, and that, while the imports

of rolling mill products—which are the raw materials for certain industries—fell off by \$5,000,000, imports of automobiles increased by \$3,800,000 and those of machinery by \$1,300,000.

The theory is being advanced, and finds support in the figures quoted, that the failure of the general manufacturing industries and many lines of general trade to reflect the improvement indicated in such basic industries as agriculture, fisheries, the mines, and manufacturers of forest products like pulp and paper, is due to the fact that the great burden of the country's very heavy taxation is being borne by the manufacturers and business generally. Taxes, it is contended, are an important factor in the production costs of highly manufactured materials with the result that Canadian manufacturers are at a disadvantage in competition with imported products. Also it is contended that Canadian incomes, and particularly those of the salaried classes, are taxed to such an extent that the buying power of the urban population is greatly curtailed, which is a disadvantage to the manufacturer turning out goods for the home market as compared with the basic in-

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department
Standard Bank of Canada
TORONTO

Capital Paid Up \$4,823,400
Reserve Fund and Undivided Profits 3,051,110

dustries, which, because of their advantage in regard to supplies of raw materials from the country's natural resources, can market their products with satisfactory profits in foreign markets.

Another factor which may be holding up business improvement to some extent is that there are still a large number of manufacturing and other business concerns hoping for a return of business on a scale enjoyed during the later years of the war and for some time after. They have not yet adjusted their overhead expenses to a basis of normal volume of business on close profits and, therefore, are not in a position to benefit fully from such business improvement as might be reasonably anticipated.

As illustrative of the fact that the primary industries in Canada are not heavily taxed it is pointed out that in 1923 farm income of \$1,440,000,000 contributed an income tax of only \$275,626. Last year employes in general paid \$13,726,000 in income taxes. A strong campaign is being conducted for the abolition of the income tax entirely—which is going a step further than has been done in the United States—on the grounds that it is discriminatory and economically unsound; discriminatory in that those who wish to avoid it can conveniently do so if their income is indefinite, and economically unsound in that it discourages the investment of capital in those more or less speculative enterprises which lead to the development of the country's resources and general prosperity.

One of the material benefits of the improved economic conditions in western Can-

ada has been the changed attitude of the public in regard to the country's business and financial institutions. Little is heard at the present time of the agitations against the banks, the implement companies, the mortgage companies, etc. During the period of hard times there was a great deal of discontent with these institutions. The organization of the wheat pools, which have become an important marketing factor in western Canada, has also helped to remove discontent. Up to 1923 the farmers had the idea that a big crop meant big profits but in that year a big crop, because of the prices received, meant little or no profit. Dissatisfaction with the marketing machinery was the result. With the establishment of the wheat pools confidence was restored and the spirit of production again encouraged. The pools have had the co-operation of the banks and the distribution of income by periodical payments to the farmer is regarded as very satisfactory by the merchants. However, it is felt that during the two years the pools have now operated they have been fortunate in finding a rising market and that it is very doubtful if operations would be so successful or give such general satisfaction on a declining market. Unbiased students of the situation see in the pool idea an economic fallacy and do not think the plan will last longer than five years.

In view of the success which has attended farming operations in general this year in Canada a new influx of immigration is anticipated. Public opinion is strongly urging the government to modify its restrictions in

order to permit more people to come into the country. The argument that it is unsound to increase the wheat production in view of the fact that Europe is planning to feed herself to a larger extent finds an effective reply in the development of a market for wheat and wheat products in the Far East. China and Japan are becoming buyers of wheat on an increasing scale. A short time ago their imports of Canadian wheat and flour were negligible. Last year China imported more than 5,000,000 bushels of wheat from Canada and more than 1,500,000 barrels of flour while Japan bought over 7,000,000 bushels of wheat and a large quantity of flour also. With their tremendous populations these countries promise to become an important factor as a market for Canada if the consumption of wheat products continues to grow as it has in the last few years.

Although there is a big surplus of liquid capital available for investment by individuals and institutions, as reflected by the surplus of deposits in the chartered banks referred to above, the total volume of bonds offered in Canada during the present year has been much smaller than during 1924. From this the conclusion seems sound that there are still ample funds seeking investment and that prices in the Canadian bond market should remain firm. On the other hand there are evidences that the prices may ease off in the United States as the money

market strengthens and this may have some effect on financing and security prices in this country. The total volume of Canadian bonds offered during the first three quarters of the year was \$508,671,000 compared with \$419,541,000 for the corresponding period of 1924. Both of these totals include bonds offered in the United States and Great Britain as well as in Canada. The totals of bonds offered and sold in Canada during the period were \$305,397,000 and \$184,561,000, respectively, or a decline this year of over \$120,000,000.

INCREASED BANK DEBITS

The bank debits at the clearing house centers of Canada as reported to the Dominion Bureau of Statistics, were \$2,090,000,000 in August, as compared with \$2,248,000,000 in July, and \$1,967,000,000 in August, 1924. This represents a gain of nearly 7 per cent. in the long term comparison and a decline of about the same percentage in comparison with the preceding month. Providing correction were made for seasonal tendencies, the debits in August would be on a level with July.

The bank clearings in August were \$1,248,105,224 as compared with \$1,330,759,511 in July, and with \$1,252,548,630 in August, 1924. The cumulative debits in Canada during the first eight months of the present year were greater by \$146,587,000 than in the corresponding period of 1924.



The World's Recovery in Export Trade

THAT the world will reach par again in the value of international foreign trade, in the first few months of the coming year and has now probably reached par in the volume of such trade, is the encouraging estimate presented by a study of trade figures for the past fiscal year, made by the National Foreign Trade Council.

The fifteen principal exporting nations of the world, including the United States, which carry on more than 80 per cent. of the world's export trade, showed a combined total of exports at the end of the fiscal year of 1925 of about \$15,088,000,000.

Comparing the present exports of these

countries with their exports in 1913, which amounted to \$15,800,000,000, their proportionate recovery is thus within 5 per cent. of their 1913 volume of trade. Excluding the United States, which has made a 30 per cent. advance during the period in real trade, their present deficit is about 11 per cent. from their standing in 1913.

These figures allow for all deflation and are reduced to 1913 values. In other words the parity now approaching is not one in dollar values, which have already passed 1913 figures, but in bread and meat and clothing values adjusted to cost-of-living quotations, which approximate a true comparison with pre-war conditions.



ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	\$2,000,000
Surplus and Profits	6,000,000

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revolvable Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.

55 Maiden Lane

New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	

The recovery of the world in export trade during the past two calendar years has been recorded by the Department of Commerce as averaging between 10 and 11 per cent., and this average has been maintained in the present fiscal year. If the world's growth in real trade continues, therefore, it is due to reach very close to 1913 figures at the end of the present year, and by the end of the next fiscal year, should show a small surplus.

More than twelve years will thus have elapsed since the outbreak of the war in 1914 before the world can be assured of having made up the loss it has suffered in the real value of international trade.

The figures of the physical volume of trade also bear out the conclusion that the world is again very close to a parity. In its estimate for 1924 the Department of Commerce computed that the physical volume of trade between the countries of the world was 96 per cent. in 1924 of what it was in 1913. It is steadily gaining by from 6 to 8 per cent. a year, and the volume of world trade will thus have reached or passed its 1913 figures by the end of the present year.

The United States is accountable for most of this gain, as its increase in the value of its world trade is more than 30 per cent. since 1913. Other countries which have exceeded the proportionate gain of the United States during the period, are Canada, with a gain of over 90 per cent., Japan with 64 per cent. and Australia with 35 per cent. The amount of gain recorded by the United States—over \$800,000,000 is far in excess of that of any other nation when reduced to 1913 values. The gain of Japan has been about \$203,000,000; that of Canada \$335,000,000 and that of Australia \$120,000,000. The most interesting gain of all has been that of France, which stands third among the nations, or next following the United States and Canada in the amount of real trade gained since the war. France increased its exports from \$1,328,000,000 in 1913 to \$1,650,000,000 at the end of the present fiscal year—a gain of \$322,000,000 or about 25 per cent. This is a showing that can be made by no other European nation.

On the other side of the balance sheet the world shows a net loss in real export trade for Germany of 47 per cent., for Belgium of 34 per cent., and for Great Britain of

5½ per cent. Russia, of course, shows the greatest loss of all with 84 per cent. reduction in real export trade value from \$783,000,000 to \$122,000,000. Allowing for the independent status of Russian Poland and the Baltic States, the Russian deficit, as weighted to allow for these factors, is still between 50 and 60 per cent., or still the heaviest loss in real trade suffered anywhere in the world.

The figures for this estimate are all figures of exports rather than of combined exports and imports, for the reason that the export figures give a more direct comparison of the variations in the real importance of world trade recovery. The total of world import figures is also always between two and three billion dollars greater than that of world exports, due to the additional freight rates and to the computation of import prices at their slightly higher values in the importing countries.

In almost every phase of this comparison the United Kingdom rises or falls as the world rises or falls. Thus, the British deficit in export trade, at the end of the fiscal year of 5½ per cent., is almost exactly equal to the same deficit of the world at large. British export trade is growing at a rate of 9 per cent., while world export trade is growing at about 10 per cent., and the proportion which Great Britain now holds in the trade of the world which was 14.2 per cent. in 1913 is about 15 per cent. today.

The United States, on the other hand, has gained 30 per cent. in world trade against a world deficit. Its export trade is now increasing by 13 per cent. a year, at a steadily larger rate than that of the rest of the world. The share of the United States in the aggregate trade of the world has grown from 13½ per cent. in 1913, when it was less than that of Great Britain, to more than 18 per cent. at the present time.

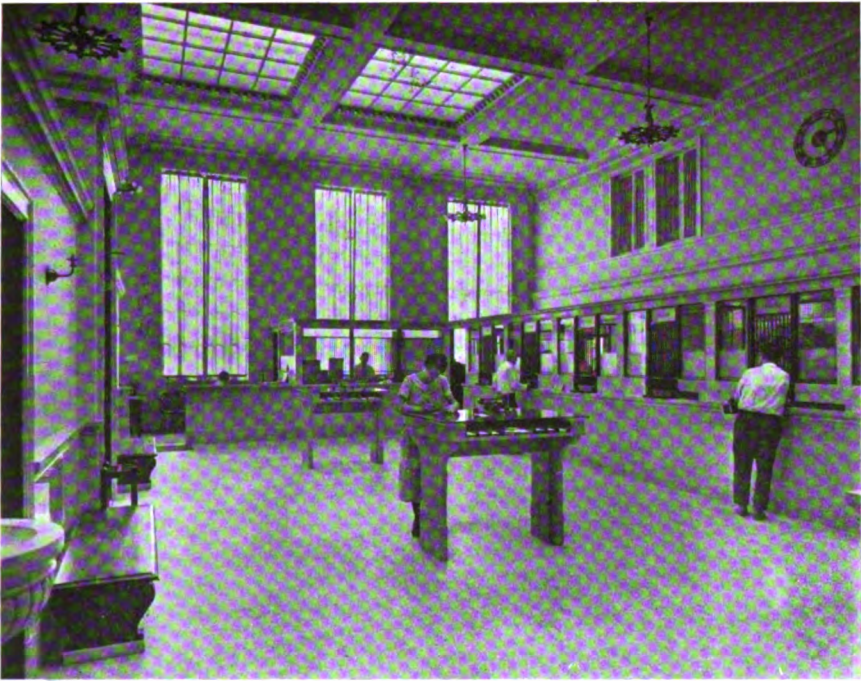
In spite of the fact that China's recent losses in trade have diverted attention from that country, it is interesting to note that China's latest export figures still show an actual gain over 1913 of 37 per cent. with an aggregate surplus for 1924 of over \$100,000,000 greater than 1913. The preliminary estimates for the present year, however, show that disturbed conditions in China are materially reducing that surplus.





MILLVILLE NATIONAL BANK,
MILLVILLE, N. J.

MORGAN, FRENCH & CO., INC.
ARCHITECTS AND ENGINEERS
19 WEST 44TH STREET
NEW YORK



Public space of the Millville National Bank, Millville, N. J., viewed from the savings cage

Millville National Rebuilt While Occupied

FOR twenty months the contractors have been at work enlarging and altering the building of the Millville National Bank, Millville, N. J., and during the whole time, the business of the bank has been carried on as usual in the same building. There were some difficulties and inconveniences, but these are by now forgotten, for the new structure has been completed and the formal opening held.

The building was planned and erected under the supervision of Morgan, French & Co., Inc., bank architects, New York.

Fronting on High street, the building occupies sixty feet, and extends along Main street sixty-eight feet. It is built of selected buff Indiana limestone, with two granite columns flanking the entrance. The window openings are protected by ornamental steel grilles, and the front entrance doors are of bronze.

Entering through a commodious vestibule, the visitor will step into the public space—some 20 by 36 feet, at the left of which are the officers' quarters, with a private consultation room adjoining. Beyond the officers' quarters are the note cage and the six tellers' windows.

At the right is a large savings cage, access to which may be had from the lobby and from the customers' space adjoining. At the right of the vestibule is the ladies' room, furnished with writing facilities and other conveniences.

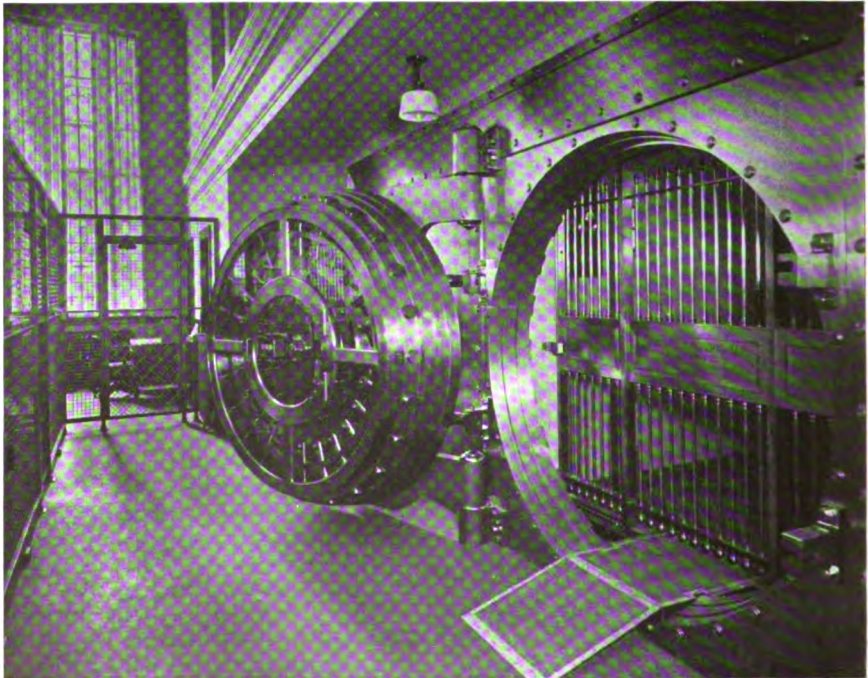
Centered in the banking room and dominating as a point of interest is the circular door of the bank vault. Connected to this vault, but separated from it by a steel grille is a large safe deposit vault for box holders. The latter is entered from the safe deposit department. Three coupon booths and two large committee rooms are provided for the accommodation of customers in this department.

Adjoining these two vaults is a book vault, which opens from the work room enclosed and separated from the banking room to eliminate the noise of typewriters and bookkeeping machines. The vaults were furnished and installed by the York Safe & Lock Co., York, Pa.

The public lobby has a flooring of pink Tennessee marble, while the counter screen is constructed of Botticino marble. The wickets are of the telescopic type, fashioned in bronze. Plate glass panels fill the spaces



The work room of the Millville National Bank, Millville, N. J., so enclosed that none of the noise of the machines escapes into the public space



Entrance to the bank vault of the Millville National Bank, Millville, N. J. The vaults for the bank were furnished and installed by the York Safe & Lock Co., York, Pa.

on either side of the wickets. The lower portion of the glass is etched attractively, and firmly fixed in bronze frames. Two double marble check desks are placed in the public lobby.

Above the vaults is a mezzanine, on which are located the directors' room, a room for the watchman, the women's rest room, and a utility room for the making up of pay rolls, etc.

In the basement are the usual heating plant, a storage vault, the clerks' locker room, a kitchenette for preparing meals, and a burglar proof safe for deposits which can be made through the night chute on the east side of the building.

The Millville National Bank was established in 1857, and the building in which it first began business at the corner of Second and Main streets, is still being used, now as the Millville Public Library. That building was occupied by the bank until 1907 when the bank bought the site on which the present building stands and erected the structure which was recently enlarged and rebuilt as described above.

At the incorporation of the bank, Nathaniel Stratton was president, Furman Mulford vice-president, and Lewis Mulford cashier. In 1867 Lewis Mulford became

president and held that office until 1885, when E. H. Stokes was chosen. He died in 1912, and was succeeded by Herschel Mulford, who had been a director and cashier of the bank for thirty years. Mr. Mulford died in 1914, rounding out his term of service with the bank to fifty-seven years.

George B. Worstall, who succeeded him as president of the bank, and who still occupies that position, is a native of Millville, and has grown up with the bank, having been connected with it for the past thirty-five years. He has worked up through the ranks from the position of clerk to cashier and thence to the presidency. During the time he has been with the bank, deposits have grown from \$302,000 to \$2,800,000.

Mr. Worstall is also very active in civic affairs. He is city treasurer, custodian of school moneys, and a member of the sinking fund commission. He is also an officer in the Institute Building and Loan Association, a trustee of the First Presbyterian Church, and holds offices in the Masonic lodge, the Kiwanis Club, and the Millville Board of Trade.

The other officers of the bank are Samuel Berry, vice-president; Levi Hindley, cashier; Sheppard W. Hogan, assistant cashier; and Frank Sherry, trust officer.



Around the World—A Cruise

EVERYONE has in his or her mind the intention "sometime" to take a trip around the world, yet it is doubtful if many, when they come to actually taking the trip, know how to go about it. This perplexity, however, can be avoided, for Thos. Cook & Son conduct an annual cruise around the world on a specially chartered Cunard liner (this year it will be the "Franconia"), which relieves the traveler of arranging any details.

The firm has put out an interesting booklet describing the trip under the title which heads this item, so attractive in its information and descriptive matter that it is a great temptation. The booklet gives the complete itinerary of the trip, explaining carefully how important it is to visit the countries at the proper time of the year to avoid disagreeable weather, and how the trip is arranged to do this. It also gives a description of the comforts on board the "Franconia," for the travelers.

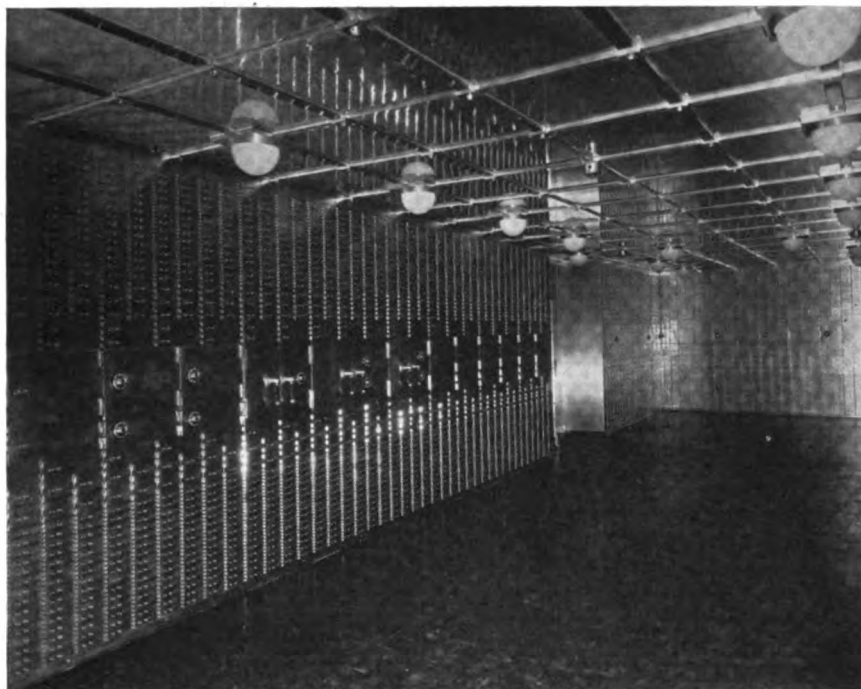
A long and interesting "story of the cruise" describes the many countries and places visited, giving the points of interest and their histories, some of the peculiar customs of the natives, and the program of side trips planned in each. A list of books for suggested reading, in order to become acquainted with the customs, history, etc., of the lands visited, is appended.

The booklet also includes extracts from a former article in THE BANKERS MAGAZINE, giving the history of the firm of Thos. Cook & Son; the story of the first circumnavigation of the globe, by Magellan; cruise information; customs regulations; general conditions; and a list of the offices of the firm.

It is attractively gotten up, with many cuts of interesting scenes in foreign countries accompanied by apt quotations, and a map of the world, showing the route of the cruise inside the covers of the book.



Entrance to the vaults of the National Republic Safe Deposit Company, Chicago, The vault installation was by the Herring-Hall-Marvin Safe Co., Hamilton, O.



Interior of the new safety deposit vaults of the National Republic Safe Deposit Company, Chicago, in the National Bank of the Republic. The vaults were built and installed by the Herring-Hall-Marvin Safe Co., Hamilton, O.

New Vaults in National Bank of the Republic, Chicago

THE new vaults installed by the Herring-Hall-Marvin Safe Co., in the National Republic Safe Deposit Company owned by the National Bank of the Republic of Chicago, form a completely modern vault installation. When the National Bank of the Republic and the National City Bank were amalgamated to form the present National Bank of the Republic early in the present year, neither of the amalgamating institutions had safety deposit vaults.

The National Bank of the Republic, therefore, was entering a new field of competition in establishing safe deposit vaults. It was necessary, therefore, not only to have attractive and convenient vaults, but to advertise them properly.

The vault, pictures of which are shown on the accompanying pages, measures inside approximately 57 by 16 feet, and is lined throughout with steel and finished in satin nickel, ceiling and walls being paneled in a harmonious design. The front entrance con-

sists of a circular door, 16 inches thick and built up solidly of open hearth steel, five-ply chrome steel, and burn-resisting metal.

An unusual and valuable feature of the vault arrangement in the safe deposit department is the double entrance plan. After the customer has entered the vault through the circular main entrance and secured his box, he passes through a rectangular entrance at the rear of the vault into a rear corridor which is lined with coupon booths. This corridor extends the full length of the vault at the rear and along one side. Opening on it are the doors of thirty-eight booths, some of which are of large enough size to permit committee meetings. There is no approach to this corridor except through the vault, and when the customer has finished with his securities, he returns from the corridor to the vault, replaces his bond box and leaves the vault by the circular entrance into the safe deposit lobby. In this way, the incoming box renters do not

meet outgoing renters who are carrying their bond boxes on the way to the booths, so there is little likelihood of confusion or accident. This plan of arrangement has recently been adopted with good effect by a number of other banks.

Both entrances are closed by means of massive 16 inch doors having heavy bolt-work, and checked by two combination bank locks working in conjunction with four-movement time locks of latest design. The approaches through the doors are by means of level walk-ways, secured by the use of lowering platforms.

At the present time there are more than 6000 safe deposit boxes in the vault, with space provided for the addition of many more. The boxes are equipped with high grade safe deposit locks. Many have combination locks, making it possible for the renter of the box to have his own combination and no assistance from the bank to gain access.

At the extreme end of the vault is space for the storage and safe-keeping of bulky articles; such as trunks, grips, parcels, silver, etc. This part is set aside from the rest of the vault by a partition, extending across the vault from front to back and running to the ceiling. The face of this partition on the safe deposit side is covered with mirrors, thus adding greatly to the beauty of this part of the equipment.

There are also two bank or security vaults, and a large book vault. All of the vaults

have steel lined concrete walls from 27 to 36 inches thick. They are all located in the basement, to which approach is had by a stairway, two passenger elevators, and private elevators for the bank. The work was under the direction of Shankland & Pingrey, architects.

It happened that about the time the vault was opened to the public, burglars entered a Chicago publishing office and blew several safes. The bank took advantage of this event by borrowing one of the wrecked safes and placing it, with an appropriate poster, in the bank lobby. The poster called attention to the robbery and to the need of adequate safe-keeping facilities if valuable papers are to be protected.

To the public at large, the safe deposit company announced:

For the first time in the history of Chicago—you can lease an average sized individual safe deposit box in one of the newest, strongest, most modern and best equipped safe deposit vaults in America for a day, a week, a month, or longer—for exactly one cent a day. On an annual basis, the rental of this same compartment is even cheaper—and boxes, up to the very largest are available at proportionate prices.

Circulars were sent to more than 3000 firms and individuals. A series of five small blotters were handed out to customers by paying and receiving tellers, and other blotters larger in size were available for customers on indorsing desks in the bank.



WHAT we need in this country—as well as in the rest of the world—is a great spiritual revival. To heal the sickness of the world, more is needed than loans or credits or moratoriums. We must have and show confidence in the human virtues of human people. We need practical idealism, applied to every-day existence. We must return to those fundamentals, to those virtues and qualities, which have made this nation great. It requires hard work, not loafing; economy—governmental, corporate and individual—instead of extravagance; saving, not waste; charity, instead of intolerance. The only way to achieve this is through sound leadership and by education in what true Americanism means, education of the mature as well as of the young, of the native as well as of the foreign born.

—Mortimer L. Schiff



Central Square office and headquarters of the Harvard Trust Company, Cambridge, Mass.

Development of the Harvard Trust Company, Cambridge, Mass.

AN interesting development in modern banking institutions is being worked out in Cambridge, Mass., by the Harvard Trust Company. The character and situation of Cambridge give a unique opportunity for building a bank of large size and importance, and the management of the Harvard Trust Company is taking full advantage of the opportunity.

Besides being the seat of Harvard University with its 7000 students and all the financial activities they bring, Cambridge is an important industrial city, with many big and growing industries, and furthermore is a close suburb of Boston, rapidly outgrowing its geographical borders. In fact the center of Cambridge is much nearer and more accessible to State street, Boston, than is Forty-second street, New York, to Wall street.

So the policy of the management of the Harvard Trust Company of developing an institution large and strong enough to render complete service to its customers, while maintaining the advantages of a location removed from the congestion of the big city, has proved eminently successful.

The Harvard Trust Company had its inception in 1860, when Benjamin Tilton and his friends started the Harvard

Bank and opened for business the day President Lincoln was inaugurated. When war was declared the bank was one of the first



WALTER F. EARLE
President Harvard Trust Company,
Cambridge, Mass.



Harvard Square office of the Harvard Trust Company, Cambridge, Mass., located near Harvard University

to offer a loan to the state. June 1, 1864, the bank took advantage of the National Bank Act and reincorporated as the First National Bank of Cambridge. July 8, 1904, the bank became the Harvard Trust Company, with Willard A. Bullard, president and Walter F. Earle as treasurer.

July 28, 1921, consolidation was effected with the Charles River Trust Company, Cambridge, without change of name, the former institution being in its eighty-ninth year at the time of the consolidation. September 26, 1925, the Manufacturers National Bank of Cambridge was absorbed, thus giving the company offices in the three important centers of Cambridge—Central square, Harvard square and Kendall square. In taking over the Manufacturers National Bank the Harvard Trust Company became definitely linked with the development of the rapidly growing manufacturing section of Cambridge at Kendall square, separated from Boston only by the Charles river and to all purposes, a part of the city itself. Millions of dollars are now going into the industrial and business development of this section.

This is particularly true of a large tract of land fronting on the river, between Cambridge bridge and the Charles river dam.

This property, consisting of more than 250,000 feet, was originally acquired by the city for a public park, but on account of changing conditions is now given over to business. The city will lease this property for ninety-nine year terms and at rates highly advantageous to business and industrial concerns. It is served by railroad spur tracks and commands easy access to the city and all suburbs. Its development will add further millions to the Kendall square section.

In 1861, the deposits of the Harvard Bank were \$33,000. In 1900 the deposits of the First National Bank, its successor, were \$1,060,000. In 1910 the Harvard Trust Company, successor to the First National Bank, showed deposits of \$2,055,000 and assets of \$2,500,000. Steady growth up to the consolidation with the Charles River Trust Company brought total assets to nearly \$12,000,000, which were increased by the consolidation to \$15,000,000. By June 30, 1925, the total resources were \$21,838,000, which by September 28 had increased \$1,200,000 to about \$23,000,000. Taking over the Manufacturers National Bank on the latter date brought the total to well over \$25,000,000.

Walter F. Earle, who became president in



Harvard Trust Company's Kendall Square office, formerly Manufacturers National Bank

1912, has been the guiding spirit of this rapidly growing institution, which has reached the magnitude of an important city bank. Mr. Earle has been connected with the company and its predecessors for thirty-eight years, having reached the head through the successive stages of messenger, teller, clerk and treasurer. Mr. Earle has taken an important part in the charitable work of his city. Several years ago he organized the manufacturers' "chest," through which the business interests support the welfare agencies of the city. Incidentally he is also an enthusiastic golfer, a member of the Oakley Country Club since its organization.

Of Mr. Earle's active associates in the development of the company, Edward D. Whitford, vice-president, a lawyer by profession, was formerly treasurer of the John P. Squire Co. and during the war represented Swift & Co. in Europe and was in charge of the tremendous distribution of their products. He has been a director of the company since 1904. Willard H. Sprague, vice-president, was formerly treasurer of the Charles River Trust Company. Walter M. Van Sant, vice-president, was formerly president of the Manufacturers National Bank, and Herbert H. Dyer, treasurer, has been with the institution over thirty-three years.

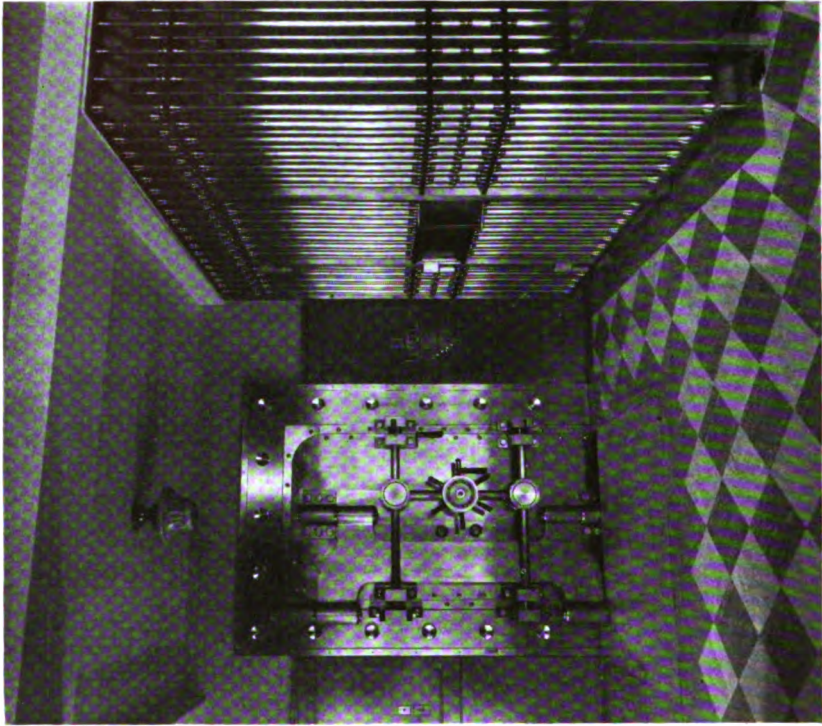
The other officers are: Arthur M. Wright, Charles J. Sommer, Henry F. Ramhofer, Girard L. Bond, Alfred M. Keeler, assistant

treasurers; and George F. Moulton, trust officer.

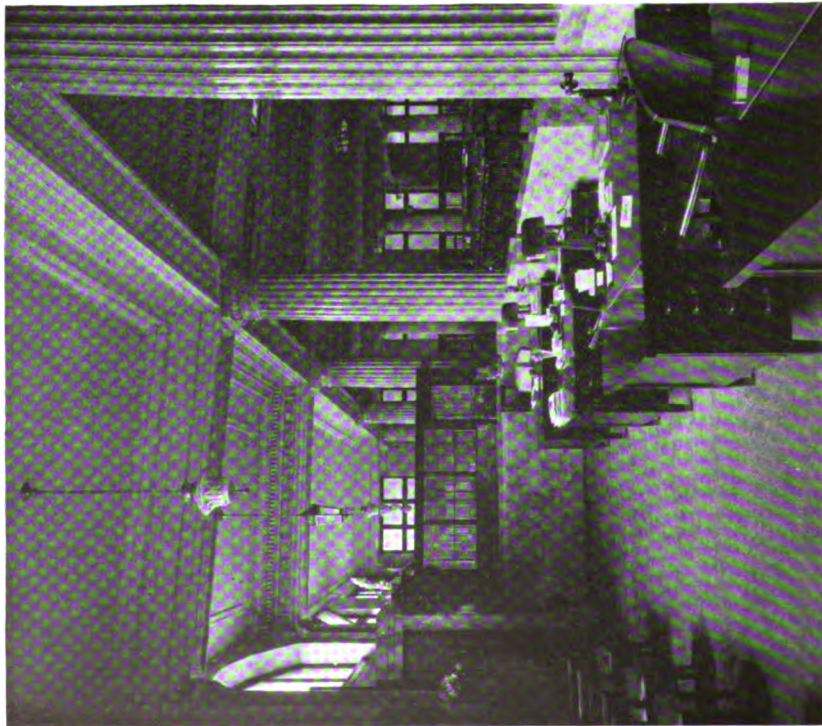
In the development of the company into a complete modern banking institution various departments have been organized which enable it to offer every service to its customers and clients. These include besides the usual commercial department, a savings department, a trust department with assets of over \$7,000,000, and safe deposit departments at all three offices. A complete investors' service, under the management of Olin W. Hill, manages clients' investments and, having no securities to sell, offers unbiased advice. A foreign department is rendering service in foreign fields. Among the University activities of the company, it collects all students' term bills. In other varied ways the company is prepared to attend to the wants and needs of its customers.

The company is housed in modern quarters and at Kendall square a large modern building is being erected, which will contain the Kendall square offices.

The condensed statement of the Harvard Trust Company, including all three offices, as of September 28, 1925, shows: Capital, \$400,000; surplus and undivided profits, \$902,543; deposits, \$13,481,801; savings deposits, \$3,269,202; trust department assets, \$7,204,953; total, \$25,352,826. The gain of \$1,200,000 by the company between June and September was largely in the commercial department, but all departments are growing steadily.



The safe deposit vault, built and installed by the Mosler Safe Co.,
Hamilton, O.



The officers' space, Slater branch of the Industrial Trust Company
of Providence, R. I.



Main banking room, Slater branch of the Industrial Trust Company of Providence, at Pawtucket, R. I.

The Slater Branch of the Industrial Trust Company of Providence, R. I.

THE remodeling of the Slater branch of the Industrial Trust Company of Providence, at Pawtucket, R. I., which has been going on for many months, has recently been completed and this important branch is now equipped as a complete banking unit and provided with the most modern furnishings and facilities.

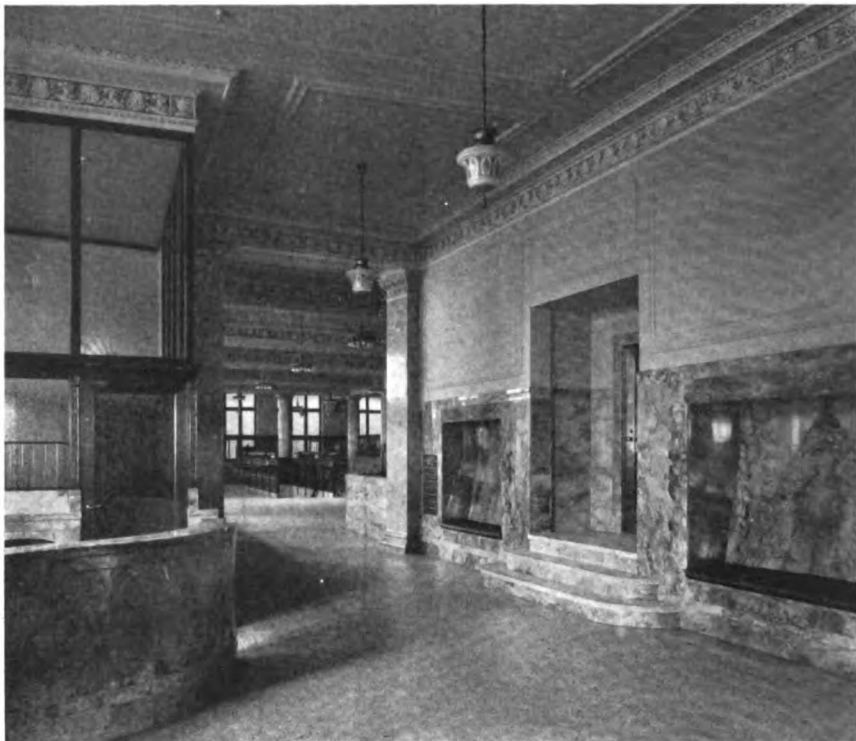
The bank which until June 1922, was the Slater Trust Company of Pawtucket and its predecessor institutions, has had an interesting history. It was named for Samuel Slater, the "father of American cotton manufactures," who reproduced the Arkwright machines in this country and laid the foundation of the prosperity of this great cotton manufacturing section.

The Slater Bank was established in 1855 under a Rhode Island charter, with a capital of \$43,000. In 1859 its capital was increased to \$150,000 and in 1865 it became the Slater National Bank. In 1900 the bank was succeeded by the Slater Trust Company, again under a state charter, with capital and surplus of \$1,000,000. In June 1922, the com-

pany was merged with the Industrial Trust Company of Providence, giving Pawtucket and the great Blackstone Valley a broadened and complete financial and banking service.

Enlarging the quarters occupied by the branch to three times the space formerly used and providing for the continuance of business at the same time was a difficult operation, but it was successfully planned and carried out by Thomas M. James Co., the bank architects. Every department has been materially enlarged and \$500,000 has been invested to make a beautiful banking room with ample facilities for the present and future.

The size and beauty of the banking rooms are very impressive, the walls, columns and counters being of marble and the floors of Italian Travertine. The counter screens are of bronze in fine design. The officers' space is separated from the main banking room by a low marble rail, and is easy of access to the public. Customers have been provided with special rooms for their comfort and convenience.



Entrance to banking room and stairway to safe deposit vault, Slater branch of the Industrial Trust Company of Providence, R. I.

The equipment of the cages, working spaces, etc., is carried out entirely in metal, providing a maximum of equipment in a minimum of space. The savings department is unique in the space given up to savings customers. It occupies one entire end of the banking room. Beneath the counter a mechanical carrier facilitates transfer of documents, etc., in this department.

A handsome marble stairway leads to the safe deposit department in the basement, opening into a beautiful bronze enclosed lobby. The vault is 28 by 55 feet and was built by the Mosler Safe Co. of Hamilton, Ohio. The massive doors are 18 inches thick and each weighs 20 tons. The coupon rooms and other facilities are the last word in vault equipment.

The electric protective system has been

used to the full extent in safeguarding the bank and its customers. At each officer's desk and each teller's location and at various points throughout the working spaces, as well as in the safe deposit department and the vaults, are located electric devices whereby an immediate alarm can be given throughout the bank and at the central office of the protective company, in case any trouble should arise.

The Slater branch of the Industrial Trust Company has a separate board of managers, under Charles O. Read, chairman, and Howard W. Fitz, vice-president and manager. The resources of the Industrial Trust Company, of which the Slater institution is a very important unit, are now well over \$125,000,000.





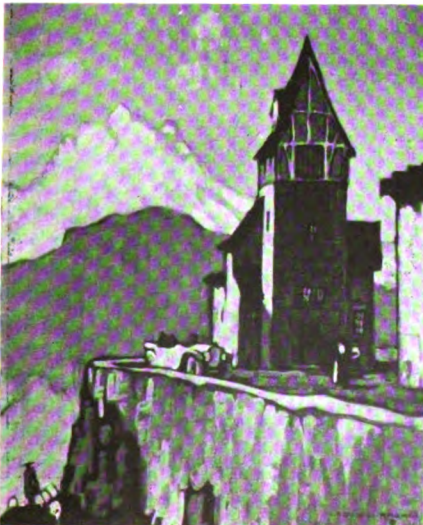
This Urge to Travel

THE restlessness of the American people, the desire to see the places, both in this country and abroad, about which they have been reading, is affording the banks a different angle from which to promote savings. It may not prove as effective as Christmas savings clubs but it appears to be increasing in effectiveness all the time.

Printed here are reproductions of four posters painted by a Chicago artist for the Central Trust Company of Illinois. The four scenes are from the Grand Canyon, the north woods, Europe and California. A

small title card was placed at the top of each poster and an invitation to join the Vacation Club at the bottom, the idea being to let the illustration tell the story. The paintings were rotated every week so that the entire series were on display in the main banking room, the safety deposit vaults and the savings department.

With the belief that the Vacation Club idea has come to stay, the Central Trust Company of Illinois also carried on an intensive campaign in the local newspapers and an attractive folder was mailed.





The very complete central filing department of the First National Bank, Boston, Mass. The filing equipment was installed by Library Bureau



The credit files of the First National Bank, Boston, Mass., installed by Library Bureau



The library of the First National Bank of Boston, showing how the books are kept readily available for quick reference. The equipment for this library was installed by Library Bureau

Keeping the Records of the Bank

THE pictures on the opposite page show the very complete central filing department and file for credit information which the Library Bureau has installed in the First National Bank of Boston, Mass. Above is a view of the bank's library, the equipment for which was also installed by the Library Bureau. Of course, comparatively few banks need such an elaborate filing system as is illustrated here, but a central filing system is advantageous to any bank, no matter how small. In the first place, it saves space by eliminating duplicate sets of files in several places. Again, it saves time, for by having all the papers filed under the supervision of one person who is familiar with the filing system the papers wanted can be located easily and quickly. Finally, the central file makes all the papers on a given subject available for all the office when needed, and eliminates the necessity of consulting numerous sets of files and several individuals.

Credit information is naturally more or less confidential, and, therefore, cannot be

included in the general file. But it is even more frequently used than the information in the central file, hence it is absolutely necessary to have a system by which all the credit information on any customer or firm can be located without delay.

Similarly, in the interests of efficiency, a reference library. Each official usually has, on every bank should have some sort of a reference desk at least one or two books—they may be law books, directories, securities manuals, Government reports, etc. Placing these in a library serves the same purpose as establishing a central file; it assembles all the data in one place, and makes it available to all the bank personnel, for quick reference. The type of books named above is, however, only the basic material for a bank library. It can also include books on the theory and practice of banking for the education of the clerks.

Of course, in order to do all this, modern filing equipment is practically indispensable, and, in most cases, proves to be a good investment.



The modern fourteen-story building which is to be erected at Wall and Pearl streets for the Seaman's Bank for Savings, New York. The bank will occupy the ground floor for its banking rooms, and will use the top floor for dining rooms for employes, recreation rooms, a lounge and smoking room. The remainder of the building will be rented out as offices. The building was designed by B. W. Morris, architect, New York.

Some Recent Bank Building Operations

SPECIAL

The **BANKERS
MAGAZINE**

SECTION

Building a Bank on An Odd Shaped Plot

THE new building of the Citizens Trust Company, Harrisburg, Pa., located on a three cornered plot of land, demonstrates how satisfactorily the problem of utilizing all the space on such a plot can be solved. The floor plan of the banking room, shown on the next page, illustrates the convenient locating of departments without crowding. For example, the officers' quarters are located so that they may be easily reached by the public, and so that the officers may easily reach the safe deposit

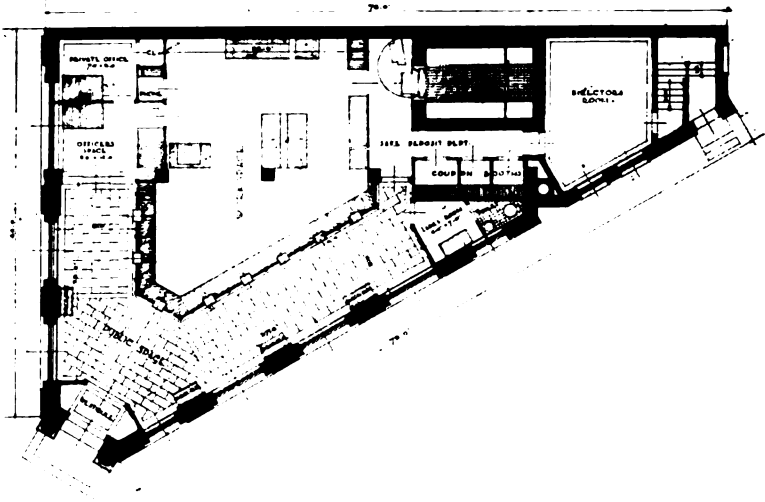
and security vault and the work space closely adjoining.

The bank serves the Allison Hill section of Harrisburg, and while its location does not demand a large, imposing structure, it does need a modern and complete building to serve both its own and its clients' requirements, at the same time providing an attractive landmark. This is accomplished by the building shown below, the exterior of which is carried out in brick and limestone. It is of a simple but pleasing and practical design, and the advantage of a corner location gives abundant daylight for the interior and easy access for the public.

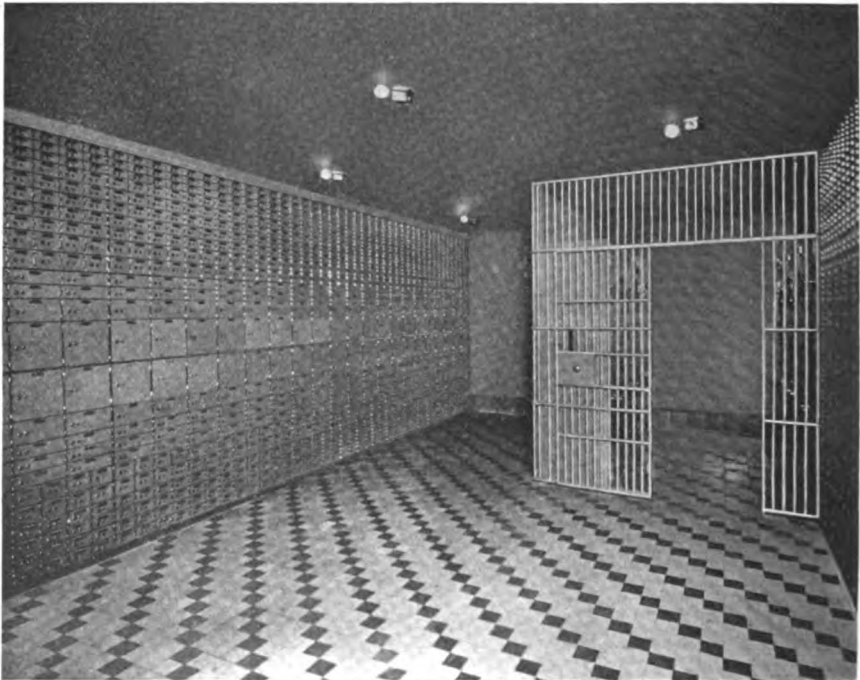
In the main banking room, eight wickets



The new building of the Citizens Trust Company, Harrisburg, Pa., illustrates how attractive a building on an odd shaped plot can be made. The building was constructed and equipped by the Griswold Building Co., Inc., New York, who are specialists in designing and building banks.



The floor plan of the Citizens Trust Company, Harrisburg, Pa., showing how effectively the space is utilized. The building was constructed and equipped by the Griswold Building Co., Inc., New York, who are specialists in designing and building banks.



Safe deposit department in the modern vaults of the National City Bank of New York, Havana, Cuba. The vaults were furnished and installed by Herring-Hall-Marvin Safe Co., New York, N. Y. and Hamilton, Ohio.



The Garden City Bank, Garden City, N. Y., which opened for business two years ago, has outgrown its present quarters, and is building a new home, the architects' sketch of which is shown above. Pettit & Ferris, architects, New York, designed the new building, which will contain three apartments as well as quarters for the bank.

serve the public lobby, to prevent any congestion during banking hours. A flooring of pink Tennessee marble is used for the public space, and the counter screen of Napoleon gray marble with a Verde antique marble base gives a general tone of refinement and neatness to the interior.

The officers' space is complete with mahogany furniture, wainscoting, and rubber tile flooring. Flooring of quarter-inch thick battleship linoleum and steel equipment are used throughout the work space and the tellers' cages. The safe deposit and security vault, installed by the Herring-Hall-Marvin Safe Co., Hamilton, O., is constructed of 18 inches of solid reinforced concrete, and lined with laminated armor steel. It is guarded by a 10 inch solid steel door and modern electric burglar proof protection. The bank is also equipped with a daylight hold-up alarm system.

A tastefully appointed directors' room is located in the rear of the building.

The basement is devoted to a storage vault, stationery rooms, men's locker and wash room, and the bank's heating plant. On the second floor of the bank are a number of apartments.

The Griswold Building Co., Inc., New York, who are specialists in designing and building banks, were the architects and builders.

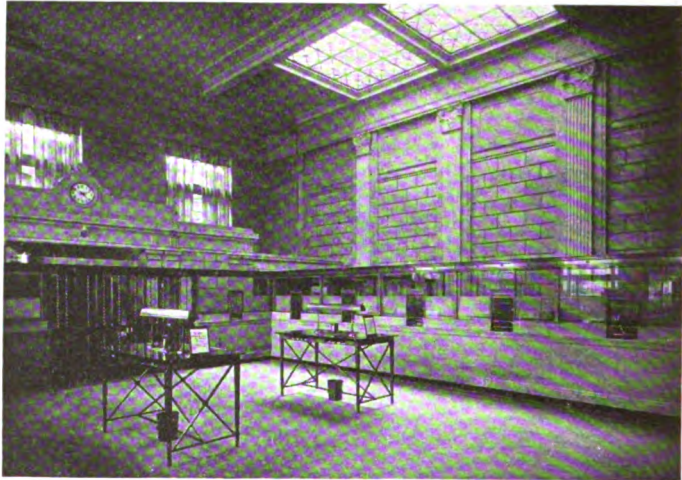


Through recent business expansion, Kidder, Peabody & Co.'s offices, Boston, may now be entered from four streets—Devonshire, Milk, Washington and Spring Lane. This is the new Milk street entrance, flanked on either side with flowers.

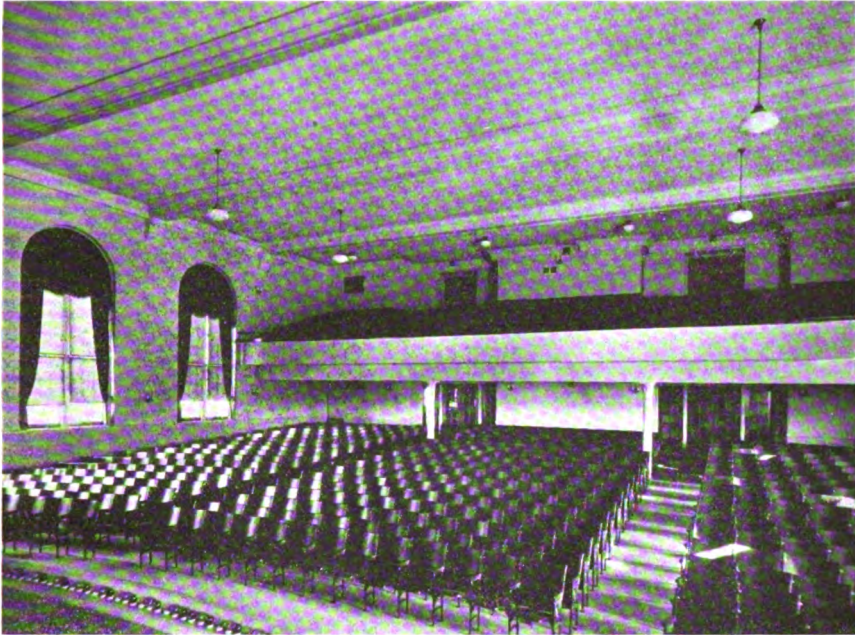


Exterior of the new building of the Meriden Savings Bank, Meriden, Conn., planned and constructed under the supervision of Holmes & Winslow, bank architects, New York.

Interior of the Meriden Savings Bank, Meriden, Conn., planned and constructed under the supervision of Holmes & Winslow, bank architects, New York.



Bonds and blossoms. A simple but effective treatment of a city by-way leading from Milk street to a side entrance to the banking house of Kidder, Peabody & Co., Boston, Mass.



The auditorium of the high school at Liberty, Mo., showing Acousti-Celotex ceiling, used for acoustical correction. Charles A. Smith, Kansas City, Mo., was the architect for the building.

Unusual Arrangement of Meriden Savings Bank

THE Meriden Savings Bank, Meriden, Conn., has recently opened its new building on the southeast corner of East Main and Crown streets, well located near the railroad station and the business center. The building is located on a lot with 61 feet frontage and 77 feet in depth. It is individual in character, and entirely occupied by the bank. It is open on three elevations, the front, side and rear. The exterior on the street elevations is of North Jay white granite, with a polished base. The rear elevation, which is on an alley, is trimmed in cast granite, and the intermediate panels are of light colored face brick, which blends in with the stone work.

The interior arrangement, which is unusual for a savings bank, provides for a portion of the working force to operate on each side of the public space. The active officers' space is at the front, at one side of the entrance vestibule, which makes the officers directly accessible to the public, and in close contact with the tellers' cages. At the rear of the public space, and easily accessible to

depositors, is the safe deposit and security vault, which was furnished and installed by the York Safe & Lock Co., York, Pa.

The bank is well lighted with daylight from three sides, and from a skylight extending over the rear side portion. The wall treatment is of Craftex material. The mezzanine floor, located over the front entrance, contains the trustees' room and the girls' rest room. The men's locker room is located in the basement.

The building was constructed and equipped under the supervision of Holmes & Winslow, bank architects, New York.

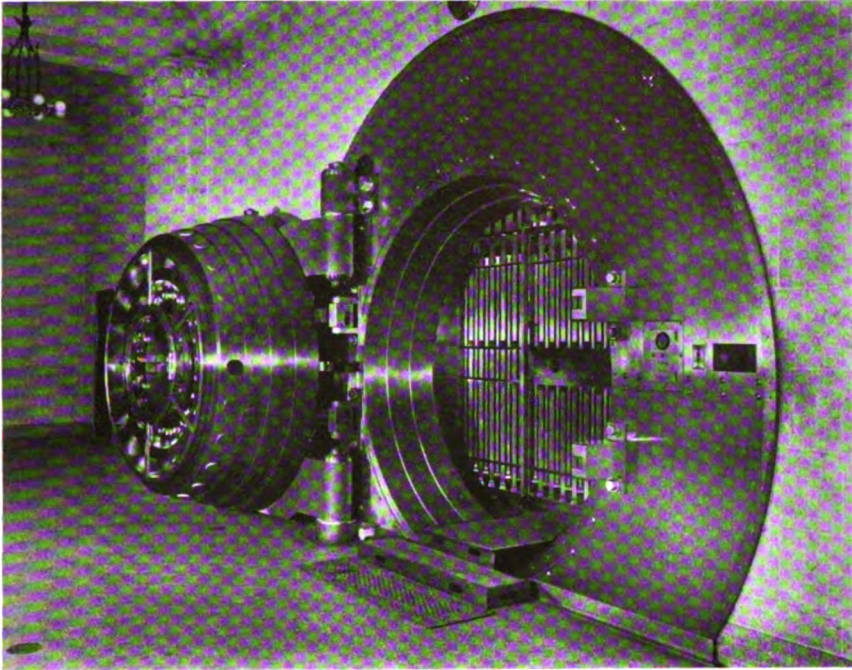


Bank Building Notes

The Industrial Trust Company of Providence, R. I., which has for some time been discussing various plans for increased space made necessary by a large increase of business, has at length decided to purchase the old Butler Exchange building and the adjoining Brownell building on Westminster street as a site for a new bank building. A corporation has been organized under the name of Industrial Holdings, Inc., with



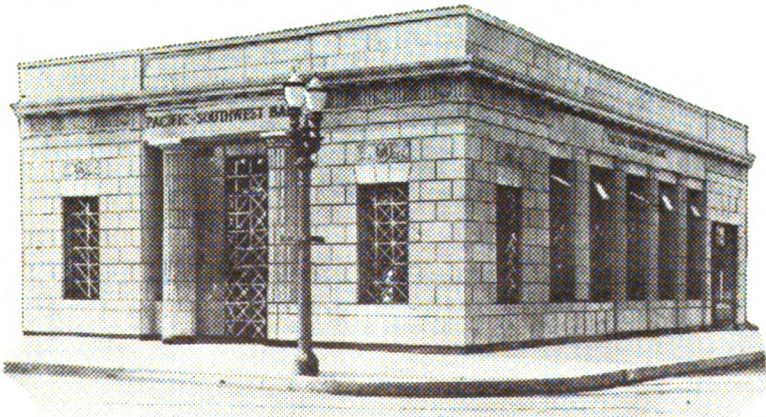
Exterior view of the Empire City Savings Bank, New York, showing the attractive installation by the Crittall Casement Window Co., Detroit. The architects for the building were Trowbridge & Livingston, New York.



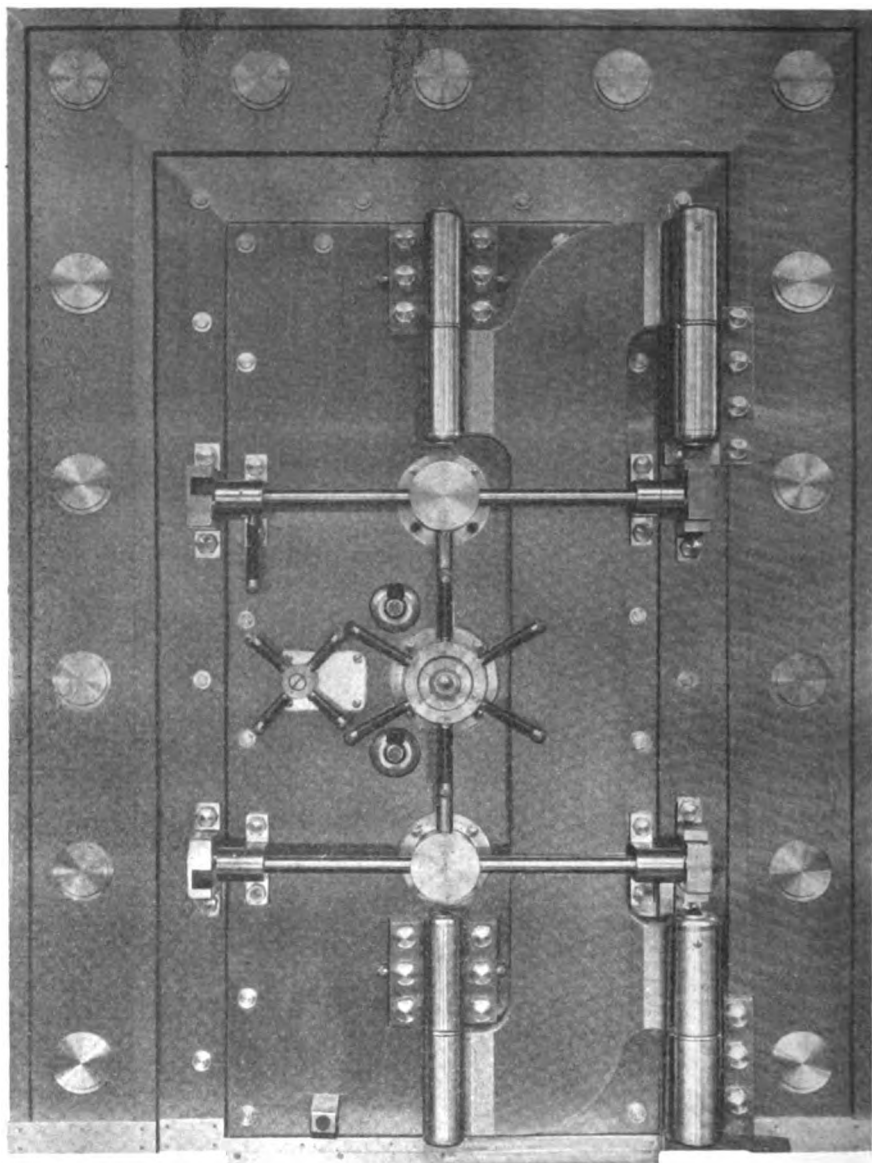
Showing the vault door of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, built and installed by the Mosler Safe Co., Hamilton, Ohio.

authorized capital of \$8,000,000. Florrimon M. Howe, president of the Industrial Trust Company is president of the new company. As soon as definite arrangements can be made and plans prepared, the old buildings now on the site will be razed, and one of the finest bank buildings in the country erected.

The Corn Exchange Bank, New York, has purchased a five-story commercial building facing Lincoln square, and after extensive alterations, involving the probable installation of safe deposit vaults, will establish a branch on the site, to be known as the Lincoln Square branch.



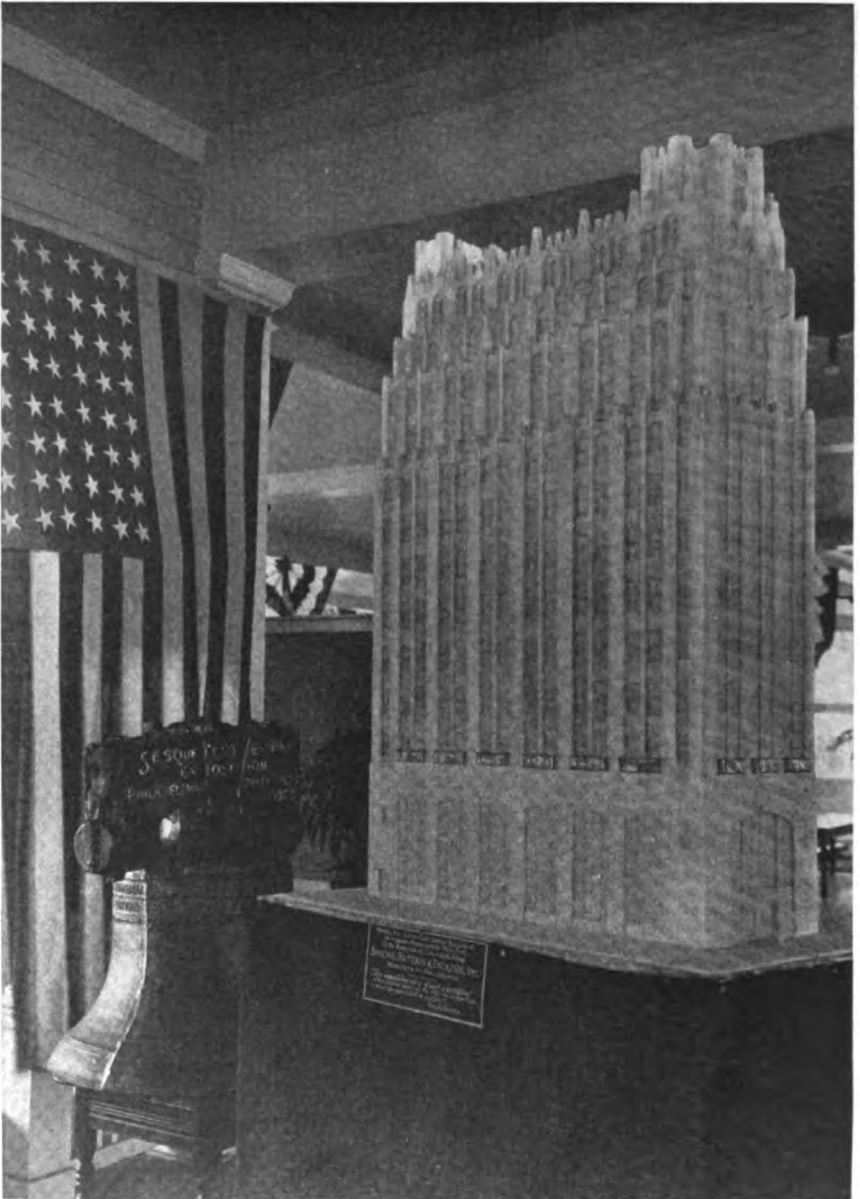
A photograph of the University branch of the Pacific-Southwest Trust and Savings Bank, Los Angeles, Calif. The Pacific-Southwest has adopted this as a standard building for all its branches, and has authorized the construction of similar buildings for five other branches.



The door to the vault of the Central National Bank, New Rochelle, N. Y., furnished and installed by the Herring-Hall-Marvin Safe Co., New York, N. Y. and Hamilton, Ohio.



The new building of the Liberty Bank, Buffalo, N. Y., northwestern New York's tallest skyscraper, which was opened on October 13, was constructed in record time. The contract provided that the structure was to be completed in 365 working days. It was actually finished in 333 days. Alfred C. Bossom, bank architect, New York, designed the building.



Reproduction of a quarter scale plaster model of the new building for the Ohio State Savings Association, Third and Gray streets, Columbus, O., which was exhibited on the Steel Pier at Atlantic City, N. J., during the recent American Bankers Association Convention. Such a model enables the owner to appreciate the designers' conception of the building which will silhouette against the sky line of the community. The building was designed by Simons, Brittain & English, architects, Philadelphia and Columbus.

BOOK REVIEWS AND NEW BOOKS

THE DAWES PLAN IN THE MAKING. By Rufus C. Dawes. Indianapolis: Bobbs-Merrill Co. Price \$6.

THE first year of operation of the Dawes Plan has just been completed, and the report of the agent general has been presented. Already criticism is being directed at the plan, and doubt expressed as to its practicability. It is, therefore, very appropriate that the problems involved in drawing up the plan, its purpose, and the hopes of the makers should be brought to the attention of the public at this time.

Rufus C. Dawes acted as chief of the staff of eight economic experts who accompanied General Dawes and Mr. Young. He examined and briefed the studies and comments which the experts made, while the plan was in preparation. He also assisted Mr. Young while the latter served as first agent for reparations payments. He is thus very well qualified to describe the making of the Dawes Plan.

It is in more or less diary form that he has written the account of the work of the committee. It is very interesting to read how the experts cast about for a basis on which to fix the indemnities to be demanded from Germany, and how several plans were discussed and rejected, until the principle that Germany must bear a burden of taxation equal to that of her competitors was hit upon. One fact that seems to have been too little recognized is brought out clearly in the book—that there has not been such great difficulty in measuring the capacity to pay as there is currently thought to have been. For Mr. Dawes points out how the estimates of the American experts at the original peace conference had to be modified to meet the political exigencies of the time, and then continues, "It is interesting to recall not only that the idea of fixing reparations on capacity to pay was ably presented at that time, but that Germany's capacity to pay was measured as accurately then as it has ever been since." The problem, then, was not so much how much Germany could pay, but how to make her able to pay, and willing to pay.

It is also interesting to read the discussions which went on between the economists as to the difficulty of transferring the pay-

ments out of Germany, once they were collected unless Germany had an export balance of trade. They foresaw quite clearly the doubt which is arising now—whether the payments, even after they have been collected and deposited in the bank of issue, can be transferred to foreign countries if there is not such an export balance without disorganizing the foreign exchange situation. To some this appears an absurd doubt, their contention being that the situation will automatically right itself. For example, if purchasing power accumulated in the bank of issue is transferred to the control of foreign nations, prices in Germany will fall in conformity to the quantity theory of money. With comparatively lower prices in Germany, and more purchasing power in the hands of foreign nations, foreign purchases in Germany will increase, and an export balance will automatically be created. The limitation on this, which the economists pointed out at the time the plan was discussed, is that it may withdraw from Germany some goods which should go toward the support of her population, and so impoverish the nation and reduce the possibilities for future payment. The committee, after considering the problem from every angle, provided for its treatment by the transfer committee in accordance with conditions as they may exist at the time the difficulty arises—which seems to be the most reasonable way, after all.

The diary form of the book detracts a little from its interest, for in many places long detailed accounts of incidents of too little interest are included. It could have been much improved by more careful collating of the material, and a little more attention to making it interesting to the reader, as well as presenting all the facts. It is hardly likely to appeal to the general reader, but is quite valuable as a work of reference.

The appendices include the complete English text of the Dawes Plan in its final form, the resolutions adopted by the Reparations Commission leading to the appointment of the Dawes Committee, and an account of the evolution of the terms of reference to the committees of experts. On the whole, it is a valuable contribution to economic history.

THE BANKERS MAGAZINE

THE USES OF BANK FUNDS. By Waldo F. Mitchell. Chicago: University of Chicago Press. Price \$2.

OF late, there has been a healthy movement toward re-examining the old beliefs and theories to see whether they are still true under changed conditions. This has been most apparent in religion, in the controversy between the Fundamentalists and the Modernists. It has also cropped up in science, where the atomic theory is under fire. And now it is being extended to banking. Professor Mitchell takes a theory of banking that is so established that he refers to it as the "orthodox" theory, and submits it to careful scrutiny to see whether it is still sound.

The theory is that since the funds of commercial banks come from deposits which are repayable on demand, it is necessary for commercial banks, if they are to keep in liquid condition, to loan the bulk of their funds on short time commercial loans, so that the maturing of the loans will complete the commercial transactions and liquidate the loans. It is widely accepted as the correct theory. But banking practice does not follow the theory. The banks hold extensive amounts of bonds, particularly Government and municipal bonds. This is confirmed by the recent note in the newspapers that national banks owned 12½ per cent. of the total United States Government obligations outstanding on June 30, 1925. The city banks loan a large part of their funds on collateral. The country banks make a large number of long time loans, a good many of them on real estate. In Germany, the banks quite openly own industrial corporations, and assume a share of the risks of ownership. In France they buy whole issues of securities and distribute them. All of the European central banks loan large amounts on collateral.

Secondly, the experience of the depression of 1920 indicates that very few loans were liquid, and that liquidity was not the method used by banks in distress to keep in solvent condition. Instead, they had to rely on the "shiftability" theory, draw heavily on their correspondents, sell Government securities, borrow from other banks, and rediscount heavily at the reserve banks. Even the reserve banks were not able to depend on the liquidity theory to keep in solvent condition, but rediscounted between themselves, the strong helping the weak.

Finally, the Federal Reserve Board, while apparently clinging fast to the "orthodox"

theory of banking, has actually been leaning toward the "shiftability" theory in its rulings. The classes of paper eligible for rediscount have constantly been increased, and longer maturities have been allowed.

The "shiftability" theory, then, has come to be recognized in American banking practice, as the financial system has evolved from a series of independent units to a compact organization. It is this complete organization that makes shifting of loans possible. It is Professor Mitchell's contention that the "shiftability" theory should be legally recognized, allowing banks to serve American business even more completely than they now serve. Long time loans are not necessarily bad or unsafe, so long as there are other banks in the country in a position to take them over when the bank which holds them needs the money quickly.

The book is very stimulating in its frank criticism of present practices and theories, though rather hard to read because of the pedantic style of the author in inserting a multitude of figures and footnotes. It is not carefully written—the chapters on "Bank Failures and Their Significance," on "Rural Credit Legislation," and on "Credit Statements and Supervisory Influence of Banks Over Business," while interesting in themselves, have no apparent relation to the subject under discussion.

However, in spite of these disadvantages, it is recommended to all who are interested in current trends in American banking. It does bring out many facts that heretofore have been overlooked.

+

AMERICAN BUYERS' GUIDE. Berlin: American Chamber of Commerce in Germany. Price \$2.

This publication, which was formerly the yearbook of the American Chamber of Commerce in Germany, contains a wealth of information for American exporters and importers; such as the activities of the Chamber of Commerce, a list of American consulates in Germany and their districts, foreign embassies and consulates in Berlin, principles of the law in respect to German mercantile associations, German taxes, etc. Probably the most valuable features of the book are the list of firms in alphabetical order, and the classifications of German export and import merchandise.

THE BANKERS MAGAZINE

MANUAL OF ORGANON. By Charles W. Gremple. New York: Organon Lyceum. Price \$2.

THIS is a queer jumble of fine printing, quotations from famous authors, and self evident truths. It is subtitled "the philosophy and science of organing, the art of management." Its absurdity can be demonstrated by two quotations, each of which is set in large type so as to occupy a whole page. The first is headed "HOW TO DO," and goes on "COMPLETELY IMAGINE the EFFECT desired by means of (Like Conditions plus Like Causes) Necessitates (Like Effects) DETERMINE the CONDITION and CAUSE and UNITE Condition and Cause." The second explains "HOW TO KNOW" thus; "THOROUGHLY CONSIDER the EFFECT presented ASSUME the CONDITION and CAUSE thereby SUGGESTED and then TEST TRIO FOR CONFORMITY with (Like Effects) are Necessitated by (Like Conditions plus Like Causes)." These, says the preface, are the answer "To the inevitable, burning, and typically American question—Wherein lie the dollars and cents?"

It need hardly be added that the book has little value, except as a curiosity.

+

THE ACCOUNTANTS' DIRECTORY AND WHO'S WHO 1925. Ed. by Rita Perine Merritt. N. Y.: Prentice-Hall. Price \$10.

CONTAINING a director of accountants, geographically arranged, giving the names and addresses of accounting firms and companies with their members or officers and branch offices, individual practising accountants, cost accountants, professors of accounting, and authors of works on accounting; an arrangement, alphabetically by states, showing the numerical order in which C. P. A. degrees have been issued and by whom each degree is held; an alphabetical list of every name appearing in the volume, with city address for reference to geographical section for more detailed information; names of the officers and directors of state accounting boards, state and national societies, and the National Institute of Accountants; and a "who's who" section giving biographical sketches of most of the accountants listed.

It should prove to be a valuable reference book for bank credit men, in looking up the

character and reputation of an accountant who has drawn up a statement for a prospective borrower.



Booklets Worth Having

The Dixie Business Book Shop, Inc., New York, recently published a "Bibliography of Books on Business Economics," compiled by Robert L. Smitley; which contains the most valuable and carefully selected list of books on business to be found anywhere. It includes books out of print as well as current books, and gives the approximate prices at which they can be secured. There is a very interesting "review of the literature of business" at the beginning of the book, and a discussion of the most prominent books on each subject precedes the listing of the books under each heading. Practically every subject relating to business is covered. Finally, there is a very complete suggested "business library for the home." For anyone really interested in the study of business through books, this is a treasure house of information.

+

The St. Louis Globe-Democrat, St. Louis, Mo., has published a very handy little booklet "Showing how the Missouri Blue-Sky Law authorizes and protects Established Practice." It contains the complete text of the Missouri Securities Act (the Blue-Sky Law), and a paraphrasing of the salient features of the law in simple business English. It should be very useful to financial men planning to sell securities in Missouri.



To Be Reviewed Later

THE LIFE OF JUDGE GARY. By Ida M. Tarbell. N. Y.: Appleton. Price \$3.50. ✓

HARVARD BUSINESS REPORTS. Volume I. Chicago: A. W. Shaw Co. Price \$7.50.

PROFITS. By William Trufant Foster and Waddill Catchings. Boston: Houghton Mifflin. Price \$4. ✓

EVERYMAN'S INSURANCE. By Frazer Hood. N. Y.: Appleton. Price \$1.50. ✓

THEORY OF ACCOUNTS. By DR Scott, N. Y.; Henry Holt. Price \$2.50.

OFFICIAL REPORT OF THE TWELFTH NATIONAL FOREIGN TRADE CONVENTION. N. Y.: Na- ✓

THE BANKERS MAGAZINE—BOOK TALKS

tional Foreign Trade Council. Price \$2.50.

✓ **SELECTIVE IMMIGRATION.** By James J. Davis. St. Paul: Scott-Mitchell Publishing Co. Price \$1.90.

BUSINESS ORGANIZATION AND MANAGEMENT. By Henry P. Dutton. Chicago: A. W. Shaw Co. Price \$6.

APPLIED BUSINESS FINANCE. By Edmond Earle Lincoln. Chicago: A. W. Shaw Co. Price \$6.

✓ **FORTY YEARS OF IT.** By Brand Whitlock. N. Y.: Appleton. Price \$2.50.

✓ **BUSINESS LETTER WRITING.** By Roy Davis and Clarence H. Lingham. Boston: Ginn & Co. Price \$1.40.



Other New Books

ECONOMIC LIBERALISM. By Jacob Harry Hollander. New York: Abington Press. Price \$1.50.

MEASUREMENT OF ECONOMIC VALUE. By David Atkins. San Francisco: The Lantern Press. Price \$3.00.

CAN BUSINESS PREVENT UNEMPLOYMENT? By Sam Lewisoyn and others. New York: Knopf. Price \$2.00.

LITERATURE FOR THE BUSINESS MAN. By Gerald E. Schoyar, editor. New York: F. S. Crofts. Price \$2.50.

OXFORD ECONOMIC ATLAS. By J. G. Bartholemew. New York: Oxford University Press. Price \$2.00.

ECONOMIC CONDITIONS IN INDIA. By P. Padmanabha Pillai. New York: Dutton. Price \$5.00.

THE ECONOMIC CONSEQUENCES OF STERLING PARITY. By John Maynard Keynes. New York: Harcourt, Brace & Co. Price 35 cents.

NEW YORK BANKING LAW, ANNOTATED. By W. E. Baldwin. New York: Banks Law Publishing Co. Price \$7.50.

PRESENT ECONOMIC REVOLUTION IN THE UNITED STATES. By T. N. Carver. New York: Little, Brown & Co. Price \$2.50.

A SHORT HISTORY OF MERCANTILISM. By J. W. Horrocks. New York: Brentano's. Price \$3.00.

• **BUSINESS FORECASTING.** By Joseph Moses Gillman. Pittsburgh: University of Pittsburgh Press.

AN INTRODUCTION TO THE METHODS OF ECONOMIC STATISTICS. By William L. Crum and Alson C. Patton. Chicago: A. W. Shaw Co. Price \$6.

ECONOMICS OF THE RADIO INDUSTRY. By Hiram L. Jome. Chicago: A. W. Shaw Co. Price \$5.

FINANCIAL HANDBOOK. Robert H. Montgomery, Ed. N. Y.: Ronald Press. Price \$7.50.

EARNING POWER OF RAILROADS. By Frank W. Mundy. N. Y.: Jas. H. Oliphant Co.

THE OFFICE. By Nathan Asch. N. Y.: Harcourt Brace. Price \$2.

PRINCIPLES OF INDUSTRIAL ORGANIZATION. By Dexter S. Kimball. N. Y.: McGraw-Hill. Price \$4.

ECONOMICS OF PUBLIC UTILITIES. By L. R. Nash. N. Y.: McGraw-Hill. Price \$4.

CASELL'S RAILWAYS OF THE WORLD. By Fred A. Talbot. N. Y.: Simmons-Boardman. Price \$10.

RECORD OF GOVERNMENT DEBTS AND OTHER FOREIGN SECURITIES. Edited by A. W. Kimber. N. Y.: Exporters' Encyclopedia Corp. Price \$15.

CURRENT ECONOMIC PROBLEMS. By Walter Hale Hamilton. Chicago: Univ. of Chicago Press. Price \$4.

THE KERR SIMPLIFIED ACCOUNT BOOK FOR SECURITY TRANSACTIONS. By Joseph H. Kerr, Jr. Uniontown, Pa.: Speculatist Co.

PRINCIPLES OF CORPORATION FINANCE. By Harold Iye Reed. Boston: Houghton Mifflin. Price \$2.60.

PRACTICAL BANKING. By Gerald W. Jamieson, N. Y.: McGraw-Hill. Price \$2.

THE FORMATIVE PERIOD OF THE FEDERAL RESERVE SYSTEM. By W. P. G. Harding. Boston: Houghton Mifflin. Price \$4.50.

RELIGION, COMMERCE, LIBERTY. By John Wynne Jeudine. N. Y.: Longmans Green. Price \$3.75.

AMERICAN ECONOMIC LIFE AND THE MEANS OF ITS IMPROVEMENT. By Rexford Guy Tugwell and others. N. Y.: Harcourt Brace. Price \$4.50.

INVESTING IN PURCHASING POWER. By Kenneth S. Van Strum. N. Y.: Barron's. Price \$2.

DOLLAR DIPLOMACY. By Scott Nearing and Joseph Freeman. N. Y.: Viking Press. Price \$2.50.

THE MERCHANT SHIPPING INDUSTRY. By H. C. Calvin and E. G. Stuart. N. Y.: John Wiley & Sons. Price \$4.

PAPER

Protection that does not discriminate

National Safety Paper stops the clever check manipulator as completely as it does the blundering amateur.

Any erasure—whether by chemical or mechanical means—which removes the writing on National Safety Paper will produce a glaring white spot in the paper. The fraud is exposed before it can be carried out.

Ask your stationer, printer or lithographer.

George La Monte & Son


FOUNDED 1871

61 Broadway, New York

*National Safety Paper is also made in Canada
by George La Monte & Son, Ltd., Toronto*



BANK of the MANHATTAN COMPANY

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.*

RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, Toronto, Canada

A. W. AUSTIN, President

C. A. BOGERT, Vice-Pres. & Gen. Mgr.

C. S. BLACKWELL, Chairman of the Board

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

THE HAZARDS OF COMMERCE



STEPHEN GIRARD, in a letter to his father dealing with a contemplated voyage, wrote: "... arm the vessel with a few cannon, to enable her to defend herself against any gunboat that might attack her on the voyage across—or on our coast—a thing of daily occurrence."

Commerce in those days was a precarious business and demanded the utmost prudence and skill. Notwithstanding the perils of the times, Girard contrived not only to succeed in his own affairs, but to help others on the road to success.

The same skillful management, the same sound and constructive policies responsible for Girard's success have become traditional with this bank. These advantages are at the command of its correspondents.

THE GIRARD NATIONAL BANK

PHILADELPHIA

The BANKERS MAGAZINE

TITLE REGISTERED IN U. S. PATENT OFFICE

Vol. CXI

DECEMBER 1925

No. 6

American Banks in Competition Abroad

The National Bank Bill

Good Will or Good Bye!

A Hundred Million Dollar Idea

Successful Campaign Brings \$12,000,000
in New Deposits

Merchandising the Trust Company

Financial Windows of the East

FOR TABLE OF CONTENTS SEE PAGE III

\$5.00 A YEAR—50 CENTS A COPY

ENTERED AS SECOND-CLASS MATTER FEB. 27, 1918 AT THE POST OFFICE AT NEW YORK, N. Y.
UNDER THE ACT OF MARCH 3, 1879

PRINTED IN U. S. A.

PUBLISHED MONTHLY BY

THE BANKERS PUBLISHING CO.

W. C. WARREN, PRES.

W. H. BUTT, VICE-PRES.

K. F. WARREN, TREAS.

J. R. DUFFIELD, SEC.

BOSTON

NEW YORK

CHICAGO

J. P. MORGAN & CO.

Wall Street, Corner of Broad

NEW YORK

DREXEL & CO., PHILADELPHIA

Fifth and Chestnut Streets

MORGAN, GRENFELL & CO., LONDON

No. 22 Old Broad Street

MORGAN, HARJES & CO., PARIS

14 Place Vendome

Securities Bought and Sold on Commission.

Foreign Exchange, Commercial Credits.

Cable Transfers.

Circular Letters for Travelers, available in all parts of the world.

The New York Trust Company

*Offers these
Services to*

*Banks,
Corporations
and
Individuals*



MODERN, comprehensive commercial banking facilities, and a highly developed credit information service available to customers—

Foreign credit information, current data on foreign markets and trade opportunities, and other special conveniences for those engaged in foreign trade—

Exceptional facilities for the administration of personal and corporate trusts, developed through long experience covering the entire field of trust service.

The New York Trust Company

Capital, Surplus and Undivided Profits, \$29,000,000

100 Broadway

57th St. & Fifth Ave.

40th St. & Madison Ave.

SEEKING NEW BUSINESS ON OUR RECORD

Competent Counsel

LEANING too much on one's own views produces bias—consulting a good bank restores balance—this Bank's advice has a background of 101 years.

**THE
CHEMICAL
NATIONAL
BANK
OF NEW YORK**

**B'WAY at CHAMBERS, FACING CITY HALL
FIFTH AVENUE at TWENTY-NINTH STREET
MADISON AVENUE at FORTY-SIXTH STREET**

THE NATIONAL PARK BANK

of NEW YORK

Established 1856

214 BROADWAY

Uptown Offices

PARK AVENUE *and* 46th STREET

SEVENTH AVENUE *and* 32nd STREET

DIRECTORS

Charles Scribner	Joseph D. Oliver
Richard Delafield	Lewis Cass Ledyard, Jr.
Francis R. Appleton	David M. Goodrich
Cornelius Vanderbilt	Eugenius H. Outerbridge
Gilbert G. Thorne	Kenneth P. Budd
Thomas F. Vietor	John H. Fulton
John G. Milburn	Frank L. Polk
William Vincent Astor	Clarence Dillon

Banking in all its branches

Commercial and Travelers' Credit issued; Correspondents in all principal Cities in the World. Foreign Exchange bought and sold. Corporate and Personal Trusts; Safe-keeping of Securities; Collection of Income. Investment Service for Customers. Safes in our Safe-Deposit Vaults at moderate rental.

Capital, Surplus *and* Undivided Profits \$33,700,000

Established 1846

The Bankers Magazine

Published Monthly by
THE BANKERS PUBLISHING COMPANY

BOSTON

at 71-73 Murray Street, New York, N. Y.

CHICAGO

CABLE ADDRESS: "BANKMAG." NEW YORK

Volume CXI

DECEMBER 1925

No. 6

CONTENTS

Copyright 1925 by The Bankers Publishing Company

	Page
Editorial Comment	851
<p>The Favorable Business Outlook—President Coolidge's Remedy for Social Ills—The Anthracite Coal Strike—Bankers and Trade Control—The Locarno Pact—French Financial Difficulties—Country Bank Credits—A Strictly Local Bank—World Conditions.</p>	
American Banks in Competition Abroad	By Samuel T. Bitting 857
<p>The article which won first prize in THE BANKERS MAGAZINE essay contest. There is an American genius for mass production which will cause our manufactures to creep increasingly into export trade. This trend is already visible. For this reason, it will be necessary for the United States to enter more into the financing of this trade. In the past we have let it alone because we have been busy developing this continent. It is to be hoped that this growth in foreign financing will not be hampered by Government interference. But the greatest drawback still is a dearth of experienced men for foreign banking. Mr. Bitting outlines a plan by which a corps of professional foreign bankers may be built up in this country similar to that in England.</p>	
The National Bank Bill	By Louis T. McFadden 865
<p>Outlining the main provisions of the bill which has just been reintroduced into Congress. It provides for indeterminate charters for the national banks; it allows them to make real estate mortgage loans for periods of five years; and it undertakes, in section 9 to express a national policy on branch banking. The text of the bill follows the article.</p>	
The Bank Library	875
Good Will or Good Bye	By Allan B. Cook 877
<p>In the minds of a great number of people, banks, public utility companies, and carriers are grouped together as satisfactory targets upon which to release spleen and abuse. Banks can help to erase this impression by going to customers, if customers will not come to them, and helping out in solving their financial problems. Actual examples of this work are given.</p>	
A Three Hundred Million Dollar Idea	By Herbert F. Rawll 883
<p>The Christmas Club idea has grown from about \$500,000 in 1910 to over \$300,000,000 in 1925 by providing an inducement to save and making saving easy. It has taught people that banks welcome small savings deposits as heartily as the large ones. Though the money is saved to be spent, as a matter of fact, a goodly portion of it remains permanently on deposit. The increasing and decreasing payment classes, however, should be eliminated. So also should the practice of paying interest on Christmas Club accounts, if the Christmas Club department is to be made an efficient and profitable unit.</p>	

(Contents continued on page vii)

Service

THE service rendered by a financial institution is the chief factor in retaining customers.

In both our Banking and Trust Departments we are still serving many of the grandchildren and great-grandchildren of those who originally opened deposit or fiduciary accounts with us.

Experience—Fidelity—Permanence



Bank of New York & Trust Co.

Capital, Surplus and Undivided Profits
over \$16,000,000

Main Office
52 Wall Street

Foreign Department
48 Wall Street

Madison Avenue Office
at 63rd Street

CHATHAM PHENIX



NATIONAL BANK AND TRUST COMPANY

Main Office
149 Broadway, Corner Liberty Street
New York City

A Nation-Wide Service

For more than a century this Bank has constantly widened its facilities and extended its banking connections. Beyond the mere question of growth, however, has been the tradition of an individual attention to the requirements of its correspondents.

Correspondence cordially invited

RESOURCES OVER QUARTER BILLION DOLLARS

1864

*Comprehensive
Foreign
Banking
Service*



1925

*Traveler's
Checks
Foreign
Currency*

61 Years

THIS Company offers you its services based upon the experience gained during more than half a century of conservative activities.

- A general banking business.
- A commercial banking business including discounts, acceptances, etc.
- Foreign Exchange, Commercial and Traveler's Letters of Credit, etc.
- Acts as Executor, Trustee, Transfer Agent, Registrar of Stocks and in every Fiduciary Capacity.

President

George W. Davison

Board of Trustees

James C. Brady
James Brown
George W. Davison
Johnston de Forest
Richard Delafield
Clarence Dillon

Frederic de P. Foster
Adrian Iselin
James N. Jarvie
Charles Lanier
William H. Nichols, Jr.
Dudley Olcott

W. Emlen Roosevelt
Frederick Strauss
Edwin Thorpe
Cornelius Vanderbilt
John Y. G. Walker
Francis M. Weld
William Woodward

CENTRAL UNION TRUST COMPANY OF NEW YORK

80 BROADWAY

NEW YORK

PLAZA OFFICE
5th Ave. & 60th St.

42ND STREET OFFICE
Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

Member Federal Reserve System

THE HANOVER

NATIONAL BANK OF THE CITY OF NEW YORK

Established 1851

OFFICERS

WILLIAM WOODWARD
PRESIDENT

E. HAYWARD FERRY
VICE-PRESIDENT

HENRY P. TURNBULL
VICE PRESIDENT

WILLIAM E. CABLE, JR.
CASHIER

SAMUEL WOOLVERTON
VICE PRESIDENT

J. NIEMANN
ASST. CASHIER

JOSEPH BYRNE
VICE PRESIDENT

WILLIAM DONALD
ASST. CASHIER

CHAS. H. HAMPTON
VICE PRESIDENT

GEORGE E. LEWIS
ASST. CASHIER

JOSEPH S. LOVERING
VICE PRESIDENT

FREDERICK A. THOMAS
ASST. CASHIER

JAMES P. GARDNER
VICE PRESIDENT

WALTER G. NELSON
ASST. CASHIER

FOREIGN DEPARTMENT

CHARLES B. CAMPBELL
ASST. CASHIER

WILLIAM H. SUYDAM
VICE PRESIDENT
AND MANAGER

WILLIAM B. SMITH
ASST. CASHIER

WILLIAM H. ALLEN
ASST. CASHIER

Capital \$5,000,000
Surplus and Profits 2,500,000

The "Hanover" is New York Correspondent of over 4000 Banks

CONTENTS—Continued

	Page
My Own Financial Survey	By Frederick L. Allen 887
A Helpful Plan to Get New Savings Business	By Mahlon D. Miller 889
A description of the "Scrip Savings Plan," under which merchants belonging to the savings association give out scrip with purchases, which scrip, when deposited with the bank, is equivalent to cash in a savings account, except that the deposit cannot be withdrawn for at least seven years. The plan increases the bank's deposits and brings in new accounts; it increases the merchants' volume of sales; and it saves money for the customers, and thus benefits the community.	
Does a College Education Pay?	892
According to figures compiled by the College of Business Administration of Boston University it doubles the earning capacity of undergraduates, and enables the graduate to earn \$72,000 more than the non-college graduate during his lifetime.	
Successful Campaign Brings \$12,000,000 in New Deposits	893
The Citizens National Bank, Los Angeles, has just completed a new business campaign which brought in total deposits of over \$12,000,000 and over 8000 new customers. An account of how the contest was conducted, the rules, the material furnished, etc., is given.	
Banking and Commercial Law	899
Important decisions of current interest handed down by state and Federal courts upon questions of the law of banking and negotiable instruments—Telegram Agreeing to Pay Check Makes Bank Liable—Notifying Bank As to Payment of Forged Check.	
Federal Land Bank Bonds as Security for Postal Savings Deposits	903
A review of the factors which make this recently developed form of investment an unusually safe one for banks	
Banking Publicity	905
"Merchandising the Trust Company," by Theodore Tefft Weldon, advertising manager Northern Trust Company, Chicago. The concluding article of a series on a complete campaign for new trust business—"Financial Windows of the East," by M. E. Chase. This article contains a number of helpful interviews on bank window displays with leaders in bank window advertising among banks in the section of the country which the article covers.—Editorial Column—Who's Who in Bank Advertising—How Banks Are Advertising.	
International Banking and Finance	921
"Germany's Economic Struggle" by Arthur E. Dunning—"Thirteenth National Foreign Trade Convention" by O. K. Davis—Review of Countries—International Banking Notes.	
Some Bank Credit Problems	949
"Why Men Borrow" the ninth of a series of articles by the Credit Editor on credit and credit department methods. This article describes how profit is made on borrowed money. The usual questions and answers are also included in this section.	
Fiftieth and Seventy-fifth Anniversaries Celebrated by Banks During Year	957
Banking and Financial Notes	959
Items of current interest to bankers about banks and banking in every section of the country are included in this department each month.	

Our all-year-round
Special for Banks

Superior Transit Service

Commerce Trust Company

Capital and Surplus \$8,000,000

Kansas City

**PUTTING *Your Problems*
IN GOOD HANDS**

The Coal & Iron National Bank has functioned for over twenty years as counsel to hundreds of correspondents on the question of security investments.

*Our Bond Department is ready to place its
best judgment at your disposal*

The
**COAL & IRON
NATIONAL
BANK**

OF THE CITY OF NEW YORK



Poor SAMUEL PEPYS!

He had a terrible time with his money

LIKE other men of means of his day, Samuel Pepys had turned over his money to a goldsmith for safekeeping. Becoming worried of losing it, he had withdrawn a considerable sum which he sent by his wife to Brampton in the country. And this is what she did.

Relying on the hope that all the neighbors would be in church, she and her father buried the money in broad daylight "under the possible observation of a hundred pair of eyes."

Poor Pepys! On hearing the news, he rushed pell mell to Brampton, torn with anxiety that the precise spot had been forgotten. Arriving there at midnight, he "dug up the treasure by lantern light, broke the box and lost nearly a hundred pieces in the dirt."

On the following day, he renewed

the search, washing out the earth with a pail and sieve, "just as they do for dyamonds in other parts of the world, and I am pretty well satisfied that my loss is not great and do bless God that it is so well."

Smile, if you will, at the troubles of Pepys, but the safekeeping of money has always presented difficulties.

It is still no easy matter for a man to always be sure that his investments will maintain their value.

Would unbiased investment facts help you? This is just what the Seaboard—with no securities of its own to sell—offers you. We report facts without any self-interest in the matter. Our unusual facilities for gathering information about securities is a service we are glad to extend to all our depositors.

THE SEABOARD NATIONAL BANK

of the City of New York

115 Broadway

Broad and Beaver

24 East 45th St.

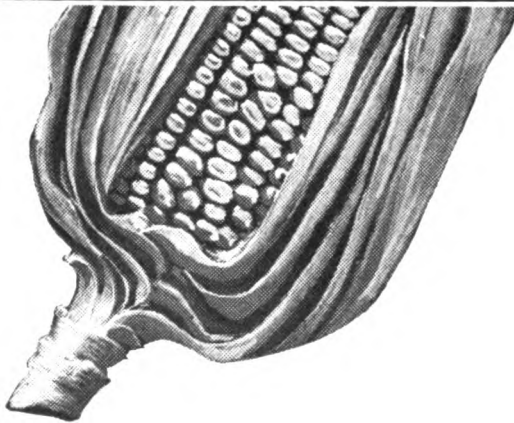


Convenient for all

CORN EXCHANGE NATIONAL BANK
PHILADELPHIA

MAIN OFFICE
Chestnut Street at Second

CENTRAL CITY OFFICE
1510-12 Chestnut Street



The Publisher's Page

WITH the January number THE BANKERS MAGAZINE enters into its eightieth year of publication. A few titles from among the list of interesting and informative articles which are scheduled for appearance in the January and succeeding numbers during the coming year, are: "Modernizing Bank Credit Methods," "Making a Hundred Million Dollars a Year," "Domesticating Foreign Securities," "The Economics of the Instalment Plan," "The Future of Foreign Banking in America," "Bank Windows in the South and West," "Insurance Company Methods Applied to Banking," "Educating the Savings Prospect," "Are the Mists Lifting in Europe?" "Creeping Extravagances in Business," "Type Needn't Shout to be Heard," "A Campaign to Meet the Unprofitable Accounts Problem," "What About Branch Banking," and "American Capital Overseas."



THE January number will contain a special section devoted to Florida. This Florida section will contain a number of authoritative articles prepared under the personal supervision of the Editor of THE BANKERS MAGAZINE who has been in Florida for the last two months for the purpose of making a thorough study of the factors which have contributed toward making this state one of the most talked of spots on the globe. Careful examination has been made in these articles of the causes of the remarkable interest which is being shown in Florida by the rest of the country and by other countries. The articles are not, and are not intended to be, in the nature of a "boost" for Florida—they constitute rather a clear and complete reevaluation of the state's natural resources and attractions.



IN this number, on page 857, appears the article "American Banks in Competition Abroad," by Samuel T. Bitting, which was awarded first prize by the judges in the recently concluded Prize Contest of THE BANKERS MAGAZINE.

In the January number will appear the article which won second prize, "What About Branch Banking?" by D. C. Elliott. Mr. Elliott's article is concerned with the question as to whether national and state banks should have equal rights under the law with regard to branch banking. His discussion covers two phases of this question; first, whether national and state banks should be on an equality as to branches within the city limits; and, second, whether they should be equal as to state-wide banking.



SAMUEL TILDEN BITTING
Winner of first prize in the Bankers Magazine Prize Contest

MR. BITTING is an accountant in the Hongkong, China, branch of the International Banking Corporation of New York. He was born in Texas in 1892, and received his early schooling in Berkeley, Calif. In 1906 he entered Staunton Military Academy, Staunton, Va., from which he was graduated in 1909. The following year he entered the University of Virginia, from which he was graduated in 1914 with the degree of B. S. He returned for graduate work, and received his M. S. degree in 1915. He is a member of Phi Beta Kappa. In 1916 he was chosen as one of a number of college men who joined a training class in banking at the National City Bank, New York. He entered the foreign service of the International Banking Corporation of New York in the latter part of 1916, and has since that time served with distinction at the corporation's branches in India, China and Japan.

—At the New York End

We should like the opportunity to tell you just how our correspondent services would be helpful to you, and to that end we cordially invite your inquiries.



THE BANK OF AMERICA

ESTABLISHED 1812

NEW YORK CITY

Capital, Surplus and Undivided Profits over \$11,000,000



Main Office
Fifth Ave. at 32nd Street

The Bank of United States

Member Federal Reserve System

Resources Over
\$75,000,000

DEPOSITORY FOR
United States Postal Savings Funds
State of New York City of New York

Foreign Exchange

Domestic and Foreign Letters of Credit Issued

The steady and consistent growth of this bank is evidence of its constant attention to every detail of banking service. A thoroughly organized foreign department is equipped to handle all classes of foreign financial transactions.

Accounts of Banks and Bankers Invited

WHEN OPERATING COSTS INCREASE—

You owe it to your stockholders that all depositors' accounts shall be maintained on a profitable basis.

You owe it to your depositors that you make use of the best collection facilities obtainable at the lowest cost.

Our correspondents enjoy the advantages of a direct collection service, operating twenty-four hours daily.

All items received at par.

THE PHILADELPHIA NATIONAL BANK

Capital, Surplus and Profits, \$17,000,000

Buffalo Data Backed By Knowledge

THE Buffalo Trust Company is well fitted to give you prompt business and credit information regarding the Niagara Frontier because the Buffalo Trust Company is an active factor in the progress of Buffalo and its tributary territory.

BUFFALO TRUST COMPANY

Named for the City it Serves

Resources more than \$60,000,000

Oldest Trust Company in Western New York



WITH a clientele embracing every line of business and a board of directors composed of leaders in every branch of commerce and industry, the Illinois Merchants Trust Company has an unusually intimate contact with modern American business.

Our officers consequently have a wide experience and are peculiarly fitted to give effective and intelligent attention to the needs of our correspondent banks.

Capital and Surplus • Forty-Five Million Dollars

ILLINOIS MERCHANTS TRUST COMPANY

*A consolidation of the Illinois Trust & Savings Bank,
The Merchants Loan & Trust Company and
The Corn Exchange National Bank*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS • CHICAGO

IN PLANNING 1926

You are invited to make this company your correspondent, where close relationships are possible and where your business will receive individual treatment at all times.

THE NORTHERN TRUST COMPANY

Capital, Surplus and Undivided Profits Over \$7,000,000



LaSalle & Monroe Streets, Chicago



**CAPITAL and SURPLUS
\$9,000,000.00**

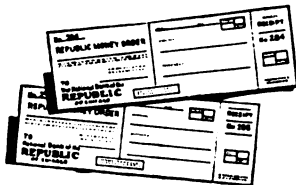
YOU WILL FIND THIS BANK an active, well-managed institution. Your financial requirements, whether large or small, will receive the benefits of a strong organization, ready to cultivate an interest in the affairs of its customers and friends.

**CENTRAL TRUST
COMPANY OF ILLINOIS
CHICAGO**

Proof That Folks Like Them

PROBABLY one of the most valuable services ever developed by the "Republic" for its correspondents is the "Republic" Bank Money Order Service. One of our correspondents up in Michigan recently adopted it. They

were not sure it would appeal to their customers, but they were willing to find out. At the end of two weeks they found they were issuing 90 Bank Money Orders a day, against 10 Bank Drafts.



In line with the experience of other correspondents, this is a good response, though not an unusual one, for "Republic" Money Orders combine every advantage of a bank draft, P. O. and Express money orders—customer's receipt,

remitter's name on face and all. The answer is, folks like them, and this service will help to bring new customers into your bank. Why not write for samples and full details?

Many of our correspondents also find the following "Republic" services particularly valuable

1. **The Business Indicator Service.**
2. **The Commercial Paper Rating Service.**
3. **The Rapid Transit Service.**
4. **Special Live Stock Credit Service.**
5. **Brokers Collateral Call Loan Service.**



The National Bank of the
REPUBLIC
OF CHICAGO



"THE BANKERS' SERVICE STATION"

JOHN A. LYNCH, *Chairman of the Board*
DAVID R. FORBMAN, *Vice-Chairman* GEORGE WOODRUFF, *Vice-Chairman*
HUGO E. OTTE, *President*

Copyrighted N. B. R. 1925

Growing! Always Growing!

Capital and Surplus
\$3,750,000.00

Resources over
\$30,000,000.00

FRANKLIN TRUST CO.

Southwest Cor. 15th & Chestnut Sts., Philadelphia, Pa.

West Phila. Office
52nd and Market

Germantown Office
5708 Germantown Avenue



Front Street Office
Front & Market

Frankford Office
Frankford & Paul St.

The Bank that gave Philadelphia Day and Night Service



PRESENTED TO THE CORPORATION OF
NORFOLK BY L' GOV ROBERT DINWIDDIE
M 1783

Organized 1885

UNITED STATES DEPOSITORY

Capital - . . . - **\$1,000,000**
Surplus and Profits **\$1,310,000**

W. A. GODWIN President
A. B. SCHWARZKOPF . Vice-President
J. B. DEY, Jr. Vice-President and Cashier
C. S. WHITEHURST . . . Vice-President
I. T. VAN PATTEN Asst. Cashier
E. D. DENBY Asst. Cashier
R. H. MOORE Asst. Cashier
H. B. REARDON Auditor

**The Oldest National Bank
in Eastern Virginia**

CORRESPONDENTS—National City Bank, New York; National Bank of Commerce, New York; Fourth Street National Bank, Philadelphia; Philadelphia National Bank, Philadelphia; National Shawmut Bank, Boston; Merchants National Bank, Baltimore.

Our growth is the direct result of the confidence of the business world in our bank—a bank that has cultivated an intimate appreciation of business problems and has tried to be helpful in up-building vital business interests of our country.



Chartered 1836

A Trust Service for Financial Institutions

IN addition to the usual banking facilities offered to its clients, this Company as correspondent for financial institutions places at their disposal the assistance of its Trust Department.

Due to the large amount of trusts in care of the Company and by virtue of the wide and varied Trust experience built upon nearly a century of trust service, the personnel of the Trust Department is well qualified to assist banking clients with their trust problems.

It follows that a trust company or bank maintaining a trust department to which we may be of service may profitably consider this institution as a reserve depository for its funds.

Individual Trust Funds \$400,000,000
Corporate Funds - \$1,521,000,000

GIRARD TRUST COMPANY

BROAD AND CHESTNUT STREETS • PHILADELPHIA



FOR one hundred and ten consecutive years the Pennsylvania Company has unfailingly paid a dividend, despite the wars, crises and financial upheavals through which the country and the world have passed.

This institution, chartered in 1812, has through its integrity and enterprise steadfastly proven its capacity for the highest responsibilities.

Since 1872 the Pennsylvania Company has devoted its entire attention to Banking, Trust and Safe Deposit business. Today the Capital, Surplus and Undivided Profits of the Company amount to over \$20,000,000.

The Pennsylvania Company

for Insurances on Lives and Granting Annuities

PACKARD BUILDING, PHILADELPHIA

Equipped to Meet Every Banking Need

Main Office
S. E. Cor. 15th & Chestnut Streets

Down Town Office
517 Chestnut Street



Detroit—

The Peoples State Bank with its large resources has aided greatly in the development of Detroit's citizens and industries.

May we serve your banking needs, in this, the most prosperous city in the world.



THE PEOPLES STATE BANK

Member Federal Reserve Bank

DETROIT, MICHIGAN

Branches Throughout Detroit

RESOURCES OVER \$150,000,000



The A B C

of international banking is provided through our 61 branches and offices distributed as follows:

Argentina Brazil Chile

and throughout the Americas, France, Spain and England

Anglo-South American Bank, Ltd.

and its affiliations

British Bank of South America

and

Commercial Bank of Spanish America

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

Incorporated under the laws of the State of New York

49 Broadway, New York

When You Need A Massachusetts Fiduciary

Individuals and corporations having fiduciary business in Massachusetts are invited to correspond with the President or other officers of this Company.

We are prepared to serve in any fiduciary capacity in the State of Massachusetts. We have had 47 years' active experience in this field and render expert service as Executor and Trustee under Will and under Trust agreement, acting as Guardian or Conservator of property, and also as Custodian.

CHARLES E. ROGERSON, *President*

BOSTON SAFE DEPOSIT & TRUST COMPANY

100 FRANKLIN STREET

At ARCH and DEVONSHIRE STREETS

Room 6

Citizens Bank & Trust Co.

TAMPA, FLA.

Member Federal Reserve System

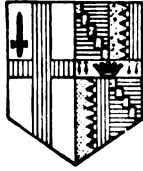


Capital	- -	\$1,000,000.00
Surplus	- -	300,000.00

DR. L. A. BIZE	_____	President
W. W. TRICE	_____	Vice-President
ISAAC MAAS	_____	Vice-President
L. L. BUCHANAN	_____	Vice-President
D. H. LANEY	_____	Cashier
W. W. BLOUNT	_____	Assistant Cashier
EUGENE KNIGHT	_____	Assistant Cashier
C. E. HESTER	_____	Auditor

Our extensive connections and complete facilities enable us to handle all branches of foreign and domestic banking with the highest degree of efficiency

Collections given special attention, and prompt remittances made



A Complete Banking Service

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates 2,250 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

MIDLAND BANK

LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 3

Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland.

Glyn, Mills & Co.

(Established 1753)

Registered with unlimited liability, 1885

Incorporating

CHILD & CO. and HOLT & CO.

(Established before 1800)

(Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents

Head Office - 67, Lombard St. London, E. C. 3

Childs Branch - - - 1, FLEET STREET, LONDON, E. C. 4

Holts Branch - 3 & 4, WHITEHALL PLACE, LONDON, S. W. 1

Current and Deposit Accounts opened on the usual terms.

The Bank has Agents or Correspondents in all the principal cities or towns throughout the World, and can provide Banking facilities for its customers wherever desired. Letters of Credit and Circular Notes issued on our Foreign Correspondents and Agents throughout the World.

Currency Drafts obtained; Remittances mailed and Telegraphic Transfers made to all parts of the World.

Foreign Currency Accounts opened.

Purchase and Sale of Stocks, Bonds and Shares effected and custody of securities undertaken.

Dividends, Annuities, etc., received; forms authorising their receipt supplied, and coupons collected for customers.

Recovery of Income Tax and Preparation of Income and Super-tax Statements undertaken. The Bank has a special department to advise and assist customers on questions relating to Income and Super-tax.

The duties of Executors and Trustees undertaken.

Navy and Prize Agents. Salvage claims preferred.

DRESDNER BANK



Head Office:

BERLIN W 8

Behrenstrasse 35-39



*Branches in about 100 towns,
including*

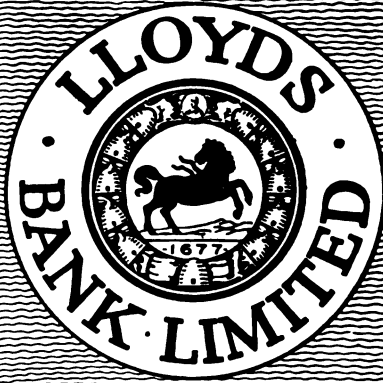
**Aachen, Bremen, Breslau,
Dresden, Düsseldorf, Essen,
Frankfurt a/M, Hamburg,
Köln, Leipzig, Lübeck,
München, Stettin, Wiesbaden
Danzig Bucharest**

Telegrams: Dresdbank

Amsterdam:

PROEHL & GUTMANN

Telegrams: Dresdagent



Head Office:

LONDON, E.C. 3.

Over 1,650 Offices in
England and Wales, and
several in India, Burmah
and Egypt.

(31st December, 1924.) (\$5 = £1.)

DEPOSITS, &c. \$1,707,171,660

ADVANCES, &c. \$823,571,655

The Bank has Agents
and Correspondents
throughout the British
Empire and in all parts
of the World, and is
closely associated with the
following Banks:—

The National Bank of Scotland Limited.
Bank of London & South America Limited.
Lloyds & National Provincial Foreign Bank Ltd.
The National Bank of New Zealand, Limited.
Bank of British West Africa, Limited.
The British Italian Banking Corporation, Ltd

Facilitate Your Canadian Collections

THE BANK OF TORONTO

Incorporated 1855

Offers to Banks and Business Houses in the United States and Foreign countries prompt, accurate, satisfactory service through its branches at

*Toronto, Ontario Montreal, Quebec Winnipeg, Manitoba
Calgary, Alberta Vancouver, British Columbia*

Each of these offices handles items drawn on any point in Canada

Correspondence Invited

Close rates of exchange are given on amounts transferred

Interest allowed on balances

Capital
\$5,000,000



Reserves
\$7,000,000

—
JOHN R. LAMB
General
Manager

—
Branches or agents at
all important points
in the Dominion.

Head Office: TORONTO, CANADA

HARRIS, FORBES & CO

Successors to N. W. HARRIS & CO., New York

Pine Street, Corner William
NEW YORK

BONDS FOR INVESTMENT

Harris, Forbes & Company
Incorporated
Boston

Harris Trust & Savings Bank
Bond Department
Chicago



ESTABLISHED 1832

Banking Service in Canada, Newfoundland and West Indies

With 265 branches in Canada, 18 in Newfoundland, 10 in Jamaica and 9 in Cuba, Porto Rico and the Dominican Republic, we are well equipped to handle the accounts of banks and corporations wishing to do business with these points.

Capital Paid-Up - - \$10,000,000
Reserve Fund - - \$19,500,000
Total Assets over - \$220,000,000

The Bank of Nova Scotia

GENERAL MANAGER'S OFFICE: TORONTO, ONT.

J. A. McLEOD, General Manager

NEW YORK AGENCY - - - - 49 WALL STREET

P. W. MURPHY and F. W. MURRAY, Agents

LONDON BRANCH: 108 Old Broad St., E. C. 2

CORRESPONDENTS

**LONDON, ENG.—Midland Bank Limited, Bank of England,
Royal Bank of Scotland**

**NEW YORK—Bank of New York & Trust Co.
National Bank of Commerce in New York**



Progress

SOUND business principles and a policy of gradual expansion have marked the steady growth of this Bank for fifty-seven years.

Today, one of the largest and strongest banks in the world, it serves every phase of business and private life at home, and is taking a leading part in the expansion of trade in foreign markets.

The Royal Bank of Canada

Head Office
Montreal

In New York At
68 William St.

Resources Exceed 740 Million Dollars

Established 1875

Imperial Bank of Canada

HEAD OFFICE, TORONTO

Capital (Paid Up) - - - \$7,000,000
 Reserve Fund - - - - - 7,500,000

PELEG HOWLAND, PRESIDENT

SIR JAMES WOOD, VICE PRESIDENT

A. E. PHIPPS, GEN. MANAGER G. D. BOULTON, ASST. GEN. MANAGER
 H. T. JAFFRAY, ASST. GEN. MANAGER

Agents and Correspondents

UNITED STATES

New York—Bank of the Manhattan Co.
 Boston—National Shawmut Bank.
 Philadelphia—Fourth St. National Bank
 Buffalo—Marine Trust Co.
 Chicago—First National Bank.
 San Francisco—Wells Fargo Bank &
 Union Trust Co.
 Seattle—Seattle National Bank.
 Minneapolis—First National Bank.

GREAT BRITAIN and IRELAND

England—Lloyds Bank, Limited.
 Scotland—The Commercial Bank of Scot-
 land.
 Ireland—Northern Banking Co., Limited,
 Belfast, and Branches.
FRANCE, BELGIUM and
SWITZERLAND
 Lloyds & National Provincial Foreign
 Bank, Ltd.

Having as its correspondents the largest and strongest banks throughout the world, the Imperial Bank of Canada is in a position to afford the most efficient banking service.

With 212 branches in Canada our facilities for handling business throughout the Dominion are unexcelled.

Bank of Liverpool & Martins Limited.

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

	\$=£1
Capital Subscribed	\$93,955,600
Capital Paid Up	11,744,450
Reserve Fund and Surplus Profits.....	9,209,310
Deposits, etc., at 30th June, 1925	290,254,305

375 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

The Bank is prepared to act as Agents for Foreign Banks on usual Terms.

Banca Nazionale di Credito

Capital - - Lit. 300,000,000

HEAD OFFICE: MILAN, ITALY

Over 60 Branches and Agencies Throughout Italy



BUSTO ARSIZIO OFFICE

In Every Important Italian Market

IN EIGHTY commercial and industrial centers of Italy a branch of the Banca Commerciale Italiana performs all the functions of a local bank, with its services closely interwoven with the business affairs of the community it serves.



The New York Agency of this institution, therefore, brings to American bankers and business men an intimate knowledge of Italian commerce and industry obtained by constant and direct relationship with these eighty Italian business centers. Foreign branches and affiliations extend our service to England, France, Switzerland, Poland, Czecho-Slovakia, Austria, Hungary, Roumania, Jugoslavia, Bulgaria, Turkey and throughout South America. Facilities thus provided for American foreign trade are of exceptional breadth and scope.

Banca Commerciale Italiana

Head Office, MILAN, ITALY

Authorized Capital Lire 500,000,000

Paid in Lire 468,462,200

Surplus Lire 300,000,000

NEW YORK AGENCY, 62-64 WILLIAM STREET

Telephone John 1000

Recently organized

Banca Commerciale Italiana Trust Company

Capital \$1,000,000

Surplus \$500,000

62-64 WILLIAM STREET, NEW YORK

Telephone John 4666

All Banking Facilities

A Native Bank in Peru
for all Banking Operations
BANCO ITALIANO

LIMA, PERU Established 1889

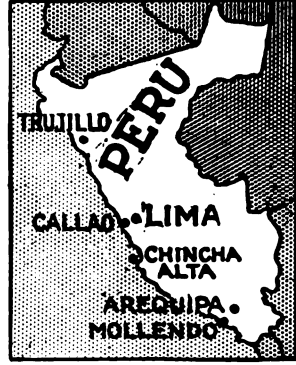
Capital Fully Paid Lp. 500,000,000
 Surplus Lp. 589,553,670

BRANCHES

Callao—Arequipa—Chincha Alta—Mollendo—Trujillo
Representatives for the U. S. A.

Banca Commerciale Italiana

Agency in New York . . . 62-64 William Street
 Phone: John 1000



Commerz-und Privat-Bank
Aktiengesellschaft

(Established 1870)

HAMBURG-BERLIN

and

Two hundred twenty other places throughout Germany

Capital and Surplus, R.M. 63,000,000

All Banking Transactions

Extensive Trade Information Service

Cable address for main offices and branches

“HANSEATIC”

Austin National Bank

AUSTIN, TEXAS

Capital \$300,000 Surplus and Profits \$726,000 Resources \$8,622,663

WM. H. FOITZ, President MORRIS HIRSHFELD, Vice-President
 T. H. DAVIS, Vice-President C. M. BARTHOLOMEW, Vice-Pres. & Cashier
 S. B. ROBERDEAU, Asst. Cashier LEFFLER CORBITT, Asst. Cashier

This old established bank is thoroughly equipped in every department. Its strong financial position, efficient management and reputation commend it to banks, bankers and individuals requiring a good banking connection at the capital of the Union's largest State.

We are at the center of an Empire of Business and would like to represent you here

The National Bank of New Zealand, Ltd.

Authorized Capital, \$30,000,000
 Subscribed Capital, \$22,500,000
 Paid-up Capital, \$ 7,500,000
 Reserve Fund, \$ 7,350,000

Head Office

8 Moorgate Street, London, E.C. 2

Manager, ARTHUR WILLIS

Chief Office

In New Zealand at Wellington

General Manager, ALFRED JOLLY



83 Branches and Agencies Throughout New Zealand.

Bills of Exchange Collected. Wool and Produce Credits Arranged.
 All Classes of Banking Business Undertaken.

The Anglo-Egyptian Bank, Limited

Now amalgamated with

Barclays Bank

(Dominion, Colonial and Overseas)

BRANCHES

EGYPT. Alexandria, Cairo, Port-Said, Suez, Tantah, Zagazig, Mansourah, Assiut, Beni-Suef, Minieh, Musky.
SUDAN. Omdurman, Khartoum, Port Sudan, Makwar, Wad Medani.
PALESTINE. Haifa, Jaffa, Jerusalem, Nazareth.
MEDITERRANEAN. Malta, Gibraltar.

LONDON OFFICE: 37 to 39 King William St., E. C. 4

The Bank transacts every description of Banking business in Egypt and other Countries where it has branches, grants letters of credit and affords facilities to travellers proceeding to Egypt and elsewhere. Deposits received for one year at rates to be ascertained on application.



THE BANK OF TAIWAN, LTD.

Incorporated by Special Imperial Charter, 1899

Head Office: TAIPEH, JAPAN

Capital Subscribed Yen 60,000,000
 Capital Paid Up Yen 52,500,000
 Reserve Funds Yen 14,180,000

KOJURO NAKAGAWA, Esq.
 President

HIROZO MORI, Esq.
 Vice-president

Directors

GUNJI KAWASAKI, Esq.
DENKICHI TAKITA, Esq.

TADASU HISAMUNE, Esq.
MASAKAZU SHUTO, Esq.

Branches :

- JAPAN—Tokyo (General Manager's Office), Kobe, Osaka, Yokohama.
- TAIWAN—Giran, Heito, Kagi, Karenko, Keelung, Mako, Nanto, Shinchiku, Taichu, Tainan, Takao, Taito, Toyem.
- CHINA—Amoy, Canton, Foochow, Hankow, Shanghai, Swatow.
- OTHERS—Hongkong, London, New York, Singapore, Semarang, Soerabaia, Batavia, Bombay, Bangkok, Calcutta, Dairen.

New York Office: 165 Broadway

K. YAMAMOTO, Agent

London Office: 25 Old Broad Street

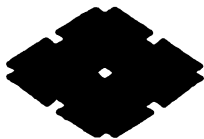
Cable Transfers, Drafts, and Letters of Credit issued; the Negotiation and Collection of Bills of Exchange and other Banking Business transacted through our various Branches as well as correspondents in all parts of the world; offers exceptional facilities for handling transactions in the Far East.

The Sumitomo Bank, Limited

Cable address: "Sumitbank" ESTABLISHED 1912
(Successors to The Sumitomo Bank)

Capital Subscribed Yen 70,000,000

Capital paid up " 50,000,000



Head Office : OSAKA, JAPAN

BARON K. SUMITOMO, President

K. YUKAWA, Esq., Managing Director **N. YATSUSHIRO, Esq., Managing Director**
N. IMAMURA, Esq., Managing Director

New York Agency, 149 Broadway, New York

G. HIGASHI, Agent

HOME OFFICES

Osaka (12)	Tokyo (15)	Yokohama	Kobe (3)	Kyoto (2)	Niigata
Shimonoseki	Moji	Hiroshima (2)	Hakata	Yanai	Onomichi
Kurume	Kure	Wakamatsu	Kokura	Nagoya	Kumamoto
					Okayama

Foreign Branches—Shanghai, New York, London, Hankow, San Francisco, Los Angeles, Bombay

Affiliated Banks—The Sumitomo Bank of Hawaii, Ltd., Honolulu, T. H.; The Sumitomo Bank of Seattle, Wash.; and The Sumitomo Bank of California, Sacramento, Cal.

Bankers—National City Bank of New York, New York;

Lloyds Bank, Ltd. London; Lloyds & National Provincial Foreign Bank, Ltd., Paris.

Correspondents in All Important Places at Home and Abroad

The Bank buys, sells and receives for collection drafts and telegraphic transfers; issues Commercial and Travellers Letters of Credit available in all important parts of the world, and acts as Trustee for Mortgage Bond, besides doing general Banking Business.

THE MITSUI BANK, LTD.

Capital Subscribed Yen 100,000,000.00

Capital Paid-Up Yen 60,000,000.00

Reserve Funds (June 1925). Yen 51,400,000.00



Head Office : TOKYO, JAPAN

(No. 5 Honkawayacho, Nihonbashi-ku)

President

G. MITSUI, Esq.

Managing Directors

S. IKEDA, Esq. **N. KIKUMOTO, Esq.**

H. KAMESHIMA, Esq. **R. IMAI, Esq.**

New York Agency, 61 Broadway, New York City

Home Branches :

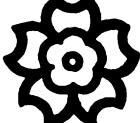
Fukuoka, Hiroshima, Kobe, Kyoto, Marunouchi (Tokyo), Moji, Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka (4), Otaru, Shimonoseki, Wakamatsu (Kyushu), Yokohama

Foreign Branches :

Bombay London New York Shanghai Sourabaya

The Bank of Chosen

Incorporated by Special Charter of Imperial Japanese Government, 1909

Capital Subscribed . . .		Yen 80,000,000
Capital Paid-Up . . .		Yen 50,000,000
Total Resources . . .		Yen 660,000,000

Head Office, Keijo (Seoul), Chosen (Korea)

Governor, K. NONAKA

Deputy Governor, S. SUZUK'

Y. KATAYAMA

Directors
I. IUCHI

M. HASHIMOTO

FOREIGN DEPARTMENT: TOKYO

(All communications relating to the arrangements of correspondents and the Bank's general foreign business to be addressed to the Foreign Department)

Principal Branches:

CHOSŌN: (*Korea*) Chemulpo, Pyengyang, Wonsan, Fusan, Taiku.
MANCHURIA: Mukden, Dairen, Changchun, Newchang, Harbin, Antung.
JAPAN: Tokyo, Osaka, Kobe, Shimonoseki.
CHINA: Shanghai, Tsingtao, Tientsin, Tsinan
SIBERIA: Vladivostok.

New York Agency, 165 Broadway
H. YAMASHITA, Agent

The Kajima Bank, Limited

Established in 1888

CAPITAL SUBSCRIBED		Yen 30,200,000.00
CAPITAL PAID UP . . .		18,875,000.00
RESERVE FUNDS . . .		5,900,000.00
DEPOSITS (June 30, 1925)		172,915,129.34

Yukinori Hoshino, Esq., Managing Director
Seishichi Kawakami, Esq., Managing Dir.
Hikotaro Ohmura, Esq., Director
Shikizo Sato, Esq., Director
Manroku Matsui, Esq., Auditor

Chusuke Yoshii, Esq., Managing Director
Seijiro Gion, Esq., Director
Tadanosuke Emura, Esq., Director
Kyuemon Hirooka, Esq., Auditor
Kin-ichiro Hoshijir, Esq., Auditor

Head Office, Osaka, Japan

Principal Branches:

Tokyo Kyoto Kobe Okayama Hiroshima Fukuyama Tokuyama

**General Banking, Foreign Exchange and Trust
 Business Transacted**

New York Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 American Express Co.
 Irving Bank-Columbia Trust Co.
 Guaranty Trust Company of New York

London Correspondents

Yokohama Specie Bank, Ltd.
 Bank of Taiwan, Ltd.
 Midland Bank Ltd.
 Bank of London and South America, Ltd.

SKANDINAVISKA KREDITAKTIEBOLAGET

Established in 1864

GOTHENBURG STOCKHOLM MALMÖ

Branches
In All Parts of Sweden

PAID-UP CAPITAL AND RESERVES
KR. 182,000,000

Telegraphic Address: Kreditbolaget

Foreign Exchange bought and sold, bills collected, deposit
and current accounts opened and all kinds of banking
business transacted

Commercial Bank of Greece

(A Limited Liability Company registered in Athens)

Head Office: Athens

*Branches: Piraeus, Argos, Pyrgos, Patras, Corfou, Cephalonia, Nauplie,
Vostizza, Calamata, Syra, Chio, Candia, Volo, Salonica, Larissa,
Triccala, Mytilene, Canea, Zante, Plomari and Tripolitza*

ASSOCIATED BANK in LONDON

The Commercial Bank of The Near East, Ltd.

4 London Wall Buildings, E. C. 2

with branch in CONSTANTINOPLE

*Correspondents in the principal towns of Greece and in foreign countries
throughout the world*

GENERAL BANKING BUSINESS TRANSACTED

Collections, Letters of Credit, Cable Transfers, Current
and Term Deposits, Etc.

Capital and Reserves . . . Dr. 58,106,143

of the above Dr. 25,000,000 are represented by assets of £1,000,000 evaluated at Dr. 25

Nederlandsche Handel-Maatschappij.

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up.....f.80,000,000 Neth. Currency (£6,666,666)
 Statutory Reserve Fund.....f.20,536,861 “ “ (£1,711,405)
 Extraordinary Reserve Fund f.22,660,000 “ “ (£1,888,333)

Head Office: AMSTERDAM.

Branches in HOLLAND: ROTTERDAM, THE HAGUE.

Branches in the NETHERLANDS INDIES: BATAVIA, SOURABAYA, SAMARANG, MEDAN, and further Principal Ports.

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA, CHINA and JAPAN: SINGAPORE, PENANG, RANGOON, CALCUTTA, BOMBAY, HONGKONG, SHANGHAI and KOBE.

Grant Drafts and Issue Letters of Credit on all their Branches and Correspondents in the East, on the Continent, on Great Britain, Africa, America and Australia, and transact Banking Business of every description.

LONDON CORRESPONDENTS:

The National Provincial Bank, Ltd., LONDON.

DEUTSCHE LAENDERBANK

Aktiengesellschaft

Head Office:

78, Unter den Linden (corner Pariser Platz)

BERLIN N. W. 7

Telephone: Zentrum 10130/39. Trunk Calls: Zentrum 13640/44

Branch Office: 2, Börsenbrücke, HAMBURG

Telephone: Roland 2000/7. Trunk Call: Roland 2008

Telegrams: Länderbank

Codes used: ABC (5th Ed.) Marconi's, Rudolf Mosse, Bentley's, Lieber's (Five Letters)

*Every kind of Banking Business transacted
 Property Administration*

The Union Bank of Australia, Limited

Established 1837. Incorporated 1880.

Capital Authorized and Issued.....	£9,000,000
Capital Paid-Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office—71, CORNHILL, LONDON, E. C. 3

Manager—W. J. ESSAME Assistant Manager—W. A. LAING
Secretary—F. H. McINTYRE

193 Branches throughout Australia and New Zealand, viz.:—

In Victoria, 47; In South Australia, 15; In New South Wales, 43; In Western Australia, 20; In Queensland, 19; In Tasmania, 3; In New Zealand, 46.

Agents and Correspondents in all parts of the World

The Bank offers facilities for the transaction of every description of Banking business in Australia and New Zealand.

Bills negotiated or sent for collection. Commercial and Circular Credits issued available throughout the World.

BANKER & TRADESMAN

New England's Leading Business Weekly—Covers the Business, Financial and Real Estate News of the New England States

Write for Sample Copy

Banker & Tradesman, 465-475 Main St., Cambridge, Mass.



Commonwealth Bank of Australia.

Guaranteed by the Australian Commonwealth Government

HEAD OFFICE, SYDNEY



Head Office
Sydney, N. S. W.

Branches in all the principal towns and cities of Australia, at London (2), and Rabaul.

A Savings Bank Department at all Branches and 3,355 Savings Bank Agencies at Post Offices throughout the Commonwealth of Australia, Territories of Papua and New Guinea, Solomon Islands Protectorate and other parts of the Pacific.

Agents and Correspondents throughout the World

Banking and Exchange Business

of every description transacted within the Australian Commonwealth,
United Kingdom, United States, Canada and Abroad

December 31st, 1924

General Bank Deposits	-	-	\$144,988,059.57
Other Items	-	-	41,424,536.18
Savings Bank Deposits	-	-	204,743,071.46
Note Issue Department	-	-	284,451,130.00
			<u>\$675,606,797.21</u>

Cable Remittances made to, and drafts drawn on United States, Canada and foreign places direct

Letters of Credit issued to any part of the World

Bills Negotiated or Forwarded for Collection

Current Accounts Opened

Interest on Fixed Deposits

Advances made against approved Securities

JAMES KELL, Esq., Governor

THE NATIONAL BANK OF AUSTRALASIA

LIMITED

ESTABLISHED . . . 1858.

Head Office: MELBOURNE

Authorized Capital (@ \$5 to £1)		\$50,000,000
Capital Paid Up	- - -	\$20,000,000
Reserve Fund	- - -	\$11,500,000
Total Assets March, 1925	- - -	\$205,888,875

With its 469 well spread offices the Bank provides a complete banking service throughout Australia, and is well equipped for the transaction of all classes of foreign business.

Chief Manager E. H. WREFORD	Deputy Chief Manager JAMES WILSON	Chief Inspector J. A. G. HADLEY
Inspector and Manager, Foreign Department: E. J. OSBORNE		

London Office - 7 LOTHBURY, E.C.2.

English, Scottish & Australian Bank, Limited

Authorized Capital	\$18,750,000
Paid-up Capital	\$11,250,000
Further Liability of Shareholders	\$7,500,000
Reserve Fund	\$9,750,000

**HEAD OFFICE:—5, GRACECHURCH STREET, LONDON, E.C. 3
and 384 Branches and Agencies in Australia**

Chief Office in Australia—Collins Street, Melbourne

BANKING AND EXCHANGE BUSINESS of every description transacted with Australia. **BILLS NEGOTIATED** or sent for **COLLECTION**. **REMITTANCES** made by **TELEGRAPHIC TRANSFER**. **WOOL** and **PRODUCE CREDITS** arranged. **LETTERS of CREDIT** and **DRAFTS** issued on all the Branches of the Bank.

Chief Agents in United States

NEW YORK—Guaranty Trust Company of New York.
CHICAGO—First National Bank.
SAN FRANCISCO—Crocker National Bank.

E. M. JANION, Manager.



THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)

Paid-up Capital £4,000,000
 Reserve Fund £3,700,000
 Reserve Liability of Proprietors
 under the Charter £4,000,000
£11,700,000

Head Office, 4 Threadneedle Street, London, E. C. 2

EDMUND GODWARD, Manager

West End Branch, 17 Northumberland Avenue, London, W. C. 2

Branches in Australia

VICTORIA

Melbourne: 394 &
 396 Collins St.; 384
 Elizabeth St.; 71
 Collins St. East
 Brunswick
 Burnley
 Coburg
 Colindalewood
 Elsternwick
 Footscray
 Malvern
 Middle Brighton
 Port Melbourne
 Prahran
 St. Kilda
 Williamstown

Bairnsdale
 Ballarat
 Benalla
 Bendigo
 Bright
 Castlemaine
 Charlton
 Chiltern
 Cobram
 Corryong
 Drouin
 Eura
 Fish Creek
 Foster
 Geelong
 Katamatite
 Kingston
 Korat
 Korong Vale
 Korumburra
 Leongatha
 Mirboo North
 Mooroopna
 Morwell
 Nathalia
 Numurkah
 Port Fairy (Belfast)
 Rutherglen

Victoria, Contd.

St. James
 Sale
 Shepparton
 Stawell
 Strathmerton
 Tallangatta
 Terang
 Traralgon
 Tungamah
 Walwa
 Warragul
 Warrnambool
 Wedderburn
 Weloahpool
 Wycheproof
 Yackandandah
 Yarram
 Yarrowonga

NEW SOUTH WALES

Sydney: Martin
 Place; 85 Pitt St.;
 533 George St. No.;
 Wentworth Ave.;
 236 William Street
 Bondi Junction
 Castlereagh St.
 Hurstville
 Kogarah
 Leichhardt
 Marrickville
 Newtown
 North Sydney
 (84 Mount St.)
 Petersham

Albury
 Ballina
 Bathurst
 Bega
 Bollingen
 Berrigan
 Blayney
 Broken Hill
 Cessnock

N. S. Wales, Contd.

Cootamundra
 Corowa
 Crookwell
 Dorrigo
 Dubbo
 Forbes
 Glen Innes
 Goulburn
 Grafton
 Grenfell
 Hamilton
 Howlong
 Jerilderie
 Kempsey
 Kyogle
 Lismore
 Maitland (East)
 Maitland (West)
 Moree
 Murwillumbah
 Muswellbrook

Narrabri
 Narrromine
 Newcastle
 Nowra
 Orange
 Parkes
 Peak Hill
 South Grafton
 Stroud
 Tamworth
 Tullamore
 Wagga-Wagga
 Waa Waa
 Young

QUEENSLAND

Brisbane
 Cairns
 Charters Towers
 Chillagoe
 Cooyar
 Crow's Nest
 Herberton
 Hughenden

Queensland, Contd.

Ipawich
 Kingaroy
 Longreach
 Maryborough
 Oaky
 Richmond
 Rockhampton
 Roma
 Toowoomba
 Townsville

SOUTH AUSTRALIA

Adelaide
 Kooronga
 Mount Barker
 Port Lincoln
 Port Pirie
 Wirratara

WESTERN AUSTRALIA

Perth
 Albany
 Beverley
 Bunbury
 Fremantle
 Gnowangerup
 Kalbarrie
 Meera
 Northam
 Wagin
 Wickiepin
TASMANIA
 Hobart
 Burnie
 Deloraine
 Devonport
 Fingal
 Launceston
 Sheffield
 Stanley
 Ulverstone
 Wynyard

Branches in New Zealand

Wellington
 Ashburton
 Auckland
 Blenheim
 Christchurch
 Dannevirke
 Dunedin
 Eltham
 Featherston
 Feilding
 Gisborne
 Gore

Hamilton
 Hastings
 Hawera
 Invercargill
 Kaitiaki
 Levin
 Manaiaki
 Mangonui
 Marton
 Masterton
 Matamata
 Morrinsville

Napier
 New Plymouth
 Otaki
 Palmerston Nth.
 Patea
 Raetihi
 Rotorua
 Stratford
 Taihape
 Taumarunui
 Tauranga
 Te Aroha

Te Kuiti
 Temuka
 Te Puke
 Timaru
 Waipawa
 Waipukurau
 Wairoa
 Wangarui
 Waverley
 Whakatane
 Whangarei

Principal Correspondents in North America

CANADA:

Bank of Montreal
 Canadian Bank of Commerce

UNITED STATES:

Bank of New York & Trust Co., New York
 Hanover National Bank, New York
 National Bank of Commerce, New York

UNITED STATES, Contd.:

National City Bank of New York
 Continental & Commercial Nat. Bk. of Chicago
 Illinois Merchants Trust Co., Chicago
 National Bank of the Republic, Chicago
 Fourth Street National Bank, Philadelphia
 Wells Fargo Bank & Union Trust Co., San Francisco

Offer facilities for the transaction of every description of Banking Business in Australia and New Zealand. Negotiate or Collect Bills. Issue Telegraphic Transfers, Letters of Credit and Drafts, also Circular Notes and Circular Credits, on all parts of the world

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

(with which is incorporated the
AFRICAN BANKING CORPORATION, LIMITED)

Bankers to the Government of the Union of South Africa
in Cape Province; to the Imperial Government in
South Africa; and to the Administration of Rhodesia.

Authorised Capital	-	-	-	-	-	£10,000,000
Subscribed Capital	-	-	-	-	-	£8,916,660
Paid-Up Capital	-	-	-	-	-	£2,229,165
Reserve Fund	-	-	-	-	-	£2,893,335
Uncalled Capital	-	-	-	-	-	£6,687,495
						£11,809,995

**BANKING BUSINESS TRANSACTED
IN ALL PARTS OF THE WORLD**

HEAD OFFICE: 10, Clements Lane, Lombard Street, London, E.C. 4.

London Wall Branch : 63, London Wall, E. C. 2

West End Branch: 9 Northumberland Avenue, W.C. 2 (Opposite the Royal Colonial Institute)

Rotterdam Branch : 15, Coolingsingel

Hamburg Agency : Bank of British West Africa, Ltd., 49-53, Schauenburgerstrasse

Branches and Agencies Throughout
SOUTH and EAST AFRICA

New York Agency: 67 Wall Street

ROWLAND SMITH and R. GIBSON, Agents

Representing in { Bank of British West Africa, Ltd.
New York { Bank of New South Wales

The New York Agency

offers to Bankers and Merchants throughout the United States and
Canada its unsurpassed service for facilitating trade with
the markets of Africa, Australia and New Zealand.

ESTABLISHED 1817

BANK OF NEW SOUTH WALES

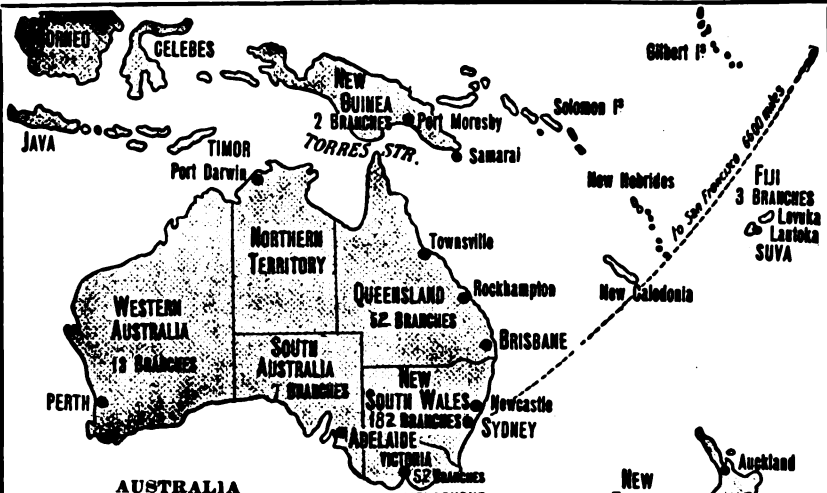
AUSTRALIA

Paid-up Capital . . .		\$30,000,000
Reserve Fund . . .		20,750,000
Reserve Liability of Proprietors . . .		30,000,000
		\$80,750,000

Aggregate Assets, 30th Sept., 1924, \$370,242,890

OSCAR LINES, General Manager

403 BRANCHES AND AGENCIES



403 BRANCHES AND AGENCIES

AUSTRALIA
 Pop., 6,000,000; area, 2,974,581 sq. miles; sheep, 78,803,000; cattle, 14,850,000; horses, 2,400,000; imports, \$702,849,265; exports, \$595,837,035.

Annual Value of Australia's Products

Agriculture	\$420,910,000
Pastoral	457,375,000
Dairying	217,704,370
Mining	101,580,800
Manufacturing	1,832,485,000
Total	\$2,830,059,170

Head Office—George St., Sydney London Office—29 Threadneedle St., E. C.

403 BRANCHES AND AGENCIES

In all the Australian States, New Zealand, Fiji, Papua (New Guinea) and London

Cable remittances made to and drafts drawn on Foreign Places DIRECT

Foreign Bills Negotiated and Collected.

Letters of Credit Issued.

NEGOTIATED THROUGHOUT THE WORLD

The bank collects for and undertakes the agency of other banks and transacts every description of Australian Banking Business

Agents in New York : Standard Bank of South Africa, Ltd.
 National City Bank of New York
 National Bank of Commerce in New York

Agents in San Francisco, Bank of California National Association, Crocker National Bank and Anglo and London Paris National Bank

Specialized Service to Banks



Guaranty Trust Company of New York

MAIN OFFICE: 140 Broadway

FIFTH AVENUE OFFICE: Fifth Ave. and 44th St.

MADISON AVENUE OFFICE: Madison Ave. and 60th St.

NEW YORK

London Offices:

32 Lombard St., E. C. 3 50 Pall Mall, S. W. 1

Bush House, W. C. 2

Paris: 1 & 3 Rue des Italiens *Brussels:* 156 Rue Royale

Liverpool: 27 Cotton Exchange Buildings

Havre: 122 Boulevard de Strasbourg

Antwerp: 36 Rue des Tanneurs

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-NINTH YEAR

DECEMBER 1925

VOLUME CXI, NO. 6

Editorial Comment

The Favorable Business Outlook

GENERAL indications point to the continued prosperity of the United States. Railway and other corporations are showing increased earnings, and in fact most of the factors on which activity in trade is usually predicated are of a favorable character. Heavy stock speculation recently in New York shows that, as usual, Wall Street has taken due note of the favorable outlook for business. The anthracite coal strike is to be taken into account on the other side, though since manufacturing is not dependent upon this kind of fuel the effect is far less serious than would be the case if both kinds of coal were involved in the controversy.

The recent upward trend of business naturally gives rise to the question as to whether this is a healthful turn of affairs, to be long and steadily sustained, or whether it merely marks the beginning of a somewhat feverish era of rising prices, inflation and speculation. It would be comforting to believe that it is of the former character, but we are so accustomed to "prosperity" of the opposite kind as to be suspicious, whenever times begin to improve, that it may be only another development of the same deceptive sort as the country has so often experienced. But that is probably a counsel of pessimism. The present outlook is, in the main, of a healthful character. How our coming prosperity is made use of will determine whether or not this healthfulness is to continue.

President Coolidge's Remedy for Social Ills

BEFORE the Annual Conference of Congregational Churches in Washington recently, President Coolidge made an address in which he used these words:

"I can conceive of no adequate remedy for the evils which beset society except through the influence of religion."

It is to be regretted that the President failed to define exactly what he meant by "religion." If he meant the prevailing type, that which obtains generally in what we are pleased to style the great civilized countries of the world, not much solid ground exists for a belief in the potency of his prescription. For but yesterday these countries have given such shocking examples of human slaughter as to sicken the mind and heart of mankind. In fact, these "religious" countries have far outstripped the "heathen" lands in making war on their fellows. Religion need not be held responsible for this, for clearly it is to be attributed to other causes, and especially to the more intense economic life in the countries commonly styled "Christian." But at least the religion prevailing in these lands has not brought peace between nations nor reconciled the war of classes. Must not this fact give rise to an inquiry as to whether there may not be something wrong with the generally accepted view as to what constitutes religion? It is a grave question, and its consideration concerns bankers as well as all others.

While President Coolidge neglected

to define "religion," there is a definition whose authenticity cannot be disputed, for it was given by the Founder of the Christian religion, Himself. Asked as to which among the commandments were greatest, He said, the first was to love God, and the second of like character, to love thy neighbor as thyself. Then He clinched the definition by saying that on these two commandments hang all the law and the prophets.

It cannot be said that this religion has failed to heal the evils which beset society, for society has never tried it. There has been much reliance on pacts, treaties, protocols and leagues of nations—all valuable as they express an honest intention to apply the principle set forth in the preceding definition, but futile unless they rest upon this basis. Disarmament of physical weapons of warfare will not bring peace until the mind is freed of suspicion, fear and envy and the heart purified of hate.

Truly, the only adequate remedy for the evils which beset society is to be found through the influence of religion; but that religion will not be the imitation which has been tried and has so lamentably failed, but real religion as defined and exemplified by its divine Author.



The Anthracite Coal Strike

FOR several weeks the country has been put to serious inconvenience by a strike of the miners of anthracite coal. This kind of fuel, if obtainable at all, can be had only at an exorbitant price, which the ordinary citizen is unable to pay.

While the anthracite coal situation has been more serious this winter than for some time, it has been unsatisfactory for a number of years. There has been difficulty in procuring an adequate supply when wanted, and uncertainty regarding the price—except the certainty that it would be high, and probably above that of the preceding season.

As there are some millions of us who are unable at the approach of winter to go to warmer lands, but who must stay and battle against the blasts of a northern winter, this coal problem becomes to the masses thus situated one of very great concern. A home without fuel in winter is next to a home without food. Unfortunately substitutes for coal cannot be quickly employed. The use of gas or oil generally requires changes in equipment which are expensive and require time to make. It is well known, however, that the prolonged difficulties in the coal situation are driving many to the adoption of these substitutes, and unless better conditions are soon brought about in the coal industry it will suffer a further decline.

The coal strike entails serious hardship to millions. Business men, occupied with their own affairs, appear either unconcerned or powerless to devise a method of settlement. Washington holds aloof, although the present distinguished occupant of the White House became famous almost overnight, like Byron, by a phrase uttered in condemnation of strikers. If no men have the right at any time to strike against the public peace, have any men the right to strike against the provision of fuel to warm our homes or to keep our factories running? If the shoe is on the other foot, have the coal operators the right to permit conditions that will cause the miners to resort to such a desperate remedy as a strike? In this strike, as usual, the suffering is experienced by the public. It is reported that many of the miners have gone on trips to Europe, while others are enjoying their holiday. The coal operators hardly require public sympathy. But in thousands of homes there is dire suffering because of this strike. It is time somebody acted effectively in their behalf and in behalf of the imperilled industries of the country.

Once, in a similar situation, President Roosevelt told the strikers and coal operators to produce coal, or he would. They produced the coal.

Bankers and Trade Control

SPEAKING recently before a meeting of the Academy of Political Science in New York, Professor Ripley of Harvard University took occasion to deplore what he regarded as a present tendency for the control of corporate management to drift into the hands of bankers and other intermediaries outside the real owners of the property. Professor Ripley, in his criticism of this tendency, put in the following disclaimer of any special distrust of the banker. "They put the public interest in the sound and straightforward management of these businesses in jeopardy not because bankers as such are more frail than any other people in general, but simply because the possession of uncontrolled power is always certain to entail abuse, whereby both innocent and guilty are alike dragged down."

Rather strangely, this concentrated control which Professor Ripley mentions has come about through a wider stock ownership; but, as he points out, much of this diffusion of ownership has taken place without any corresponding increase in the power of control by those who have so liberally bought corporate shares. The stocks sold to the public have failed to carry the voting privilege. As a result, in the language of Professor Ripley, "the wider the diffusion of ownership, the more readily does effective control run to the intermediaries—in this case promoters, bankers or management companies."

Very likely, at the bottom of this complaint will be found the disposition of the average stockholder in a corporation to relieve himself as far as possible from the responsibilities and obligations attaching to his stock ownership. As a stockholder he no longer regards himself as one directly concerned in the management of the business to anything like the extent he would if he owned it outright or was a leading partner in the enterprise.

Failing to exercise his rights, the stockholder in a corporation need not

be surprised if someone else takes up the duty he has abandoned. But the evil which Professor Ripley discloses is that the real owners of property are, in many instances, being deprived of the power to vote by various financial devices. This tendency, as Professor Ripley fears, may lead to grave abuses. It will encourage a spirit of unconcern on the part of the owners of corporate shares which will tend to a relaxation of that vigilance which is the price the owner of property must pay for its efficient operation. It will also give greater opportunity to the unscrupulous to manipulate properties in a way that is undesirable.

But when all this is admitted, it must be said that the corporation is not a democracy whose operations are carried on by the shareholders acting as a body. It is rather a representative republic, where the shareholders choose those who are to exercise the duties of management. But if the shareholders are deprived of the right to vote, the corporation then becomes an autocracy.

As for the fear which Professor Ripley entertains regarding trade control by bankers, little need be said. Reputable investment bankers are as much interested in securing efficient management of the properties they finance as anyone else can possibly be.



The Locarno Pact

BY an agreement reached at Locarno certain of the European nations have decided to create a neutral zone on the border between France and Germany, which each of the signatory powers not only engages itself to respect but to make war upon any country that becomes an aggressor against another nation that is a party to the pact.

Much is expected of this compact, and no doubt it is of great importance as marking an earnest effort on the part

of the nations concerned to get together upon some plan that will afford at least a reasonable sense of security. In fact, the plan itself is of far less importance than the spirit that prompted it. If, as seems to be the case, the plan originated in a sincere desire on the part of France and Germany to reconcile their differences, then its significance cannot be exaggerated. These two countries have long tried the experiment of living side by side as enemies. It has been at a terrible cost to themselves and to the world at large. Now they are to try the experiment of living on a friendlier basis, and no doubt, if they can sustain this policy, it will be found of immense gain to the peoples of both countries and to the whole world.

As has been said, the terms of the compact are of much less importance than the determination of which it seems to be a sign. Actually the terms of the agreement, in general, leave much to be desired. Belgium, by solemn compact, was exempt from invasion, but we all know what happened. Then there is the difficulty of ascertaining, in any given case of violation of the terms of the compact, who is the aggressor. "You began it," says the school boy; "I didn't;" "You did," etc., etc. And nations in their quarrels are hardly more reasonable. True enough, the League of Nations, or the World Court may be called in to decide.

There is the deeper question as to how the compact itself may come to be regarded in the light of experience. Conceivably, circumstances may arise which will put its terms to the severest test.

Bismarck once bluntly declared that a nation could never allow a treaty to stand in the way of its vital interests. This doctrine cannot be applauded from an ethical standpoint, but nevertheless represents what will often happen under strain. If a nation's very existence is menaced, a plausible excuse is apt to be found for breaking compacts.

The Locarno Pact is rightly hailed as marking the beginning of better relations between two nations whose controversies have been responsible for some of the bloodiest chapters in the history of the world.



French Financial Difficulties

THE recent cabinet changes in France, carrying with them retirement of M. Caillaux as Finance Minister, serve to call attention to the grave financial difficulties which confront that country. From M. Caillaux's exertions much was expected. He was generally regarded as the one man who could put France's finances in order. He came to Washington rather jauntily for the purpose of settling the debt of France to the United States, but having failed in his mission he returned home in a chastened mood. This failure diminished his somewhat spectacular reputation as a financier, and difficulties thickened around him, so that it became impossible for him to carry out the program which he considered necessary in order to restore financial stability to his distressed country.

Perhaps his failure was not due to lack of skill on his part, but may be attributed to the difficulties inherent in the situation. Could M. Caillaux have received the popular and political support necessary to the carrying out of his plans he would probably have succeeded in restoring the finances of France to a healthful basis. There were certain alternatives to his proposals which he regarded as unsound, and he would not consent to them. It may be surmised that his successor will not have the same scruples, and either a capital levy or further inflation may be the next thing to be tried. So far as relates to the debt which France owes to this country, and which M. Caillaux was earnestly trying to settle, the new cabinet in France seems inclined to postpone the matter indefinitely.

Country Bank Credits

THE principles that underlie the granting of credit by an ordinary country bank have been very clearly set forth in a series of articles in THE BANKERS MAGAZINE, contributed by Frank S. Wettack, cashier of the First National Bank of Coffeyville, Kansas. These articles are of special practical interest to the average American banker for several reasons. In the first place they are the results of the experience of a man who has been long engaged in the work of a country bank (meaning by this term a bank outside the large centers of population and trade). They give what the average man in a bank wants to know. Mr. Wettack understands his subject, and has the knack of telling what he knows with rare simplicity and force. While he sticks to principles, he utters no mere counsels of perfection, impossible to follow if a country bank is to live and prosper and be of service to its community. He realizes that there is a human element in banking, and explains what regard is to be paid to it.

As the proof of the pudding is in the eating, Mr. Wettack's articles should carry conviction, for while paying good dividends for many years, his bank also has comfortable sums in the surplus and undivided profits accounts. In other words the banking principles and practices which he recommends to others are such as he himself has found to be safe and profitable.



A Strictly Local Bank

PROBABLY there are many bankers successfully carrying on the operations of their banks without knowing exactly what they are doing. They are like a man whose whole working life is spent in making a single part of some vast and intricate piece of machinery with no conception whatever of the construction and operation of the

machine itself; or like the character in one of Moliere's plays who was much surprised to learn that he had been talking prose all his life.

Of this type is the banker, especially the large city banker, who thinks that he is doing "a strictly local business."

In conversation with a St. Louis banker some years ago, mention was made of Mexico. (This was in the time of the Diaz regime when that country was prosperous.) This reference to our neighboring country irritated the banker, who somewhat vociferously insisted that he was not interested in Mexico. When it was pointed out to him that the merchants and manufacturers of St. Louis were greatly interested in that country, and he in turn was deeply interested in them, he had nothing more to say, and abruptly changed the subject.

A banker in St. Paul averred that international trade and banking did not interest him. But he seemed to have forgotten how much the farmers of his territory were concerned in the export of beef, hogs, corn and wheat. He was interested in international trade and banking, but did not know it.

A Florida banker said his bank was a purely local bank. This with thousands of dollars and hundreds of thousands of people streaming into his state from every point of the compass, and enriching every business enterprise in his community, upon whose prosperity the bank was dependent for its deposits and profits.

"This is a strictly local bank," declared a banker in another section some months ago. Naturally, you would suppose this bank was located at Hazel Dell, Ill., at Willow Grove, Mo., or at Hickory Run, Ark., but it was not. Its actual location was at Geneva, Switzerland, the capital of the world!

Of course, there are different types of banks, engaged in varying operations. Some of these institutions in the great centers of trade and industry discharge functions which other banks are not called on to perform. Some banks extend their operations over a wide area

and draw their deposits from widely-scattered sources. Others confine their operations and draw their deposits from the immediate community in which the bank is located. In this sense the latter type of bank is local. But, in nearly every case, these deposits are far less local in their origin than appears at first sight. In these days of travel and the rapid exchange of commodities and the general circulation of wealth, the local business man derives a large volume of his profits, directly or indirectly, from outside sources. A bank in some remote hamlet may be an exception to the rule here laid down; but in any large and thriving town, if you are seeking for "a strictly local bank," your search is apt to be vain, for there "ain't no sich animal."



World Conditions

THE theoretical aloofness of the United States from European affairs by no means renders us indifferent to what is going on across the Atlantic or in other quarters of the world. As traders with Europe and other countries, and to a rapidly-increasing extent by reason of our loans, we have an intense interest in what is going on abroad. It may be said that this interest is selfish in character, and that is perhaps true. But an enlightened selfishness may be generally relied on as productive of mutual benefit. If we wish to continue to trade with other countries, we must wish them to be prosperous in order that they may be

able to produce goods to exchange for what we wish to sell. And if we expect to receive interest on our foreign loans, and the final return of the principal, we can do so only if the borrowers are prosperous.

These material considerations aside, the people of the United States earnestly desire the welfare of the people of other lands. This desire has received in recent years many forms of practical expression. The fact that our interest in Europe has not been shown in the way many desire—by direct participation in European political affairs—does not indicate unconcern on our part as to what happens to the peoples across the sea. It merely represents our belief that by keeping free of advance political commitments we shall thus be in the best position to render effective help as occasion offers. This belief may be correct or otherwise, but it can hardly be said to indicate a lack of interest or a desire to escape responsibility. Rather it represents a purpose to exercise our responsibilities in what we consider the most effective manner.

Notwithstanding dark spots here and there, the affairs of the world seem to be lightening up a bit. If the recent efforts to establish a reasonably durable peace in Europe succeed, a great step forward will have been taken. England is in the midst of a severe industrial depression, but has reached monetary stability by a restoration of the gold standard. France still has budget difficulties, but has abundant harvests and generally prosperous trade. Here in the United States, if we can avoid over-speculation, we seem to be in for a long run of prosperity.



American Banks in Competition Abroad*

By Samuel T. Bitting

WITH the increasing international importance of the United States and its changing economic position, the question quite naturally arises as to whether or not we can compete successfully in foreign banking and in branch banking abroad. The question arises as an incident in our own development; it is not to afford the basis for controversy between this and any other nation nor to provide a repetition of the recent rather purposeless discussion as to the relative "centers" of world finance and banking, a discussion which has at times led to the bald claim by well meaning but rather superficially informed writers that the center of finance has been permanently shifted from London to New York. Events since the war have thrown an interesting light on this subject and our conclusion must be that no changed economic currents in this world come about by sudden biological mutations but rather by the slow processes of evolution. The number of our foreign branch banks has materially decreased since the boom years and while our acceptance business has, since its inauguration, shown a distinctly encouraging development, in neither of these instances have events borne out the mutation theory. British banks did, in spite of their long handicap of an unstable pound sterling, recover in large part the financial leadership in international trade that they enjoyed before the war and the continuance of this stabilizing influence will react to the benefit of all international trade. This and the return of sterling to a gold basis are, therefore, important steps toward international stability to which we should all subscribe. But our rapidly changing economic position leads us to ask if we have not also a place to fill in the financing of this trade.

Changed Trend in Volume and Character of Foreign Trade

This country is so new and its economic position with relation to the rest of the world has altered so rapidly that it is difficult to realize that not only have the direction and character of our foreign trade greatly changed during the last few years but that its volume has greatly increased. O. P. Austin, statistician of the National City Bank, New York, in the March number of *THE BANKERS MAGAZINE* showed strikingly how our increase of population has brought about an increasing consumption of our natural products and how, with the often lamented drift from "the farm to the city," there has been an unprecedented increase in the output of our manufactures. Both facts have a considerable bearing on the character of our foreign trade.

The number of individuals engaged in agriculture, forestry, etc., has shown a normal increase during the last fifty years but those engaged in the manufacturing industry increased from 2,450,872 in 1870 to 12,818,524 in 1920 while the value of manufactures produced advanced in ten years (1909 to 1919) from \$21,000,000,000 to \$62,000,000,000. There is without question an American genius for mass production which enables us to compete successfully in many lines in spite of higher wages and without politico-economic aids. To the extent that this is true our manufactures will creep increasingly into our export trade, to be offset by imports of raw materials, foreign specialty manufactures, and, to balance the books, foreign investments and the so-called invisible imports. The value of manufactured goods exported in 1924 was three times that in 1909 and—per-

*This article won first prize in the contest recently concluded by *THE BANKERS MAGAZINE*. Results of this contest were given in the November number.

haps more important— they constituted last year one-half our total exports. In other words, as we can manufacture on an increasingly economical basis, our exports of manufactures will increase and our increasing population will progressively reduce the surplus of food-stuffs available for export. The economic position of the United States is changing radically but the fact that we are becoming less and less a simple exporter of foods and raw materials and an importer of manufactured goods will bring us increasingly into a larger and more complex foreign trade.

Our increase in foreign commerce since 1900 is shown in dollars as follows:

	(000,000 omitted)		
	1924	1914	1900
Exports (total)	4311	2364	1894
“ (mfgs)	2150	1099	484
Imports (total)	3554	1893	849
“ (mfgs)	1414	768	337

The total foreign commerce of this nation is nearly \$8,000,000,000 per annum; it is a trade not to be scorned by our business or financial interests, and if they compete wisely, American banks should do a large proportion of its financing.

A striking discrepancy in the figures just quoted is shown in the excess of exports over imports which, after allowing for gold on the other side of the book, has amounted in ten years to nearly \$22,000,000,000. This fact has changed the United States from a debtor to a creditor nation and from all indications we will retain this not entirely happy position. With increasing trade we are apt to become more and more a creditor as the penalty for our prosperity. It is not an unmixed blessing. It is, however, a condition where the investment banker can be of inestimable value and a position where a sound knowledge of a new science to America may be utilized to the profit of the American investor and the investment banker alike. There has been a little written of late about “investment

trusts,” a new term to us but some such machinery must develop if we are to maintain our creditor nation status in safety and with a minimum of the risk that is inherent in remote undertakings.

Many Items Entering Into International Balance Sheet

And there are many items entering into the international balance sheet on which the country needs a body of well informed opinion. Our pleasure seekers in Europe perform an economic function and as economists (without verging on such a controversial subject as the tariff) we must realize that imports are often to our own great benefit. Economists cite as a classical example* the triangle that brought Spanish wine and oranges to England in exchange for American cotton, though it is possible to raise oranges in England. If the example is classical its good common sense is obvious. At the moment the papers contain a good deal about interallied debts and all sides of the question are apt to be equally loosely discussed. All of which means that there are abstract and theoretical questions entering into foreign commerce and public finance which might become a more real part of our national habit of thought and psychology were there a larger trained body of men whose experience and training had shown them these subjects from the scientific view point.

It follows that from the broader national aspect it would be desirable to have us more active in international financial contacts, but business does not proceed through such purely altruistic motives. There is, however, a rapidly changing economic status which will bring us into greater and greater foreign trade, probably an increasing creditor position, and into more intimate economic and political relations generally with the rest of the world, and this condition will widen our opportunities for profitable foreign banking. It is said

*Adam Smith Book IV Chap. II. J. S. Mill Book V Chap. X.

that Americans get what they want, but they ask the question "does it pay?"

Why We Have Let Foreign Banking Alone in Past

In the past we have let foreign banking strictly alone as we have, in lesser degree, foreign commerce. It is true that we have, since the foundation of the Republic, always imported much from abroad and exported at first our natural products and latterly manufactured goods, but until recently the machinery of this business has been principally in the hands of foreigners and the financing of it has been more completely in their hands.

The obvious reason for this condition lies in the fact that we have had a whole continent to develop—one of untold natural resources—which in a few years has been transformed from a virgin wilderness into an industrial nation. The accomplishment of this task has been enough, and in the process there have been enough opportunities offered to occupy all idle capital and to tax the resourcefulness of our manhood. We have not had the same economic urge to search beyond our own borders that Great Britain has had, for instance, where we find the very antithesis of this condition. This fact goes far toward an explanation of the fact that she is the world's greatest trading nation and why, all over the world, so large a proportion of the best firms are British. Our new generations have been kept busy at home; Britain's have had to go to the far corners of the world and build a trade empire embracing shipping, merchandising, and banking.

Our opportunities at home have been commensurate with our best efforts and our merchants and bankers have in the past preferred to expend their energies at home. This condition has been so true that it has become a part of our subconscious philosophy and it has, to some degree, been embodied in our laws and institutions. The National Bank Act, distinctly national in concept, is a specific instance of the character of

our national thought, and foreign branch banks, even operating under state charters, have been very few.

Federal Reserve Act Hinted Change of Times

The Federal Reserve Act hinted a change of the times and subsequent to its enactment and during the war period American banks, both national and state, through branches and the organization of new banks went quite considerably into the foreign banking business. In some cases, too, they went quite hurriedly, and in retrospect it can not be reasonably maintained that this movement was entirely successful. The period of rapidly advancing commodity prices was inauspicious for this movement and the story of losses incurred in the mismanagement of foreign branches, though not entirely unexpected to the few who knew, makes sorry reading. Lack of experienced Americans to operate the banks which were organized, capitalized, and equipped for foreign trade resulted in errors and mistakes which a more thoroughly experienced and conservative management would never have made. There has been some deflation in commodity values since, and with this experience the new business that can be acquired should be taken on a better basis than the old. If our desire to develop international banking is properly directed we should evolve the trained machinery necessary to participate profitably in the financing of the greater foreign commerce that will be incident to our changed economic position. If we are convinced that the business will pay we will so direct a part of our capital and banking ability that we can successfully compete with the others, and in the financing of world trade take a share proportionate to our part of that trade.

Can Learn Much from Experiences of 1919 to 1923

Unless we have been handicapped by artificial barriers we have usually been

able to compete where we so desired and in this instance there is no problem as to our ability; but we must make haste more slowly than we did, in many instances, during the recent boom years. We can draw some lessons from the experiences of 1919 to 1923 and we can learn much from the people to whom this business is not a new toy. Our success will depend primarily upon how well we learn these lessons and upon the staff that we develop.

There is no politico-economic panacea to call to our aid. People are generally coming to the realization that attempts to cure the ills of this world and to create desirable economic results by statute do not work. Secretary Hoover recently put the matter crisply when he said that you "can't catch an economic force with a policeman." The recent history of our shipping shows that a large body of our mass opinion has verged upon this fallacy, but the lessons learned in this and other experiments are gradually shaping American opinion along sounder lines. Where legislation attempted interference with the operation of our ships it put us at a disadvantage in competition with the others and however it has attempted to disguise what is in fact "subsidy" it has not succeeded in changing fundamental economic laws. Bankers think rather straighter on economic subjects than do other elements of the population and there is not apt to be any demand along these lines; governmental contacts should be mostly negative and our influence should be exercised principally to prevent restrictions or bureaucratic rulings that will tend to hamper us in free competition with the world.

The Place of Governmental Contacts

The Federal Reserve Act permitted national banks to open foreign branches and there are various other forms of organization whereby banks can enter the field. Through their connection with national banks and the Reserve System there is Federal supervision of foreign

banks, involving examinations which, however, properly conservative banks require of themselves. The idea of the original provisions for supervision and examination of national banks was to protect the public against the potential losses that were apt to go hand in hand with poor management. General supervision along these lines, since it can in no way alter the policy of a conservative institution, is to be desired. But it would be unfortunate if governmental regulations should creep in that would make banks less sound. It is conceivable that such a situation might arise through the operation of the income tax; it is incontrovertible from the standpoint of sound banking that a bank should set up adequate reserves for all classes of its general business as well as for demonstrably doubtful accounts. Certainly a zeal to increase the income available for taxation should not be allowed to blur the vision of the tax collecting authority. The ramifications of this subject are wide and we need good common sense in charge. When a bank writes down its buildings, investments, commitments, etc., for instance, it is increasing its reserves and creating a sounder condition which must redound to the benefit of the bank's customers, and, through increased earnings, if all goes well, eventually to the tax gatherer himself. Other governments which have had more experience are apt to be more generous along these lines, and where, through branch banking, American banks come into competition with others there should be nothing to prevent a policy of at least equal conservatism.

So much for governmental contacts. American bankers can use their influence here simply to secure and maintain a sound banking viewpoint on the part of the Government, to minimize bureaucratic interference, and, where foreign trade and banking are specifically concerned, assist in the acquisition and dissemination of correct information.

In discussing the question of American banking abroad as a problem it is

assumed that capital will be available if it can be profitably employed; and if the development of any harmful governmental interference is obviated, the question resolves itself simply into a matter of management and staff.

A Dearth of Experienced Men

There has been and is a dearth of experienced men and of men of aptitude for this work. It is difficult in America to go out and pick up a group of men suitable to staff a string of foreign branches. Once this difficulty is appreciated the task of developing such a corps will be easier. There are many fine bankers in this country (although we can never say we have enough) and of late years there have been more and more facilities for training young men in banking as a profession; but broadly speaking the best bankers have developed in particular environments to fill particular needs, and there is not in the United States a body of trained professional foreign bankers, in the same sense, for instance, as in Great Britain. In selecting a group for foreign service one would be apt to find, at best, that their training had been particular; not of such a nature as would be acquired in one of the large English or Scotch joint-stock banks. This is not entirely due to the fact that foreign banking is technically a separate branch of banking but also to the fact that the nature of our development has created a subconscious philosophy which tends to center our ideas of life and work at home. Bearing these thoughts in mind there is nothing extraordinary in the proposition, probably correct, that a junior in a Scotch bank, for instance, who has never been further from home than London has more of the necessary qualities than has an equally capable and promising young bank clerk in the Middle West. Some pains must be taken to pick men with a wider outlook, and to develop the type of staff needed it is necessary to begin pretty much with fundamentals in bank-

ing and with men who, because of their youth, have most of their experiences ahead.

A program of complete independence satisfies our pride and ambition but, with things as they now are, it would be at a possible cost of success and security. The new American banks in this field have, to a greater or less degree, staffed and officered their organizations with a large sprinkling of foreigners. For obvious reasons, and especially because they have been the most successful, these have been mostly British. This way out of the difficulty has often been profitable both to the banks and to the individuals who lent them the skill and training that they lacked. In the course of normal development, also, this arrangement will form the nucleus on which to build a properly trained American corps of professional foreign bankers. Finally they will all be of American nationality, or predominantly so, and upon how this group is selected and trained will depend chiefly the success of American banking abroad.

The "One Hundred Per Center" Nuisance

Every American who has traveled much abroad is familiar with the individual who is constantly and noisily tormenting our much hallowed American eagle. Such individuals never endeavor to adjust their own points of view to things around them but continually compare things as they find them abroad with those in their own home towns, and their conclusions leave no doubt as to the relative merits. They are a nuisance to other Americans abroad and, which is worse, many foreigners who have never traveled in America take them, and not the quiet individuals who represent the best Americans, as "typical Americans." They are loud in their protestations of one hundred per-centism, so it matters little that they are not true Americans—Americans who represent the ideals and motives, though not necessarily by

long lineage, at the foundation of this nation.

Such a type cannot help abroad in diplomacy or in business and certainly not in banking where international contacts are frequent and numerous and where competition is direct and personal. The individual who will help is the one endowed with adaptability, resourcefulness, and an ability to gain the other point of view. Americans have ideas of their own—rather national in character and ranging from little mannerisms and prohibition (and anti-prohibition) to methods of doing business—and whether or not they agree with the other fellow, it is valuable to reason from his point of view and arrive calmly at his view of it. Rightly or wrongly his ideas are based on reasoned judgment and American standards are, after all, not always immutable. Perhaps it is setting a high standard to seek in the foreign branch bank worker qualities more apt to be required of the diplomat, but adaptability to various points of view is a requisite certainly as essential as much of the actual office work, and if the standard is high it is one to which all must aspire.

These qualities have more to do with the general character of the man than with his ability in the bank itself and they should be judged quite separately as they will be equally essential in our foreign representatives. The answer, or solution, is that those whose business it is to select the juniors (who will eventually be the managers) for training for foreign branches should be thoroughly conversant with the life that "foreigners" live and the work they do abroad, and they should, through a good knowledge and understanding of young American manhood, never make the error of picking square pegs for round holes. This is purely a matter of judgment and experience and we can arrive at no fixed standards, but the officers who appoint and administer the foreign staff should exercise great discrimination.

The Type of Men Needed

As for actual banking knowledge the young men who are to represent us abroad at first in junior capacities should be, while not trained bankers, at least potential bankers. Such a human commodity is scarce with us and to a large degree we must develop it along with our branch banking system. This is not entirely unfortunate because to some extent their knowledge must be technically distinct from that of a home banker, and by living abroad from early manhood their general outlook will broaden and their adaptability will grow. In the training of the juniors selected for foreign service there are at least a few general principles that we may follow.

It should be fundamental; it is necessary that our potential executives be grounded in office routine, accuracy, accounts, and self-discipline as well as in the more high-sounding and indeed valuable, although less fundamental, "principles of finance," etc., of which we read in our modern college bulletins. No method of acquiring this training has yet been devised which surpasses the old fashioned method of starting in at the bottom and working up, but for our purposes we can make a distinction between starting at the bottom through the urge of economic necessity and being started there as a matter of training and being worked up gradually but as rapidly as the individual's efforts will permit. Certainly the prospective foreign banker should have a pretty thorough knowledge of the elements of his work before he goes abroad (which does not mean the science of foreign exchange so much as it does general banking practice), and his life abroad should begin as early as practicable so that there will be no necessity for a general readjustment after he is more mature and has begun his life job.

Possibly in this respect the British have a great advantage over us because their system gets the young man started a few years earlier. Broadly speaking, the English public school boy has a gen-

eral education comparable to that of our *average* college graduate, but he is some years younger, and if he goes into a bank as an "apprentice" as part of his education (the pay is nominal) he has added quite a bit of professional study and actual routine work to his education by the time he reaches the age of our college graduate. This, however, is a difference in the two systems of education and we can, no doubt, adapt ours as successfully in this instance as we have in other fields of business. It is, of course, an educational question as to whether or not of late years "college education" has become too general in America and has by its wider scope tended to level down all students and hence raise the age of graduation for the more capable. But that is an educational problem—not ours—and with things as they are our principal raw material is the college graduate of twenty-one or twenty-two. For such a man to start absolutely at the bottom in a bank, loses, apparently, several years but actually his training should gain him something in more rapid progress; in any case it is at the bottom that he should begin.

Where the Colleges Help

Some colleges and business organizations have worked out a method of co-operation which may partly overcome this handicap and the plan may assist us in training foreign bankers as it has in other directions. We will assume that the student, if not enrolled in one of the departments or schools of commerce, has "majored" in economics and social sciences. He has had an opportunity to acquire a fund of general theoretical knowledge—and theory after all, as some Irish banking writer recently put it, when properly dissected is nothing more nor less than knowledge of the first principles which are necessary to successful practice. This knowledge he would of necessity have to gain by some means and if, with this, he has by some co-operative arrangement worked for a couple of vacations in a bank

(with or without a nominal salary) he will, when he leaves college, have had some of the general training along the lines desired. It should be enough, also, to enable the young man to determine whether or not he is on the right track and this to him, as well as to the bank that will subsequently spend time, effort, and some money on his training, is worth a great deal.

If the banks can start with some such material as this or with young men who by one means or another have acquired some practical business training along with their formal schooling they will find it is not entirely raw material, and, if this much training and education has been accomplished successfully, it will not be untried material. The next step in their practical education should bring them into actual work.

They should go into the bank on real jobs, and as minor clerks in the various departments be thoroughly taught the routine. In a large New York office the department head is apt to resent having a new man put under him who is a lot of trouble and no real help, for a time at least, in getting out the work of the department, and when the work is pressing this is quite a human feeling. The new clerk is much more trouble than he is worth but the department heads should be so instructed that they will understand this to be equally a part of their jobs, and if the green clerk is of the timber that will be required he will not long remain merely a nuisance. Naturally his duties will be elementary, but in these he can be of some assistance in doing the work of the head office, and they will constitute an important part of his general training.

Training Should Be Inclusive

This training should be as inclusive as possible; he should be in all the principal departments long enough to learn their routine and to understand the inter-departmental relationships. In the course of this rotation, too, he will see something of the

work of the foreign branches as they touch head office, but most important he should get an all around basic idea of the business of banking. In 1908 Andrew Carnegie called attention to the unscientific character of our banking: his specific criticism has been largely met by the creation of the reserve banks, but especially where foreign banking is concerned there is still much truth in his comment, and (unpleasant perhaps) the way out often begins in the drudgery of routine. No bank executive can know too much about the details of the clerical work that comes in a much condensed form to his desk.

As he goes through the departments the junior should acquire a first hand knowledge of the mechanical work of the bank and as he progresses toward the end of his training he should come into some direct contact with the officers of the bank so that they may judge of his potentialities, and so that he may, before he goes abroad, have a general concept of the bank's objects and ideals in foreign business. And if he is destined for the so called out of the way places of the world—South America, the Orient, etc.—a time in the office of the London branch or affiliate will greatly benefit him. He will learn something of the English way of doing things, which is important both directly and indirectly in these "out of the way" places. Besides having a touch of foreign residence he will learn something of the people with whom he will be thrown in "foreign colonies" and whose methods will mingle with his own. If he is there for any length of time, the exceptional facilities of the English Institute of Bankers will be open to him and propinquity will lead him to seek some knowledge of the great English banks and of the outstanding figures—from theoretical econ-

omists to hard-headed bankers—that have been nurtured in the City of London. The American banker abroad should be informed on all these subjects.

Experience comes only with time, and knowledge and experience combine to form the good judgment which, with technical ability, characterizes our best bankers, but the promising junior with training along these general lines should be competent when he goes abroad to direct or assist in the direction of a department in a foreign branch. If he is of the right calibre his life and work abroad will broaden and develop his knowledge, and it is to some such timber that we must look for the answer to our inquiries concerning success in banking competition abroad. It will be objected, at this point, that Americans do not want to spend their lives abroad and certainly for no other reason than extraordinary material reward. It is true that there are relatively fewer Americans willing to leave home than there are in the crowded countries of Europe, but in all this great country we can surely find enough with a true interest in the foreign banking field to satisfy our demands. While their reward must be commensurate with their ability and in line with that of other business representatives abroad it is as true abroad as it is at home that salaries finally depend upon earning capacity and merit. From the young man's point of view the opportunities are identical with the possibilities for development in this increasingly great field of banking. If there is a problem as to the development of this field, its solution lies not in finding some economic or political hocus pocus but in developing sound conservative foreign bankers who are as good, and we may hope a little better, than the others.



The National Bank Bill

By Louis T. McFadden

Chairman of the House Committee on Banking and Currency

THE National Bank Bill which failed of passage in the Senate at the last session of Congress will be reintroduced in the House at the next session in essentially the same form in which it passed the House last January. The only material difference between the House bill and the bill as reported to the Senate is in the disagreement over the prohibition upon statewide branch banking in the Federal Reserve System made by section nine of the House bill. The Senate committee struck out this section; the other sixteen sections are the same in substance in both bills with one or two unimportant exceptions.

No financial measure within recent years has been given closer study by the writer and members of the Committee on Banking and Currency. For several years past the need for certain amendments to the banking laws has become increasingly apparent, and last year Congress became impressed with the necessity for immediate action. After many conferences with the Comptroller of the Currency, and after a very exhaustive investigation by that official into the technical aspects of the need for new legislation, a bill was finally drafted, introduced in the House and referred to the Committee on Banking and Currency. This committee not only held public hearings on the bill but gave every section the most careful study in executive session. This measure was favorably reported to the House and after debate of several days was passed on January 14, 1925. It is not necessary for me to enumerate the various provisions of the bill, since it has been before the public for more than a year and has been extensively discussed by the banking fraternity. I may say, however, that the main purpose of the bill is to remove certain outstanding handicaps from the national banks which now stand in the

way of carrying on a full-fledged and efficient modern banking business. The National Bank Act, as readers know, has been on the statute books for more than half a century and has not been sufficiently amended within recent times to accord with some of the more modern demands for banking services. This is not true of many of the state banking codes. Since the trust companies are now engaged in carrying on a commercial banking business and are in immediate competition with the national banks in this field, in addition to the other banking services which their state charter powers permit them to render, the national banks find themselves at a serious disadvantage. More favorable state banking laws have enabled the state banks and trust companies to develop forms of banking service which the public has come to recognize and expect from a bank and which, in fact, from an economic and governmental standpoint have been demonstrated to be sound.

Congress has already recognized this situation in part by permitting national banks to exercise trust powers and thus have an opportunity to get their share of the very profitable trust business which is being built up by the banks as a regular banking service. This bill simply goes a little further in the same direction, but proceeds with the same conservatism and caution in expanding the powers of the national banks. After this bill becomes a law, and I have no doubt that it will be enacted into law at the coming session, the national banks will not be permitted to exercise any charter powers of which a conservative banker can reasonably disapprove.

The Charter Question

For example, the national banks are at a disadvantage by having their charter powers restricted to a term of years.

As time passes the period of the life of the charter grows less and less until a time is reached when the charter expires by operation of law. No such charter limitation affects the state banks and trust companies in practically all of the metropolitan financial centers. This has a direct bearing on the trust business of a bank. How can a national bank with a limited charter accept the administration of a trust which is perpetual in its nature or extends over a longer term of years than the charter term of the bank? This question is of considerable embarrassment to the national banks and has been the cause of several national banks giving up their national charters in favor of state charters. These perpetual trusts in the nature of educational and scientific and charitable foundations are becoming of increasing importance, and the national banks should not be deprived of the opportunity to administer them. Consequently, the bill gives to national banks the right to hold their charter powers for an indefinite length of time subject at all times to the will of Congress and to the operation of the laws relating to liquidation and insolvency. When this provision becomes a law the national banks will be upon the same plane, as to the continuance of their corporate existence, as are the state banks in Arkansas, Connecticut, Florida, Illinois, Kentucky, Maine, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, Vermont, Virginia and West Virginia. It will be noted that these states include the important cities of New York, Buffalo, Boston, Chicago, St. Paul, Minneapolis, Cleveland, Cincinnati, Louisville, Omaha, Providence, Nashville, Richmond and a number of other lesser financial centers.

First Mortgage Loans

Let me give another example of how the bill amends the national banking laws. It is in connection with first mortgage loans. For a long time there

has been a worthy tradition against tying up the commercial deposits of a bank in long time loans upon the security of real estate. The Federal Government has, with great strictness, enforced this principle upon the national banks. The demand deposits in a commercial bank should not be invested in such slow assets even though the security is recognized as ample and safe. But alongside of the commercial business of banks in general there has grown up another line of banking business, that of receiving savings deposits. In any well-rounded banking service today you will find a savings department in operation. This applies both to national and state commercial banks, even in those few states in which there are organized separate savings banks. There are on deposit today in the national banks a total of savings deposits to an amount of about \$5,000,000,000, which is about one-fourth of the entire savings deposits in all banks in the United States. There are about 11,000,000 individual savings depositors in national banks, constituting about one-third of all of the persons carrying money in savings deposits in all banks. These figures do not include commercial time deposits.

Although the state banks and trust companies are permitted to make loans upon the security of real estate for considerable periods of time, the national banks may not make such a loan upon the security of a first mortgage upon city real estate for a longer period than one year and they cannot lend in this manner a total sum in excess of one-third of their time or savings deposits, although they may make loans upon improved farm property for a period of five years. This restriction to one year is a serious handicap to the national banks, especially to those located in the smaller cities. A first mortgage upon properly appraised city real estate makes as safe a loan as can be made, and where the funds so loaned are limited to savings deposits there is every reason to encourage the development of this character of business by the national banks. In fact, if

the national banks are not permitted to compete in this field with the trust companies, it will prove disastrous to the national banking system. The present policy of the law is not only to disqualify national banks from engaging in this constructive economic activity, but also to compel many small banks to seek outside investments, about which they know very little, for their savings deposits. It penalizes the national banks by preventing them from taking advantage of the best security that many of their customers have to offer, thereby causing them to lose such customers.

The bill, therefore, extends the time which a national bank may make loans upon the security of first mortgages upon city property from one year to five years and permits a total sum to be thus invested equal to one-half of the savings deposits. Each such loan is limited to 50 per cent. of the appraised value of the property. This, I think, is one of the most commendable amendments in the bill.

Other sections of the bill deal with technical questions of banking. Some of them remove archaic restrictions and repeal obsolete provisions of law. Others are designed to clarify the law as it exists at the present time. Among these is the provision for the regulation of the investment security business of national banks. This is a recognized modern banking service concerning which the National Bank Act needs adjustment.

Since the bill was originally introduced, there has appeared, from time to time, some objector to certain provisions, but invariably upon close analysis and explanation of the purpose of the bill the objection disappeared.

Branch Banking

So far as the terms of the bill are concerned the opposition has dwindled down to one section—section nine—which undertakes to express a national policy on the subject of branch banking by prohibiting the further extension of state-wide branch banking in the Fed-



© BACHRACH

CONGRESSMAN L. T. McFADDEN
Chairman of the Committee on Banking and
Currency, House of Representatives, and
author of the bill proposing amend-
ments to the National Bank Act

eral Reserve System. This opposition comes from a small group of state branch banking systems and their sympathizers. They believe that branch banking is destined to become the banking system of the United States similar to the European system. This is the system in vogue in Canada and we are more familiar with branch banking as carried on there than on the other side. In Canada there are only eleven banks and these are located in the two cities of Montreal and Toronto. They operate about 5000 branches over the vast territory of the Dominion, extending from coast to coast. I shall not attempt to become here involved in a discussion of the pros and cons of branch banking but deem it sufficient to say that Congress is not ready to give its sanction to a policy which will lead directly to the extermination of our system of unit banks, large and small, through the services of which there has been erected a system of finance without equal in the

world for strength, vitality and adaptability to local needs. In this section of the bill, therefore, the House took the position that the time had come for Congress to express its disapproval of state-wide branch banking by enacting appropriate legislation with reference to the two financial instrumentalities under its direct control; namely, the national banking system and the Federal Reserve System. In section eight of the bill, national banks are prohibited from engaging in state-wide branch banking and in section nine the same restriction is put upon the state bank members of the Federal Reserve System.

An Emergency Measure

There is another group which has opposed the bill as a whole, upon the ground that it has been formulated without a previous exhaustive scientific study by a commission of economists and bankers. They apparently wish to see a bill introduced which would have for its purpose the solution of all of the banking problems, Federal Reserve, national and state, which are before the country today. In this connection, I desire to take this opportunity to say that the present national bank bill is not an attempt at a scientific codification of all of the banking laws over which the Federal Government might have jurisdiction. There may be a need for some such codification and there are, no doubt, many unanswered questions of banking of which the Federal Government could take cognizance but which are not covered in this bill. This bill is an emergency measure. It takes no great amount of deliberation by a scientific body to comprehend what it proposes to do. Each section of it is an amendment to some particular section of the national banking laws. After a most exhaustive study by the office of the Comptroller of the Currency and by the House Committee on Banking and Currency it was decided to center upon these particular amendments at this time in order to give to the national banks immediate relief from certain

archaic restrictions imposed upon them by the National Bank Act. The Comptroller of the Currency is in direct contact with all of the national banks. He has in the field experienced national bank examiners who keep him in touch with banking conditions in every part of the United States. His office has a body of experience and a fund of information which cannot be found elsewhere and no commission, however constituted, could lay before Congress an intelligible national banking measure without having the benefit of the Comptroller's experience. This is the reason why Congress has imposed upon the Comptroller of the Currency the duty each year of making recommendations as to changes in the banking laws.

This bill is not open to criticism for any lack of competent consideration of its subject matter. It is based upon recommendations from the Comptroller and is put in the legislative form desired by the House committee to carry out the policies intended.

The emergency which the national banks as a system face today is due to the lack of the charter powers to meet the requirements of modern economic conditions in industry and commerce. Changes in the banking laws have not kept pace with the revolutionary changes which have taken place within recent years in production, transportation and communication. Many of the state legislatures have recently enacted new banking codes in order that the state commercial banks and trust companies may be equipped to meet these new demands. It cannot be expected that the national banks will sit idly by and wait indefinitely for Congress also to take action. Many of them have already taken out state charters and many more will doubtless follow in the near future if enabling legislation is not speedily enacted. This bill is an answer to this need. It simply touches upon the most salient defects of the national banking laws as they relate to the operating conditions of the national banks. It is necessary now to put the national banks on their feet. When this

is done there will be time enough for a commission to deliberate and report with reference to the many other problems of banking which must be ultimately solved.

Text of the Bill

The text of H. R. 8887, as it passed the House of Representatives follows:

AN ACT

To amend an Act entitled "An Act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal Reserve Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the consolidation of national banking associations," approved November 7, 1918, be amended by adding at the end thereof a new section to read as follows:

"SEC. 3. That any bank or trust company incorporated under the laws of any State, or any bank or trust company incorporated in the District of Columbia, may be consolidated with a national banking association located in the same county, city, town, or village under the charter of such national banking association on such terms and conditions as may be lawfully agreed upon by a majority of the board of directors of each association, bank, or trust company proposing to consolidate, and which agreement shall be ratified and confirmed by the affirmative vote of the shareholders of each such association, bank, or trust company owning at least two-thirds of its capital stock outstanding, or by a greater proportion of such capital stock in the case of such State bank or trust company if the laws of the State where the same is organized so require, at a meeting to be held on the call of the directors after publishing notice of the time, place, and object of the meeting for four consecutive weeks in some newspaper of general circulation published in the place where the said association, bank, or trust company is located, and if no newspaper is published in the place, then in a paper of general circulation published nearest thereto, unless such notice of meet-

ing is waived in writing by all stockholders of any such association, bank, or trust company and after sending such notice to each shareholder of record by registered mail at least ten days prior to said meeting, but any additional notice shall be given to the shareholders of such State bank or trust company which may be required by the laws of the State where the same is organized: *Provided,* That the capital stock of such consolidated association shall not be less than that required under existing law for the organization of a national banking association in the place in which such consolidated association is located; and all the rights, franchises, and interests of such State bank or trust company so consolidated with a national banking association in and to every species of property, real, personal, and mixed, and choses in action thereto belonging, shall be deemed to be transferred to and vested in such national banking association into which it is consolidated without any deed or other transfer, and the said consolidated national banking association shall hold and enjoy the same and all rights of property, franchises, and interests in the same manner and to the same extent as was held and enjoyed by such State bank or trust company so consolidated with such national banking association: *And provided further,* That when such consolidation shall have been effected and approved by the comptroller any shareholder of either the association or of the State bank or trust company so consolidated, who has not voted for such consolidation, may give notice to the directors of the consolidated association within twenty days from the date of the certificate of approval of the comptroller that he dissents from the plan of consolidation as adopted and approved, whereupon he shall be entitled to receive the value of the shares so held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by the shareholder, one by the directors of the consolidated association, and the third by the two so chosen; and in case the value so fixed shall not be satisfactory to such shareholder he may within five days after being notified of the appraisal appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding; and the consolidated association shall pay the expenses of reappraisal, and the value as ascertained by such appraisal or reappraisal shall be deemed to be a debt due and shall be forthwith paid to said shareholder by said consolidated association, and the shares so paid for shall be surrendered and, after due notice, sold at public auction within thirty days after the final appraisement provided for in this Act; and if the shares so sold at public auction shall be sold at a price

greater than the final appraised value, the excess in such sale price shall be paid to the said shareholder; and the consolidated association shall have the right to purchase such shares at public auction, if it is the highest bidder therefor, for the purpose of reselling such shares within thirty days thereafter to such person or persons and at such price as its board of directors by resolution may determine: *And provided further*, That the liquidation of such shares of stock in any State bank or trust company shall be determined in the manner prescribed by the law of the State in such cases if such provision is made in the State law; otherwise as hereinbefore provided: *And provided further*, That no such consolidation shall be in contravention of the law of the State under which such bank or trust company is incorporated: *And provided further*, That, except as to branches in foreign countries or dependencies or insular possessions of the United States, it shall be unlawful for any such consolidated association to retain in operation any branches which may have been established beyond the corporate limits of the city, town, or village in which such consolidated association is located, and it shall be unlawful for any such consolidated association to retain in operation any branches which may have been established subsequent to the approval of this Act within the corporate limits of the city, town, or village in which such consolidated association is located, in any State which at the time of the approval of this Act did not, by law or regulation, permit State banks or trust companies created by or existing under the laws of such State to have such branches."

SEC. 2. That section 5136 of the Revised Statutes of the United States, subsection "Second" thereof as amended, be amended to read as follows:

"Second. To have succession from the date of the approval of this Act, or from the date of its organization if organized after such date of approval until such time as it be dissolved by the act of its shareholders owning two-thirds of its stock, or until its franchise becomes forfeited by reason of violation of law, or until terminated by either a general or a special Act of Congress or until its affairs be placed in the hands of a receiver and finally wound up by him."

SEC. 3. That section 5137 of the Revised Statutes of the United States, subsection "First" thereof, be amended to read as follows:

"First. Such as shall be necessary for its accommodation in the transaction of its business."

Capital Requirements

SEC. 4. That section 5138 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5138. No association shall be organized with a less capital than \$100,000, except that banks with a capital of not less than \$50,000 may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than \$25,000 may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than \$200,000, except that in the outlying districts of such a city banks now organized or hereafter organized may, with the approval of the Comptroller of the Currency, have a capital of not less than \$100,000."

SEC. 5. That section 5142 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5142. Any national banking association may, with the approval of the Comptroller of the Currency, and by a vote of shareholders owning two-thirds of the stock of such association, increase its capital stock to any sum approved by the said comptroller, but no increase in capital shall be valid until the whole amount of such increase is paid in and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase in capital stock and his approval thereof, and that it has been duly paid in as part of the capital of such association: *Provided, however*, That a national banking association may, with the approval of the Comptroller of the Currency, and by the vote of shareholders owning two-thirds of the stock of such association, increase its capital stock by the declaration of a stock dividend, provided that the surplus of said association, after the approval of the increase, shall be at least equal to 20 per centum of the capital stock as increased. Such increase shall not be effective until a certificate certifying to such declaration of dividend, signed by the president, vice president, or cashier of said association and duly acknowledged before a notary public, shall have been forwarded to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase of

capital stock by stock dividend, and his approval thereof."

SEC. 6. That section 5150 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5150. The president of the bank shall be a member of the board and shall be the chairman thereof, but the board may designate a director in lieu of the president to be chairman of the board, who shall perform such duties as may be designated by the board."

Restriction of Branches

SEC. 7. That section 5155 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5155. It shall be lawful for any bank or banking association organized under State laws and having branches to become a national banking association in conformity with existing laws, and to retain and keep in operation its branches, or such one or more of them as its may elect to retain: *Provided*, That no such State bank having branches in operation outside of the corporate limits or other such boundaries of the city, town, or village in which such State bank is located, but not including any branch established in a foreign country or dependency or insular possession of the United States, shall, upon conversion into a national banking association, retain or keep in operation such branches: *And provided further*, That it shall be lawful for any national banking association having, prior to the approval of this Act, acquired branches by virtue of having elected to retain such branches after having been converted from a State bank with branches into a national banking association, or through consolidation with such an association having such branches, to continue to operate any such branches, but it shall be unlawful for any national banking association having been converted into such association under the provisions of section 5154 of the Revised Statutes to retain in operation any branch, wherever located, which may have been established subsequent to the approval of this Act, in any State which did not by law or regulation, at the time of the approval of this Act, permit State banks or trust companies created by or existing under the laws of such State to have branches."

SEC. 8. That section 5190 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5190. The general business of each national banking association shall be transacted at only one office or banking house, which shall be located in the place specified in its organization certificate, and no such

association shall own, establish, maintain, or operate any branch or branches in any State which does not at the time of the approval of this Act by law or regulation authorize banks created by or existing under the laws of such State to own, establish, maintain, and operate such branches, and no such association in any State whatsoever shall own, establish, maintain, or operate any branch or branches beyond the corporate limits of the municipality wherein such association is located, but any such association in any State which by law or regulation at the time of the approval of this Act authorizes banks created by or existing under the laws of such State to own, establish, maintain, and operate such branches may, upon application to the Comptroller of the Currency and upon approval by him, be permitted to establish and operate a branch or branches within the corporate limits of the municipality wherein such association is located, but it shall be unlawful for any such association to maintain in operation any branch within the corporate limits of such a municipality where the population by the last decennial census is less than twenty-five thousand and not more than one such branch where such population is not less than twenty-five thousand and not more than fifty thousand, and not more than two such branches where such population is not less than fifty thousand and not more than one hundred thousand, but these restrictions as to number shall not be construed to require the relinquishment of any branches acquired prior to the approval of this Act: *Provided, however*, That all such branches of such associations shall be subject to the general supervisory powers of the Comptroller of the Currency and shall operate under such regulations as he may prescribe: *And provided further*, That it shall be unlawful for any such association to establish a branch in any State subsequent to the repeal or revocation by such State of the law or regulation under the authority of which permission was granted to banks created by or existing under the laws of such State to engage in branch banking.

"The term 'branch' or 'branches' as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or Territory of the United States or in the District of Columbia at which deposits are received or checks cashed or money loaned."

"This section shall not be construed to amend or repeal section 25 of the Federal Reserve Act, as amended, authorizing the establishment by national banking associations of branches in foreign countries or dependencies or insular possessions of the United States."

SEC. 9. That the first paragraph of section 9 of the Federal Reserve Act be amended by adding at the end thereof two provisions and a new paragraph to read as follows:

A Controversial Provision

"*Provided*, That on and after the approval of this Act the board shall not permit any such applying bank to become a stockholder of such Federal reserve bank except upon condition that such applying bank relinquish any branches which it may have in operation beyond the corporate limits of the municipality in which the parent bank is located, and it shall be unlawful for any such applying bank in any State which does not by law or regulation, at the time of the approval of this Act, permit State banks or trust companies created by or existing under the laws of such State, to have branches within the limits of municipalities in such State, to become such a stockholder of such Federal Reserve Bank except upon condition that such applying bank relinquish any branches which it may have established subsequent to the approval of this Act: *Provided further*, That it shall be unlawful for any member bank after the approval of this Act to establish a branch beyond the corporate limits of the municipality in which such bank is located, and it shall be unlawful for any such member bank to maintain in operation any branch within the corporate limits of such a municipality where the population by the last decennial census is less than twenty-five thousand and not more than one such branch where such population is not less than twenty-five thousand and not more than fifty thousand and not more than two such branches where such population is not less than fifty thousand and not more than one hundred thousand, but these restrictions as to number shall not be construed to require the relinquishment of any branches acquired prior to the approval of this Act: *And provided further*, That the establishment of any branch by a member bank shall not require the approval of the Federal Reserve Board: *And provided further*, That it shall be unlawful for any such member bank to establish a branch within the limits of the municipality where such bank is located, in any State which does not by law or regulation, at the time of the approval of this Act, permit State banks or trust companies created by or existing under the laws of such State to have branches within the limits of such municipalities in such State.

"The term 'branch or branches' as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or Territory

of the United States or in the District of Columbia at which deposits are received or checks cashed or money loaned, but shall not include any branch established in a foreign country or dependency or insular possession of the United States."

✓ *Limitation of Obligations*

SEC. 10. That section 5200 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC 5200. The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term 'obligations' shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof. Such limitation of 10 per centum shall be subject to the following exceptions:

"(1) Obligations in the form of drafts or bills of exchange drawn in good faith against actually existing values shall not be subject under this section to any limitation based upon such capital and surplus.

"(2) Obligations arising out of the discount of commercial or business paper actually owned by the person, copartnership, association, or corporation negotiating the same shall not be subject under this section to any limitation based upon such capital and surplus.

"(3) Obligations drawn in good faith against actually existing values and secured by goods or commodities in process of shipment shall not be subject under this section to any limitation based upon such capital and surplus.

"(4) Obligations as indorser or guarantor of notes, other than commercial or business paper excepted under (2) hereof, having a maturity of not more than six months, and owned by the person, corporation, association, or copartnership indorsing and negotiating the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

"(5) Obligations in the form of bankers' acceptances of other banks of the kind described in section 13 of the Federal Reserve Act shall not be subject under this section

to any limitation based upon such capital and surplus.

"(6) Obligations of any person, copartnership, association or corporation, in the form of notes or drafts secured by shipping documents, warehouse receipts or other such documents transferring or securing title covering readily marketable nonperishable staples when such property is fully covered by insurance shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus when the market value of such staples securing such obligation is not at any time less than 115 per centum of the face amount of such obligation, and to an additional increase of limitation of 5 per centum of such capital and surplus in addition to such 25 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 120 per centum of the face amount of such additional obligation, and to further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 30 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 125 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 35 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 130 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 40 per centum of such capital and surplus when the market value of such staples securing such additional obligations is not at any time less than 135 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 45 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 140 per centum of the face amount of such additional obligation, but this exception shall not apply to obligations of any one person, copartnership, association or corporation arising from the same transactions and secured upon the identical staples for more than ten months.

"(7) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the

livestock securing the obligation is not at any time less than 115 per centum of the face amount of the notes covered by such documents shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

"(8) Obligations of any person, copartnership, association, or corporation in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, shall (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

"(9) Obligations of the kind described in section 24 (b) of the Federal Reserve Act as amended shall be subject to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus; except that obligations of the United States or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the Federal Farm Loan Act, shall not be subject under this section to any limitation based on such capital and surplus: *Provided*, That purchases completed before the passage of this Act shall not be subject to the limitation imposed by this subdivision until the 31st day of December, 1925."

SEC. 11. That section 5202 of the Revised Statutes of the United States as amended be amended by adding at the end thereof a new paragraph to read as follows:

"Eighth. Liabilities incurred under the provisions of section 202 of Title II of the Federal Farm Loan Act, approved July 17, 1916, as amended by the Agricultural Credits Act of 1923."

Certifying of Checks

SEC. 12. That section 5208 of the Revised Statutes of the United States as amended be amended by striking out the words "or who shall certify a check before the amount thereof shall have been regularly entered to the credit of the drawer upon the books of the bank," and in lieu thereof inserting the following: "or who shall certify a check before the amount thereof shall have been regularly deposited in the bank by the drawer thereof," so that the section as amended shall read as follows:

"SEC. 5208. It shall be unlawful for any officer, director, agent, or employee of any Federal reserve bank, or any member bank

as defined in the Act of December 23, 1913, known as the Federal Reserve Act, to certify any check drawn upon such Federal reserve bank or member bank unless the person, firm, or corporation drawing the check has on deposit with such Federal reserve bank or member bank, at the time such check is certified, an amount of money not less than the amount specified in such check. Any check so certified by a duly authorized officer, director, agent, or employee shall be a good and valid obligation against such Federal reserve bank or member bank; but the act of any officer, director, agent, or employee of any such Federal reserve bank or member bank in violation of this section shall, in the discretion of the Federal Reserve Board, subject such Federal reserve bank to the penalties imposed by section 11, subsection (h) of the Federal Reserve Act, and shall subject such member bank, if a national bank, to the liabilities and proceedings on the part of the Comptroller of the Currency provided for in section 5234, Revised Statutes, and shall, in the discretion of the Federal Reserve Board, subject any other member bank to the penalties imposed by section 9 of said Federal Reserve Act for the violation of any of the provisions of said Act. Any officer, director, agent, or employee of any Federal reserve bank or member bank who shall willfully violate the provisions of this section, or who shall resort to any device, or receive any fictitious obligation, directly or collaterally, in order to evade the provisions thereof, or who shall certify a check before the amount thereof shall have been regularly deposited in the bank by the drawer thereof, shall be deemed guilty of a misdemeanor and shall, on conviction thereof in any district court of the United States, be fined not more than \$5,000, or shall be imprisoned for not more than five years, or both, in the discretion of the court."

Reports to Comptroller

SEC. 13. That section 5211 of the Revised Statutes of the United States as amended be amended to read as follows:

"SEC. 5211. Every association shall make to the Comptroller of the Currency not less than three reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president, or of the cashier, or of a vice president, or of an assistant cashier of the association designated by its board of directors to verify such reports in the absence of the president and cashier, taken before a notary public properly authorized and commissioned by the State in which such notary resides and the association is located, or any other officer having an official seal, authorized in such State to ad-

minister oaths, and attested by the signature of at least three of the directors. Each such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the association at the close of business on any past day by him specified, and shall be transmitted to the comptroller within five days after the receipt of a request or requisition therefor from him, and the statement of resources and liabilities, together with acknowledgment and attestation in the same form in which it is made to the comptroller, shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in the one published nearest thereto in the same county, at the expense of the association; and such proof of publication shall be furnished as may be required by the comptroller. The comptroller shall also have power to call for special reports from any particular association whenever in his judgment the same are necessary in order to obtain a full and complete knowledge of its condition."

SEC. 14. That the fourth paragraph of section 13 of the Federal Reserve Act be amended to read as follows:

"No Federal reserve bank shall discount for any member bank notes, drafts, or bills of exchange of any one borrower in an amount greater than may be borrowed lawfully from any national banking association under the terms of section 5200 of the Revised Statutes, as amended: *Provided, however,* That nothing in this paragraph shall be construed to change the character or classes of paper now eligible for discount by Federal Reserve Banks."

Safe Deposit Companies

SEC. 15. That section 13 of the Federal Reserve Act be amended by adding at the end thereof a new paragraph to read as follows:

"That in addition to the powers now vested by law in national banking associations organized under the laws of the United States, any such associations may engage in the business commonly known as safe deposit business either by leasing receptacles on its premises or by owning stock in a corporation organized under the law of any State to conduct a safe deposit business located on or adjacent to the premises of such association: *Provided, however,* That the amount invested in the capital stock of any such safe deposit corporation by such association shall not exceed 15 per centum of the capital stock of such association actually paid in and unimpaired and 15 per centum of its unimpaired surplus."

SEC. 16. That section 22 of the Federal Reserve Act, subsection (a), paragraph 2 thereof, be amended to read as follows:

"(a) No member bank and no officer, director, or employe thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director, or employe violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given.

"Any examiner or assistant examiner who shall accept a loan or gratuity from any bank examined by him, or from an officer, director, or employe thereof, or who shall steal, or unlawfully take, or unlawfully conceal any money, note, draft, bond, or security or any other property of value in the possession of any member bank or from any safe deposit box in or adjacent to the premises of such bank, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity given, or property stolen, and shall forever thereafter be disqualified from holding office as a national bank examiner."

Loans on Real Estate

SEC. 17. That section 24 of the Federal Reserve Act be amended to read as follows:

"SEC. 24. (a) Any national banking association may make loans secured by first lien upon improved real estate, including improved farm land, situated within its Federal reserve district or within a radius of one hundred miles of the place in which

such bank is located, irrespective of district lines. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument upon real estate when the entire amount of such obligation or obligations is made or is sold to such association. The amount of any such loan shall not exceed 50 per centum of the actual value of the real estate offered for security, and such loan shall not run for a longer term than five years. Any such bank may make such loans only when the aggregate amount of such loans held by it or on which it is liable as indorser or guarantor or otherwise does not exceed a sum equal to 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, or to one-third of its time deposits, at the election of the association, subject to the general limitation contained in section 5200 of the Revised Statutes of the United States. Such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same, but the rate of interest which such banks may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized to be paid upon such deposits by State banks or trust companies organized under the laws of the State wherein such national banking association is located;

"(b) Any national banking association may subject to the limitations contained in section 5200 (9) of the Revised Statutes of the United States, engage in the business of purchasing and selling without recourse obligations evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes debentures, and the like commonly known as investment securities."



The Bank Library

IN spite of the fact that there already are some sixty libraries flourishing in progressive banking institutions of the country, curiosity as to what a librarian does in a bank and what a bank does with a librarian is quite common.

One may assume at once that wherever

this innovation in the bank's organization has been made by the "hard-headed" banker it is only because he recognized its necessity in meeting the increasingly complex modern demands made upon his institution. The banker of today has to know facts and to keep informed on a variety of subjects which

were not even known to the banker of a decade ago.

Why a Library in a Bank?

Why not call upon the public library when specific information is needed? With equal reason one might ask, "Why not call upon a public stenographer as needed, instead of employing a secretary?"

The bank librarian is a kind of private secretary-at-large to all the executives of a bank. She is subject to immediate call at any hour of the day, whereas the librarian in a public library must apportion her time and attention equally among many users of the library. Information suddenly needed in an important conference can be produced at once from a book, pamphlet, or other source, in the library on the bank premises, whereas in the public library it might or might not be available at the moment, and in any case would have to be brought from a distance.

What Is a Bank Library?

The ordinary type of library is a visible, tangible collection of books requiring great expenditure of money and time to assemble. A bank library, curiously enough, can begin with only a librarian. This is true, because of the condition that obtains in practically every established institution of any size where the sources of information have not been organized.

An "invisible" library already exists in hundreds of reports, memoranda, bulletins, proceedings of associations, law books, directories, and encyclopedias, distributed throughout the bank in desk drawers, filing cases, or even in scattered book cases. Like the Pied Piper, the librarian summons all this material from its hiding places and assembles it in one central place. There it is made readily accessible to all departments of the bank, and duplication and unnecessary delay in getting hold of material is avoided.

Its development thereafter is gradual, but assured. Some of the standard banking books are acquired and the em-

ployes of the bank are encouraged to come to the library for help in their studies. Other books are acquired, almost volume by volume, as the need for them becomes evident. A careful selection of 200 or 300 books may answer every purpose. Books are, however, only a unit among the many sources that a bank librarian relies on for information.

Government releases, issued monthly, weekly, and daily, will supply statistics on bank debits, money in circulation, condition of the public debt, production, prices, crop estimates, etc., for use by the statistical department in compiling its review of business conditions.

Foreign government reports of many kinds will keep the foreign department supplied with official information and statistics concerning the countries in whose securities the bank is interested.

Annual reports of corporations will furnish the latest statements of condition to the credit department. The current magazines and daily papers are carefully scanned by the librarian for up-to-date information on topics in which the executives of the banks are interested.

The Bank Librarian

What service the banker can get from the bank library is determined, not by the size of the library, but by the training and ability of the librarian. If she is intelligent, drilled in library science and well informed, she will collect in the library the best material germane to every phase of the bank's activities, evaluating and eliminating, and so arranging it that it is readily available when called for. She will also anticipate demands of the bank's officers and staff, and bring to the attention of the executives current magazine articles and new books on subjects in which they are interested and upon which they should be informed.

When the library is so organized and managed it will fulfill its purpose as a central department of information and service and become a real asset to the institution.

Good Will or Good Bye!

By Allan B. Cook

Assistant vice-president Guardian Trust Company of Cleveland, Ohio

BACK in the dark ages, when drafts, bills of exchange, and other negotiable instruments were inscribed on bricks, stone tablets, and other handy missiles, it was necessary for a banker to keep his customers in a happy state of mind for obvious reasons. Today, verbal attacks upon the character of a banker's service can do far greater damage to the growth of his institution in any community than the crude, physical attacks of bygone years.

Unfortunately, in the minds of a great number of people, banks, public utility companies, and carriers are grouped together as satisfactory targets upon which such disgruntled persons long to release spleen and abuse. The banker in marketing his services is, therefore, faced with a very distinct sales resistance, which must be overcome if success is to crown his efforts. Frequently this antipathy toward banks and bankers exists in the most unexpected quarters, or, in other words, among executives of large corporations, and among other successful business men.

Some years ago, the general manager of a corporation, located on the eastern seaboard, hired a young man as a financial executive, and, when writing to the president regarding the change in personnel, stated that, in spite of the fact that the new executive had spent ten years as a member of the banking profession, he had been caught young enough not to be thoroughly contaminated with its ideals.

Such a statement emanating from a man in charge of a business running in excess of \$25,000,000 annually seems to be very unreasonable, but it demonstrates with unpleasant clarity a state of mind which cannot be disregarded and which must be overcome.

"The Customer is Always Right"

A considerable part of the success of the United Cigar Stores has been due to the good will created by the rule under which their employes operate, to the effect that "the customer is always right." There is no good reason why this principle with any necessary modifications cannot be utilized to the benefit of the bank in its relations with the public, for it merely means that the banker must greet all comers in a human way, and take the proper amount of time to listen to complaints and criticisms. All of us feel better when we have rid ourselves of our grief by telling the story of our troubles to an interested audience, and, therefore, are ready to listen to reason afterwards.

For example, some time ago, a customer of one of the large mid-western banks closed a fairly good sized account without warning. When the bank's representative called to express its regret at the loss of this business, his reception was courteous but frigid. He was told by the former customer that his visit was a distinct surprise in that the bank had never shown any interest in the account during its lifetime.

When asked why the deposit had been transferred to a competitive institution, the business man replied that, in spite of consistent effort on his part to describe the services of his organization to the senior officers of the trust company, he had been unsuccessful, and that, in response to a credit inquiry, some executive in the bank had given a wrong impression of the nature of his business.

After considerable urging upon the part of the banker the former depositor finally described the nature of his business at some length, and agreed to call at the bank within a few days to repeat

the story to one of its senior vice-presidents, thus allowing the bank to investigate the mistake thoroughly and to rectify it in the meantime. When the gentleman in question stepped into the bank, he was greeted cordially, received a sympathetic hearing, and gave the names of several of his clients so that the bank could check up the character of his services with persons thoroughly familiar with them. Within two weeks the bank announced that it was prepared to recommend those services unqualifiedly to any one applying to it for information, and that furthermore its letters would state that the financial standing of the former customer was unquestioned. When the official of the industrial concern stated that he felt it was an imposition to use the bank in that way, inasmuch as the relationship had been severed, he was told that such service was purely complimentary and rendered without any obligation upon his part.

In that manner ill will was dissipated and a friendly feeling created. In the course of the next few months, it was possible to supply this man with letters of introduction of considerable value to him and to render one or two unusual favors outside of the ordinary run of banking routine. Today the account has been re-established with an average balance five times as great as that before, and this is but a beginning, for ultimately it will run into six figures, all of which is due to sensible, sympathetic and human treatment of an unpleasant situation.

An Example of Lost Good Will Regained

Some twenty years ago, two young men with limited capital established a small foundry, and opened a bank account. In fair weather and during financial storms the bank loaned them money, thus enabling the venture to keep on even keel, and make substantial progress. Today these men are rich and attribute their financial success

largely to the assistance received from their bank. But in spite of that, when calling at the foundry, the bank's representative learned that part of the account had been given to a competitor, and that the remaining business was about to vanish in a short time.

The foundryman told him in no uncertain terms that the service rendered by the bank was of inferior quality, and, upon being questioned, related a tale of woe based upon the failure of the bank to furnish certain information which had been requested. It developed that there had been a misunderstanding in that the facts had been secured, but were held at the bank awaiting the call of the customer, while he thought the report was to be mailed to him.

At the proper time the banker, without appearing to do so, changed the trend of the conversation to a discussion of the foundry's problems of production, and learned that when a new type of casting was first run through the plant a tremendous quantity of material had to be scrapped because of faulty manufacture. Furthermore the foundryman stated that, even when a particular unit had been in production for twelve months or more, several per cent. of each run had to be discarded because of flaws, and that it was his opinion that this condition could not be entirely corrected even under the most efficient management, because of the human element in business.

It was only a step from this point forward to convince the manufacturer that the two or three errors of omission and commission which the bank had made in approximately twenty years indicated that it was handling its business, in spite of the human element, more satisfactorily than the foundryman could expect to run his own. Not only has the business been retained by the bank, but it has regained the portion which was lost and has transformed a dissatisfied customer from a knocker into a booster.

The Complaint That "Bankers Do Not Understand Business"

Very often the complaint is made by merchants that "bankers do not understand business." This remark is usually the result of the refusal of the bank to loan its funds for the financing of some specific transaction. In order to reduce misunderstanding of this character to a minimum, it is essential that banks endeavor to show customers how to secure the greatest benefit from such a financial connection. In other words, it is often possible for some official of the bank to counsel with customers in advance of an application for credit, and thus point out elements of strength in a given proposition, which the borrower may have overlooked or failed to stress properly, while calling his attention to certain inherent weaknesses in the financial problem, which must be corrected before it is a sound and bankable proposition.

A large number of rejected loans are refused because of the manner in which the proposed transaction was presented to the loan executive for consideration. This faulty presentation is due ordinarily either to the business man's failure to know exactly what he wants and why he wants it, or to his assumption that the banker is gifted with second sight, and, consequently, can create a complete and true mental picture from only that portion of the vital facts given him. Even though he may be the seventh son of a seventh son, the head of the loan department can only pass out the bank's money on credits which look good to him, and his committees and associates, and he will base his decision in that respect upon the actual information given by the customer.

A recent investigation by a bank's industrial accountants showed that a body manufacturer had a hidden profit on each piece of merchandise turned out in his plant, due to his system of computing costs of production, and that his earning power on a certain contract on which he was working would run ap-

proximately 25 per cent. higher than he himself had realized. Furthermore certain reserves for depreciation were shown to be out of proportion with what was considered customary and good practice in his trade, with the result that the surplus account was considerably increased. The report rendered by its investigators convinced the bank that a fairly substantial loan was perfectly safe, and a line of credit was established, which otherwise would have been refused had the manufacturer been left to his own devices. Not only has his firm friendship been secured, but in addition he has told his friends of the treatment which he received, and has secured two desirable accounts for his bank.

An Ohio manufacturing concern failed to recover as rapidly as its competitors from the effects of the recent deflation period. It had been a successful firm for many years, and was a good customer of its bank, but clearly something was wrong, for balance sheets and operating statements supplied to the bank's credit department showed losses when others in the same line were enjoying a reasonable degree of prosperity. It looked as if the bank would have to call upon the corporation to reduce its loan or to liquidate its borrowings, and such action would have crippled the customer if it did not put him out of business entirely.

Timely and Successful Financial Surgery

Before making any drastic move, the bank sent its representative to the plant to interview the executives and to survey their methods of production, cost accounting and marketing. The specialist found that costs were based too much on estimates and guess-work, one particular product showing an actual profit of \$10, when properly computed, as compared with an indicated profit of \$19 based on the company's own figures. At the suggestion of the bank, a proper system of accounting was

adopted, and the corporation's prices for its products were adjusted in accordance with the true costs. For the past three years, this concern has shown a substantial and steadily increased profit at the end of each twelve months. Its obligations have been liquidated comfortably and its cash reserves are strong. In this case a good customer has been saved from himself for and by the bank. Call it by whatever name you please, such financial surgery creates lasting good will, whereas an amputation three years ago would have killed the patient and left an unpleasant taste in many mouths.

Another instance of helping the customer get the most benefit from his banking contact is clearly demonstrated by the story of a Syrian who had not been in this country very long before his native trading ability and characteristic thrift enabled him to create a satisfactory amount of liquid capital. He was proud of his success and properly so, but was inclined to boast of his small stock of worldly goods, with the result that the news of his savings account reached the ears of an unscrupulous compatriot who promptly asked him to become his partner in a mercantile venture.

He bounced into the bank one morning all smiles, with chest thrown out, to tell the officer he knew that he had at last arrived, for Mr. Z and he were forming a new firm. He handed in his pass book and a withdrawal slip and demanded cash.

When asked how long he had known his partner and how complete an investigation he had made of Mr. Z's past record, he admitted taking no steps in that direction, and was finally prevailed upon to wait twenty-four hours before going ahead with the scheme. The next day he was told the unvarnished truth about friend Z, and consequently decided that "4 per cent. and Safety" were better than experience purchased at the expense of his savings. Within three months, ten accounts of his friends and relatives, totaling more than \$50,-

000, had been given to the bank as a tangible evidence of appreciation of its timely advice.

An eastern textile house established a branch store on the main thoroughfare of one of the principal western cities some time ago. The policy of this concern is to establish deposit accounts for each of its branches and to finance their operations by borrowing from the various local banks, rather than to control all of the financial operations from the main store. Acting upon the suggestion of one of their eastern depositors, the manager of the new shop called upon a certain bank in his town, and went through the usual routine of opening an account. He made no effort during the following eighteen months to become acquainted with any of the bank's officials, and, consequently, was under a serious handicap when the time came to obtain a line of credit, for he knew only the teller who took his deposits and cashed his checks. It so happened that one of the bank's contact men happened to call at the store shortly after the loan had been refused, and was told by the indignant customer that he was only awaiting instructions from the head of his company to transfer his balance elsewhere. The merchant was assured that the matter would be re-considered, if he would take the trouble to call that afternoon to meet the loan executive in a personal way to discuss the matter more fully. The outcome was that the bank altered its decision and granted the moderate amount of accommodation which had been requested. Today, this depositor realizes the value of personal friendships with his bankers and never loses an opportunity to tell his associates in the commercial field that it is a pleasure to do business with his financial institution.

Taking the Bank to the Customer

This experience proves again that, if the mountain will not come to Mohammed, Mohammed must go to the moun-

tain. In other words, whenever it is practicable to do so the bank should have an official spend a considerable portion of his time calling upon its good customers, for in this way many a personal contact will be built up which otherwise would not exist, and the possible loss of business will be largely eliminated.

A moderate sized concern operating a chain of gasoline and oil stations in a certain city did all of its business with one bank. It was a close corporation, with only four or five men owning stock aside from the officers, who, as it so happened, also did their personal business through the bank in question, and one of the group of the stockholders was an officer of that bank. Apparently there was an ideal set-up, which would remove the danger of outside competition as far as the bank was concerned, and it, therefore, made no particular effort to study the needs of this specific customer.

A rival institution sent its representative to call upon the treasurer of the oil company with the suggestion that he could save considerable money in the course of the year by employing Jones & Company to collect the receipts from the various gasoline stations daily. The reduction in operating expenses was to be secured by the elimination of certain insurance premiums paid on burglary and theft insurance, the elimination of the salary of the clerk who spent all of his time driving from one part of the town to the other to collect the deposits, and the saving of the time of part of the executive office personnel in counting the funds so collected and preparing the receipts for deposit at the bank. The manager of Jones & Company was called into consultation and proved conclusively that the oil concern could afford to pay him for his services, and still be several thousand dollars to the good. The first intimation that the bank had that it was not receiving all of the business of the customer was the reduction in the size of the average balance of the account, which showed considerable shrinkage. One of the

bank's representatives called on the treasurer, and he was told that the account had been split equally with another bank because of their helpful suggestion, and efforts to persuade him to return to the fold 100 per cent. were unavailing. The merchant naturally felt that his second bank was trying to see that he got the greatest amount of benefit from such a connection, and, consequently, wanted to place part of his business there. The only thing the original bank accomplished by having an officer call on the customer was the retention by it of the remaining half of the account, which otherwise would have gone out of the front door within a reasonably short period of time.

The owner of a dairy had practically retired from the active management of his business, and had turned over the reins to his son. This young man in the conduct of his duties called at his bank to obtain a loan, and was apparently received by the official whom he met in the good, old-fashioned way of thirty years ago. While he got the money he required, he returned to his office with the feeling that he had been the subject of condescension. In a round-about way the news of his displeasure reached another official of the bank, who promptly put on his hat and called upon the dairyman.

He found the young fellow was a keen, clean-cut citizen, who was perfectly reasonable. After listening to a recital of the manner in which the transaction had been handled, which concluded with the statement that the customer would never again do business with the bank when the loan was paid, the banker pointed out to him that there were other officers with whom he could deal in the future, thus making it unnecessary for him to come in contact with the man whom the customer disliked.

A luncheon meeting was arranged with another of the loan officers, after which the customer was introduced to the president and other senior officers of the bank. He went away with a smile

on his face, and returned in an equally cheerful mood when the loan matured. Some weeks later he called again to borrow once more. His reception by the banker was cordial and since that time he has been a frequent visitor to discuss his financial problems, and to see his several friends. Here again a good account was saved and a loyal booster now roams through the produce district seeking new business for his bank.

Human Treatment vs. the "High Hat" Attitude

While the accusation may be raised that the incidents described have been hand-picked because of their happy solutions, such is not the case. They merely represent a few of the problems with which bankers throughout the country are faced, in rural communities as well as in the small and large cities. The reason that each of these true stories had a happy ending is that the bankers handling such situations took the trouble to listen patiently to complaints and criticisms, and then made sincere efforts to correct any damage which had been done, and to prevent a repetition of such errors.

If, instead of meeting the customer with a smile and sympathetic understanding, the "high-hat" had been worn at a rakish angle and the temperature of the banker's blood had stood at two or three degrees below freezing, these or any other customers would have acted differently, to the bank's detriment.

Fundamentally human nature is the same from Connecticut to California and from Maine to Mississippi, or, to use the words of Kipling, "the Colonel's Lady and Judy O'Grady are sisters under the skin." So that any banker can handle his customers intelligently if he will try to get their viewpoint, and then endeavor to explain his own in language which they can understand with the least amount of effort. The application of common sense and a sincere desire to render the best service to his customers cannot fail to convince them that he is trying to give them the greatest possible benefits to be derived from a financial connection of such a nature.

Under these conditions of dealing with the customer it is *good will* and not *good bye*.



A MAN must have personality—that is very important. He must have industry, application, and common-sense—no man can do much if he has not been endowed with a reasonable amount of brains. He can earn a reputation for unimpeachable integrity; he must tell the absolute truth; he must cultivate good fellowship; he must be a man other men like and trust. Any man can learn to do anything that any other man can do, if he will apply himself to the doing of it.

—Charles M. Schwab.

A Three Hundred Million Dollar Idea

By Herbert F. Rawll

President Christmas Club, Inc., New York

FROM barely \$500,000 in 1910 to over \$300,000,000 in 1925 tells the story of the growth of the Christmas Club idea in the fifteen years of its existence. The \$314,154,800 distributed this year to some 7,000,000 members of the Christmas Clubs by 6800 banking institutions in the United States is a record achievement for the Christmas Club savings plan, and is an increase of \$70,000,000, or 25 per cent. over last year's accomplishment. The increase in participating banks and members is about 17 per cent.

Approximately \$60,000,000 of the 1925 total was saved in the metropolitan district of New York. The total for the New England states amounted to \$42,060,980, while the State of Massachusetts had a total of \$31,940,100. The total for Chicago and vicinity was \$23,800,000. The Middle Atlantic states including New York, Pennsylvania and New Jersey had aggregate deposits of \$126,722,400.

The largest Christmas Club in the country is operated by the Bank of the Manhattan Company in its thirty-three branches in Brooklyn and Long Island with a total membership of 65,000 and aggregate deposits of \$3,200,000. The largest average per capita deposits of any club in the country are in Lockport, N. Y., where the Niagara County National Bank in its thirteenth year of Christmas Club operation has just distributed \$308,000, or \$15 per capita.

Based upon a survey made in 1923 of the various uses to which the funds saved on the Christmas Club are put, the \$314,154,800 total for 1925 will be distributed as follows: \$141,369,660 for the rush of Christmas buying in the stores of the country; \$87,963,344 added to permanent savings accounts; \$37,698,576 for insurance premiums and mortgage interest; \$34,557,028 for taxes; and \$12,566,092 for fixed charges maturing in the holiday season.

The tremendous growth of the plan has far outstripped the most optimistic hopes of its sponsors and of the bankers, who have taken it up. The Christmas Club has, in fact, become an established department of thousands of banking institutions, as necessary a service to customers as any other banking department, although originally it was frowned upon by many bankers who today are numbered among its most enthusiastic advocates.

The Christmas Club's chief merit, of course, lies in the fact that it provides an inducement to save and makes saving easy; and in doing this, it not only brings, in the aggregate, huge sums of money into the bank's vaults which otherwise would remain outside, but also it puts the bank in intimate personal contact with the great rank and file of people in its community. An examination of financial advertising of fifteen years ago will reveal the lack of any real personal appeal on the part of banks. Their announcements were confined pretty much to the financial statements required by law. It was assumed that people knew the functions of a bank and its services. They could avail themselves of these services or not—and usually they did not because the imposing dignity of bank announcements and bank buildings more often than not led the people to fear that small deposits and small savings accounts were unwelcome.

Changes Wrought by Christmas Clubs

One of the strongest features of the Christmas Club idea and its basic justification, is the fact that it has changed all that. Through advertising and literature describing the plan, the banks which have adopted it, show to the people that a savings deposit of 25 cents as is welcome as one of \$25, and that a new savings account starting with \$1 is as gratefully received as one open-

ing with \$100. The result in every case has been the uncovering of a vast number of new savings depositors who make up in the aggregate what they lack individually.

The Christmas Club plan, however, was not always held in the high esteem which it is accorded today. Like most new ideas, when it was first presented, it met with considerable opposition from the old banking fraternity.

One banker in 1911 called it "a 5 cent, nickelodeon, trading stamp scheme that would make any dignified banking institution the laughing stock of the community." His bank today has 8000 Christmas Club members who annually save in this plan about \$400,000, and over 2000 new permanent savings accounts have been opened in that bank directly traceable to club members. Various savings bank associations were its greatest critics when the plan was first started. Their criticism was, "you are undoing the years of constructive work savings institutions have fostered in teaching the people to save for the sake of saving—for permanent saving—for an assured future income. Your plan encourages systematic saving for the sole purpose of spending," an excellent criticism if either allegation had been true.

Prior to 1910 the writer does not recall any real constructive effort on the part of any banking institution that successfully appealed to the masses, any plan that attractively "merchandized" the various functions of banking houses. The attitude always was that the bank was there, the people knew it, they knew what it was meant to do for its community, and if the people didn't come to the bank, the people were to blame, not the bank. But this program had to perish with the progress of the times. It failed in one very important aspect, a very human aspect. It did not make it known with a proper human inspiration, that the bank was there to serve any person, young or old, rich or poor, regardless of the size of the initial deposit. And that is the greatest service the Christmas Club has to its credit—

it broke down the resistance of the misconception that any person was not welcome at the bank—"the rich man's club"—unless he offered a deposit of \$25 or \$50. It overcame this misconception by suggesting systematically saving money for Christmas. The various amounts of weekly deposits were made to fit everybody's purse, the total amount deposited was returned in one lump sum about two weeks before Christmas, whether all the weekly payments were made or not, and there were no fines or dues.

Value of the "Save to Spend" Idea

In fifteen years the Christmas Club plan has brought 7,000,000 people to 6800 banks to open accounts of this type. What if it does teach people to save to spend? If it brings people by the millions that never before had crossed the threshold of a bank into contact with this institution, it does more than any plan that was known before. And in this contact it makes for a broader education and understanding of the various ways in which the bank serves its community. The significant fact is, however, that all Christmas Club members did not spend their entire accumulation, but used this first nest egg to start a permanent account because contact with the bank had made it known that a small savings account was acceptable.

Statistics compiled from a limited number of banks continuously operating the Christmas Club for ten consecutive years reveal some very interesting facts. The average amount saved each year by the Christmas Club member has increased from \$21.45 to \$44.88. The 50 cent member soon becomes a \$1 member, then he wants to join the \$2 class. Moreover the average share of the total deposit replaced in permanent savings has increased in the same period from 8 per cent. to 28 per cent. This demonstrates that once a systematic plan of weekly saving is presented, regardless of its purpose, the same patrons will "buy" the more profitable service—more profitable both to the bank and to the

patron—a permanent savings account. In the growth of the plan within the last few years, several outstanding features of interest have developed. Thousands of business men and women save as much as \$20 a week in the Christmas Club to meet insurance premiums, taxes and mortgage interest. Many cases have been recorded where the premium date of an insurance policy has been changed to meet the maturity of the Christmas Club. In the State of New Jersey, for instance, all state and county taxes are due the first of December, and the tax collector's office is flooded with payments when the Christmas Club funds are released.

Many bankers never cease to wonder why a business man will accumulate \$1000 or \$2000 in a year in this manner for the payment of dividends in his business or for taxes and insurance, when the same amount of money deposited in a different account would earn a larger rate of interest. The answer to that is the same reason as for the popularity of the plan to any member—the business man is just as human as his clerks, with the same human instincts, the same temptations. The Christmas Club offers him exactly the same safeguard against human indulgence. Were it not for this peculiar trait in the human race, the Christmas Club would have but a small place in our scheme of stimulating thrift. There are, it is safe to say, millions of people who have at some time, started a regular savings account with the fixed determination to deposit regularly a specified amount every week for some very definite purpose, but the great majority falter along the way, and eventually the money is withdrawn and used for an immediate purpose entirely at variance with the original determination. This withdrawal is not permitted under the rules of the Christmas Club. No withdrawals are allowed until the maturity of the club at which time the entire amount of each membership is returned to the depositor. This is the outstanding reason for the success as well as the popularity of the plan. You must wait



© GEEBORD

HERBERT F. RAWLL

President Christmas Club, Inc., Bankers Economic Service, Inc., and the Industrial Digest

until the maturity of your own determination.

Meeting the "Nuisance" Objection

I have heard some bankers say of the Christmas Club that it's a nuisance which they wish they could get rid of, but that their depositors want it and as long as the other banks run it, they have to keep it up. It is a nuisance in a number of banks; children, too, are a nuisance in a number of homes. Certain departments of many organizations are a nuisance but that is because they are not properly managed. The Christmas Club is no longer an advertising plan; it is a regular department in any bank that operates it. Of course, it is still true, as in the beginning, that the only advantage it brings to the bank is in added connections for permanent and profitable business. As a regular department of a bank, it should show a profit to the bank, just as the discount department, the savings department, the commercial, trust or bond departments

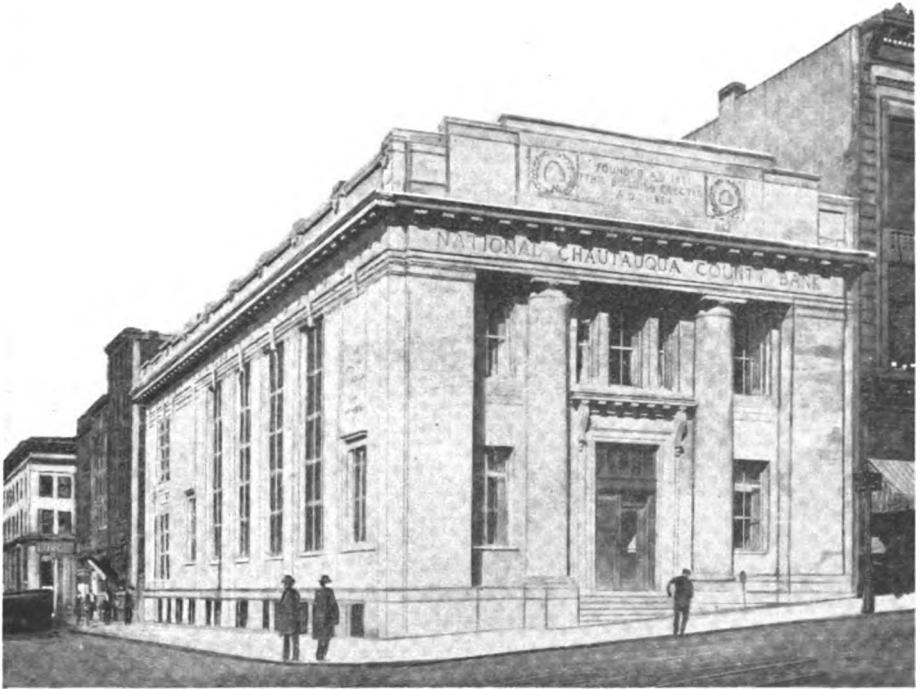
should show a profit. Yet there are some banks operating the Christmas Club at a loss, figured as a separate department, and that is why these same bankers call it a nuisance—but the fault lies with them, not with the plan.

Many of these bankers still insist on operating membership classes that offer increasing and decreasing payments; that is, a member may deposit 2 cents the first week and increase each weekly payment by 2 cents until the final weekly payment is \$1; or start with \$1 the first week and decrease the payment every week. Of course, these classes are a nuisance, as it is almost impossible for any teller to efficiently wait on a thousand depositors a day and accurately make change and handle these sliding scale payment accounts no matter how perfect or automatic the system may be. These classes of payments most certainly are a nuisance and they should be discontinued. When the plan was first presented to the public they offered inducements that added to the popularity of the plan, but they have served their purpose. By far the majority of members prefer the uniform weekly payment classes. A recent analysis of Christmas Club accounts was completed in a bank where 2500 of these sliding scale memberships had been taken. The lapses in the payments amounted to 38 per cent. while, in the same bank the lapses in the uniform weekly payment classes were only 11 per cent. These 2500 sliding scale payment accounts represented only 1600 people, showing that about 65 per cent. of the members opening accounts in these classes had two accounts, one with increasing payments each week and another decreasing each week, with the net result of a uniform payment each week of \$1.02 or \$2.55. The awkwardness of such a plan is self-evident.

The Question of Interest Payments

The question of interest payments on Christmas Club accounts has been the subject of much discussion in recent years. The average layman is apt to

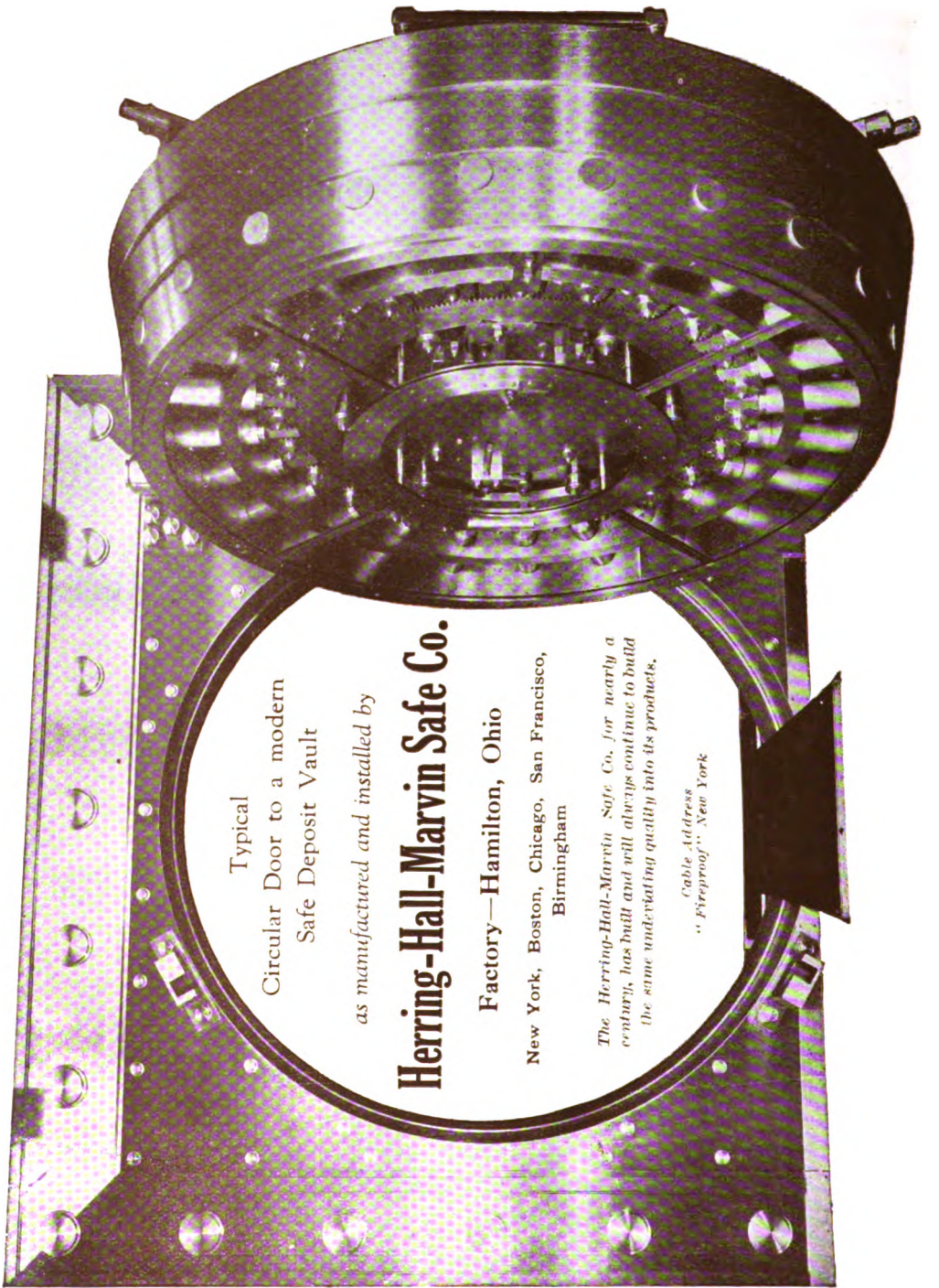
take the attitude that interest is due on these small weekly deposits that, at best, are only transient accounts, but that same layman would hesitate to keep his funds in a banking institution that showed a net loss in any of its departments. This is another reason why the plan is sometimes called a nuisance, but again it is the fault of the bank and not of the plan. Over a thousand banks can give ample proof that the payment of interest on Christmas Club accounts is absolutely unnecessary, that the plan attracts just as large a membership and just as large a total deposit where the interest is withheld. No bank can break even in this department, let alone show a profit, if interest is paid. It is necessary for the bank to have a special clerk to handle these accounts where the fund for the year amounts on the average to \$100,000. Only half of this amount is on deposit for the full fifty-week period, and it is on this calculation that earnings must be figured. The fund must be invested in liquid securities, as it is all disbursed at the beginning of December. If we take an arbitrary rate of 5 per cent., which is somewhat high, and make deductions for reserves, we have a gross earning of about \$2200 for the fifty-week period. From this figure must be deducted the salary of one clerk, the cost of advertising the plan and the necessary accounting equipment. It does not require an expert statistician to figure where the bank gets off if interest charges are added to these necessary expenses. Our organization, for several years, has endeavored to sell the banks the sound economics and the principle of eliminating the nuisance from the Christmas Club. The writer makes the somewhat alarming statement that any bank is doing an injustice to the people of its community if it continues interest payments on these accounts. A bank's function is to encourage permanent thrift, and this can be best accomplished by penalizing transient thrift and glorifying permanent thrift. The Christmas Club is a transient account



National Chautauqua County Bank, Jamestown, N. Y.

THE new building of the National Chautauqua County Bank, Jamestown, N. Y., has provided itself with every banking facility. Its presence should be of advantage in that section of Western New York.

ALFRED C. BOSSOM
BANK ARCHITECT & EQUIPMENT ENGINEER
680 FIFTH AVENUE, NEW YORK



Typical
Circular Door to a modern
Safe Deposit Vault

as manufactured and installed by

Herring-Hall-Marvin Safe Co.

Factory—Hamilton, Ohio

**New York, Boston, Chicago, San Francisco,
Birmingham**

*The Herring-Hall-Marvin Safe Co. for nearly a
century, has built and will always continue to build
the same undeviating quality into its products.*

*Cable Address
"Fireproof," New York*

and should be penalized. Many bankers, however, stand in awe of local competition. They agree with the facts presented and want to eliminate the nuisance, but have not the courage to make the Christmas Club an efficient and paying department unless the other banks in the community follow the same program. Progress is being made, how-

ever, along these lines, and bankers are joining in this movement more readily each year. The Christmas Club has its place; it serves an excellent purpose and the people in many communities practically demand it. It only remains for the bank to make the Christmas Club an efficient and profitable unit of its organization.



My Own Financial Survey

By Frederick L. Allen

[Reprinted from *Harpers Magazine* by permission]

LAST night was a pretty important night, speaking from a financial point of view. My wife and I held our monthly bout with our bank statements and emerged victorious after an hour and forty minutes of the sharpest sort of figuring. Our monthly bout, did I say? Well, not exactly that. Theoretically, we go over the bank statements once a month; but as a matter of brutal fact when we got them out last night we found we had been running wild for three whole months.

It was a successful session however. Not only did we finally pare down our arithmetical errors to 10 cents—which indicates that the quarter has been a remarkable one for arithmetic—but we came out \$50 to the good, owing to a check which in a burst of enthusiasm we had recorded twice on the stubs. So there we were, clean as a whistle and \$50 richer than we thought we were. In fact, the whole transaction was so impressive that it seems only right that in the light of this business triumph I should give a sort of survey of our financial year, in order that we may all be in a position to do better next year. What is needed, I feel, is something in the style of the *Wall Street Journal* what the boys who write the financial pages for the newspapers call a broad-gauge analysis of business conditions, taking all the factors into account and using past experience as a guide to sound business judgment in the future.

General Business Conditions

Let us begin with a few words about general business conditions, including such significant factors as pig-iron, car-loadings, bank-clearings, the trend of seventy-four selected industrials, and the annual report of the steel corporation. None of these things, I beg to report, touched us very closely during the year. We had nothing to do with pig iron at all, at least in large quantities, although there were times when I suspected its presence in small amounts in the chicken salad we serve for cold suppers. We had lots and lots of car-loadings; in fact, when we moved most of our furniture from Scarsdale to New Canaan the flivver was loaded down to an unprecedented degree, and the result was pronounced activity in the rubber market due to two blowouts; but, generally speaking, the flivver is used to this sort of thing, and I fail to note any development of major importance to the investor. The only thing I might report under this head is that I got a raise in August. In short, general business conditions continued firm, with every prospect for optimism concerning developments in the new year.

The Stock Market

The stock market was spotty. Early in the year I thought of selling my U. S.

Hot Water Bottle Preferred and taking on some strong public utility stock such as Niagara Power and Glory or United Light and Darkness, but was advised not to; and I may say the advice was excellent. It saved me a loss that has been conservatively estimated at anywhere from 75 cents to \$29.50. My only stock transaction of the year was when I became agitated by unfavorable reports in the Street on the condition of the cold cereal market and impulsively sold all my holdings in American Cornflakes Common, amounting to a total of two shares. As it turned out, the reports were inspired by the hot cereal interests, and the cornflakes market was being depressed by a pool formed by the oatmeal people; it subsequently rallied sharply and there was profit-taking all along the line, some of it at my expense. On the other hand, all our stocks paid nice dividends in long envelopes, some of the checks being green and others blue, so you can't properly go any further than to call it a spotty year.

The Bond Market

The bond market remained normal. During the year we disposed of our Liberty Bonds in view of the fact that we couldn't understand how to figure our Federal Income tax on them and couldn't stand the thought of going again through the nervous strain of looking them up to see whether or not they were 3rd tax free 4¼s maturing in 1929 and withheld at the source. Our other bond—one of the San Francisco, Toledo and Palm Beach Street Railway 5 per cent. Gold Mortgage bonds maturing in 1938—stayed right in our own box at the bank, and twice during the year I went down into the vault and signed my name in the book of gold, and cut off my coupon with the little T-square with the sharp edge that some fellow invented as a substitute for scissors which would be less of a temptation to bond-holding housewives with a taste for pattern-cutting and petty thievery.

Textiles

I feel I should say something about textiles. Well, then, after a slump early in the year, textiles looked up when I bought a four-piece suit—coat, waistcoat, long trousers, and knickerbockers. The advantage of a four-piece suit is that you can wear the long trousers to the office and the knickerbockers over the week ends, and if you fall down and tear one pair of trousers you're still all right, whereas under the old system you had to go to bed till the tailor had made up a new suit from your measurements. All of which would seem to indicate a commendable foresight on the part of the textile interests, which ought to be rewarded in the new year by large profits and extra dividends.

Wheat

It must have been a bad year for wheat, especially in the shredded form, for we moved to New Canaan and began taking the 7:32 train for New York each morning, which left us too little time to eat anything so combative as shredded wheat and necessitated a change to puffed rice. Under these circumstances there was much dissatisfaction among the farmers of the country and a widespread demand in the northwest for a dirt farmer as Secretary of Agriculture. What the solution of the problem will be, it is hard to say, but let us all hope the burden on the taxpayers of the country will not be increased, particularly the burden of making out what the instructions on the income tax blank really mean.

Money

There was less of this than we might have wished, and several times we had to borrow carfare to get home.

General Summary

From the foregoing it should be apparent to the investor that we may reasonably forecast for 1926 a rising market, with generally favorable conditions, except perhaps in the banana and pineapple trades, and prevailing westerly winds accompanied by snow in the extreme northern portions.

A Helpful Plan to Get New Savings Business

Scrip Savings Plan Proves Valuable Aid to Business for Both Banks and Communities

By Mahlon D. Miller

FOR several years past banking institutions throughout the Middle West have been successfully using a so called "Scrip Savings Plan" to secure new savings business. This plan has proved as valuable in developing the communities using it, as it has to the banks.

Any bank which works toward the realization of a highly developing, and fast growing neighborhood serves a double purpose. It becomes closely identified with the district it serves, and, by so doing, becomes inevitably benefited by its prosperity and the consequent increasing demand for broader banking services. It brings to the bank prestige and leadership, and attracts business to it by the spirit of co-operation it reveals in its civic activities.

The word "scrip," as used in connection with this form of service extension, is employed in the same sense that one uses the words "trading stamp." It is a certificate showing evidence of a purchase of merchandise.

Plan is Effective from Three Angles

The Scrip Savings Plan operates beneficially from three angles:

The scrip deposited with the bank increases the bank's deposits, and brings in new accounts.

The merchants who give out the scrip profit through increased volume of sales.

The community is benefited by the growth of trade and the business expansion resulting through increased business, and the public through the co-operative feature of the plan is able to buy merchandise at an attractive reduction.

How does the plan interest the public?

The public, you and I, are interested in buying things as cheaply as possible. Suppose you are going down the street in Harvey, Illinois. You see a window attractively decorated with merchandise of which you are in need. You see, also, a sign which reads: "Buy Here. We Give Savings Scrip With All Our Purchases," or, "Ask for Scrip With Your Purchases, and Save Money."

"All right," you say, "the goods look satisfactory, so I'll try this out. I'll just take some of this scrip along with me," and so you come out of the store with your purchases and some savings scrip.

What do you do with your scrip? You deposit it with one of the banks whose name is printed on the certificate, and which agrees to accept the scrip on deposit for the face value represented by it, when deposited by any member of the Savings Association. Naturally, the purchaser of the merchandise is glad to do this as long as it is possible for him or her to save money.

What Does the Bank Get Out of the Plan?

The question now is: How does the bank serve as a depository for the scrip? What does the bank get out of doing this? What are the relations of the banker with the merchant who issues the certificates or scrip?

First of all, the bank becomes a member of the Savings Association, and is designated as the exclusive depository for scrip in its particular community. The interested bankers and merchants form this association for their mutual profit. The banker joins to get deposits, the merchant to sell goods. Purchasers of goods are glad to become

depositing members and save money on all purchases made.

Suppose the bankers and merchants have formed their Savings Association, how do they secure their depositing members?

Contact men are sent out by the association to sign up members. To become a member all one has to do is to sign an application blank, agreeing to live up to the terms of the association, that is, to trade at the stores where savings scrip is given out whenever it is convenient to do so.

It has been estimated that in every city where the plan has been in operation, no less than 10 per cent. of the population have become members.

When the solicitors of the association have secured all the depositing member applications possible, they turn in their application cards to the depositing member bank.

The association bank then opens an account for \$1 for each signed application for membership in the association, and mails out the pass books to the home addresses of the members. This initial deposit is allowed the member provided he or she deposits a dollar in cash or scrip within four months after the date of the application, and deposits four such additional amounts each year until the maturity of the account. More will be said about the maturity of the accounts later.

Naturally, as membership does not cost anything to the public, it is a relatively easy task to secure depositing members in large numbers; and the depositing of scrip at the banks builds up handsome bank balances, and at a very nominal cost. The National Bank of Harvey, Illinois, has opened savings scrip accounts for almost one-tenth of the population of the city, and over 80 per cent. of the families are represented in the association.

Banker-Merchant Relations in Connection with Savings Scrip

Now let us consider the banker's relations with the merchants who give out the savings scrip. How does the

merchant redeem his savings scrip from the banker? Does the merchant open an account with the depositing banker? When the merchant gives out scrip how much cash value does it represent when deposited with the depository bank? All these questions are of significance to the banker who is interested in the operation of the plan.

The redemption of the scrip is taken care of by the agreement entered into between the banker and the merchant, which provides that all Savings Association certificates bearing the name of the merchant, deposited with the bank by association members, shall be charged to the merchant's account.

The merchant, of course, if he has not an account with the depository bank, opens one through which he provides the necessary funds to care for his obligations under his contract with the Savings Association.

Now, one asks, "How much does the scrip represent in monetary value when presented at the bank?"

The answer is that 2½ per cent. of all cash purchases is allowed. Thus if a customer purchased \$100 worth of merchandise he would receive scrip worth \$2.50. The merchants agree to give out the certificates voluntarily to all customers of their establishments, and instruct their employes to ask the customers whether they care for scrip.

"That's very fine," one says. "But how can the merchants afford to give such liberal discounts?"

Experience in operating the plan reveals the fact that this type of merchandising costs the merchant about 2 per cent. of gross sales.

This, when considered in the light of increased business, and encouragement of payment for commodities by cash, which is the result of giving out scrip, is not unreasonable.

Why the Plan Appeals to the Banker

The plan appeals to the banker because it stimulates more cash payments, and consequent increased bank balances. It was found that people were willing to go blocks out of their way to obtain

the scrip, and did not object to paying cash instead of charging their merchandise as long as they were able to get a substantial discount by depositing their certificates at the bank.

A number of merchants using this plan found their sales increased from 30 to 40 per cent. per month, but when one stops to consider that over 10 per cent. of the population of the cities in which the stores were located were members of the Savings Association, this does not seem to be unreasonable.

Payment by cash by the customers interests the banker because when the scrip is deposited with the bank it means increased business. For the merchant it means less bookkeeping, reduced possibility of loss through bad accounts, and increased standing and credit with the bank by reason of higher balances on deposit with consequently less outstanding on the books in the form of receivables.

Merchants using this plan of merchandising in co-operation with their bankers have said of it: "We see new purchasers every day among our customers, and we can see by the eagerness with which they ask for scrip that it is the interest in saving money on their purchases that has brought them into the store."

Other merchants found that people came in to buy who had not appeared in the stores for the past few years. "I saw you gave scrip," many of them remarked, "and I came in to take advantage of it."

What is the resultant effect of the use of scrip to the banker?

One of the most valuable results obtained from the opening of savings scrip accounts by the bank lies in the fact that these accounts are more permanent in character than ordinary accounts, show a higher average balance, and are opened with a definite purpose in view.

The fact that under the association regulations an account for a minor does not mature until such child has reached the age of 19; and that in case of adults the money cannot be withdrawn until the expiration of seven years. pro-

vides an ample time for the accounts to grow, and interest to accumulate.

Take an account like this opened for a child, for example:

The scrip is deposited with the bank, and the child's account is started. As more and more scrip is deposited the account grows. In many cases it has been shown that educational advantages were provided. In others, some member of a family was aided in starting in business.

The restrictions regarding withdrawals, and the regular depositing of the certificates increase the average balance above the normal savings account by a considerable sum. The fact that the ordinary emergencies are not sufficient excuse for withdrawing the money, and that only death or proved moving away from the city makes it possible to close the accounts, explains why the banks using the plan have been gratified with the character of the business, and with the opportunity to operate at a profit on what amounts to practically dormant deposits over a considerable period of time while the accounts are maturing.

An Interesting Feature of the Plan

An interesting feature of the Scrip Savings Plan is the opportunity it affords the banker for community co-operation.

The depositing bankers under the plan have found from experience that it was profitable to hold meetings once or twice each month to which the merchants who were participating under the Savings Association Plan were invited. At these gatherings the bankers and merchants exchanged ideas, worked out plans for co-operative newspaper advertising, solved problems, and ironed out difficulties which arose from time to time in the operation of the association.

Not the least valuable benefit derived from the plan was that arising from the interest it stimulated in habits of thrift in the community.

With full page co-operative advertisements in the newspapers, and by using posters in the stores, and in the bank

lobbies, and by house to house calls for the purpose of signing up depositing members, a widespread appreciation of the value of thrift was awakened, and especially among the younger members of society who took a keener interest in the savings scrip idea than in the usual mediums offered for saving.

For the banker, the merchant, and the

depositing members, the Savings Scrip Plan offers wide possibilities for practical co-operation in stimulating business. As a means of instruction in the habits of economy and thrift it should prove of great value throughout the country with its ever increasing use as a medium of community co-operation on the part of the banker and his customers.



Does A College Education Pay ?

DOUBLED earning capacity as undergraduates, and a total income \$72,000 greater after graduation than that of the non-college man have been shown by investigations carried on by the College of Business Administration of Boston University into the cash value of a college education, says an announcement from the college.

The figure of \$72,000 as the average total life income of the college graduate above that of the high school graduate resulted from an investigation by Dean Everett W. Lord of the college. The earning capacity of undergraduates was investigated by Professor Horace G. Thacker of the faculty.

Results of Professor Thacker's survey show tremendous increases in earning power on the part of students working their way through college. The figures, it is explained, cover students carrying on regular degree work while supporting themselves. Special students are excluded.

"For the sixty-five students in the evening division of the College of Business Administration who were graduated in the class of 1924," says Professor Thacker's report, "the average weekly salary as freshmen was \$18.40. The average weekly salary at graduation was \$38.30.

"Of the forty-three graduates in 1924 who, as freshmen, were earning \$20 a week or less, thirteen had increased their salaries on the average of 68 per cent.; fifteen had doubled their earnings; seven had tripled them; five had quadrupled them; two had increased them five-fold,

and one was earning six times his weekly salary as a freshman when 1924 brought along the degree of Bachelor of Business Administration.

"In the class of sixty-five graduates were seventeen who, as seniors, earned from \$35 to \$50 a week; twelve who earned from \$50 to \$100, and two who earned more than \$100 a week."

Dean Lord, using standard averages, insurance statistics, and other sources, found that the average untrained man earns, from age fourteen to age sixty, \$45,000. The average high school graduate, he found, earns, from age eighteen to age sixty, \$78,000, the difference of \$33,000 representing the cash value of four years of high school. Similarly, figures showed that the average college graduate earns, from age twenty-two to age sixty, \$150,000. The balance of \$72,000 over the total earnings of the high school graduate represents the cash value of a college education.

"We are not overlooking the cultural value of an education," says the report. "That is taken for granted. It is tremendously valuable. The economic value is an entirely different matter. In investigating that we are not throwing cultural values into the discard."

Boston University students during the past year earned \$587,917.51 toward their own support, figures compiled by the placement bureaus show. The figures include estimates in one or two classes of occupation. Records are available of 1442 students placed through the agencies of the university last year.

Successful Campaign Brings \$12,000,000 in New Deposits

Los Angeles Bank Gets Over 8,000 New Customers in Drive for New Business

TEN million dollars in new deposits—10,000 new customers—100th consecutive dividend—and \$100,000,000 in total deposits!

This, in short, is the goal strived for and attained by the Citizens National Bank and the Citizens Trust and Savings Bank, Los Angeles, Calif. This new accounts campaign, the results of which will be observed with interest by bankers in all parts of the country, closed successfully on October 6, 1925, the 35th anniversary of the organization of the Citizens National Bank. The actual results were \$12,088,995 in new deposits from 8737 new customers.

Frank C. Mortimer, chairman of the campaign committee and vice-president of the Citizens National, admits that the attainment of their goal was not easy. Getting over 8000 new customers requires over 8000 separate successful approaches. An average of over \$1000 per new account requires not only that most of the new accounts be substantial, but also that some of them be very large. Due to the activity of influential stockholders, directors and officers, several new customers deposited in excess of \$200,000, while opening deposits of \$100,000 were not infrequent. Mr. Mortimer, as chairman, had his heart in the work and was busy day and night. He, however, modestly gives credit for the success of the campaign to the teams and committees and is earnest in his praise of the more than 700 members of the staff, all of whom helped and many of whom made enviable records as business getters.

The campaign was conducted in a dignified, quiet manner. There were no highly competitive features injected into it for the purpose of getting business away from other banks. It was a clean campaign, with a strict observance of high business ethics. The campaign opened with the following an-

nouncement from J. Dabney Day, president of the Citizens National.

President's Announcement

"This friendly competition in the Citizens Bank family to increase our business, provides a splendid opportunity for each and every one, regardless of position, to show what can be accomplished in making new friends and obtaining their accounts. It is my hope that a sincere, active and enthusiastic effort will be made to attain the goal of \$10,000,000 new deposits. All members of the organization will want to participate, and I shall actively do my part. The stockholders, directors and officers will co-operate with you to the fullest extent, but the members of the staffs of our respective banks and investment company will receive the commissions and prizes.

"Aside from the practical rewards, everyone will have the opportunity of taking part in a decidedly constructive piece of work. The Citizens Banks are your banks and their success and continued growth should be coincident with your own development and further progress. The directors and officers will follow with keen interest the results of the contest. It is our purpose to accord every opportunity for development to the individual members of the organization and the present competition is an excellent one to test your initiative and resourcefulness. In recording the history of the Citizens Banks, let us make this contest so successful that it will stand out as one of our great achievements."

A Challenge and an Opportunity

Chairman Mortimer, in his pamphlet outlining the plan in detail, made the following statement:

"To the 717 members of our staffs

this new contest is a challenge and an opportunity—a challenge to build up a record of accomplishment and an opportunity for monetary gain. The liberal awards will be paid to ourselves—not to outsiders. The amounts have been made sizable and are larger than in former contests.

“Contests for new accounts have been successfully conducted by banks in Cleveland, Chicago, New York, and other cities of importance. Our own Citizens Trust and Savings Bank staff has made splendid records in former contests held by it, but there are remaining thousands of accounts and thousands of dollars available to us in Los Angeles and vicinity if we will go after them. New arrivals are now coming in large numbers and the time is particularly favorable for an aggressive campaign to seek out new customers. We propose to get our full share of the desirable business coming to this locality. This refers to commercial, savings and time deposits, trusts, wills, escrows, exchange, safe deposit rentals and investment leads for the Citizens National Company.

“In entering this contest, we do so with whole-hearted enthusiasm and with a ‘will to do.’ We are entering it with the same spirit which moved the founders of the Citizens Bank thirty-five years ago to establish a strong, progressive institution, and with the same determination which has characterized our growth and activity during the intervening years. It is an opportunity to develop and enlarge our usefulness and it will bring to the fore the men and women with initiative and ability.

“Let us get off to a good start! Let us persevere in the race and in triumph reach our goal of \$10,000,000 new deposits!”

Prizes Offered

1st prize to individual winner	\$ 500
2nd prize to individual winner	250
3rd prize to individual winner	125
4th prize to individual winner	100
21 additional prizes, total	525
<hr/>	
Total of 25 individual prizes	\$1,500

Rules of Contest

The contest was carried on under the following rules:

1. Directors, stockholders and officers will participate in bringing in new business, but will not receive awards or commissions and will not be attached to teams.
2. All members of the staffs of the Citizens National Bank, Citizens Trust and Savings Bank, and all branches and the Citizens National Company, are expected to take part. This includes everyone.
3. Only new business will be counted. Transfers from one Citizens Bank to another will not be included.
4. Savings accounts will be opened for \$1 or more, but such accounts should open with \$5 or more to accumulate points towards awards and to receive commissions.
5. Accounts of relatives are eligible for awards and commissions, but not accounts of contestants.
6. Business should be routed to the Citizens Bank or branch where best interests of the customer will be served. Due credit will be given regardless of which bank or branch receives the business.
7. Credits in points cannot be transferred from one contestant to another.
8. Those leaving the service during campaign will receive commissions on business obtained, but will not be eligible to receive awards.
9. New employes entering the service after start of campaign are eligible for both awards and commissions.
10. An account obtained during the contest and closed within sixty days after opening, will not be included for commissions or awards.
11. Before inviting business of firms and corporations, submit name to an officer for approval. Such accounts frequently require lines of credit.
12. New accounts which come to the bank in the ordinary course of business cannot be included. Only new business obtained directly by solicitation of contestants is eligible for awards and commissions.
13. Proper recognition of new account tellers and floormen will be given on new business obtained by them in accordance with above rule.
14. Bulletins will be issued from time to time. All members will be advised of progress made during the contest, and the leaders' names will be made known.
15. Contestants whose daily work does not bring them in contact with the public during business hours will be awarded double points.



Building of the Citizens National Bank, Los Angeles

*Points Credited to Contestants for
Each Account*

A scale of points governed the awarding of prizes to contestants. The largest number of points determined individual winners of the twenty-five cash awards.

In addition to the prizes, cash commissions were paid for each new account.

One of the features of the campaign was the issuing of periodical bulletins in which the Contest Columnist was a regular feature. Here are some of his epigrams:

The go-getter always does better.

The luckiest fisherman is the most persistent.

"Smoke out" the hidden funds that should be in your banks.

Every household should contain four or five prospective depositors.

If they say "no" today—they may say "yes" tomorrow. Try them again.

Try to get at least one account a day. Going after them—gets them.

The winners of this contest will be listed in the "Who's Who of the Citizens Banks."

Take a lively interest in the children's accounts when you call on your neighbors.

From five in the evening until nine—four hours—try to see at least eight prospects.

Your butcher, baker and candlestick



J. DABNEY DAY

President Citizens National Bank and Citizens Trust and Savings Bank of Los Angeles, under whose leadership the banks have made remarkable progress

maker do not hesitate to ask for your business.

The Citizens Banks have confidence in you as a productive participant in this friendly contest.

Study this booklet. Get the objective firmly in mind and it will be easy to tell the story of the Citizens Banks.

Get an early start; other banks are after business; you believe in your bank—tell your prospect so.

You are very much a part of the Citizens Banks—impart this fact to your acquaintances and depart with their opening deposits.

Don't get discouraged and don't be timid. You cannot win everyone you interview, but the law of averages is working with you.

Try to "close" with your prospect. Do not be satisfied merely to tell your story of our superior service.

Talking Points Were Furnished

Members of the staffs were supplied with talking points to help them get new business, as follows:

The Citizens Banks are well known throughout the country for strength, progressiveness and able management. We handle the better class of business. We have co-operated in a large measure in the up-building of Southern California.

The first Citizens Bank was opened in 1890, thirty-five years ago. Today, we have twenty-five banking offices located in the City of Los Angeles and the adjacent metropolitan area. Our combined resources now amount to over \$104,000,000. A large capital and substantial surplus amply protect depositors.

Branches are so located that our facilities are available and convenient to all individuals and business houses.

Courteous and prompt attention is essential to our service. Modern methods are applied to all transactions.

Interest rates are as liberal as it is possible to make them and at the same time retain our strong position.

Our officers are available for advice and counsel on business matters.

Investment information is freely available through officers and at the Citizens National Company.

Our board of directors comprises outstanding and successful men, who have been important factors in the growth and progress of the city.

The building of many homes in this section has been made possible through the Citizens Trust and Savings Bank. Funds have been liberally and carefully placed in first mortgages.

Banking-by-mail is made easy and special facilities are provided for this purpose.

Periodical examinations are made by National and State officials. Also examinations by a committee of our board of directors and the Los Angeles Clearing House Association.

Membership of the Citizens National Bank in the Federal Reserve System adds strength and stability to our banking group.

Naturally, a prospective depositor is interested in placing his funds in a large bank where funds are unquestionably safe. We cannot emphasize too strongly the conservative, yet progressive standards to which the Citizens Banks steadfastly adhere.

The Packet—What It Contained

At the outset, packets were distributed among contestants, containing the following:

1. Booklet descriptive of contest, with prizes, rules, etc.
2. Receipt book for use in transmitting deposits for new depositor.
3. Signature cards.
4. Deposit tags for both banks

5. Envelope to contain initial deposit.
6. Introduction cards.
7. Prospective new business cards.
8. Statements of banks.
9. "Know Your Bank" (booklet descriptive of Citizens Trust and Savings Bank trust service).
10. Map showing location of our twenty-five banking offices.

Additional supplies and literature were furnished through captains of teams, as required.

Scattered throughout the booklet were such helpful suggestions and reminders as these:

Plan your campaign ahead and have a number of names to work on.

Initiative and contact with others are prerequisites to success. Ring the doorbell and frankly tell your story—most people respond to straightforward aggressiveness.

Make your interviews felicitous, so that your new customer will enjoy opening his account through you.

Don't try a few times and then quit. Keep persistently at it. The effort is worth while and you will be surprised at what you can accomplish.

Ask your friends to help you get the accounts of their friends.

The management of the banks is interested in knowing what you can do in bringing your friends to your bank. Don't disappoint them.

Carry this book with you. Study it. Always have the pages of prospects full. If you wear it out, you may readily get another.

You are doing your neighbor a favor when you discuss with him the subject of thrift, compound interest and saving.

Do not neglect a single prospect. It may be your prize account.

Don't spurn the small account. Many bank directors of today started business with a nominal amount.

* * * *

Such was the campaign as planned and executed by a bank in a Pacific



FRANK C. MORTIMER
 Vice-president Citizens National Bank of Los Angeles,
 chairman of the campaign committee which
 obtained \$12,000,000 new deposits

Coast city. Certain changes might be necessary if this plan were tried in other parts of the country, or even in other Pacific Coast cities. Nevertheless it must be sound basically, as it did work. "We were ourselves surprised at the results," said Frank C. Mortimer, chairman of the committee in charge of the campaign, who added that it resulted from the efforts of the entire organization. President Day produced more than double the volume of business which he set for his goal.





THE FIRST NATIONAL BANK, LOS ANGELES, CAL.

TIME TELLS THE STORY

THIS interior was designed and executed by this Company in 1912—14 years ago. Every branch of the work was of the highest quality. All of the richly modelled bronze work was treated by the Gorham Company with their standard gold plate.

A recent inspection shows no impairment in this or in other branches of the work.

It has always the value of gold, both in effect and in fact, and will wear indefinitely without cost of upkeep.

We have used this process in many of our operations.

*Design, Engineering Service,
Construction Management by*

WEARY AND ALFORD COMPANY

Bank and Office Buildings

1923 Calumet Avenue

Chicago

Banking and Commercial Law

Important Decisions of Current Interest Handed Down by State and Federal Courts
Upon Questions of the Law of Banking and Negotiable Instruments

Telegram Agreeing to Pay Check Makes Bank Liable

Stapleton v. Farmers' Bank of Morrill,
Supreme Court of Kansas, 286
Pac. Rep. 828.

THE defendant, one of the depositors in the plaintiff bank drew a check on the bank and delivered it to the payee. The payee tried to have the check cashed at a hotel but the hotel manager, before cashing it, sent a telegram to the plaintiff bank asking if the bank would "take" the check, describing it. The bank answered by wire, using the words "Will pay check." The hotel manager thereupon cashed the check.

About two hours later the defendant called up the plaintiff bank on long distance telephone and requested that the payment be stopped. The plaintiff accordingly refused to honor the check when it was presented. Subsequently, the hotel company obtained a judgment against the bank on the ground that the bank's telegram constituted an acceptance of the check. The bank thereupon brought this action against its depositor. It was held that the telegram amounted to an acceptance or certification of the check and that it was not within the defendant's power thereafter to stop payment. The defendant was held liable to the plaintiff bank.

Action by the Farmers' Bank of Morrill against Jess H. Stapleton. Judgment for plaintiff, and defendant appeals. Affirmed.

OPINION

DAWSON, J.—The plaintiff bank brought this action to recover on a check drawn on the bank by defendant, and which the bank had paid to the holder. The defense was that before the check was presented for payment the defendant had directed the bank not to pay it.

The circumstances were these: In 1920, defendant was a customer of the plaintiff bank. In it he had a time deposit of \$300, and a checking account. Early in February, 1920, defendant told the plaintiff's assistant cashier that he was going to Kansas City, and that he might write a

check on the plaintiff bank while he was gone, and if he did he wanted the bank to pay it. On February 10, 1920, at the Hotel Baltimore, in Kansas City, Mo., he drew a check on the bank for \$150 payable to J. F. Wilson. Defendant the same evening wrote the plaintiff's assistant cashier:

Kansas City, Mo., Feb. 10, 1920.

* * * I also want to tell you I've given a check for \$150.00 that I want you to meet and I will be home Friday or Saturday to fix it up with you.

About the same time, Wilson, the payee, sought to get the check cashed at the hotel, but as a precaution, before doing so, the hotel manager wired the bank:

8A Kansas City, Mo., 1028 P 2/10. Farmers' Bank of Morrill, Ks., Morrill, Ks. Will you take check one hundred fifty dollars to order of J. F. Watson, signed by Jess H. Stapleton. Hotel Baltimore.

This telegram was received early the next morning, February 11, 1920, and the bank promptly replied by wire:

2/11/20 Hotel Baltimore, Kansas City. Will pay check one hundred fifty dollars, signed by Jess H. Stapleton. 8:50 A. M.
Farmers' Bank of Morrill.

About two hours after this exchange of telegrams, the defendant called up the bank by long-distance telephone and requested the assistant cashier to refuse payment of the check, and to pay no attention to a letter then enroute which defendant had written and mailed and which dealt with the check.

On February 14, the defendant wrote to the assistant cashier:

K. C., Mo., Feb. 14, 1920.

Just a line about the check I talked to you about. We have decided not to buy the job, so just stop payment on it, and return same to Mr. Watson.

On February 16, 1920, the check was presented and payment refused in accordance with defendant's request. The Hotel Baltimore which had cashed the check for the payee upon receipt of the bank's telegram on February 11, garnished funds of the bank on deposit in the Interstate National Bank of Kansas City, Mo., and judgment

followed against the plaintiff bank. Hence this lawsuit; the bank seeking a recovery against defendant for its outlay on the check and incidental costs, \$164.80, and interest. Judgment was entered for plaintiff, and defendant's assignment of errors deals with his views of the law applicable to the facts narrated above.

Defendant first calls attention to certain sections of the Negotiable Instruments Act (R. S. 52—1002, 1201, 1203, 1204, 1702, 1703, 1706), from which he deduces the conclusion that the check had to be physically presented to the plaintiff bank, at Morrill, before any acceptance or rejection was binding, and that until the check was so presented defendant had a right to stop payment. These statutory provisions do not compel the conclusion contended for. And there is good authority to the contrary. In one of our own decisions (*Bank v. Bank*, 74 Kan. 606, 87 P. 746, 8 L. R. A. [N. S.] 1148, 118 Am. St. Rep. 340), where the telegram of inquiry read: "Is J. F. Donald's check on you \$350 good?" and the bank answered: "J. F. Donald's check is good for sum named," it was taken for granted that, if the bank's answer had been an unequivocal promise to pay Donald's check for \$350, there would have been an acceptance against which Donald's later stop payment order would have been ineffectual. Various cases of inquiries by mail and telegraph relating to checks and the bank's replies thereto are set out and discussed in the opinion, and the general rule was recognized where the language used by the bank in such letters "clearly and unequivocally imports an absolute promise to pay" a contract of acceptance external to the check is thereby created. After citing pertinent provisions of statute and apt decisions touching acceptance, the court said:

Nor is there any dispute that the written acceptance contemplated by the statute may be made by telegrams. 7 Cyc. 765. Page 609.

The same doctrine is expanded and supported by additional citations in 8 C. J. 305.

The Negotiable Instruments Act contemplates that an acceptance of bills of exchange, which include checks, may be written "on a paper other than the bill itself" (R. S. 52—1103), in which respect the act is merely repetitive of our earlier law (*G. S. 1901, §548*), which was considered in *Eakin v. Bank*, 67 Kan. 338, 72 P. 874. The books are full of cases where telegraphic communications touching checks have been con-

strued as acceptances, so that defendant's contention that physical presentation of a check at the bank is a prerequisite to its acceptance cannot be sustained. In *Garrettson v. North Atchison Bank (C. C.)* 39 F. 168, 7 L. R. A. 428, extensively quoted in *Bank v. Bank*, supra, the telegram of inquiry read: "Will you pay James Tate's check on you twenty-two thousand dollars? Answer." The bank wired in response: "James Tate is good. Send on your paper." It was held that the bank's telegram constituted a written acceptance of the check, rendering the bank liable for its amount to a holder thereof who was shown the telegram and took the check for value in reliance thereon.

The present case is quite like that of *Iowa St. Sav. Bank v. City Nat. Bank*, 183 Iowa, 1347, 168 N. W. 148, L. R. A. 1918F, 169, where Lon Fraseur issued his check for \$1,035 in favor of H. I. Ball. Ball indorsed the check to the Iowa State Savings Bank of Fairfield, but before paying any money thereon or giving Ball credit therefor the Fairfield Bank wired the City National Bank of Tipton on which the check was drawn:

Fairfield, Iowa, June 4, 1914. City National Bank, Tipton, Iowa. Will you pay check for ten hundred thirty-five dollars signed Lon Fraseur for cattle? Iowa State Savings Bank.

The Tipton Bank wired the answer:

Tipton, Iowa, June 4, 1914. Iowa State Savings Bank, Fairfield, Iowa. We will pay check for ten hundred thirty-five dollars signed Lon Fraseur. City National Bank.

Before the check turned up for payment at the Tipton Bank the maker, Lon Fraseur, had stopped payment and the Tipton Bank refused to pay the check. In the action which followed the contention was that there was no acceptance of the check. The court said:

If there could be no valid acceptance except by writing and signing the formal words upon the face of the instrument, the exception would have to be sustained; but this is not the law. Our Negotiable Instruments Statute provides that a bill of exchange does not, "of itself," operate as an assignment of the funds in the hands of the drawee, available for the payment thereof, and that, until there is an acceptance, the drawee is not liable on the bill (Code Supp. § 3060a127), and further provides that the acceptance must be in writing, signed by

the drawee (Code Supp. § 3060a182); but it nowhere makes it necessary that such acceptance shall, in all cases, be written upon the bill itself. On the contrary, it recognizes the validity of an acceptance written on paper other than the bill, and an action can be maintained thereon against the drawee, in favor of one to whom it is shown, and who, on faith thereof, receives the bill for value. Code Supp. § 3060a184. It also makes the unconditional written promise of the payee to accept a bill before it is drawn the equivalent of an actual acceptance, in favor of every person who, on faith thereof, receives the bill for value. (188 Iowa, 1349, 168 N. W. 148) page 171.

To the same effect were *Selma Savings Bank v. Webster County Bank* 182 Ky. 604, 206 S. W. 870, 2 A. L. R. 1136, and notes; and *Commercial Bank v. First Nat. Bank*, 147 La. 925, 86 So. 342, 13 A. L. R. 986; *Muentzer v. Los Angeles Trust & Savings Bank* (C. C. A.) 3 F. (2d) 222. See, also, note to *Coolidge et al. v. Payson et al.*, in 4 L. Ed. 185; note in 26 A. L. R. 312; 3 R. C. L. 1305, 1306.

It seems clear both by reason and by authority that by its telegram to the Hotel Baltimore on the morning of February 11, 1920, before it had either telephone or other request from defendant to stop payment on the check, the plaintiff bank had bound itself unequivocally to honor and pay the check to the hotel company, as it was precisely the sort of party defined and protected by the statute—"a person to whom it [the telegram] is shown and who on the faith thereof receives the bill for value." R. S. 52—1103.

While the foregoing seems to conclude the matter, on precedent and principle, there is another and simpler view that leads to the same conclusion. Whether the undisputed facts of this case constitute in every technical sense an acceptance of the check, or whether pursuant to the request of defendant on his departure for Kansas City, the bank did give an affirmative response to the telegraphic inquiry of Hotel Baltimore, when that affirmative response was acted upon by the hotel, the bank's liability was that of a principal debtor to the hotel, not a mere surety or guarantor, and it could not relieve itself of that obligation on stop payment instructions received from defendant two hours later by telephone or some days later by mail. *McAdoo v. Bank*, 106 Kan. 662, and citations, 189 P. 155. It was at defendant's request that the bank committed itself and had to pay.

Appellant also complains of the introduction of certain correspondence which passed between the Hotel Baltimore and the plaintiff bank. It was not incompetent.

A final complaint is made about the amount of the judgment, \$199.20. Since the bank paid \$164.80 on defendant's behalf nearly four years before it obtained judgment, we do not detect any substantial error in the mathematical computation of principal and interest, although the aggregate sum allowed does seem a trifle low.

The judgment is affirmed.



Notifying Bank as to Payment of Forged Check

Samples v. Milton County Bank, Court of Appeals of Georgia, 129 S. E. Rep. 170

In about one-half of the states, there is a statute which provides that a bank shall not be liable to a depositor in paying a "forged check" unless the depositor notifies the bank of the payment within a stated time after the canceled check is returned to him, or after the bank has given notice to the depositor that his canceled vouchers are ready for delivery.

It has been held in several cases that a statute of this kind does not apply to a check bearing a forged indorsement. The expression "forged check" refers to checks upon which the signature of the drawer has been forged.

The Georgia statute provides that a bank shall not be liable in such a case unless the depositor notifies the bank of the payment within sixty days after the voucher has been returned to him. In the present case, it appeared that the plaintiff's husband signed checks against the plaintiff's account in the defendant bank without authority in the following manner: "Mrs. N. B. Samples, by N. B. Samples." She did not notify the bank of the payment until nine months after the return of the vouchers to her. Her husband died in the meantime. It was held that the statute did not apply to a check of this kind because the signature was one made without authority rather than a forgery. A judgment in favor of the bank was reversed.

Action by Mrs. N. B. Samples against the Milton County Bank. Judgment for de-

defendant and plaintiff brings error. Reversed.

Mrs. N. B. Samples brought suit against the Milton County Bank to recover a certain sum of money which she had deposited in the bank. The defendant denied liability and specifically pleaded that the money sued for had been withdrawn by checks bearing the name of the plaintiff signed thereto as drawer, which checks, marked canceled and paid, had been returned to her by mail, and that the plaintiff, not having protested the payment of the checks by the defendant, nor in anywise complaining thereof, within more than sixty days after the checks had been returned to her, is, by such facts, estopped from asserting any claim against the bank. The defendant claimed that it believed the name of the plaintiff was signed to the checks by her authority, and that the checks were thus cashed in good faith.

It appears from the evidence that the plaintiff's name was signed to certain of the checks by her husband, and that the bank cashed the checks for him, knowing that the signature was not the genuine signature of the plaintiff but that the husband, purporting to act for the plaintiff, had signed her name thereto. They were signed "Mrs. N. B. Samples, by N. B. Samples." The plaintiff denied that her husband had authority to sign her name to the checks. It further appears from the evidence that the checks cashed by the husband were marked paid and returned to the plaintiff by mail, with a statement of her account, and that she did not notify the bank of any lack of authority in her husband to sign her name to the checks until nine months after the canceled vouchers had been mailed to her, and after her husband had died.

A verdict was found for the defendant.

OPINION

STEPHENS, J.—(after stating the facts as above)—The court, in his charge, instructed the jury that:

No bank which in good faith has paid, and charged to the account of a depositor, any money on any forged or raised check issued in the name of the depositor shall be liable to such depositor of the amount paid thereon, unless * * * within sixty (60) days after the return to the depositor of the voucher representing such payment [a voucher would be a check], the depositor shall notify the bank that the check so paid was forged or raised.

This language is taken from section forty-four of article nineteen of the banking act, approved August 16, 1919, (Ga. L. 1919, pp. 135, 209).

Continuing, the court instructed the jury that:

A forged check, within the meaning of this particular statute, is a check drawn in the name of any person without the authority of such person. To illustrate, as applied to the plaintiff here, if some one signed her name to a check and it was done without authority from her, then within the meaning of this particular statute that would be a forged check, and it would be incumbent upon the plaintiff, within sixty days after receipt of the notice of the payment of this check from the bank to the plaintiff, to make complaint to the bank, and failure to do so would be a bar thereafter from asserting any claim against the bank on account of such payment.

The plaintiff excepted to the charge upon the ground that the checks in question were not forged checks, and that, therefore, this provision of the banking act is not applicable.

This provision of the banking act is in a sense punitive. It penalizes the depositor and deprives him of a right, which he would otherwise have had against the bank, to repudiate a forged or raised check. This penalty, under the terms of this section, may be enforced against the depositor without actual notice to him of the fact that the bank had cashed and charged against his account such a check. Since a sufficient notice under the act may be given to the depositor "by mailing to such depositor at his last-known address," it is possible that the depositor may not receive actual notice and, without actual notice, may be deprived of his right to hold the bank liable for cashing and charging against his account a forged or raised check.

Since statutes which are penal in their nature, and which abridge and curtail private rights and remedies, must be strictly construed, and since legal terms must, when used in a legislative act, unless the context demands otherwise, be construed in their legal sense, a "forged" check, as this term is used in the act, will be construed as referring to a check which is the result of an act of forgery, as defined in the criminal statutes. *Johnson v. Bradstreet Co.*, 87 Ga. 79, 82, 13 S. E. 250; *Black on Interpretation of Laws*, p. 130; *Lewis' Sutherland on Statutory Construction*, vol. II (25 Ed.) §398.

To constitute forgery, the writing must purport to be the writing of another than the person making it. * * * Where one executes an instrument purporting on its face to be executed by him as the agent of the principal; he is not guilty of forgery, although he has in fact no authority from such principal to execute the same. This is not the false making of the instrument, but merely a false and fraudulent assumption of authority. The essence of forgery is the making of a false writing, with the intent that it shall be received as the act of another than the party signing it; and where it appears that it could not have been intended that the false writing should be received as other than what it purports to be, the maker may be guilty of cheating and swindling, but cannot be guilty of forgery.

Barron v. State, 12 Ga. App. 342 (7), 77 S. E. 214.

It appearing from the evidence that the checks drawn by the plaintiff's husband in her name were not forged checks, the above-quoted excerpts from the charge of the court were error.

Under the undisputed facts, the plaintiff was not, irrespective of the above provision of the banking act, as a matter of law, estopped from repudiating her husband's act in signing her name to the checks. The verdict found for the defendant, therefore, was not demanded.

The court erred in overruling the plaintiff's motion for a new trial.

Judgment reversed.



Federal Land Bank Bonds as Security for Postal Savings Deposits

BANK executives may well consider the advantages to be gained from using Federal Land Bank Bonds as collateral security for Postal Savings and other Government deposits.

Congress has declared and the United States Supreme Court has affirmed the Federal Land Bank Bonds to be "instrumentalities of the Government of the United States." As such they are acceptable at par as security for Postal Savings and other Government deposits. This should not, however, be construed as meaning that the Government undertakes to guarantee these bonds.

The yield of this class of bonds is very satisfactory, usually higher than can be obtained from the best grade of municipal bonds. Besides, they are completely exempt from all Government, state, municipal and local taxation.

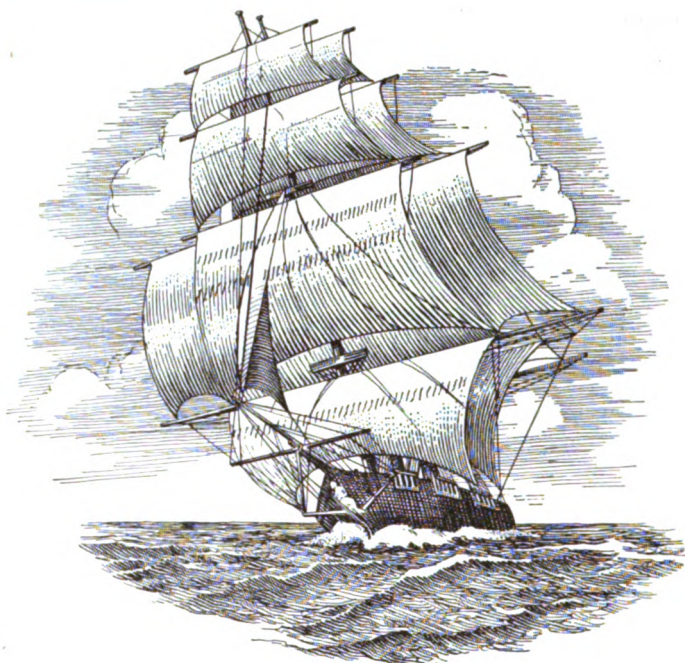
There is always a broad market for Federal Land Bank Bonds because of their eligibility for the investment of savings funds in nearly all states. Moreover, they are recognized as a standard form of security because of the special safeguards placed about their issue.

For practical purposes, all Federal Land Bank Bonds may be considered equally safe.

It is not necessary to examine the underlying security or even the record of the issuing bank, because every Federal Land Bank Bond is guaranteed not only by the bank whose name it bears but is also guaranteed jointly by all the eleven other issuing banks which make up the Federal Land Bank System. As these banks have a combined capital, reserve and surplus of more than \$60,000,000, this joint guarantee is backed by ample resources to make it effective.

Federal Land Bank Bonds may now be regarded as a thoroughly seasoned security. They have been on the market for more than eight years and, during that time, have proved remarkably stable.

The confidence of the investing public in Federal Land Bank Bonds is evidenced by the fact that investors have absorbed practically \$1,000,000,000 worth of them without special urging or high-pressure salesmanship. Although there are at present \$972,000,000 outstanding, they are rather closely held by those who value the tax-exemption and other privileges. The last issue of \$30,000,000, dated January 1, 1925, and not callable before January 1, 1935, bears interest at 4½ per cent. and has been consistently quoted above par.



ORIGINAL CHARTER 1828

A Leading New England Bank

We endeavor constantly to imbue further our every transaction with the traditional cordiality which has existed so strongly between this bank and its correspondents and clients for nearly a century.

Corporations, executives, and individuals must have a dependable banking connection for their domestic and foreign business. The Atlantic National Bank of Boston goes one step further and incorporates into the whole the true spirit of banking service.

Total Resources Over \$100,000,000

THE ATLANTIC NATIONAL BANK OF BOSTON

Banking Publicity

Special Section of The Bankers Magazine

DECEMBER 1925

Merchandising the Trust Company

The Concluding Article of a Series on a Complete Campaign
for New Trust Business

By THEODORE TEFFT WELDON

Advertising Manager Northern Trust Company of Chicago

IN these articles discussing the task of selling the services of the modern trust department, an attempt has been made to outline in theory, motive and plan the newspaper advertising, the direct mail work, and personal solicitation. Although each has been handled as a separate structure and designed to stand and produce by itself, the intention has been to encourage the consideration of each as an integral part of the total selling effort. That much study is given to the production of excellent individual elements of a campaign is not enough. A cohesion is needed to bind the elements together so they will reinforce each other and function as a team for gaining new business.

This harmonizing and dovetailing of the sales efforts is the business of merchandising. It is the broader art to which advertising and salesmanship are but contributors. The effectiveness and productivity of each type of effort requires consideration with reference to the others, if merchandising is to be carried out with any marked degree of efficiency. The more potent avenues of business getting may be made even more formidable when approached in this way, deploying the selling forces with a clear view of the entire plan in its many ramifications.

It is a noticeable fact in most trust companies that the preponderance of new clients comes

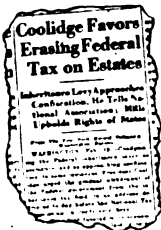
from no traceable source. Just what weight any one phase of advertising or selling has on this business cannot be ascertained. Yet it is reasonable to suppose that it comes because somewhere, at some time or other, certain individuals have got hold of the idea that this is a service they want and that this is the best company to afford it. The basis of that idea is education in one form or another, and all advertising and all selling is primarily education. It may have come to them through one of the mediums already discussed;

i. e., newspaper advertising, direct mail, personal solicitation. Or it may have come through some incidental means—association with other departments of the bank, the suggestion of a friend, a window display, the recommendation of an attorney, and the hearsay which we call reputation and good will. These incidental ways of influencing trust business are worthy of consideration.

The New Business Efforts of Other Departments

The process of interesting the clients of other departments of the bank in trust service is receiving attention almost universally. It is needless to stress its value here, as it is the most obvious thing to do. Something

Will Inheritance Taxes Greatly Reduce Your Estate?



Coolidge Favors Erasing Federal Tax on Estates
Inheritance Levy Approaches Cancellation. He Tells National Association State Legislative Rights of States

Even were the Federal tax on estates eliminated as the President suggests, a careful study of your securities and reinvestment where necessary might prove of great benefit.

Many estates are greatly reduced after paying taxes claimed by several States on the same security. This contingency may be avoided by the proper arrangement of security holdings.

We have no securities for sale and are therefore in a position to give disinterested advice.

Our officers will be glad to explain this service to you.

CENTRAL UNION TRUST COMPANY

OF NEW YORK

PLAZA OFFICE 42ND ST. OFFICE
Fifth Ave. & Sixth St. 80 BROADWAY, NEW YORK Madison Ave. & 42nd St.

Capital, Surplus and Undivided Profits over 38 Million Dollars

MEMBER FEDERAL RESERVE SYSTEM

A timely and appropriate tie-up of a newspaper clipping with copy on an important phase of trust company service, is made in the above advertisement.



STOCK TRANSFER
—is it a problem in your corporation?

TAKES YEARS of special training and experience to develop a trustworthy transfer department and its responsibility always is great. For example:

1. A corporation has been held liable for permitting a guardian to transfer stocks standing in the name of a minor, without securing evidence of the authority of the guardian.
2. A corporation has been held liable for transferring stock for a trustee when there was no power of sale in the trust instrument.

The appointment of The Equitable as your transfer agent will provide protection, speed, by relieving you of much clerical and technical detail, it will also effect a real economy in your overhead.

Send for our booklet: THE EQUITABLE TRUST COMPANY of New York—TRANSFER AGENT

THE EQUITABLE TRUST COMPANY OF NEW YORK

157 TOWN OFFICE
Madison Ave. at 68th St.

37 WALL STREET

REPORTERS AND TRADING OFFICES IN
LONDON • PARIS • MEXICO CITY

Total resources more than \$450,000,000

The effectiveness of this advertisement is strengthened by the fact that the copy, instead of generalizing, cites two specific instances in which the training and experience of a trust company places it in a position to render valuable service in solving problems of stock transfer. It will be noted that this advertisement seeks direct returns in the form of inquiries.

might be said, however, about the plan of going after this business.

Among the many economical ways of reaching customer prospects are lobby notices and displays, booklets and blotters on the counters, messages under the glass of cages, signs in the vault coupon rooms, stuffers in cancelled vouchers, vault bills, interest notices, bond circulars and other mail. It is often an advantage to keep these timely, hooking up the theme with that of current newspaper advertisements and booklets. Seasonal copy stressing agent and custody services at the travel and vacation periods and during income tax time, or reviewing wills at the New Year creates interest. Special letters to customers from officers who

know them are a more direct means of calling attention to specific trust situations which ought to be valuable to certain persons.

Personal work on clients of other departments can be most effectively carried on by the officers of those divisions. The new business genius within the bank should remember that these men have responsibilities which naturally outweigh any generous urge to help other departments. They can hardly be expected to take the initiative and to lay out a plan, and their work is almost certain to be haphazard, occasional and of little effect unless this is done for them. One very elementary plan that has been fairly successful in a great number of banks is to prepare

letters, singly or in series, for each officer to send to the customers who contact with him, which will intrigue the customer to bring up the matter the next time he is in the bank.

Once a scheme is worked out and the officers thoroughly imbued with the idea, they can be kept enthusiastic about it by being informed continually of the progress which is being made through their activity. It gives them a sense of accomplishment and they feel what a large reward is coming from a comparatively negligible effort. Interest on their part is in almost direct proportion to the appreciation manifested for it.

Weekly meetings of the officers with the president, in which



If your estate is chiefly in fixed assets

PROFIT and well considered action is indispensable if an estate, consisting chiefly of real estate, business interests and other fixed assets, is to be protected from serious loss upon the death of the owner.

Two especially important points are involved:—

1. Insure and substitute beneficiaries within one year after the owner's death, upon the achievement of ready cash to large amounts for which no provision has been made.
2. Place assets left without a plan for their disposition in a trust which will provide the proceeds for the protection of the beneficiaries for the future. In this case there is always a risk of serious depletion to value.

Among our "Seven Ways to Protect Your Family and Property" you will find these problems which apply also to other problems. Plans A, B, C and D, No. 1, however, your attention, one or more of these plans will help you.



The Seaboard National Bank
MEMPHIS and WASHINGTON OFFICES

Another advertisement which is strengthened by its quality of being specific. This advertisement seeks inquiries for a booklet which gives seven plans for the protection of family and property. The copy arouses interest by detailing briefly two important points involved in the protection of an estate which consists chiefly of fixed assets.



The Executor in Florida and his duties 1000 miles away!

While the Executor of her husband's estate was traveling on a vacation where he would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

A plan and a letter from a man who had been executor of a large estate.

John had been executor of a large estate and had written an Executor and Trustee who would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

The Fidelity Trust Company of Buffalo

Head Office Buffalo, N. Y. Branch Office Chicago, Ill. Trust Office New York, N. Y.

She Lived in "The Land Of Make Believe"

Will the lack of Life Insurance force you to make a similar struggle?

She lived in "The Land Of Make Believe" and her husband's estate was traveling on a vacation where he would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

Will the lack of Life Insurance force you to make a similar struggle? She lived in "The Land Of Make Believe" and her husband's estate was traveling on a vacation where he would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

The Fidelity Trust Company of Buffalo

Head Office Buffalo, N. Y. Branch Office Chicago, Ill. Trust Office New York, N. Y.

As The Years Roll On!

Do you shrink from discussing the future with your wife?

As the years roll on, do you shrink from discussing the future with your wife? She lived in "The Land Of Make Believe" and her husband's estate was traveling on a vacation where he would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

Do you shrink from discussing the future with your wife? As the years roll on, do you shrink from discussing the future with your wife? She lived in "The Land Of Make Believe" and her husband's estate was traveling on a vacation where he would be far from the details of his business, a letter came to him from the executor of her husband's estate. These were the duties of an executor in Florida and his duties 1000 miles away!

The Fidelity Trust Company of Buffalo

Head Office Buffalo, N. Y. Branch Office Chicago, Ill. Trust Office New York, N. Y.

Copy in the story form, with a strong emotional appeal, has been put to appropriate and effective use in the above group of trust advertisements

new business is reported and discussed are found to be very helpful. They make it apparent where new business is originating, how it is most efficiently snared, and also that it can be procured in worth while amounts if the officers approach it in the proper way. It has surprised many a banking department officer to find that the chance remark to a customer, "John, have you got a will deposited upstairs? I want to introduce you to our Mr. Jones," has resulted in a goodly estate.

The staff cannot get results equal to the officers, of course, but it can do a good deal. The rank and file are particularly valuable in suggesting to officers whom to follow up. Official recognition of their efforts is a wholesome stimulus. To be called to the president's office and complimented for assisting in securing a piece of business will do wonders for the sales morale of a clerk or teller.

Window Displays

The windows offer a good vehicle for the trust department to display its wares. The prevailing feeling that the windows

are of value principally to attract the smaller customer is indicated by the great preponderance of savings displays throughout the country. More and more, of late, the public has shown its interest in fiduciary matters. Magazines are commencing to carry articles and stories on the subject, which are being eagerly received. There is ample evidence that even the busy executive will take impressions from passing a trust window and will stop and read at length if the subject is so portrayed as to inform and interest him. To construct a good trust window is a real task, but keeping in mind that this may be a subsidiary means of attracting that business which comes from we know not where and which is perhaps the result of a spark ignited in the public mind from some little idea gained ever so casually, it may be worth the effort.

One bank reports a decided interest created by a window going at length into the laws of descent using separate cards to illustrate individual cases; as a married man with a son and a daughter, an un-

married man with a widowed mother and so forth. Another claims several executorships from a window depicting in graphic form the effect of inheritance taxes under varying family and property conditions.

What is the Widow's Dower Right?

DOWER is the right of a widow to receive, during her lifetime, one-third of the income of her dead husband's real estate.

The husband cannot deprive his widow of the right. He may leave property to her by will in place of dower but she has the option of refusing to accept the bequest and taking her dower. Any gift by will to the widow is in addition to dower, unless expressly stated to be in lieu of dower.

MANY questions of this kind are discussed in booklets furnished free of charge at any Irving-Columbia Banking Office. For counsel on legal matters the layman is urged to go to his lawyer. The Irving-Columbia will most furnish such advice. But our officers are always ready to discuss your other problems and give information on the business management of your estate.

IRVING BANK-COLUMBIA TRUST COMPANY

Office-Queens: 60 Broadway; 81 Fulton St., Westtown Building, West Broadway at Chambers St., Broadway at Eighth St., Madison Park Ave. at 20th St., Fifth Ave. at 24th St., East 42nd St., opp. Grand Central; Park Ave. at 28th St., Strand 17th St. at Seventh Ave., Grand Third Ave. at Fifth St., Broadway 11th St. at 14th St., East Fordham Rd. at Maroon Ave., Broadway 110 Fulton St., Flatbush Ave. at Linden Blvd., New Utrecht Ave. at 179th St.

An appeal to the curiosity, based on an important point in the law of estates. The above advertisement of a New York bank seeks to arouse interest in booklets which it publishes on problems in the management of an estate, and other related subjects.

The News Value of Trusteeship

The press is quite willing to carry informative articles on important fiduciary questions. Interviews are frequently sought by newspaper representatives on inheritance taxes, insurance trust agreements, executor's duties, and publicity along these lines may be easily stimulated to the benefit of both the individual company and trust service in general.

There should be little difficulty in getting articles on these subjects into print if proper tact is exercised to keep away from the smack of free publicity and to keep the theme bristling with information of genuine news value. Likewise every rich man's death is news. Newspapers are eager to print details of his will and his es-

tate, and nowhere can they get this information as authentically and in as great detail as from his executor. They will gladly mention the trust company which is appointed and often quote its officers at some length concerning the testator's affairs and the disposition of his property.

Cultivation of Lawyers

Trust companies in general are agreed that attorneys can do them much good or much harm, according to the attitude taken. Every conscientious attorney desires to serve the best interests of his client in writing a will or advising regarding its administration. Relations between the lawyer and the trust company need only a fair recognition of the sphere of each



An Individual Executor Means One Limited Human Judgment

The Chemical National Bank as executor meshes the judgment of many minds and the resources of a great organization.

THE CHEMICAL NATIONAL BANK
OF NEW YORK

BROADWAY AND CHAMBERS STREETS CITY HALL
MADISON AVENUE AT FORTY-SIXTH STREET
FIFTH AVENUE AT TWENTY-NINTH STREET

Excellent layout in arrangement of illustration, headline and copy give this advertisement a distinctly effective physical appearance. Headline and copy together run less than thirty words—but they say a great deal.



**Ablest of Pleaders for Others—
They Seldom Speak for Themselves!**

Detroit is host this week to the Members of the American Bar Association

Union Trust Company
INCORPORATED AT CLEVELAND • PRINCIPAL OFFICE CLEVELAND, OHIO

First Trust Company in Detroit

Printed at the Foundry

A very striking example of trust company co-operation with lawyers. The above advertisement was run full page newspaper space by a Detroit trust company during the recent convention of the American Bar Association in that city.

for mutual satisfaction. They need not conflict. On the contrary they can co-operate to advantage and to the best interests of the client they both serve.

The testator needs his own lawyer to write his will and the trust company is dependent upon the attorney for a sound and clear will. The testator's attorney should be employed to handle any legal work incident to administering his will, as his familiarity with the property, family relations and point of view of the testator is helpful to both the estate and trustee.

The attorney needs the trust company in a number of ways. Principally he is interested in the successful carrying out of the will provisions he writes. It reflects upon his ability. The attorney can draw upon the experience of the trust company in the working out of will provisions from a practical

standpoint, aside from their legal aspect. Some attorneys are more familiar with tax rulings than others, but many can save time and effort by consulting with a trust company which maintains specialists in inheritance tax problems. When an attorney himself, or one of his clients, has been named executor or trustee, a trust company can serve him as agent or custodian to render specific services, such as handling invest-

himself. If he is forced to draw a will it is well to make a charge in order that the client may not benefit by slighting the services of an outside attorney. On the other hand, a practice of extending too great liberties to lawyers throughout other departments of the bank may be very easily carried to excess. The better lawyers do not require unusual favors while the others frequently take advantage of such a policy.

Mechanical Features Necessary to an Aggressive Campaign

To keep accurate track of development of leads in order that each may be followed up systematically in the right way and at the right time requires an efficient central file. The whole effort in new business, mechanically, is built around the files. First, there is the prospect list containing the names of persons who are to receive general letters and leaf-

A Task you must some day give another . . .

SOME day, unless you have already done so, you will appoint an executor for your estate. Do you realize just what his task will be?

Before your estate is distributed your executor must—

1. Prepare, mail and obtain letters testamentary from the Surrogate's Court.
2. Take possession of all property of the estate.
3. Make a careful inventory of all the property.
4. Have an accurate record of all assets, receipts and payments.
5. Collect all debts due the estate and all claims, debts, taxes and interest.
6. Take care to protect all property from loss and damage while in his care.
7. Account for all sales against the estate and pay the proceeds.
8. Compute and file returns showing when Federal and State income and inheritance taxes are due and pay them.
9. Sell the assets unless another method of distributing them is preferred.
10. Pay the expenses and other debts of the estate.
11. Submit his accounts to the court and arrange a judicial settlement approved by the court and all interested parties before he can obtain a discharge.

Now wonder this task has been called "the hardest job in man's way of life?"

When you name the Irving Bank-Columbia Trust Company, you secure an executor or trustee—

- who is not liable to blows and death
- who is never absent or "on his way" to give this task the constant care it often demands
- who has had over a generation of experience in the settling of estates and in the management of property
- who has facilities to handle with speed and accuracy the many details that often cause delay and hardship.

Many men are surprised to learn the magnitude of the Irving-Columbia service. All the facilities and resources of the Irving-Columbia are at your service for the same time as would be paid to an independent executor or trustee, since in both cases the fees are defined by law. Not being interested in the sale of securities of any type whatsoever, the judgment of the Irving-Columbia is at all times wholly impartial.

An officer of this Company will always be pleased to talk over with you personal problems or give advice in connection with the matter.

We have prepared several booklets which explain in detail the various aspects of estate planning and the handling of estates. These can be obtained in any quantity as early as you wish.

IRVING BANK-COLUMBIA TRUST COMPANY

<p>Deposits</p> <ul style="list-style-type: none"> • 3% Bank • 4% Bank • 5% Bank • 6% Bank • 7% Bank • 8% Bank • 9% Bank • 10% Bank • 11% Bank • 12% Bank • 13% Bank • 14% Bank • 15% Bank • 16% Bank • 17% Bank • 18% Bank • 19% Bank • 20% Bank • 21% Bank • 22% Bank • 23% Bank • 24% Bank • 25% Bank • 26% Bank • 27% Bank • 28% Bank • 29% Bank • 30% Bank • 31% Bank • 32% Bank • 33% Bank • 34% Bank • 35% Bank • 36% Bank • 37% Bank • 38% Bank • 39% Bank • 40% Bank • 41% Bank • 42% Bank • 43% Bank • 44% Bank • 45% Bank • 46% Bank • 47% Bank • 48% Bank • 49% Bank • 50% Bank 	<p>Advances</p> <ul style="list-style-type: none"> • 1% Advance on Cash • 2% Advance on Cash • 3% Advance on Cash • 4% Advance on Cash • 5% Advance on Cash • 6% Advance on Cash • 7% Advance on Cash • 8% Advance on Cash • 9% Advance on Cash • 10% Advance on Cash • 11% Advance on Cash • 12% Advance on Cash • 13% Advance on Cash • 14% Advance on Cash • 15% Advance on Cash • 16% Advance on Cash • 17% Advance on Cash • 18% Advance on Cash • 19% Advance on Cash • 20% Advance on Cash • 21% Advance on Cash • 22% Advance on Cash • 23% Advance on Cash • 24% Advance on Cash • 25% Advance on Cash • 26% Advance on Cash • 27% Advance on Cash • 28% Advance on Cash • 29% Advance on Cash • 30% Advance on Cash • 31% Advance on Cash • 32% Advance on Cash • 33% Advance on Cash • 34% Advance on Cash • 35% Advance on Cash • 36% Advance on Cash • 37% Advance on Cash • 38% Advance on Cash • 39% Advance on Cash • 40% Advance on Cash • 41% Advance on Cash • 42% Advance on Cash • 43% Advance on Cash • 44% Advance on Cash • 45% Advance on Cash • 46% Advance on Cash • 47% Advance on Cash • 48% Advance on Cash • 49% Advance on Cash • 50% Advance on Cash 	<p>Loans</p> <ul style="list-style-type: none"> • 1% Loan on Cash • 2% Loan on Cash • 3% Loan on Cash • 4% Loan on Cash • 5% Loan on Cash • 6% Loan on Cash • 7% Loan on Cash • 8% Loan on Cash • 9% Loan on Cash • 10% Loan on Cash • 11% Loan on Cash • 12% Loan on Cash • 13% Loan on Cash • 14% Loan on Cash • 15% Loan on Cash • 16% Loan on Cash • 17% Loan on Cash • 18% Loan on Cash • 19% Loan on Cash • 20% Loan on Cash • 21% Loan on Cash • 22% Loan on Cash • 23% Loan on Cash • 24% Loan on Cash • 25% Loan on Cash • 26% Loan on Cash • 27% Loan on Cash • 28% Loan on Cash • 29% Loan on Cash • 30% Loan on Cash • 31% Loan on Cash • 32% Loan on Cash • 33% Loan on Cash • 34% Loan on Cash • 35% Loan on Cash • 36% Loan on Cash • 37% Loan on Cash • 38% Loan on Cash • 39% Loan on Cash • 40% Loan on Cash • 41% Loan on Cash • 42% Loan on Cash • 43% Loan on Cash • 44% Loan on Cash • 45% Loan on Cash • 46% Loan on Cash • 47% Loan on Cash • 48% Loan on Cash • 49% Loan on Cash • 50% Loan on Cash
--	--	---

To whom have you willed

Worry — Labor — Care?

WHEN you appoint a friend the executor and trustee of your estate, you put him under a burden, a burden of labor, worry, and care that may weigh upon his shoulders for many years.

The task of an executor is arduous and the duties of a trustee in applying sound business management are exacting in the extreme.

And should this friend die or find him self unable to assume his burden, then the price paid of worry and care is thrown back upon the shoulders of those whom you thought to protect.

For then the court appoints an administrator of your ill-gotten estate, trustee to settle your estate. How much better would it be for you to have your own executor or trustee to see that your estate is administered as you wish and that you secure continuous administration.

* * *

Every day, more and more men, out of consideration for friends and family, are appointing their will to the Irving-Columbia as executor or trustee.

In appointing the Irving-Columbia, you secure an executor or trustee—

- who is never absent or "on his way" to give this task the constant care it often demands
- who has had over a generation of experience in the settling of estates and in the management of property
- who has facilities to handle with speed and accuracy the many details that often cause delay and hardship.

Many men are surprised to learn the magnitude of the Irving-Columbia service. All the facilities and resources of the Irving-Columbia are at your service for the same time as would be paid to an independent executor or trustee, since in both cases the fees are defined by law.

Not being interested in the sale of securities of any type whatsoever, the judgment of the Irving-Columbia is at all times wholly impartial.

An officer of this Company will always be pleased to talk over with you personal problems or give advice in connection with the matter.

We have prepared several booklets which explain in detail the various aspects of estate planning and the handling of estates. These can be obtained in any quantity as early as you wish.

IRVING BANK-COLUMBIA TRUST COMPANY

<p>Deposits</p> <ul style="list-style-type: none"> • 3% Bank • 4% Bank • 5% Bank • 6% Bank • 7% Bank • 8% Bank • 9% Bank • 10% Bank • 11% Bank • 12% Bank • 13% Bank • 14% Bank • 15% Bank • 16% Bank • 17% Bank • 18% Bank • 19% Bank • 20% Bank • 21% Bank • 22% Bank • 23% Bank • 24% Bank • 25% Bank • 26% Bank • 27% Bank • 28% Bank • 29% Bank • 30% Bank • 31% Bank • 32% Bank • 33% Bank • 34% Bank • 35% Bank • 36% Bank • 37% Bank • 38% Bank • 39% Bank • 40% Bank • 41% Bank • 42% Bank • 43% Bank • 44% Bank • 45% Bank • 46% Bank • 47% Bank • 48% Bank • 49% Bank • 50% Bank 	<p>Advances</p> <ul style="list-style-type: none"> • 1% Advance on Cash • 2% Advance on Cash • 3% Advance on Cash • 4% Advance on Cash • 5% Advance on Cash • 6% Advance on Cash • 7% Advance on Cash • 8% Advance on Cash • 9% Advance on Cash • 10% Advance on Cash • 11% Advance on Cash • 12% Advance on Cash • 13% Advance on Cash • 14% Advance on Cash • 15% Advance on Cash • 16% Advance on Cash • 17% Advance on Cash • 18% Advance on Cash • 19% Advance on Cash • 20% Advance on Cash • 21% Advance on Cash • 22% Advance on Cash • 23% Advance on Cash • 24% Advance on Cash • 25% Advance on Cash • 26% Advance on Cash • 27% Advance on Cash • 28% Advance on Cash • 29% Advance on Cash • 30% Advance on Cash • 31% Advance on Cash • 32% Advance on Cash • 33% Advance on Cash • 34% Advance on Cash • 35% Advance on Cash • 36% Advance on Cash • 37% Advance on Cash • 38% Advance on Cash • 39% Advance on Cash • 40% Advance on Cash • 41% Advance on Cash • 42% Advance on Cash • 43% Advance on Cash • 44% Advance on Cash • 45% Advance on Cash • 46% Advance on Cash • 47% Advance on Cash • 48% Advance on Cash • 49% Advance on Cash • 50% Advance on Cash 	<p>Loans</p> <ul style="list-style-type: none"> • 1% Loan on Cash • 2% Loan on Cash • 3% Loan on Cash • 4% Loan on Cash • 5% Loan on Cash • 6% Loan on Cash • 7% Loan on Cash • 8% Loan on Cash • 9% Loan on Cash • 10% Loan on Cash • 11% Loan on Cash • 12% Loan on Cash • 13% Loan on Cash • 14% Loan on Cash • 15% Loan on Cash • 16% Loan on Cash • 17% Loan on Cash • 18% Loan on Cash • 19% Loan on Cash • 20% Loan on Cash • 21% Loan on Cash • 22% Loan on Cash • 23% Loan on Cash • 24% Loan on Cash • 25% Loan on Cash • 26% Loan on Cash • 27% Loan on Cash • 28% Loan on Cash • 29% Loan on Cash • 30% Loan on Cash • 31% Loan on Cash • 32% Loan on Cash • 33% Loan on Cash • 34% Loan on Cash • 35% Loan on Cash • 36% Loan on Cash • 37% Loan on Cash • 38% Loan on Cash • 39% Loan on Cash • 40% Loan on Cash • 41% Loan on Cash • 42% Loan on Cash • 43% Loan on Cash • 44% Loan on Cash • 45% Loan on Cash • 46% Loan on Cash • 47% Loan on Cash • 48% Loan on Cash • 49% Loan on Cash • 50% Loan on Cash
--	--	---

The attention getting headlines in the above advertisements lead into copy which has been so carefully planned and so skillfully presented that it is almost sure to arouse and stimulate the interest of any person concerned with the making of a will and the disposition of an estate.

ments, safekeeping securities, collecting income, looking after property, making income tax returns, keeping accounts and other business details which prove burdensome to the individual.

The counsel of a trust company will do more for it by way of new business in urging clients to go to their attorneys for advice and for the drawing of wills than by doing this work

Lawyers are numerous and it may be felt that few indeed are in position to influence trust business. More and more, however, they are becoming a power in this direction and a wholesome, sincere attitude toward them is overcoming their skepticism and is bringing to trust companies throughout the country an ever increasing volume of estates.

lets in an effort to interest them in the subject. Next, there is the customer prospect file which shows the customers of all departments of the bank who are not doing business with the trust department. Into these files go new names, inquiries and answers to advertisements, people suggested by the officers, directors, staff and friends of the bank. Here are lists of prospects in every stage

of selling from those which are about to receive their first booklet or letter on trust service to those who have been assiduously followed up and are ready to be closed. They must be kept in such a way that they will at once show who are to receive general letters and booklets in the effort to get an expression of interest, who are to be followed up along certain lines, who are to receive personal letters from officers, when and upon what subject, and finally who are to be called upon by solicitors or officials of the bank.

When many campaigns are in progress the necessity for efficiency in the files will be apparent if every advantage is to be promptly pursued. The work of the central file is apt to seem trivial, but it is not. A great deal of labor is necessary to keep the files properly, up to date, and thorough, and unless they are so kept they fail of their purpose.

Viewing the New Business Effort As a Whole

In planning the campaign to merchandise the services of the trust department it is helpful to lay out the entire scheme in graphic form so that a bird's eye view may be had. It will be found a very valuable check against an unscientific apportionment of the budget or a lopsided and top heavy campaign.

The important elements which the exhibit should show are listed as follows:

1. Newspaper advertising. The approximate number of insertions in each paper, the distribution through the year, and the copy angle by months.

2. Direct mail (a) to customers of other departments, (b) to outside prospect lists. Number of booklets and letters to be used, when they will be sent out and their subjects. Similar information for miscellaneous inserts in canceled

vouchers, vault bills, interest bills, bond circulars and other mail.

3. Window display, lobby, elevator and vault coupon room signs, etc. The number planned, their subjects and the time at which they will be used.

4. Bill boards, car cards, etc. The subjects they will portray and the time.

5. Lawyers. What is to be done for their cultivation and when.


6. Personal solicitation. (a) The individual correspondence plan under which answers to all advertising will be cultivated. (b) The plan under which solicitors and officers will make personal calls.

With such a framework reinforced by exhibits giving the details of each major point there is a more favorable chance of preventing unwise trimming of the budget and of the effort it represents. The controlling officers of the bank will be enabled to see more clearly the interlocking value of each item,

W

ILL the law make your will, or will you make your own? Will the courts appoint those who will settle your estate, or will you do that yourself? This bank has been acting as executor and trustee since 1888.

Send for "Administration and Conservation of Estates."



THE BANK OF AMERICA

ESTABLISHED 1812
Trust Department Organized 1885

<p>MANHATTAN 40 Wall Street, corner William 42 Broadway, opposite City Hall 110 Nassau Street, at Market St. 15 Broadway, Parkside Building Bldg.</p>	<p>BROOKLYN 48 Manhattan Avenue, corner No. 7th Street, at 7th Street 4th Street, at 4th Street 1st Broadway, at 1st Broadway</p>
---	---

A direct challenge—bluntly but effectively put. Every word in the brief paragraph of copy has been made to count, and the layout is unusually well planned.

and will be less inclined to cut out vital elements or to reduce them arbitrarily to a point where their effectiveness will seriously suffer.

Financial Windows of the East

By M. E. CHASE

DISPLAYS are to bank windows what people are to houses. Displays that are interesting and attention getting, are making even poorly constructed windows far more popular than elaborate windows inhabited by cold formality in a display, or no display at all. However, this remark is not made to lull a bank away from the idea of revamping its windows so as to give its displays a comfortable housing. It is meant to suggest that if your bank has a window or windows at all suitable for display purposes, they should be used to the best advantage until something better can be built.

If you are waiting to see how

other banks are taking to window displays, you will be interested in these interviews with Eastern bankers, beginning with the country's foremost bank, which is also one of the foremost in window displays. Says James J. McNamee, handling that work in the National City Bank of New York: "A great deal is demanded for our window displays. Therefore, we use the best on the market, both in brains and properties. Ideas must go into our displays—not a miscellany of caption cards and booklets, and we must have something new and different so our windows will not grow monotonous."

Banking Publicity

RICHARD F. DURHAM, Editor

Monthly Publicity Section

THE BANKERS MAGAZINE

71-73 Murray St., New York

DECEMBER 1925

IF you call to mind, at random, the names of half a dozen banks of approximately the same size with which you are familiar, what happens? As the names of these banks flash before your mind there is aroused a succession of distinct mental images—perhaps not very clearly or tangibly defined and classified—but none the less separate and distinct.

Here are six institutions dealing in the same commodity. It is unlikely that any one of them has a single service to offer that the other five cannot and do not duplicate. From the standpoint of number and variety of services they are almost exactly alike. Yet you have a decidedly different mental picture of each of them.

If these six banks happen to be well known advertisers, could the layout, typography and copy of any two of them be interchanged without seeming materially out of place? It is not very probable.

Bank service is pretty much standardized, which is all very well. This effects an economic saving for all banks alike.

A good deal of bank ad-

vertising—too much to the Editor's mind—is standardized. And this is not so very well. Neither, in a great many cases, is it necessary.

There are many advertising banks in this country which are not large enough to warrant their employing an advertising manager. These banks are located in communities where facilities for good layout and good typography are not to be had. They cannot afford to call in an outside advertising specialist who will give their problems individual attention. But they can buy, at a nominal cost, standardized advertising of high quality. Such advertising is not cut to fit their bank as an institution distinct from any other. But it is at least presentable and well planned.

There are also a number of advertising banks which are large enough to add to their staffs someone who is competent to give their advertising individual attention. These banks could well afford to take such a step with the reasonable expectation of a profitable return.

One of the chief values of any advertising is that it can be made to lend a flavor of individuality to the advertiser. Banks which are anywhere near the same size are very much alike. So are automobiles which are in the same general price class. So are cakes of soap and brands

of chewing gum or cigarettes—and yet think of Jordan, Buick, Chrysler, Ivory, Palmolive, Spearmint, Lucky Strike and Chesterfield. If the men back of these organizations had acted on the theory held by the man who says that, since all banks of the same size do the same thing and hence are alike, all the advertising of these banks should be standardized—would they be where they are today?



ONE of the important results that advertising can bring to a bank is the building up within the organization, through carefully thought out institutional copy, of an understanding and an appreciation of the aims that the institution is striving to attain through its advertising—a more clear conception on the part of those in the bank of what the bank is; what it stands for, and what it is trying to do.

The workers in a bank—executives and employes alike—often have a very warped and one sided vision of the kind of an institution they are working for. They often fail to see beyond the confines of their own particular niche in the bank's organization. This kind of vision does not make for increased loyalty to the institution's ideals; it does not make for an increased desire for mutual co-operation in the attainment of these

ideals. In short it does not make for increased morale.

"It might be an interesting thing to compel every man in your organization to read your advertising," said E. St. Elmo Lewis in his address at the F. A. A. convention. "I met a man the other day, who is the head of a great corporation in Chicago. I said, 'What is the benefit of your advertising?' I had noticed a lot of institutional work, which is the most difficult to trace in its effect. He said, 'The greatest benefit we got was this—we did not know until Smith—the man in charge of advertising—came into our organization, what a really big organization we had. And then Smith commenced to tell us what we were; commenced to make us see what we were and what we were trying to do. He formulated a clear idea out of a rather hazy, indefinite thing.'

"If you doubt this; if you think everybody in your organization knows what it stands for, just take fifteen minutes off some morning when you go into your bank, put fifteen questions about the fundamental policies of your bank on paper, distribute them among your employes, and ask them for answers. I venture to say that they cannot answer 50 per cent. And if they do answer all of them, you will be surprised at the kind of bank they think you are running."

Who's Who in Bank Advertising



GUY W. COOKE

Assistant cashier First National Bank of Chicago

MR. COOKE, on November 10 of this year, was admitted to the Quarter Century Club of the First National Bank of Chicago upon the completion of twenty-five years' service. For fifteen years he has had charge of the bank's advertising and that of the First Trust and Savings Bank (Chicago). He was one of the organizers and a charter member of the Financial Advertisers' Association. After serving two years as a vice-president, he was elected president of the organization in 1917. He was chairman of the publicity committee last year and chairman of the exhibit committee for the Columbus convention. He has represented the association for eight years on the National Advertising Commission, and served for six years on the international exhibit committee of the Associated Advertising Clubs of the World. As a member of the War Loan Organization he was Federal Reserve vice-director of sales for Indiana. He has been a member of Chicago Chapter, American Institute of Banking since its organization. He has attended every convention of the Financial Advertisers' Association, many of those of the Institute and other bankers' organizations, which have given him a wide acquaintance throughout the country.

Financial Windows of the East

(Continued from page 911)

the city's most aristocratic business center. We have, therefore, built our window to conform with our surroundings. And the displays that go into it are such as appeal to people of affluence. Large plate glass window, marble window floor, rich silk velvets, well lettered display cards, good reproductions of our securities—these are handled with the greatest of care as to balance and harmony.

"We do not merely guess that we are on the right track. We know that we are. We have watched people who pass our place of business. The woman who is driven up in a limousine and the man who carries a cane—blasé though they may be—do stop to digest what we have to say to them through our window, as much as the man

and woman of modest means. The issue they have seen advertised in their current magazine and the daily paper, they are again reminded of when they come past our window. And they come inside to invest—not a hundred dollars, but thousands."

W. M. Campbell, president of the American Savings Bank of New York says: "Our biggest reason for using window displays is our very excellent location in the Times Square vicinity. We have a small window but we are trying to put big ideas into it, and I believe with success, as we notice many people with the 'American Savings window habit.' As to the character of our displays, we recently tied the new interest period up with the Belmont horse races, the idea being, 'Get your deposits in under the October 18th wire so your money will go on interest as of October 1st.' The

display shows three jockeys riding three horses, and carrying respectively, a roll of bills, a home safe and a customer's card of introduction (which when presented by a person opening an account, entitles a customer to a \$1.00 deposit).

"Our next window will tie up with the Forty-second street one-hundredth anniversary celebration, showing how this bank has been a factor on this celebrated street for the forty-three years of its career.

"We change displays twice a month, and spend probably \$75, a month."

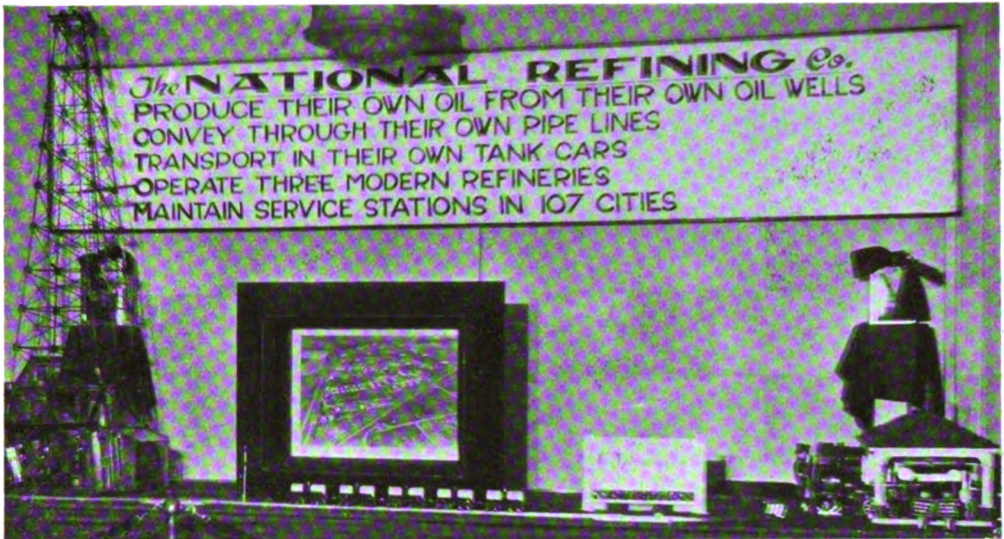
Human Interest Displays

G. Parks Gooden, comptroller of the Fordham Savings Bank of New York says:

"Being a savings bank and located in a residential neighborhood, we keep our window displays filled with human interest subjects.



This window of a New York bond and mortgage company, located in an aristocratic and affluent neighborhood, has been constructed to conform to the company's surroundings. The displays that go into this window are such as appeal to people of wealth. Backgrounds, display cards, reproductions of the company's securities—all are handled with the greatest of care as to balance and harmony.



This lobby display prepared by the Union Trust Company of Cleveland, Ohio, combines the qualities of attraction and sales talk. On the left is shown a miniature oil well. In the center foreground a train of tank cars, and at the right a miniature automobile service station. Just to the left of the service station is a miniature billboard advertisement of the National Refining Company's trade mark brand of gasoline. In the center background is a framed photographic reproduction giving a bird's eye view of the company's tanks and plant.

"To illustrate, a display which tied up with Bronx Borough Day Celebration was a parade of miniature Bronx Zoo animals and automobiles. On each was a banner carrying one or two words, which together read, 'Trade in Bronx, Save in Bronx, Make prosperity for Bronx. Make yourself a better citizen.' The floor was covered with confetti and from above floated paper streamers with a flag for a background.

"It was in nice harmony with the street decoration outside, and very interesting to the kiddies and their parents."

George L. Bloss, vice-president of the Franklin Society for Home Building and Savings, New York, has this to say: "When the directors of the Franklin Society authorized the leasing of the present quarters of the savings department, one of their reasons was the advantage which the location would give in telling the public about the society through the medium of window displays. The archi-

tect caught the spirit and the attractive windows resulted. Each Monday a new display is put in each window and the many who pass daily on their way to and from work, stop to read and to see. Some of the displays have attracted so much attention that during the noon hour, the windows have been constantly surrounded.

"Over twice as many new accounts are being opened each month as were recorded before the windows were used."

Keeping Displays Up to the Minute

Lester F. Mortimer, advertising manager of the National Bank of America in Paterson, N. J., says: "The value of live window displays has been exemplified through effective work accomplished for our bank. Window displays although perhaps not directly responsible for any known sales, surely have gone a long way toward making a prospect interested in our bank.

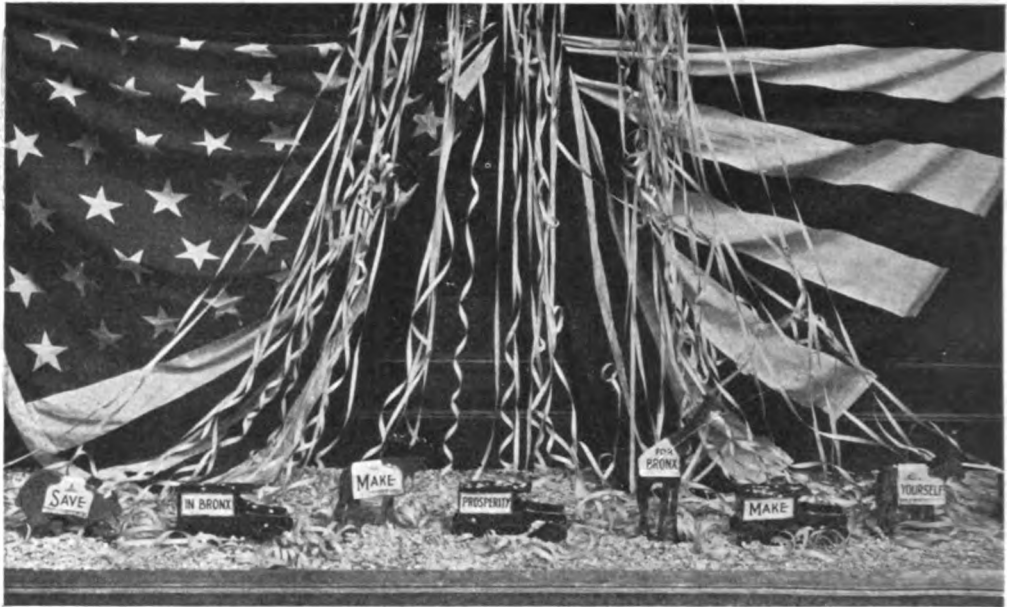
"It has been our plan for

many months to keep our windows up to the minute by depicting all live subjects of public interest, making a direct tie-up with banking.

"Our displays have been the subject of much favorable comment which we feel has added greatly to our prestige and good will."

Using the Window to Get Booklet Circulation

Interviewing Helen P. Hamilton, advertising manager of Lynn Five Cent Savings Bank at Lynn, Mass., "Our bank has only recently started window displays. Our first attempt was a budget display. This we ran two weeks, changing the material once in that time. We used our budget forms, also food charts, diet, suggestions, and various circulars and posters furnished us by the Department of Public Health. During the life of this display we had fifty-two calls for budget books and since then many people have come in for the books and spoken of the display.



A human interest window, tying up with a community celebration. A savings bank located in a residential neighborhood in the Borough of Bronx in New York, prepared the above window for display in conjunction with Bronx Borough Day Celebration. The display consisted of a parade of miniature Bronx Zoo animals, and automobiles, on each of which was a banner carrying one or two words, which together read, "Trade in Bronx, Save in Bronx, Make Prosperity for Bronx, Make Yourself a Better Citizen." The floor was covered with confetti and from above floated paper streamers with a flag for a background.

"We next ran a display using the different safes we have for customers, and in two weeks distributed nearly 100, opening many new accounts."

Porter E. Ritchie, advertising manager for the Morris Plan Company of New York, says: "We are using window displays in our nine New York offices, changing each window every week or two, in order to keep subjects seasonal.

"Our own artist does the bulk of our poster work, and it is hard to say just how much we spend on our displays."

I. I. Sperling, advertising manager of the Cleveland Trust Company, Cleveland, O., says: "Window advertising we consider one of the very important mediums, particularly in our branch banks, where it serves as a neighborhood contact point.

"We use community property to a great extent, which naturally tends to sustain neighborhood interest in the bank windows—and, in the bank itself."

Simple Displays with Easy Tie-up Pull Best

"The bank's experience is that the simple displays with easy and natural tie-up to banking, pull best. To illustrate, the cords tying a bag of money located at one end of the window, terminated at many points of a regular school-room globe, placed in the center of the window. The caption beneath ran, 'Money talks—it speaks any language where our foreign drafts are used.'

"It has been our experience that a display left in longer than two weeks, ceases to attract attention."

D. S. Knowlton, of the Union Trust Company of Cleveland says: "We have found by actual check that our window displays are really selling the bank."

Window Must Both Attract and Sell

"The first job of the window is to attract; the second to sell.

A display that sells is useless if it does not attract. A window that attracts is useless if it does not sell.

"We have all seen war relics in windows with the trite remark, 'we pay 4 per cent. on savings.' The war relics drew a crowd but in all probability 90 per cent. of the crowd saw nothing but the war relics. There must be a tie-up between the attraction and the sales talk—something to hold the attention after it is once caught and turn it upon the real message that the window is trying to put over.

"In a window display, it is a physical necessity that the copy be as brief and pithy as possible. By far the larger share of the selling is done by means of visual representation of the thing sold. One of the finest methods of visualizing the things the bank has to sell, is to present a picture of what one may obtain as the result of using the bank's facilities. For in-

stance one cannot picture interestingly, a savings account. But one can make the comforts and happiness a savings account will buy, an interesting subject for a display.

"We have only one window suitable for displays in our main office, but we make much of window displays in our branch offices. Also, we are using part of our main office lobby for exhibits of different industries."

Getting Real Value Out of a Small Window

"We were the first commercial bank in uptown New York to use window displays," says C. A. Smith, advertising manager of the Fifth Avenue Bank at

Forty-fourth street and Fifth avenue. "That was six years ago, and we are still very much sold on this medium of advertising. Because our window displays reflect the bank's personality, only the best goes into them. Our ideas are carefully thought out and then reproduced in oils by George Avison, a well known magazine illustrator. And while each display that goes into that very small window of ours, costs several hundred dollars, we do not regard them as an expense. On the contrary, they are proving profitable investments, as many direct returns are traced to them."

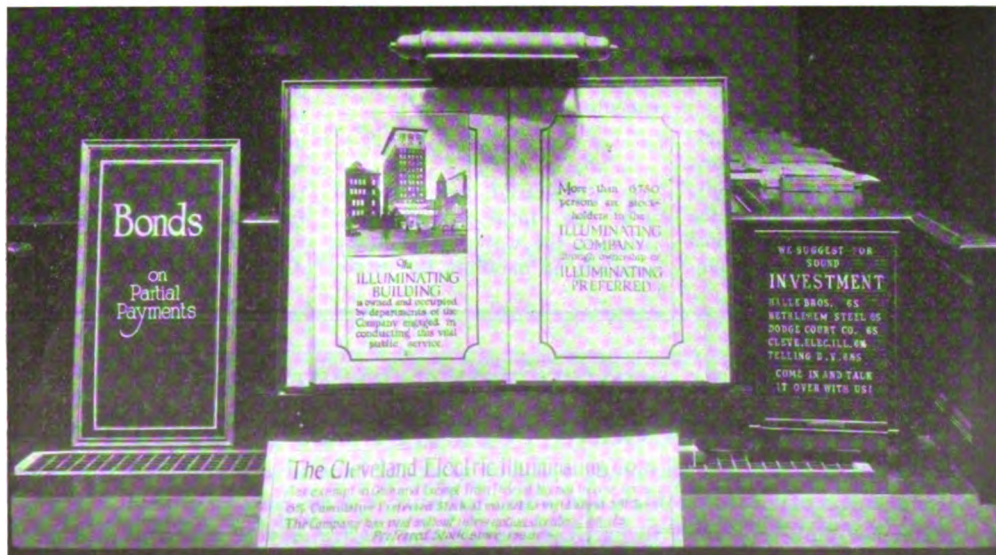
How Banks Are Advertising

RECENT examples of uniformly good direct mail material which is being distributed by the Bowery Savings Bank of New York include the following pamphlets and folders: "On Keeping Accounts"

and "On Home Economy," Nos. 9 and 10 of a series of pamphlets bearing the general title "Have a Plan;" "The One Two Three of Living," a folder outlining three principles which are essential to successful bud-

geting; "Where Does the Money Go?" a folder containing a detailed form budget covering the period of a month; "Your Bank," a booklet outlining briefly but concisely the services of the institution; and "A Money Book for Boys and Girls," a simplified account book for the use of boys and girls in keeping track of their expenditures.

THE Bank of the Manhattan Company, New York, has recently made an important contribution to the subject of wills and trusteeship through the publication of a readable and informative little book, printed with unusual care and attractiveness, and entitled "The Biography of an Idea." This little book traces the history of wills and trusteeship from their origin and early state of development through successive stages up to the present day highly specialized trust services rendered by corporate fiduciary institutions.



A carefully arranged and well lighted investment display in the window of the main office of the Union Trust Company of Cleveland



Window display of a New York savings bank, tying up a new interest period with the Belmont horse races, the idea being, "Get your deposits in under the wire so that your money will go on interest as of October 1." The display shows three jockeys riding three horses and carrying respectively, a roll of bills, a customer's card of introduction and a home safe.

THE Harvard Trust Company of Cambridge, Mass., has published a booklet "..... in Cambridge." This booklet, which is illustrated with a number of very good crayon sketches, and which has a very pleasing typographical arrangement, outlines in compact form the history, development, growth and services of the institution.



THREE trust folders, attractively printed in colors, and with good layout and copy, have recently been added to the direct mail material published by the Plainfield Trust Com-

pany of Plainfield, New Jersey. The titles of these three booklets are: "Do You Know," containing a few questions about wills; "One Thing the Business Man Often Forgets," a few paragraphs concerning the naming of an executor of a will; and, "Sunlight Only Shines Through Clear Windows," a brief discussion of the advantages of the trust company as executor and trustee.



A BOOKLET presenting in the form of dramatic dialogue the work of the trust company in handling the estate

of an average well-to-do citizen has been issued by the Trust Company Division of the American Bankers Association under the title "Squaring Promise with Performance: An Act from Life." The book contains the text of a playlet presented before the division's meeting at the American Bankers Association Convention held in Atlantic City, last September. The text shows how many perplexing business and financial matters are handled in behalf of the widow unused to such transactions. Copies can be obtained from Leroy A. Mershon, secretary Trust Company Division, American Bankers Association.

BANK ADVERTISING EXCHANGE

IN connection with BANKING PUBLICITY there is conducted a Bank Advertising Exchange, containing a list of names of bank advertisers willing to exchange advertisements, booklets and other publicity matter issued by them. Any subscriber who will agree to exchange advertising matter may be added to this list. A copy of this list may be had by any subscriber upon application.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

BROWN BROTHERS & CO.

Established 1818

330 Chestnut Street
Philadelphia

59 Wall Street
NEW YORK

60 State Street
B o s t o n

Investment Securities
Foreign Exchange
Commercial Credits
Travelers' Credits



A Century of Service

BROWN, SHIPLEY & COMPANY

Established 1810

Founders Court, Lothbury
London, E. C.

Office for Travelers
123 Pall Mall, London, S. W.

**You can
command this
service**

**Your bank can use the
Foreign Department of
The Equitable in the
service of your own
customers to—**

Provide foreign credit and
business information.

Issue Import Letters of
Credit for the importation of
merchandise into all coun-
tries.

Handle export credits opened
by foreign depositors for ship-
ment of commodities from
the United States.

Issue ETC Travellers' Let-
ters of Credit, imprinted with
the name of *your bank*, in
both U. S. dollars and for-
eign currencies.

Receive all foreign payments
to be credited to your ac-
counts, and pay cable and
wireless transfers and foreign
drafts.

Purchase and sell drafts and
cable transfers, make con-
tracts to purchase and sell
foreign exchange at future
dates, and purchase sight and
time documentary bills on
foreign countries.

Issue checks and drafts on
all parts of the world payable
in any currency, and make
mail, cable and wireless trans-
fers of funds.

Make loans on commodities
stored in the United States
for ultimate shipment abroad.

Translate foreign languages
into English and vice versa.

Accept drafts to create dollar
exchange in foreign countries
and handle purchases and
sales of acceptances drawn
on banks payable in the
United States.

Handle securities sent by
foreign clients for safe keep-
ing, for sale, or as collateral.

To Local Banks

Through our Foreign De-
partment *alone* you may
greatly amplify your own
services for the benefit of
your customers.

Read the column at the
left . . . then send for our
booklet, *Equitable Service*.
It will suggest many other
ways in which a New
York account with The
Equitable will increase
the usefulness and pres-
tige of your own bank.

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

UPTOWN OFFICE: *Madison Ave. at 45th St.*
IMPORTERS AND TRADERS OFFICE: *247 Broadway*

DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
BALTIMORE: Calvert & Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

LONDON · PARIS · MEXICO CITY

Germany's Economic Struggle*

By Arthur E. Dunning

Executive Secretary American Chamber of Commerce in Germany (Berlin)

THE present crisis in Germany is a natural result of a forced rehabilitation process in certain phases of economic life. Public treasuries have been prematurely swelled to overflowing by an excessive rate of taxation, principally at the expense and serious disadvantage of industry and commerce. The shortage of liquid capital and the cry for cheaper credit have settled down on the entire country like a blight. That Germany during the last eighteen months has been enjoying a borrowed prosperity, such as it was and due to foreign loans, is generally known. But that so many economic problems should present themselves for solution all at once was not foreseen. While the change is great and its causes many, none of the problems appear unsurmountable, and there are substantial evidences that present difficulties will be solved.

In a greater measure than at any time since Germany became a republic, the Federal Government is showing a stronger hand in economic affairs. Conspicuous indications that the central government feels itself strong, are its entire taxation policy and rigid tax-collecting machinery, its recent steps toward price control and stiffening attitude toward the cartels. The present crisis has been taken in hand by the German Cabinet itself and there are frequent productive conferences with industrial groups with the object in view of finding early and practical means of relief.

Reports from every corner of the Reich complain of lack of marketing possibilities, both at home and abroad, shortage of operative capital, credit difficulties, taxation burdens, labor troubles and general high cost of living. Price reduction is the direct method chosen by the Government as the indispensable remedy for the present situation. The

scarcest and dearest commodity in Germany today is money, and it will be interesting to see what success the Government will have in reducing the discount rate of the Reichsbank, which is now 9 per cent. This rate becomes 12 per cent. by the time Reichsbank funds are available for industry and commerce.

Causes of Present Crisis Lie Deeper

In unraveling the present situation and attempting to disentangle all the economic knots that prevent a normal business life in Germany, and which are responsible for present conditions, the following somewhat deeper features cannot be overlooked:

1. National expenditures (federal, state and municipal) for the year amount to approximately 5,000,000,000 marks, in excess of the total amount spent before the war. Members of the Reichstag have repeatedly complained in session that many items of national expense could have been delayed, claiming that Germany was indulging in improvements beyond her means. Expenditures of certain municipalities are abnormally high, and the personnel budget of many cities has increased three-fold compared to pre-war figures.

2. Excessive taxation has overflowed federal, state and municipal treasuries, making the foregoing expenditures possible. Some industrial concerns are now staggering under a ten-fold burden of taxation compared to pre-war. One concern in the metal working industry, by way of example, is carrying a tax burden of 10,000,000 marks compared to 230,000 marks before the war.

3. Social reform work has called for outlays amounting yearly to more than 250 per cent. of pre-war expenditures. Like the items under No. 1, the tax-

*Reprinted from TRANSATLANTIC TRADE, monthly magazine of the American Chamber of Commerce in Germany, Berlin.



Resources
over
\$170,000,000

REFRIGERATORS

ANOTHER important source of wealth in Michigan is the manufacture of Refrigerators and Ice Machinery.

This year more than half a million units of various sizes have been produced and marketed in every part of the United States for some \$30,000,000.

This bank is an important link in the manufacturing and marketing of refrigerators. It offers unequalled facilities for serving any individual or concern having banking business in the Great Lakes Region.

FIRST NATIONAL BANK

DETROIT

MICHIGAN

The First National Bank, the Central Savings Bank and the First National Company of Detroit, are under one ownership.

paying German asks why moderation could not be practised here in the interest of the development of commerce.

4. The average increase of freight rates is 50 per cent. compared to pre-war, which is a serious handicap to Germany's foreign trade development, and contributes to the high cost of living. The pre-war policy of favoring certain industries engaged in foreign trade has not been resumed; the German railways are now owned by a private company and are bearing a large reparation obligation.

5. Introduction of the eight-hour day after the war has affected production and automatically increased the cost of living.

6. German industry is top-heavy with real estate and equipment wealth, acquired during the inflation, and lacks sufficient operative capital. Taxes, salaries and wages consume practically all of its liquid funds, and it is compelled to arrange for credits at excessive rates of interest.

7. There have crowded in between producer and consumer thousands of unnecessary middle agencies. The inflation period made this easy for men with a few hundred million paper marks. While many have dropped out, many are still clinging on, which contributes to high prices. The number of firms registered alone in Berlin in 1918 was 31,600; in 1924 the number increased to 61,000. This situation constitutes a problem of great complexity and is closely associated with the emigration question.

8. Germany's continued unfavorable balance of trade is the most serious and important of all of her troubles, and at this writing it is not clearly seen what is going to happen. In July alone the unfavorable trade balance amounted to 439,000,000 marks, making the total since January 1925 up to August 1 over 4,000,000,000 marks.

Although the foregoing survey does not present a complete list of all of Germany's economic troubles, it gives

Local representatives

—to make recommendations
on Bonds, quote prices, and
supply information.



NEW YORK NEW ORLEANS
CHICAGO SAN FRANCISCO
BOSTON PHILADELPHIA
LONDON MONTREAL
TOKYO

some of the main reasons for the conditions we find in Germany today.

What are the German Federal Sources of Income?

According to a statement of a German economist they are: 1. Taxes; 2. More taxes; 3. Excessive taxes. It will be recalled that both England and France complained, not so very long ago, that the rate of taxation in Germany was considerably lower than in either France or England. True, Germany was slow in putting her post-war taxation legislation into operation. The German fiscal authorities faced a double problem; namely, readjustment of sources of income, and the inauguration of an effective tax collecting machinery. Any German industrialist will readily acknowledge that his Government has now successfully solved both problems. The inflation period upset any fixed rate of



To Tozeur and the Mystic Islands of the Desert

HOSPITABLE and gay Tozeur . . . a city of song on the edge of the desert! The craftsmen carve with a love song on their lips. The caravan leaders chant Oriental melodies.

The 12-wheeled, luxuriously equipped Renault car of the North African Tours rides the golden dunes of the desert to fantastic El Oued . . . "The City of a Thousand Domes." To Touggourt . . . a land of fragrance cooled by the sinuous swaying of myriad palms. Or far away to the Ahaggar . . . an earthly Paradise hemmed in by gleaming, snowclad mountains.

Or do you require new world traveling ac-

commodations with your old world mystery? If so . . . there are two thousand miles of excellent macadam highway, and thirty-one famous Transatlantic hotels.

Six perfect days on The Paris or The France, to Plymouth, England. Then to Havre, the Port of Paris. Or direct to Havre on any of the one cabin liners . . . down the gangplank to the covered pier . . . a special boat train waiting . . . Paris in three hours. Overnight, the Riviera and Marseilles. Twenty-six hours across the Mediterranean . . . and a strange, exotic country at the other end of 'the longest gangplank in the world.'

French Line

Compagnie Générale Transatlantique, 19 State Street, New York
Offices and Agencies in Principal Cities of Europe, United States and Canada.

AMERICA'S TRADE CURRENTS

FROM every commercial center of importance in the United States and in the world — currents of trade flow to and from New York.

The Irving-Columbia's Out-of-Town Office is a contribution to the promotion of this commerce. This Office, in the Woolworth Building, New York City, is a banking unit de-

voted to facilitating the business interests of customers outside of New York. Its officers, by maintaining close personal contact with all parts of the country, keep constantly informed on business conditions in various sections, and thus are able to give to each transaction the understanding so important in correspondent banking.

IRVING BANK-COLUMBIA TRUST COMPANY

New York

taxation and any means that could be devised to collect it. Stabilization made both problems easy.

With startling rapidity German public treasuries have been filled to overflowing, and practically by the sole means of taxation. The pre-war federal sources of income from the state railways, now a private concern, and the postal system, now financially independent, are no longer available. Of every 100 marks spent by the Federal Government, eighty marks are represented by taxes on wages, salaries and consumers. That the tax-collecting machinery functions well is shown by the fact that for the period April to June 1925 the sum of 2,120,000,000 marks was scheduled to flow into the treasury; the amount collected was 2,540,000,000, a surplus of 420,000,000. For fear that the amount of 2,120,000,000 marks would not develop, additional taxes of 420,000,000 were levied with success.

Few measures of state reform in post-war Germany are more conspicuous or influential for ultimate good than the rigid and effective taxation laws of the present. Undoubtedly, as many German economists assert, the present taxation pressure borders on hardship, and will probably be early modified. However, it constitutes a vital part of any nation's framework and gives the coun-

try a certain stability that American investors in Germany have been looking for.

The contrast between the bulging public treasuries and the empty cash boxes of industry is the cause of many bitter articles in the German press. "Money in the wrong cash boxes," (*Das geld in der falschen kasse*) says one journal, and then proceeds to tell how the Government, being in possession of more ready cash than it knows what to do with, has become a money lender at high rates of interest. Whether this phase of the Government's rigid taxation policy was inevitable or not does not matter here, but it is evident that important forces have been ignored in putting into effect a strenuous taxation policy upon a financially weak economic and industrial structure. Industrialists claim that the Government first takes away their money and then offers it back to them at excessive rates of interest. It is claimed that public funds are loaned to public institutions at 5 per cent. and they in turn reloan it at 8 and 9. And when industry finally gets it, the rate looks more like 12 per cent.

Typical of the shortage of operative capital is the failure of the 100,000,000 mark Stinnes concern, the "Aga," one of the largest automobile producers in Germany. Because of the lack of a

NEW YORK AGENCY

THE BANK OF CANTON LTD

200 WORTH STREET

Authorized Capital £1,200,000 Paid Up £1,081,280 Reserve £83,500

A Chinese Bank maintaining offices at the principal ports, offering direct services, for facilitating trade with the United States. The native born English-speaking staff eliminates difficulties which often accompany transactions in a foreign language.

Your correspondence is invited

HEAD OFFICE: HONG KONG

Agency: SAN FRANCISCO Branches: HANKOW, SHANGHAI, CANTON, SWATOW, BANGKOK

Correspondents in Important Centers of the World

few hundred thousand marks to meet wage obligations, the concern was necessarily placed under Government control (Geschäftsaufsicht).

Fighting Price Inflation

The Government's fight for price reduction is now going on. Its success will largely depend upon what co-operation the Government can secure from the cartels, trade organizations and labor unions. Certain sections of the German press rather question the sincerity of the Government's action in the interest of a general price reduction, claiming that the step is intended to divert attention of the masses from the present unbearable taxation policy. In any case, the masses cannot reap any substantial benefit for some time to come, as retailers throughout the coun-

try have already stocked up at high prices for the winter.

The word "inflation" is obnoxious to a German, and rightly so. The chances of Germany again resorting to currency inflation are extremely remote; today the money is good. But the question arises whether the German with a gold mark and highly inflated prices is any better off than with a paper mark. Under certain circumstances he would be unable to purchase anything with either mark. At the moment no definite plans that promise to be successful in reducing prices have been devised.

Wages and Unemployment

German labor unions have been pressing for wage increases in many branches since May. The increases granted are not excessive and in no case has the weekly wage been increased more than 10 per cent. The following table shows the wage situation at the end of July 1925 in the principal industries.

Average Weekly Wages for Entire Germany (48 hours)

	Skilled (Dollars)	Unskilled (Dollars)
Mining industry	10.92	7.75
Metal industry	10.28	7.—
Chemical industry	9.20	7.74
Building trades	12.56	10.48
Wood working industry	10.36	9.02
Paper industry	7.54	6.81
Textile industry (male)	6.75	6.64
Textile industry (female)	5.41	4.20
Brewery industry	10.85	9.58
Confectionery industry	8.91	7.70
Printing industry	10.92	9.51
Railroads	9.89	7.84

The figures above will appear extremely low to readers in the United States where wages of similar industries

Niederösterreichische Escompte-Gesellschaft

(Austrian Discount Company)

VIENNA, AUSTRIA

Capital and Reserve

220 Billiards of Crowns

All Kinds of Banking Business

Cable Address: ESCOMPTEGE



Westminster Bank Limited

AN ENGLISH BANK preserving an English tradition throughout a system of over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience equip it for the characteristic service it places at its customers' disposal.

Authorised Capital: \$165,000,000 (\$5=£1)

New York Representative

C. M. PARKER, 68 WILLIAM STREET

HEAD OFFICE: 41 LOTHBURY, LONDON, E.C. 2

are three to four times higher. Statistics show that wages in Belgium and Austria are even lower than in Germany.

On January 1, 1925, the number of unemployed for entire Germany was 535,529. On August 15, the number was 208,000, showing considerable improvement in the employment situation.

Some Outstanding Evidences of Rehabilitation

Although developments in Germany at this particular and critical stage, referred to in the foregoing, will necessarily exert a retarding influence upon the process of rehabilitation, they represent troubles of a temporary nature; a halt has simply been made in the forward movement to make some repairs.

The work of rehabilitation already achieved is too substantial to be shaken. Some of the outstanding facts are:

1. Reconstitution of the Reichsbank and establishment of gold currency.

Money in circulation on April 30, 1925, was 4,516,000,000 of Reichsmarks (compared to 5,741,000,000 in July 1914).

2. Working back national economic strength to 70 per cent. of pre-war status.

3. Strengthening of federal, state and municipal Governments, particularly their power of authority, which is clearly reflected in better obedience of laws, successful operation of taxation legislation (approximately 2,000,000,000 marks in excess of actual need was collected during last year), better morale of all Government employes, and general strengthening of the democratic form of Government.

4. In spite of the reduction of the standing army from 800,000 men to 100,000, and the increased number of the population engaged in some form of labor from 27,000,000 in 1914 to 33,000,000 in 1925, unemployment has been kept down to normal figures. (Over

Knauth, Nachod & Kühne

Leipzig, Germany

Established 1852



*Seventy-three years of continuous
banking experience*

**Commercial and Travelers'
Credits**

Foreign Exchange

Securities

13 Rathausring
LEIPZIG, GERMANY

Cable address
NACHOD, LEIPZIG

restored to within 50 per cent. of pre-war strength.

7. In the smaller territory of today, German agriculture now equals in production the figures of 1914. The year 1924-25 has been an especially good harvest year and will probably have a favorable influence on importation of foreign food products, thus cutting down imports of this nature in the coming months.

8. The revaluation law of 1925 which represents the first attempt in form of legislation to reimburse to a certain extent original holders of war loans, state loans, municipal securities and mortgages. This step reflects the gradual and substantial financial improvement of Germany.

Finally, the election of Hindenburg as President of the Republic. Hindenburg is more than a man; he is a national institution. To this fact is due his election. In the eyes of the masses he is the embodiment of many characteristics of the old regime; namely, dignity and stability at the head of the Government, love of order, proper functioning of all governmental machinery, and a somewhat sentimental re-establishment of legitimate traditions. Practically speaking, Hindenburg's election has been highly beneficial in stabilizing the entire political and economic structure of the country. The importance of his election as head of the German Republic will be appreciated in later history only.

50 per cent. of the entire population works.)

5. In spite of the loss of railroad rolling stock in consequence of the Treaty, German railroads today have more and better equipment than before the war.

6. German merchant marine has been



Thirteenth National Foreign Trade Convention

By O. K. Davis

Secretary National Foreign Trade Council

THE Thirteenth National Foreign Trade Convention will be held at Charleston, S. C., April 28, 29, 30, 1926, thus bringing it to a South Atlantic port for the first time since the association's organization in 1914.

It will afford an opportunity to focus

attention on the foreign trade and industrial development which is so rapidly going forward in the New South. Americans have been much interested to learn quite recently that the State of South Carolina is today consuming more cotton than it is producing. The rea-

Commonwealth Bank

Spring Street and Bowery

First Avenue Office

77th Street and First Ave.

Bronx Office

155th Street and Third Ave.

Lexington Office

Lexington Ave. at 57th Street

New York

Resources over \$19,000,000.00

Member New York Clearing House

Member Federal Reserve System

New York State Depository

Complete Foreign Banking Facilities

Correspondents in All Parts of the World

son is not the falling off of cotton production but the immense increase of cotton manufacturing which is reflected throughout the South, and together with a remarkable impetus in industrial development, it has brought a noteworthy and progressive momentum to the South Atlantic ports.

Foreign trade representatives from every section of the country will gather at Charleston to take concrete action looking to the development of Atlantic and South Atlantic trade with Central and South America, with Europe, and the Far East. The fact that it is three South Atlantic ports, Charleston, Savannah and Jacksonville, now the fifteenth, sixteenth and seventeenth, respectively, in tonnage of imports into the United States, which have shown the most concerted development in American foreign trade in recent years was one of the vital reasons for choosing Charleston as the next meeting place of America's principal convention on the business of foreign trade.

The development of new trade routes out of and into the United States has become of outstanding interest to foreign traders since parity rates to the United Kingdom and Europe have been given to the South Atlantic ports in high seas transportation and since domestic railroad rates have been revised favorably to this section by the Interstate Commerce Commission. With Philadelphia bent on marking Sequi-centennial year with a much enlarged effort for high-seas trade, a keen foreign trade activity is also notable all the way from Baltimore to Key West, round the Gulf Ports and up the Mississippi to St. Louis, and the convention will provide a meeting point for a profoundly interesting survey of the movement of our international business.

Although Charleston claims the oldest Chamber of Commerce in the United States, the terminal of the oldest railway, the oldest museum, the oldest formal gardens, and the South's oldest daily newspaper, yet it has spent \$11,-



on the **CUNARDE** **FRANCONIA**

the World's Pre-eminent Cruising Ship
Again Sailing Eastward Jan. 14, 1926

Supreme in the unrivaled experience and resources of the world's foremost travel organization and the renowned Cunard service.

Within the compass of 133 days you will follow a master-hand itinerary visiting each country at a time of the year when climatic and other conditions are at their best.

Good accommodations of various types are still available; early applications are advisable.

Fares cover all shore excursions

Complete guide-book and other literature on request

THOS. COOK & SON

585 Fifth Ave. NEW YORK 253 Broadway
Philadelphia Boston Chicago St. Louis San Francisco
Los Angeles Toronto Montreal Vancouver



BANKERS INVITED

FOREIGN BANKS ARE INVITED TO CORRESPOND WITH

The Central Bank of India, Limited Bombay (India)

OUR close contact with the commercial activities with five Offices in the City and various Branches in other parts of India, puts us in the best position to serve you.

S. N. POCHKHANAWALA, Managing Director

000,000 on modern port terminals alone; it has built two new modern hotels; possesses today the only first class Navy Yard between Hampton Roads and San Francisco; has developed within the latest recorded fiscal year from 34th to 24th place in gross tonnage of foreign trade among American ports; and has become a strategic port of thoroughly up to date interest to American business men who are following closely the trend of our foreign trade.

The new progressive South is waking up to foreign trade, and this gathering is sure to reflect very broadly the interest of the rest of the country in this trend, most especially throughout the Middle West, which is particularly concerned now with new shipping points and is itself in the midst of a great foreign trade development. The association expects to have one of the most interesting and profitable conventions in its history at Charleston.

Review of Countries

Great Britain

ONE of the most important occurrences of the last month in Great Britain was the announcement on November 8 by Chancellor of the Exchequer Winston Churchill of the removal of the embargo on foreign and colonial loans. The Chancellor said in a speech delivered at Sheffield, during the course of which he announced the lifting of the embargo, that the full freedom of the money market would be restored, and that the City of London must hold itself responsible for making wise and sober use of the opportunities presented. He added that overlending, such as lending beyond resources at hand, lending beyond savings or straining at future credits, would bring its own correctives. "It is to be hoped, as far as possible," said Mr. Churchill, "that preference will be given those issues which bring a high proportion of orders for goods

immediately, to revive trade in this country."

Effect on the New York Market

Regarding the probable effect on the New York market of the removal of the ban on foreign loans, the *Wall Street Journal*, New York, says:

Lifting of the embargo in London against foreign loans is calculated to have an immediate beneficial effect upon the New York money market. It will relieve the pressure of foreign issues seeking flotation here and to that extent will ease the money situation. It will also have a psychological effect in the case of issues the offering of which may be divided between the two markets. An instance in point was the Australian loan, the only colonial issue permitted in London since the ban was placed early in the current year, prior to Great Britain's return to the gold standard.

Resumption by London of her traditional

Your Paris Correspondent

More of your clients are visiting Paris now than ever before

Are they receiving the personal service to which they are accustomed at home?

We understand their problems and can do much to render their visit more pleasant



Mail Facilities for Clients

**Direct Correspondents
Throughout Europe**

The Travelers Bank
20 Place Vendome
Paris

Bankers Correspondence Invited

British investors have been accustomed for generations to invest in foreign securities. Higher prices for foreign bonds in the London market should have the effect of raising prices for foreign bonds of similar grade outstanding here. Also, British investors are likely to buy some of the foreign issues now outstanding in this country due to the attractiveness of prices from their point of view.

On foreign borrowings of importance, American bankers believe the issues will be divided between the British and American markets. This would relieve the London market of the strain of the full amount while the fact that London bankers in handling part of the issue put their stamp of approval on it would tend to make American investors more confident of the security offered.

In the case of foreign corporations, particularly German companies, London is likely to be receptive to discussions of financing on equities, whereas New York houses have mainly limited their negotiations to financing on property security. In fact, some negotiations for loans to German corporations will be abandoned and efforts made to secure the funds in London through stock issues.

New York bankers are naturally greatly interested in this development. If foreigners are able to secure appreciably better prices from British bankers it is believed that not only will it have the effect of strengthening foreign bonds here but it will assist the market for domestic financing, as it will bring increased demand for our own issues with which American bankers and American investors are more at home.

The Locarno Pact

"The task of rebuilding the civilization of Europe after the terrible cataclysm of 1914 has indeed proved stupendous," says an article on the Treaty of Locarno in the current number of *Lloyds Bank Monthly*, "and the seven years that have elapsed since the cessation of hostilities have not been sufficient to repair the ravages of four years' warfare." The article continues:

role of foreign banker means that this market must now be a competitor in the international field. Bankers say we cannot therefore continue to float foreign issues on the high interest basis heretofore the custom; if we are to remain in the business of lending money abroad we must be prepared to lend at prices London has been ready to do business at. This will result in lowering the yield basis of the whole structure of existing foreign dollar issues by improving quoted values.

Reaction of bond men in New York to the lifting of the British embargo on foreign loans is that it will be beneficial in the long run to the American market for bonds. Obviously, there is considerable foreign business which our bankers felt was practically camping on their doorsteps which will now steal away to negotiate in London. That will mean an entire revision downward of the estimates of the amount of foreign loans likely to be placed here.

American bankers concede that foreign borrowers will undoubtedly be able to secure more favorable terms in London than here because their bankers have had greater training in world wide financing and because

Many attempts have been made during the septennium to achieve a real pacification, but unfortunately the will to peace was at least feeble or actually wanting. Conference has followed conference without visible result because statesmen were unwilling to face facts, but it cannot be doubted that both Brussels and Genoa had a distinctly educative value, especially from the economic point of view, and these finally led to the positive results of London and the Dawes Plan. We summarized the first report of

THE MERCANTILE BANK OF INDIA (LIMITED)

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

Capital Authorized	: : : :	\$15,000,000	(£3,000,000)
Capital Subscribed	: : : :	9,000,000	(£1,800,000)
Capital Paid-up	: : : :	5,250,000	(£1,050,000)
Reserve Fund and Undivided Profits	: : : :	7,291,105	(£1,458,221)

BANKERS:—Bank of England; Midland Bank Limited

*Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan
Mauritius and Dutch East Indies*

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit rates quoted on application.
On current accounts interest is allowed at 2 per cent. per annum on daily balances, provided interest for half year amounts to £1.

NEW YORK AGENCY, 64 WALL STREET

the Reparation Commission covering the first eight months of operations of the Dawes Plan in August last. The Agent-General concluded his report by pointing out that further progress depended mainly upon a continuance of the mutual faith and confidence which had made possible a satisfactory beginning. This necessary "mutual faith" has received the finest possible support during the past month in the successful issue of the conference at Locarno resulting in the initialling of a "Treaty of Mutual Guarantee Between Germany, Belgium, France, Great Britain, and Italy" on October 16.

The central feature of the work of the Locarno Conference is the new security pact guaranteeing the inviolability of the frontiers between Germany and Belgium and Germany and France.

From the moment when the British Government indicated its unwillingness to accept the Geneva Protocol of 1924, Mr. Chamberlain has made no secret of the fact that in the opinion of his Majesty's Government the most helpful method of solving the security problem was by an arrangement limited in scope but dealing effectively with the area from which trouble was most likely to spring. Establish a better state of affairs on the western frontiers of Germany and the good result would radiate until general peace was assured. That is the policy enshrined in the Treaty of Locarno.

Reconstruction Problems

Under the above head, the current number of the *Monthly Review* of Barclays Bank Limited, London, says:

In order to obtain a clear idea of the causes of the present industrial depression in this country, it is necessary to take a wide survey. The fact should be recognized that the difficulties are manifold and complex and that it is only by attacking the problem in many directions that sub-

stantial progress can be expected. The prevalent tendency to relate the depression to one sole cause gives a wrong impression as to the comprehensive nature of the task to be undertaken and weakens the individual sense of responsibility for contributing toward a solution.

Even among those who recognize the many aspects of the problem, there is still a marked tendency to urge only the popular expedients. While the necessity for sacrifices may be admitted, it is usually claimed that these sacrifices should be borne by others, and this widespread refusal to face realities has been largely responsible for the slow progress in reconstruction efforts. To a large extent, it is the reflection of post-war mentality. The artificial prosperity which existed during and immediately after the war and the exaggerated promises then made as to the social reforms to be inaugurated and the improved standards to be set up, gave rise to many false hopes. It was not sufficiently emphasized that the world became considerably poorer as a result of the war and that a world-wide upheaval can only tend, not to raise, but to

IONIAN BANK LIMITED

1839—1925

*The only
British Bank
In Greece*

Head Office—LONDON

GREECE

EGYPT

TURKEY

Christiania Bank og Kreditkasse

Oslo (Christiania), Norway

Founded 1848. Telegraphic address: Kreditkassen

First established
private bank in
Norway

BANKING BUSINESS OF EVERY
DESCRIPTION TRANSACTED

Paid up capital
and reserve funds
Kr. 40,000,000.

New York Agents:

The National City Bank of New York, National Bank of Commerce in New York
and Irving Bank-Columbia Trust Company

lower, normal standards, particularly if efforts, instead of being increased, are relaxed.

Recognition of this position, however, has not been readily accepted, either by governments or by individuals, and the hope of escape from inexorable economic laws has been reflected in the reluctance of governments to take effective steps to balance their budgets, in the desire to support exchanges by means of foreign credits, rather than by establishing equilibrium between imports and exports, in commercial applications for subsidies or tariffs as an alternative to meeting external competition by a reduction in costs, and in demands upon industry for profits and wages out of proportion to the proceeds available.

It is true that in many directions the disposition to take the line of least resistance has for some time past been very much less pronounced, particularly in this country, for both at home and abroad, a sounder basis of trading is being established and some of the more important obstacles in the way of a recovery are gradually being removed. A number of problems, however, still remain, and in this connection it is necessary to distinguish between those within and those outside our control. Even in the case of those outside our control, we are by no means helpless.

Great Britain, by advice and example, by financial assistance, by participation in European settlements, and by its policy of moderation and compromise, has been able to render great service in the restoration of more normal conditions on the Continent. In the reparations problem, the League of Nations schemes for Austria and Hungary, the Refugee Loan granted to Greece, and in many other questions, numerous interests have had to be consulted, but in all these cases Great Britain has been able to make a considerable contribution to European peace and prosperity. The successful issue of the Locarno negotiations was due in an important measure to the influence of British policy, and the operation of

this pact should have important reactions upon trading prospects. Under its reassuring provisions, the countries of Europe should now be able to devote greater attention to trading, financial and economic questions, as a result of the removal of many political complications and anxieties. This removal should in turn enable European countries to reduce their expenditures on armaments and so facilitate the task of currency and budgetary reform. Further, with a more peaceful atmosphere on the Continent, it may reasonably be expected that the fierce nationalism, which has been a feature in many countries since the war, will be less pronounced, and so pave the way for greater economic co-operation and a fuller recognition of the mutual interdependence of nations.

France

AFTER the fall of Painleve, the French Cabinet, having gone through the cycle of first Briand, then Doumer, then Herriot, as possibilities as the head of new ministries, finally returned to Briand, who, on November 28, announced that he had been successful in forming a new Cabinet, headed by himself as Premier and Foreign Minister, and including the following: Minister of Justice, Rene Renoult; Minister of the Interior, Camille Chautemps; Minister of Finance, Louis Loucheur; War Minister, Paul Painleve; Minister of Marine, Georges Leygues; Minister of Education, Edouard Deladier; Minister of Public Works, Anatole de Monzie; Minister of Commerce, Daniel Vincent; Minister of Agriculture, Jean Durand; Minister of Labor, Antoine Dura-four; Minister of Pensions, Paul Jourdain; Minister of Colonies, Leon Perrier.

An *Associated Press* dispatch from Paris on November 28 says that:

The Yokohama Specie Bank, Ltd.

(Yokohama Shokin Ginko)

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed	Yen 100,000,000
Capital paid up	Yen 100,000,000
Reserve Fund	Yen 83,500,000

(\$0.50=1 Yen)

Branches and Agencies

Batavia	Dairen	Hongkong	Lyons	Osaka	Shanghai	Tientsin
Bombay	Fengtien	Hongkong	Manila	Peking	Shimonoseki	Tokyo
Buenos Aires	Hamburg	Kai-Yuan	Nagasaki	Rangoon	Singapore	Tulun
Calcutta	Hankow	Karachi	Nagoya	Rio de Janeiro	Sourabaya	Tsingtau
Canton	Harbin	Kobe	Newchwang	Saigon	Sydney	
Changchun		London		Semarang		

Agencies in United States

New York San Francisco Los Angeles Seattle

This bank is in a position to render direct banking service through its branches and agencies in connection with commerce between the countries of the Orient and the United States.

Complete facilities for all kinds of banking transactions in the Far East, including the purchase, sale and collection of bills, issuing of drafts and letters of credit negotiable in all parts of the world.

NEW YORK OFFICE - - 120 BROADWAY

The Cabinet is composed of four Senators and nine deputies, while its political composition is as follows: Two Republican Socialists, four Radical Socialists, two members of the Radical Left and two members of the Republican Left.

When he accepted the task of forming this Cabinet M. Briand was anxious to make it as wide as possible, but he has been limited in his choice throughout by the attitude of M. Herriot's group of Radical Socialists. They definitely dictated the exclusion of such a moderate radical as Raoul Peret, former President of the Chamber, whose presence in the Ministry would have given it the appearance of a much greater general representation. On the other hand they made the choice of M. Loucheur for Finance Minister imperative, ruling out Senators Doumer and Berenger. M. Peret's exclusion was definitely contrary to the Premier's wishes and is a source of weakness which may be felt before long. If the Socialists decide to oppose it either in general or on any specific issue, as for instance the vote for an increase in bank note circulation which will have to be taken before the end of the year, it will be immediately in danger. For M. Briand under Radical Socialist dictation has lost the assurance of the Socialists' ninety-seven votes and has gained only thirty-six of a small group led by Georges Leygues.

By the press the cabinet is not accorded long life. *The Temps*, the *Journal des Débats*, the *Intransigeant* and practically all the Nationalist and moderate papers are critical and skeptical. A much wider political extension was expected and M. Loucheur's nomination to the Ministry of Finance is the point of greatest criticism.

During the recent financial debates it became more than once obvious that the Chamber was veering in opinion to the viewpoint of M. Caillaux that the only way to begin to reform the situation was by the establishment of limited indebtedness, and while creating a sinking fund for the redemption of future bond maturities to permit an increase in bank note circulation in proportion as the national defense and short-term bonds were redeemed. The State would in this way substitute for interest paying bonds non-interest paying bank notes, while the limit of indebtedness would remain the same.

Premier Against His Will

In a cablegram to the *New York Times* on November 28, Edwin L. James, Paris representative, said:

Paris now has a picture, rare in the annals of the history of France or any other country, of a man becoming Premier who does not wish to do so. Aristide Briand,

BANKING IN FINLAND!

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

ESTABLISHED 1889

Head Office:
HELSINKI
(Helsingfors), Finland

134 Branches at all important business centres in Finland

Capital Fmk. - - - 150,000,000
Reserve Fund and Profits Fmk. 115,000,000
Deposits etc. (31/12 '24) Fmk. - 1,704,000,000

All descriptions of banking business transacted

Telegraphic address: KANSALLISPANKKI

who now heads the Government of his country for the eighth time, would have much preferred to remain simply Minister of Foreign Affairs under another Premier than to become Chief of the Cabinet he finally formed and presented to the President of the Republic after vexatious difficulties that beset him up to the last moment.

What are the reasons for this attitude, which seems so strange on the part of a politician? The chief reason is that the veteran statesman would like to give his whole time to the task of bringing peace to Europe, which task, so far as France is concerned, is the job of the Quai d'Orsay. Then again he feels that the financial problem, which is the central problem of any French Government now, had better be handled by others. Furthermore, M. Briand's health is poor, he is suffering from arterio-sclerosis—and he dreads the strain of conducting the fierce Chamber debates sure to come in connection with fiscal reform.

When called to the Elysée yesterday for the second time in one week, M. Briand repeated these reasons to President Doumergue and insisted that the task be given to another.

Persuaded by the President

The President of the Republic explained that M. Briand seemed to be the only man

able to form a Government in Center which had a chance of a majority, and that if he refused, conditions might force a Socialist Government. M. Doumergue is said to have added that if M. Briand refused he would resign the next day.

In face of this appeal M. Briand agreed to form a government and thus sacrificed his two days' weekly fishing trip prescribed by his doctor and his wish to give his whole time to the Foreign Office task of bringing a new international régime to Europe.

With M. Briand the spirit of Locarno has become a religion. He believes firmly that the time is ripe to wipe out the aftermaths of the war and, further, he believes that with the co-operation of Austen Chamberlain, Britain and France can bring about that result. Everyone wants him at the Quai d'Orsay. Among all the Premiership possibilities mentioned in the last week each accepted M. Briand as Foreign Minister. He was sure of his job. Now he faces the danger of being thrown out of office on some angle of the financial situation, about which he knows and cares little beyond his academic interest as a patriotic Frenchman.

His Finance Minister may any day make a mistake which will cost the whole Government its tenure of office, and while his successor might keep M. Briand as Foreign Minister, he might not. And certainly any

interruption or change at the Quai d'Orsay might dampen the Locarno spirit. That is what M. Briand fears. That is why it is possible that if once he gets his new Government established with a solid majority he may turn over the Premiership to some one else, so that he can concentrate on the Quai d'Orsay.

Not only does M. Briand wish to concentrate on his work as a disciple and preacher of the religion of Locarno, but he has other Foreign Office plans he would like to work upon tranquilly without having to pass most of his working hours in the Chamber or Senate quarreling with the Opposition.

Would Settle War Debt Question

One of these plans is a settlement of the French debts to America and Britain. He has always believed that to be a job for the Foreign Minister rather than the Finance Minister, and when M. Caillaux undertook the task it was against his wishes. Before the Government crisis he was actively planning to reopen the negotiations with Washington, and if his Government gets well into the saddle it may be expected that it will be the Foreign Office, and not the Finance Ministry, which will resume the conversations with Washington.

This does not mean that M. Briand thinks he is a financial expert. Not at all. To him fiduciary inflation or any other kind of inflation means about the same thing. As he says, he does not know the difference between a stock and a bond, for the simple reason that he never owned any of them. But he regards France's foreign debts as an issue of international politics rather than as a strictly financial issue. He feels France does not have a politically free hand internationally so long as she is under the shadow of unadjusted debts. And from that standpoint comes his interest in the matter. Surrounding himself with experts to handle technical points, he would like to deal with the debts himself.

Germany

DR. Hjalmar Schacht, president of the Reichsbank, Berlin, who has recently paid a visit to the United States, is quoted as making the following remarks while in New York, regarding the financial problems with which Germany is faced:

Concerning general conditions in Germany, we have many difficult problems to face and much hard work to do before we shall recover to our old-time prosperity, but we now have a working basis. Our greatest need is working capital. Our liquid assets were dissipated. Fortunately, the currency

THE BRITISH OVERSEAS BANK LIMITED

Capital Authorised - £5,000,000
Issued and Paid-up - £2,000,000

The Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and to provide up-to-date credit reports and information as to business conditions in all parts of the world. Correspondence invited.

33, GRACECHURCH STREET
Lombard Court, LONDON, E. C. 3

Telegraphic Address: "Seasrevo, London."

Affiliated Institution in Poland:
Anglo-Polish Bank, Limited, WARSAW

has now become re-established on a sound basis and we no longer fear any recurrence of inflation. The Reichsbank is in a strong position. This furnishes a basis for a wise use of credit, but we recognize that such credit must be discriminating and we recognize our responsibility in that regard. It is for this reason that the Government and the Reichsbank has discouraged borrowing by states and municipalities for any but productive and essential purposes. An advisory board has been created by the Government, with the Minister of Finance as chairman, which exercises rigid control over applications of states and municipalities to float loans abroad, and only approves those loans which promise to assist commerce and trade. Due to the fact that many municipalities own productive plants, such as electric plants, harbor improvements, etc., there are many municipal loans which may have a genuinely productive purpose. Each case, therefore, has to be judged upon its own merits. No such control is needed for industrial and agricultural loans, which are favored because they are of direct aid in increasing the country's productivity.

Besides the lack of liquid funds there are

INCASSO-BANK AMSTERDAM

ROTTERDAM-THE HAGUE

39 other Branches throughout HOLLAND

Established 1891

Paid-up Capital Fl. 25,000,000

Reserve Fund Fl. 6,111,700

Every Class of Banking Business Transacted

Telegraphic Address: INCASSOBANK

other problems Germany is facing. One is the difficulty of finding markets for our products. With the erection of many new states in Europe, customs barriers have been set up and it will take some time either to find new markets or to open up the old markets by satisfactory commercial treaties.

We are not discouraged by these problems. German industrial plants are in good shape and scientific invention is increasing their efficiency. Farming prospects are promising with the aid of a wider use of fertilizers and machinery than before the war. German industrial and commercial enterprise still prevails as before the war. Although we have lost money, we have not lost our courage. Our banks are handled along the old, sound financial lines and we believe perhaps the greatest security which those who deal with Germany have is the continuance of complete responsibility in meeting our commercial engagements.

Government Investment in Private Industry

"The Reich has gone in business for itself," says Sanford Griffith, staff correspondent of the *Wall Street Journal*, New

York, in an article in a recent issue of that publication. "Not content with railroads," continues Mr. Griffith, "it now competes with private industry in numerous fields." He goes on to say:

Most of these Reich enterprises are grouped under the Vieg—the Union of Industrial Enterprises. There is the Reichskredit A. S. with a capital of 30,000,000 marks. This functions with state funds as a private bank in credit dealings. The recent 100,000,000 marks credit to Russia was concluded by the Reichskredit together with the Deutsche Bank, the former assuming most of the risks.

Then the Reich is interested in the Elektro-werke to the extent of 60,000,000 marks. A string of other power plants in East Prussia, Wurttemberg, Rhineland-Westphalia and in Bavaria all have Reich capital. These latter participations total over 40,000,000 marks.

Elektro-werke together with Prussia recently bought the Brunswick Brown Coal

BANKING BUSINESS WITH BELGIUM

Specially favorable terms for clean and documentary collections are offered to American banks and bankers by the

BANQUE DE COMMERCE, Antwerp

Capital Subscribed . . . Frs. 60,000,000

Capital Paid Up . . . Frs. 30,000,000

Reserve Frs. 10,000,000

Branches:

BRUSSELS — OSTEND

CORRESPONDENTS

AT ALL BANKING POINTS

UNION BANK OF SWITZERLAND

St. Gall ZURICH Winterthur

Aarau, Basle, Berne, Geneva, Lausanne, Lugano, Locarno,
Montreux, Vevey, La Chaux-de-Fonds, etc., etc.

CAPITAL (fully paid)	Swiss Francs	70,000,000
RESERVES - -	Swiss Francs	16,500,000
DEPOSITS - -	Swiss Francs	493,683,244
TOTAL ASSETS -	Swiss Francs	646,434,637

The Bank will be pleased to act as
Your Correspondents in Switzerland
and to be appointed as *paying agents for*
Letters of Credit, Travellers' Checks, etc.

Well equipped to handle your
Swiss banking business

(lignite) mine. The Reich has 65,000,000 marks in the Elsender mines, and recently participated in a 25,000,000 mark loan to the almost bankrupt Stumm trust in consideration of an option on two rich mines.

The Reich, in addition to being a large mine-owner, has become the largest aluminum manufacturer in Germany. The Reich put 20,800,000 marks into the United Aluminum works, and 13,200,000 marks into the Ironwerk Bavarian Aluminum works. The Reich still has 29,000,000 marks in the unwieldy money-losing ex-war plants company called the Deutsche Werke.

The Reich put money into the Vulcan shipyards, and even indulged in the luxury of advancing 50,000,000 marks credits for more ships in an already ship-ridden world. About half of this credit has been used.

The Reich recently gave credits to Rhein-Metal, the one munitions works in Germany operating with consent of the Allies. Business dealings of the Reich include participation of 7,200,000 marks in the Berlin Telephone Co., a manufacturing company, 20,000,000 marks in the Middle-Germany Nitrate works, and an interest in the Bavarian-Lloyd Shipping Co.

The Government, with Bavaria, is a joint guarantor of the Rhine-Main-Danube Canal loan. This enterprise will take some twenty-five years to complete.

A costly enterprise in times of dear money is the so-called Mittel land canal, with a stretch of some 150 kms. to be completed between the Ruhr and Hanover. The Reich has approved this enterprise and it has indicated that it would guarantee credits to it.

The Reich has also been lavish in assisting some industries. Ruhr manufacturers received a gift from the state of 700,000,000 marks. This was for losses during Ruhr resistance. The 700,000,000 marks is doing more than to postpone the inevitable reorganization of Ruhr industry.

Italy

REGARDING Italy's settlement of the debt to the United States, George E. Roberts, vice-president and economist of the National City Bank of New York, says in the bank's current monthly letter on business and economic conditions that:

In the settlement with Italy as agreed to by the commissioners representing the

BANCO DI SICILIA TRUST COMPANY

487 Broadway, New York

Recently organized under the Laws of the State of New York

**Condensed Statement of Condition at the Close of Business,
September 30, 1925**

RESOURCES	LIABILITIES
U. S. Bonds\$ 882,950.46	Capital Stock\$ 500,000.00
Other Bonds 466,756.77	Surplus 25,822.91
Loans and Discounts... 770,961.96	Treasurer's Checks..... 302,905.87
Due from Banks..... 495,152.12	Certified Checks..... 2,377.32
Cash 39,298.68	Deposits .....1,354,617.04
Furniture and Fix- tures 72,286.41	Other Liabilities 6,655.07
Other Assets 16,968.63	Reserve for Interest... 1,946.82
Customers' Liability, Acceptances 5,571.90	Acceptances as per contra 5,571.90
<hr/> \$2,199,896.98	<hr/> \$2,199,896.98

General Banking Service

Commercial Banking

Foreign Exchange

Commercial and Travelers' Letters of Credit

**Specially Equipped to Extend Banking
Service with Italy**

*Affiliated with Banco di Sicilia with Head Office
in Palermo, Italy*

*Fiscal Agents for the
Royal Italian Treasury*

RECIPROCITY

IS THE SECRET
OF OUR
SUCCESS

OUR CLIENTS
HAVE
AND WE

CONFIDENCE

IN US
IN THEM

GUAYAQUIL
ECUADOR

BANCO DE DESCUENTO

two countries, the United States commissioners have adhered to the policy of insisting upon payment of the principal in full with an adjustment of interest to suit ability to pay. Where sums are to run for periods extending over half a century, as in the case of the war debts, the interest rate is the important feature of the obligation, and under this settlement the interest rate from now on is reduced almost to the vanishing point.

The amount originally borrowed was \$1,648,000,000, and upon this interest was calculated in the settlement at 4¼ per cent. to December 15, 1922, and 3 per cent. from the latter date to June 15, 1925, which is the same procedure as followed in the settlement with Belgium. The total as of June 15, 1925 thus obtained is \$2,042,000,000, which is the principal sum agreed upon. The payments will be extended over sixty-two years, with no interest charged in the first five years. Beginning with the sixth year, interest is calculated at the rate of one-eighth of 1 per cent. over ten years, then at one-quarter of 1 per cent. over ten years, and rises to ½ per cent., ¾ per cent. and 1 per cent. in succeeding ten year periods, and to 2 per cent. over the last seven years.

The total of all payments, principal and interest, is to be \$2,407,000,000, rising as approximately indicated by the following schedule:

Annual Payments

First five years	\$5,000,000	
6th to 15th year	14,000,000	to \$18,000,000
16th to 25th year	20,000,000	to 26,000,000
26th to 35th year	31,000,000	to 38,000,000
36th to 45th year	43,000,000	to 52,000,000
46th to 56th year	56,000,000	to 67,000,000
55th to 62d year	73,000,000	to 80,000,000

The United States commission states that it has made an exhaustive examination into Italy's resources and believes that more should not be exacted. It has been generally recognized from the first that a very liberal settlement would have to be made

with Italy, although the Italian Government has shown a strong desire to satisfy its creditors. The population of Italy has increased steadily and rapidly until it approximates 40,000,000 and as the country is the most mountainous in Europe, excepting Switzerland, the arable land is insufficient to provide bread grains for the people, although considerable quantities of dairy products are exported. The mineral resources are slight, which has been unfavorable to the industrial development required to utilize the labor supply, and Italian laborers have been forced to go abroad in great numbers to find a livelihood. The remittances of these laborers and the expenditures of foreign tourists in Italy have been the country's main dependence in the settlement of its adverse balances in foreign trade.

It is obvious that no such an amount of foreign indebtedness ever could have been created by Italy under any circumstances but those under which the present indebtedness was incurred; to wit, in a war wherein that country was associated with other countries which were interested in furnishing Italy with supplies. These circumstances give Italy a valid claim to considerate treatment.

Italy's Future

Notwithstanding the limited natural resources of the country and its lack of capital, the future of Italy may be regarded as more promising at this time than ever before. The population furnishes the basis for great industrial development. The man-power is there, but man-power alone does not enable a country to compete in modern industry. It must be supplied with capital equipment. The want of coal has been a serious drawback. England became the leading industrial country by reason of her coal, machinery and labor supply. The mountain streams of Italy now afford opportunity for the development of cheap power on a large

Trade With Sweden

Aktiebolaget Göteborgs Bank

Gothenburg and Stockholm
SWEDEN

Established in 1848

Own capital Kr. 78,750,000
(over \$20,000,000)

Through our many branches and correspondents all over Sweden we are able to offer every accommodation possible for banking transactions in Sweden.

Cable address: Götabank

scale, and already the industries are showing the effects of this stimulus. Labor is cheaper there than in any other industrial country, simply because Italy is poor in capital, but cheap labor and cheap power will exert a powerful influence to bring capital into the country. With the increase of productive power a new era will open to Italy; with enlarged employment for her people, a higher standard of living, an increase of both exports and imports, and general improvement in economic conditions.

The settlement of the war debts clears the way for placing the finances of the country on a sound basis. A government loan of \$100,000,000 in the New York market immediately followed the settlement with the United States Government, and will be used for the purpose of stabilizing the currency. The sum is small in comparison with the war debts, and unlike them it is for an economic purpose. The budget is balanced, with revenues sufficient to provide for the debt-payments and interest on the new loan.

Italy's One Hundred Million Dollar Loan

Commenting on the flotation in the United States of the \$100,000,000 loan which fol-

lowed Italy's debt settlement with America, the November number of the *Foreign Securities Investor*, New York, says editorially:

There is nothing inconsistent between the statements made in connection with the flotation here of Italy's \$100,000,000 loan—the first Italian loan issued here since the \$25,000,000 6½s offered five years ago and recently paid off—and the facts and figures produced by Count Volpi, Italy's Minister of Finance, before the World War Foreign Debt Commission, in Washington. The terms of the Italian debt settlement at Washington are very easy for Italy during the early years of her period of payment. This is, of course, a strong point in favor of the new dollar loan.

It will be recalled that, first under Minister Stefani, and later under Count Volpi, Italy has driven ahead to a definite end in her financial program. There were several things to be accomplished. One was to balance the budget and to obtain a surplus of revenue. This has been done; there will be a surplus of revenue in the fiscal year 1925, against a deficit of 418,000,000 lire last year. Another problem was to settle the Inter-Allied debt. This task doubtless will be completed soon. A third problem was to improve Italy's trade position—cut down the enormous surplus of imports. This must be done by encouraging home production of imported goods; a recent notable achievement has been the increase in wheat growing. The fourth and last step in Italy's restoration is stabilization and revaluation of the lira. Exchange stabilization is the purpose of the \$100,000,000 loan which, in one sense, completes the financial restoration of Italy.

A democracy such as exists in this country naturally looks askance at a dictatorship like that of Mussolini, and does not wholly approve its policies. It is everywhere enthusiastically admitted, however, that the Italian Government has made amazing financial progress.

The Netherlands

THE current number of the *Monthly Review* of the Rotterdamsche Bank-vereeniging, Rotterdam, Amsterdam and the Hague, says, in part, regarding the present financial and economic state of Holland:

That the state of the Government revenues continues to be favorable, is of course partly due to the satisfactory business conditions, which are to be recorded in most departments of Dutch economic life. That this

The Philippine Islands Trade is Growing Rapidly

The tremendous Balance of Trade in favor of the Philippines proves the Present and Potential Development Possibilities.

If you are interested, the Bank of the Philippine Islands offers the highest class and most reliable Banking Services.

As the Oldest Bank in the Orient, we naturally maintain a very strong position which enables us to properly carry out the wishes of our clients, assisting them in the development of their trade and stimulating the production of the Islands.

The Bank of the Philippine Islands

Capital fully paid-up . . . (Pesos) 6,750,000 - (\$3,375,000)

Reserve funds " 2,250,000 - (\$1,125,000)

Head Office: MANILA, P. I.

BRANCHES: ILOILO, CEBU, ZAMBOANGA



William T. Nolting	President
Joseph F. Marias	Vice-President
Fulgencio Borromeo	Vice-President
R. Moreno	Secretary
D. Garcia	Cashier
E. Byron Ford	Chief, Foreign Department
S. Freixas	Chief Accountant
P. J. Campos	Manager Iloilo Branch
J. M. Browne	Manager Cebu Branch
J. M. Garcia	Manager Zamboanga Branch

Correspondents in all parts of the World

Special attention given Collections

favorable development is not characteristic of all industry to the same extent, is only natural if we remember that in certain branches of industry, certain circumstances, which are not likely to recur, as; e. g., the necessity of replenishing stores in Germany, have exercised a reviving influence; while later the diminished purchasing power in different markets was making itself felt to a certain extent. But it may be said, on the whole, that the latter circumstance could be made up for, in a large measure, by the Dutch export trade. In the month of August the figures of that trade were most satisfactory, thus continuing the favorable development which has lasted for some time.

The Recovery of Dutch Industry

The *Financial and Economic Review*, published by the statistical department of the Amsterdamsche Bank, Amsterdam, says in a review of conditions in Holland for the third quarter of 1925 that:

Previous reviews have pointed to the recovery of Dutch industry from the depression which began to envelop it after the apparent boom which set in at the close of hostilities. The most recent reports too show a further improvement, which, although

not conclusive, is at any rate a matter for gratification when scanning last year's results. The foreign trade returns indicate higher exports of manufactured goods. Though this is in itself distinctly encouraging, especially if the unstable state of affairs, both financial and economic, which prevails in many countries, is taken into consideration, a closer survey shows that trade and industry will have to undergo much improvement before sound conditions are reached.

Various contracts have been concluded at a figure which left little chance of any return and which often enough was bound to work out at a loss. State or municipal aid in such cases could not be expected. Such unremunerative orders have been accepted in the majority of cases purely to keep the workers and machinery employed in the hope of better times to come. At one period a certain amount of briskness seemed to be about to set in in Holland; viz., shortly after the carrying-out of the Dawes Plan and the stabilization of German currency, both vital to the hinterland which is of paramount importance to The Netherlands. Through this there arose a certain feeling of optimism, which was reflected in bigger orders and greater enterprise. With each new month of 1925, however, it appeared that the ex-

A common instruction in business transactions with Porto Rico:
"PLEASE PRESENT DOCUMENTS THROUGH
BANCO DE PONCE."

Our main efforts being directed to the promoting of trade relationship between the continental United States and this Island, we have specialized our collecting services to further our purpose.

BANCO DE PONCE PONCE, PORTO RICO

Capital - \$750,000.00 Surplus - \$175,000.00
Assets - \$5,000,000.00

We solicit your collections.

Correspondence invited.

pectations of an early recovery had in many cases been, exaggerated and the reverses experienced were all the more keenly felt by those who had taken a more sanguine view of the situation.

Apart from this, however, it may be safely said that there are signs of steady development toward more normal conditions.

Argentina

THE current number of *Business Conditions in Argentina*, monthly magazine of the banking house of Ernesto Tornquist & Co., Limited, Buenos Aires, says regarding the financial and economic situation in Argentina:

The economic situation of the country continues to be satisfactory, although commercial transactions are restricted. The exchange value of our gold peso is firm, and its progress toward parity with the dollar continues. Banking business is normal. The exploitation of the petroleum fields is making constant progress. The railway companies are obtaining satisfactory results, although receipts have shrunk to some extent concurrently with a small decline in the volume of freight transported. The sugar harvest has terminated with an abundant yield, but the sugar market is extremely weak.

The export market is still lifeless. Shipments of all classes of grain and of linseed are proceeding slowly, and prices are low. The wool market remains dull, displaying little firmness. Commercial failures are showing an increase, while the clearing house movement is diminishing. There are very few transactions in the freight market, and charter rates remain very low.

Stock exchange business registers a decrease in the volume of securities dealt in, but prices are sustained. Exports of chilled and frozen meat have likewise declined.

The ordinary period of sessions of the National Congress terminated on September 30, last, in accordance with the terms of the Constitution. The legislative performance of the Chambers was very meagre. Sanction has not been forthcoming for the budget nor has any definitive resolution been arrived at in the matter of the pensions law. The Senate, by a large majority, voted in favor of the suspension of this law, but the Chamber of Deputies was unable to give its vote on this finding owing to lack of quorum in the latter days of September.

The Executive Power has made known its intention of convoking Congress to extraordinary session in order to submit to it the matters most urgently requiring legislative sanction.

In the month of September the Government placed the balance of the external loan of \$150,000,000 gold, carrying 6 per cent. interest and 1 per cent. amortization, accumulative. Of the different proposals received, the Executive Power considered it desirable to accept that presented by J. P. Morgan & Co. and the National City Bank of New York, who offered to take the equivalent of the said balance, or say \$29,700,000 U. S. gold, at the price of 93.50 per cent. plus accrued interest. The new bonds are dated October 1, 1925, falling due on October 1, 1959. Interest on them is payable half-yearly on April 1 and October 1 of each year. The first coupon matures on April 1, 1926. The proceeds of this loan, the Minister of Finance has stated, will be utilized in the consolidation of the internal short

FULLY 65% of the imports of Porto Rico enter through the Port of San Juan. Our head office is in San Juan, our branches are at such strategic points, for commercial banking and collections, as the seaports of Arecibo, Mayaguez and Ponce with an inland branch at Caguas. We have an intimate knowledge of the people while safeguarding the interests of our clients in the United States.

We Specialize on Collections

AMERICAN COLONIAL BANK OF PORTO RICO

term debt. According to advices from New York the bonds were offered by the purchasing bankers to public subscription at 96.50 per cent.

The operation concerted can be considered as advantageous for the Government since the price obtained is 1½ points higher than was paid for the previous issues of these bonds, namely 92 per cent.

During the quarter just ended the short term debt of the Government abroad was reduced by the cancellation of Treasury Bills of 4½ per cent. for \$20,000,000 U. S. gold and \$5,000,000 U. S. gold which matured on August 25 and September 1, 1925 respectively, in the United States of America.

Some of the short term loans contracted in the country were also paid off but the majority of them were renewed at the uniform interest rate of 4½ per cent. for the term of 180 days, with certain exceptions for the term of 90 days.

£425,980. This sum has been disposed of as follows:

	£
To reserve fund, making it stand at £1,950,000.....	112,668
To officers' provident fund.....	10,000
To payment of a dividend at the rate of 7½ per cent. per annum, making 12½ per cent. for the year.....	168,750
To purchase and cancellation of deferred inscribed deposit stock in accordance with the articles of association.....	81,250

This leaves a balance of £53,911, added to which the amount of £130,102, brought forward from previous account, makes a total carried forward of £183,413.

Total resources of the English, Scottish and Australian Bank, Limited, as of June 30, stand at £34,548,931, paid-up capital £2,250,000, reserve fund £1,837,331, deposits at interest £14,065,483, current accounts £11,663,827, and advances to customers, etc., £20,635,697.

©

The statement of the banking house of Ernesto Tornquist & Co., Limited, Buenos Aires, shows a net profit for the year, after providing for all expenses, of \$1,324,638 gold. This sum has been disposed of as follows:

	\$ gold
To a dividend at the rate of 6 per cent. per annum on \$3,000,000 gold preference shares.....	180,000
To a dividend at the rate of 8 per cent. per annum on \$9,000,000 gold ordinary shares.....	720,000
To extraordinary reserve fund, bringing it to \$3,800,000 gold.....	400,000

To the balance is added the sum of \$54,333 gold, brought forward from previous

International Banking Notes

The statement of the English, Scottish and Australian Bank, Limited, London, as of June 30, 1925, submitted at the thirty-third ordinary general meeting of the shareholders on November 18, shows a net profit for the year, after providing for all expenses, and including deductions of £75,000 for the payment of an interim dividend at the rate of 5 per cent. per annum, and £15,000 transferred to reserve fund, of



● UNDERWOOD & UNDERWOOD

J. J. LARKIN

Resident vice-president in charge of the Paris office of the Equitable Trust Company, who has recently been visiting the company's home office in New York

account, making a total to be carried forward of \$78,971 gold.

Total resources of Ernesto Tornquist & Co., as of June 30, stand at \$27,583,661 gold, paid up capital \$12,000,000 gold, legal reserve fund \$1,355,649 gold, and extraordinary reserve \$3,400,000 gold.

●

With officials of both the state and city governments participating in the celebration, the Oesterreichische Credit Anstalt fuer Handel und Gewerbe, Vienna, the largest banking institution in Austria, observed its seventieth anniversary in November.

Under the chairmanship of Baron Louis von Rothschild, head of the Vienna banking house of Rothschild, the Credit Anstalt has successfully weathered the storms that wrecked the old Dual Monarchy. It has been able not only to maintain, but in many notable instances, to extend its large interests in the succession states and foreign countries and increase its influence on Austrian industry and commerce.

The leading papers of Vienna hail the

bank's seventieth anniversary as a milestone in the financial history of the country.

●

The statement of the Kajima Bank, Limited, Osaka, Japan, for the half-year ended June 30, 1925, shows a net profit, after providing for all expenses, and including a balance of yen 284,339 brought forward from the previous half year, of yen 1,833,613. This amount has been disposed of as follows:

	Yen
To reserve fund	500,000
To dividends	943,750
To bonus	50,000
To pension reserve	50,000
Balance carried forward to next account.....	283,863

Total resources of the Kajima Bank, as of June 30, 1925, stand at yen 227,908,447, paid-up capital yen 18,875,000, reserve fund yen 5,900,000, and total deposits yen 172,915,129.

●

The statement of the Punjab National Bank, Limited, Lahore, India, for the half-year ended June 30, 1925, shows a net profit, after payment of all expenses, and including rs. 79,440 brought forward from previous account, of rs. 5,13,835. This amount has been disposed of as follows:

	Rs.
To an ad-interim dividend at the rate of 15 per cent. per annum	2,27,786
To part provision for income tax	44,000
To transfer to reserve fund No. 2, bringing it to rs. 5,10,000	1,90,822
Carried forward to next account.....	51,226

Total resources of the Punjab National Bank as of June 30, last, stand at rs. 7,76,53,580, paid-up capital rs. 30,80,305, total reserve fund rs. 23,69,177, and total deposits rs. 6,75,09,926.

●

The statement of the Mitsui Bank, Limited, Tokyo, shows a net profit, for the half-year ended June 30, 1925, after providing for all expenses, and including yen 3,510,870 brought forward from previous account, of yen 8,445,649. This amount has been disposed of as follows:

	Yen
To special reserve fund	800,000
To pension and provident funds	193,000
To bonus	320,700
To dividend to shareholders	3,600,000
Carried forward to next account.....	3,525,949

Total resources of the Mitsui Bank, as of June 30, last, stand at yen 669,940,778, paid-

Rotterdamsche Bankvereniging

Rotterdam Amsterdam
The Hague

Capital *fl*50,000,000
Reserve *fl*20,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

Representative for the United States
J. Enderman, 31 Nassau Street, New York

up capital yen 60,000,000, total reserve fund yen 51,400,000, and total deposits yen 443,188,201. The Mitsui Bank has a New York agency. M. Koike is agent.

deposits yen 591,896,066. The bank has an agency in New York. H. Kashiwagi is agent.

⊙

The statement of the Yokohama Specie Bank, Limited, Yokohama, for the half-year ended June 30, 1925, shows a net profit, after providing for all expenses, and including a balance of yen 5,417,952 brought forward from previous account, of yen 14,568,628. Of this amount yen 3,000,000 has been transferred to reserve fund, a dividend at the rate of 6 per cent. per annum on 1,000,000 shares has absorbed yen 6,000,000, and the balance of yen 5,568,628 has been carried forward to next account.

Total resources of the Yokohama Specie Bank, as of June 30, last, stand at yen 1,339,872,546, paid-up capital yen 100,000,000, total reserve fund yen 85,819,000 and total

⊙

The statement of the Jugo Ginko (Fifteenth Bank), Limited, Tokyo, for the half-year ended June 30, 1925, shows a net profit, after providing for all expenses, and including yen 1,270,089 brought forward from previous account, of yen 5,069,466. This amount has been disposed of as follows:

	Yen
To reserve funds	1,100,000
To bonus to officers	200,000
To dividends at the rate of 10 per cent. per annum	2,487,500
Balance carried forward to next account	1,281,966

Total resources of the Jugo Ginko, as of June 30 last, stand at yen 521,898,436, paid-up capital yen 49,750,000, reserve fund yen 31,466,183, and total deposits yen 351,649,675.





The officers' space, Slater branch of the Industrial Trust Company of Providence, R. I.



THE Slater Branch in Pawtucket, R. I., of the Industrial Trust Company of Providence has recently been extensively remodelled. This makes this branch a complete banking unit provided with the most modern furnishings and facilities.

Thomas M. James Company

3 Park Street, Boston

342 Madison Ave., New York

Architects and Engineers

We would be glad to help you solve your
bank building problem

Write us for booklet

Some Bank Credit Problems

THE BANKERS MAGAZINE has secured the services of a capable credit man to answer the inquiries of readers on current problems of the credit manager. Questions of general interest to credit men and bankers will be answered and only the initials of the persons asking the question will be used. In case the question is not one of particular interest to bank credit men as a whole or is one which has been answered before, a reply will be made by mail.

In order that all questions may be answered intelligently, it is requested that they be direct and to the point, but that sufficient necessary detail be included to enable the editor to draw the proper conclusion. Inquiries should be addressed to the Editor, Bank Credit Problems, THE BANKERS MAGAZINE, 71-78 Murray Street, New York.—EDITOR.

Why Men Borrow

THIS is the ninth article of a series by the Credit Editor on credit and credit department methods. Previous articles have covered business organization with reference to the division of ownership, the most common business statements, the trial balance, the balance sheet, and the profit and loss statement, and audited statements and auditors' certificates.

BEFORE entering upon a discussion of the analysis of financial statements for the purpose of intelligently considering the financial status and condition of a company, it is well to consider the primary purpose for which credit is requested.

Previous articles have reviewed the set-up and form of business enterprises, balance sheets and operating figures, together with auditors' certificates, a complete understanding of all of which is essential to intelligent statement analysis, and necessary for an understanding of the articles thereon which are to follow. So also, is it necessary to know what idea prompts the request for credit and the fundamental principle underlying the request. In special instances it is with some special or particular objective in mind, and that is for the credit man to determine at the time when the request is made. In each such special case the circumstances must be carefully weighed.

However, it is safe to say that borrowing is generally for the purpose of making more money. It is generally with the idea in mind that capital can be borrowed and invested in such a way that it will return to the borrower more money than he is required to pay for its use. Not that in

this sense one is to imply that borrowings are for the purpose of speculation. No bank funds are intended to be loaned with this objective in mind. It may be the borrower's objective, but no conservative banker will loan the funds if he is aware that the borrower has such intention. This is not true of secured loans, where the banker has a side margin of desirable security pledged in his favor. In such instances the banker is not so much concerned with the intent of the borrower as with the use of the funds. The result of the outcome of such a venture, on the part of a borrower against good collateral, does not play such a vital part in the goodness of the loan.

The reference is, rather, to the commercial borrower who borrows on an unsecured basis, where the banker merely holds the borrower's promise to pay. It is such loans that are considered in this discussion. They should be made to careful conservative business men, for upon the outcome of the undertakings into which the funds are placed, depends their return. It is not intended that they should be used for speculation though there are many ways in which the business man can speculate in the usual course of his commercial undertakings. He may get the idea that a certain style will be a good go during the coming season, and he goes in very heavily for it. He may feel that the market is low and right for accumulating a large stock. He may get the idea that by going in heavily, he can reduce cost per unit and sell more cheaply than his competitors. He may feel that he can take a long chance in this way or that. Of course, every business man is in business to make what return he can upon his in-

The **FIRST**
NATIONAL BANK *of*
BOSTON

1784 :: :: 1925

Ten Boston Offices

Foreign Branches

BUENOS AIRES, ARGENTINA HAVANA, CUBA

European Representative

24, OLD BROAD ST., LONDON

WHEN you have Boston or New England business, send it to us. With ten offices covering the city and direct collection facilities throughout this section, we afford quickest and best service. Correspondence invited.

CAPITAL \$20,000,000

SURPLUS \$20,000,000

Resources \$370,000,000

vestment, and that means taking some chances. He must work for low cost and outguess his competitors, but in all this his judgment must be tempered with conservatism and he must not be speculative.

As previously mentioned, primarily the intent of borrowing is to make more money. It is the feeling that capital can be borrowed at a price the difference between which and its income will result in a profit to the borrower. It is the same incentive that prompts the borrower to borrow from his bank primarily, as it is that prompts him to borrow by bringing capital in through the means of preferred stock or bond issues. A manufacturer or business man buys a plant or office for business because he feels that the cost of the capital which he places therein is less than what he would normally have to pay for the rental of such a place and considers the difference as a profit. Whatever the manufacturer or merchant pays for his capital, perhaps 5 per cent. on bank borrowings, 5 per cent. on mortgage bonds, 6 per cent. on debentures, 7 per cent. on preferred stock, etc., he pays it with the feeling that he can earn more than that when he uses it in the conduct of the business. For example, assume the set-up to be as follows:

Current assets	\$ 200,000
Fixed assets	200,000
Total	\$ 400,000
Liabilities	0
Common stock	\$ 400,000
Total	\$ 400,000
Sales	\$1,200,000
Net profit	72,000
Earned on common	18%

The foregoing business is a manufacturing concern. It can increase the business in the same proportion and on the basis of the same profit if it secures additional capital. It desires to do so, and mortgages its plant for 50 per cent. of its value, thereby raising \$100,000. This \$100,000 is one-quarter of the present investment. Volume can be increased one-quarter by a \$50,000 addition to plant, and a \$50,000 addition to working capital will enable it to handle a one-quarter larger volume. The result is the following set-up:

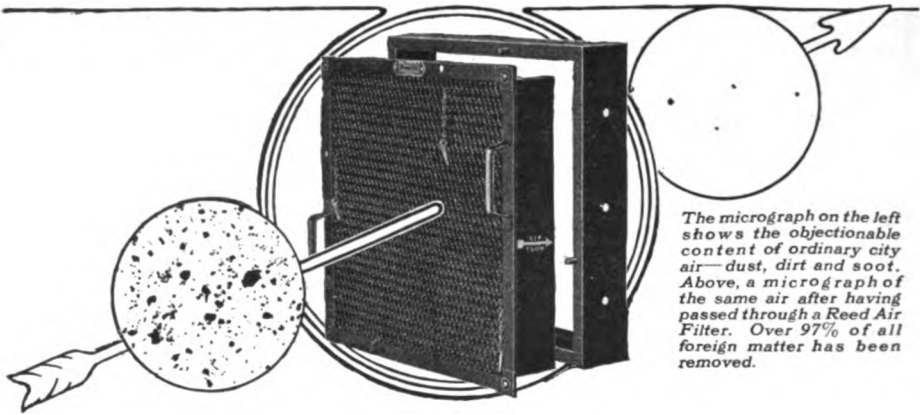
Current assets	\$250,000
Fixed assets	250,000
Total	\$500,000
Liabilities	0
Mortgage debt	100,000
Common stock	400,000
Total	\$500,000

It is assumed that there will be an increase in sales of 25 per cent., bringing them up to \$1,500,000. Net profits are 6 per cent. of gross sales, hence they will be increased to \$90,000. However, there is a charge for interest on the \$100,000, borrowed of \$5000, and, therefore, the net result is as follows:

Sales	\$1,500,000
Net profit	85,000
Percentage earned on common	21.2%

By borrowing \$100,000 at 5 per cent. the common stockholders have increased their return of earnings from 18 per cent. to 21.2 per cent.

Some businesses show a much larger percentage of profit than others. These generally are more speculative lines, and obviously such businesses can afford to pay more for their capital, and generally must pay more, because of the element of speculation. In days gone by, it was generally felt that bank borrowings were for seasonal purposes only, to assist the business man to carry a larger stock at his peak season, and also to permit him to avail himself of cash discounts offered by trade houses. It was also then generally the feeling that after the season had passed, stock had been accumulated, sales made, and receivables collected, all bank money should be repaid. Today this position is reversed to some extent. It is still considered that the merchant should go out of debt to each bank once a year, but in the majority of cases, it is perhaps safe to say that the merchant is not expected to clean up with all of his banks at the same time. Rather, he pays them off systematically and really rotates his borrowings. In such a way we find bank money in many propositions throughout the entire year. This is accounted for somewhat by the fact that business has developed considerably from the time of the smaller merchant and smaller business; organizations having developed so as to assume tremendous size and national and international importance. Whereas they were previously financed by local bankers, we now find their banks widely scattered and funds received from many sections. Business has become adjusted more to a volume basis. It naturally follows that the more low cost capital the common stockholders in the business can attract to it, the better return they themselves will earn on their own investment. In this connection, suppose the following cases:



The micrograph on the left shows the objectionable content of ordinary city air—dust, dirt and soot. Above, a micrograph of the same air after having passed through a Reed Air Filter. Over 97% of all foreign matter has been removed.

Cut out the afternoon fag with REED AIR FILTERS

MORE banks than ever are now realizing the importance and economy of Reed Clean Air in maintaining all-day efficiency among employes.

In every commercial center the air is laden with unseen dust, soot and bacteria. Remove these hazards with Reed Air Filters and you reduce the cause of flagging energy, ill health and lost time to the minimum.

Reed Air Filters are guaranteed 97% efficient, easy to install in old or new ventilating systems and economical to maintain. It will pay you to write for free bulletins. No obligations, of course.

REED AIR FILTER CO., Incorporated
225 Central Ave., Louisville, Ky. 50 Church St., New York
Offices in Principal Cities

Reed Air
TRADE MARK
filters ALL METAL

A Few of the Many Banks Using REED AIR FILTERS

Corn Exchange Bank
New York City
Harriman National Bank
New York City
Mechanics & Metals Bank
New York City
Marshall Field, Glore Ward
& Co.
New York City
W. H. Harriman & Co.
New York City
Aetna State Bank
Chicago
First National Bank
Chicago
Illinois Merchants Bank
(2 installations)
Chicago
Cleveland Trust Co.
Cleveland
First National Bank
Detroit
Federal Reserve Banks
Louisville
Omaha
Denver
Integrity Trust Co.
(2 installations)
Philadelphia
Anglo California Trust Co.
San Francisco
National Savings & Trust
Co.
Washington, D. C.
First Huntington National
Bank
Huntington, W. Va.

	A	B
Preferred stock, 7 per cent.....	0	\$500,000
Common stock	\$1,000,000	500,000
Net income	100,000	100,000
Preferred dividend	0	35,000
For common	100,000	65,000
Return on common	10%	13%

Questions and answers on bank credit problems follow as usual and will continue each month.

The same applies also to money borrowed from banks. Of course, the current market rate, all features considered, is paid, but if a concern can introduce a steady amount of bank funds into the proposition for the full time, or practically full time, the common stockholders are really that much better off. As an example, take the following:

	A	B
Borrowed money costing 5%....	0	\$200,000
Capital	\$800,000	600,000
Net profits	80,000	80,000
Interest paid	0	10,000
For common	80,000	70,000
Return on common	10%	11.6%

Of course, it is not to be inferred from the foregoing that borrowings from banks are in all instances for full time. There are many concerns where the nature of the business is such that they operate practically without borrowing funds from banks, and there are other cases where money is simply borrowed from banks for the purpose of discounting trade payments. It might be well to consider very briefly the value of borrowing for this latter purpose. Assume that a concern buys on 2 per cent. ten days, EOM. This means that purchases made during the current month are due the tenth of the following month, and at that time a 2 per cent. discount will be allowed if payment is made. Two per cent. a month amounts to 24 per cent. per annum, and if a concern can borrow money from a bank to take advantage of such discounts, the borrowings being on the basis of 6 per cent., it is obvious that it makes a considerable profit by doing so. This applies to all discounts offered, though of course, the profit varies in particular cases. The advantage perhaps applies particularly to those firms doing a seasonal business, where they buy very heavily for a short period running up large merchandise bills, and money will not be received on their outlay before the expiration of the discount period. It is then particularly advantageous to borrow from the banks to take advantage of these discounts, and the bank borrowings will tide them over until such time as the goods have been sold, and the receivables collected.

QUESTION: On page 625 of the October, 1925, issue, there appears a condensed form of profit and loss statement, and following is your comment that "the arrangement is not an altogether customary or usual one." On page 627 another condensed form of profit and loss statement appears, with your comment that "the general outline of which is perhaps slightly more familiar." In the handling of the financial statements of our customers, prepared by many leading firms of accountants, I have found that the first form of profit and loss statement seems to be more universally adopted. I notice that the second suggested form is apparently a profit and loss statement of a manufacturing concern, as there is included in the cost of goods sold, an item of "direct labor." If this is the case, it would seem that there should be other manufacturing charges which would properly be allocated to the cost of goods sold. I also notice that depreciation is included as a charge against income. While we have seen this method of handling that item practiced by some of our customers, it has always been when the figures were prepared by the concern and not by a reputable accountant. By reference to a large number of audit reports in our files, we find no instance where depreciation has been handled as anything but a part of manufacturing expense and as a charge to the cost of goods sold. As I have derived so much help from your questions and answers, your articles and the comments of your readers, I feel that possibly a further discussion of the form of profit and loss statement, particularly the points to which I have referred, would be of benefit to me, and possibly to others whose privilege it is to read THE BANKERS MAGAZINE.—E. M. S.

ANSWER: With regard to the two forms of profit and loss statement used in the previous article, my own experience has been that the second form is slightly more familiar for the reason that its set-up provides a clearer form for the various items, deductions, etc., that are to be made. Inasmuch as the bank usually sends forms to smaller customers whose records are perhaps not kept in as elaborate a manner as

When worried men study the ticker-tape

MOMENT by moment the ticker registers lower prices. Money tightens. Interest rates go up. Bonds supposed to be gilt-edged show signs of weakness and fall off in price. It is a bear market.

What happens to first mortgage real estate bonds when stocks and bonds drop violently in price, wiping out fortunes, closing the doors of many firms? . . . Nothing to worry the investor—they are secure.

This form of investment is beyond the "reach of the ticker." Its safety is not dependent on the prosperity of any one industry, but upon the foundation of the nation's wealth—real estate. It is secured by income-earning properties situated in progressive localities.

As a result, first mortgage real estate bonds issued by the leading houses have an unequalled record of safety. Through financial crises, panics and periods of depression they have paid interest and principal promptly.

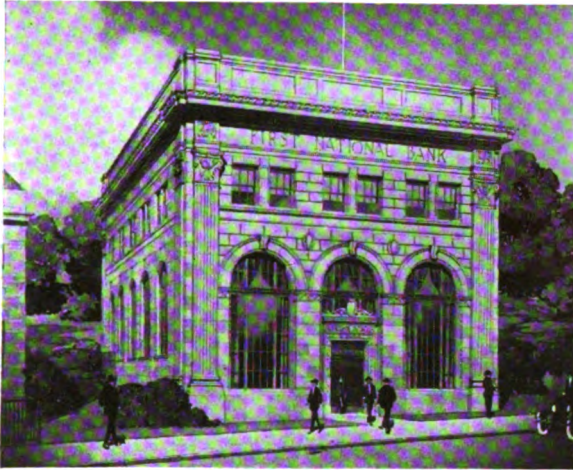
Miller Bonds have these features: Interest up to 7 per cent. Unconditional guarantee of principal and interest, optional. Normal federal income tax refunded. . . . Various state taxes refunded or paid.

But to get full benefit of this safety inherent in real estate bonds, purchase should be made only from houses equipped with the experience and personnel to issue this specialized type of security . . . houses that stake reputation and life on the promise that "No investor has ever lost, nor ever shall lose, a dollar in our first mortgage real estate bonds." G. L. Miller & Co., Incorporated, 30 East 42nd Street, New York City. Offices and representatives in principal cities.

Send for Booklet B 402

**NO INVESTOR EVER LOST
A DOLLAR IN MILLER
FIRST MORTGAGE BONDS**





THE new home of the First National Bank & Trust Company of Tuckahoe, N. Y., which is nearing completion. This is an entirely detached building, constructed of cast limestone, with well designed facades on all four sides. The bank will occupy the entire first floor and mezzanine. Top floor is for offices.

HOLMES & WINSLOW

*Specialists in Bank Architecture
and Interior Equipment Complete*

134 East 44th Street - - - - New York

large customers, it is desirable that the form call for the information which the bank desires in the simplest and clearest way possible. Few forms are sent to larger concerns, as they have their books audited and supply the figures either on accountants' or their own stationery. Also, the second form calls for the profit and loss figures for one year, and this is perhaps more customary than asking the customers to fill out a form for three years. It also shows what deductions are expected to be made from income, and leaves no doubt in mind as to the handling of discounts allowed and discounts received, and provides space under each heading to write in any items included. While, of course, the first form calls for itemized schedules to support various items, which is desirable in cases where it is necessary to send a form to the customer, the bank is perhaps fortunate to get the information, in as much detail as indicated by the second form.

As to the second form being a form for a manufacturing concern, it is intended that it should meet with such need. Also, it is intended to meet the need of a wholesale

or retail concern by simply omitting to fill in the space of direct labor or others that might apply strictly to the manufacturing business. The blank space under the cost of goods sold, provides a place to write in any other manufacturing charges which might be allocated to the cost of goods. The blank space could also be used in the case of an importer to include importing duties which are important items in the cost of his goods. The form is developed with the idea that it could be applied to practically any line of business, and still give a reasonable amount of detail.

I am not aware of any case where entire depreciation is charged up as part of the cost of goods sold. It is the general theory, however, I believe, that depreciation should be split up and allocated to the various departments of the business. We will assume roughly that the entire building is used for the conduct of the business, manufacturing, administrative and selling purposes, and that depreciation amounts to \$100,000 per annum. Seventy-five per cent. of the building is devoted to manufacturing, 15 per cent. to selling and 10 per cent. to administrative.

THE organization of Dietz, Pennell & Jordan offers Interior Equipment Engineering Service to Banks & Architects.

This specialized service includes the developing of practical and economical plans for the efficient operation of Banks.

Dietz, Pennell & Jordan
Bank Equipment Engineers
500 Fifth Avenue
New York

Booklet on Planning & Equipping of Banks will be sent on request

The technical practice would be to charge \$75,000 to the cost of goods sold, \$15,000 to selling expense, and \$10,000 to administrative expense. However, I have found that this practice is largely technical, and that in the majority of businesses, depreciation is not handled in this manner. I have

solicited opinions concerning it, with the result that depreciation is generally regarded as a charge against income, because of the fact that it is rather difficult to split it up along technical lines. It cannot be accurately figured, but must be estimated. Where a division is not made, it is not considered good policy to charge the entire amount to the cost of goods sold. As regards opinions on this, I would refer you to "Corporation Finance," by Dewing, which reads in part—"It is necessary to make two independent sets of adjustments in order to reduce gross profits to net profits. The first set of the adjustments are those concerned with the wearing, wasting, deterioration and ageing of the physical property used in the business." One great argument in favor of charging cost of goods sold with its full share of depreciation is the fact that machine labor has so largely replaced hand labor (a cost of production) that the depreciation of the machines is an important part of cost. However, the distribution of depreciation to various departments, I do not believe, is quite the general practice as yet, although it is coming into vogue with cost accounting methods, and is a more accurate way of handling it. Many large companies do not do this, as evidenced by the numerous published press reports reading "Earnings before depreciation." The smaller companies to which banks more usually send their forms to be filled out, have not adopted cost accounting systems to a very great extent as yet. At least, that is my experience.

If the above is not clear, and there is any point that you desire to take up, do not have the slightest hesitancy about doing so.

HE has achieved success who has lived well, laughed often, and loved much; who has gained the respect of intelligent men and the love of little children; who has filled his niche, and accomplished his task, whether by an improved poppy, a perfect poem, or a rescued soul; who has never lacked the appreciation of earth's beauties nor failed to express it; who has looked for the best in others and given the best he has; whose life was an inspiration and memory of benediction.—*Stanley.*

Fiftieth and Seventy-fifth Anniversaries Celebrated by Banks During Year

FOLLOWING is a partial list, classified by states, of banking institutions which have celebrated either their fiftieth or their seventy-fifth anniversaries during the year 1925:

	Organized
<i>New Hampshire</i>	
Citizens National Bank, Keene	1875
Second National Bank, Nashua	1875
<i>New Jersey</i>	
City National Bank, Plainfield	1875
Second National Bank and Trust Company, Red Bank	1875
<i>New York</i>	
Emigrant Industrial Savings Bank, New York	1850
Fifth Avenue Bank, New York	1875
Hallgarten & Co., New York	1850
Marine Trust Company of Buffalo, Buffalo	1850
National Bank of Cortland, Cortland	1875
Pacific Bank (now American Exchange-Pacific National), New York	1850
<i>Ohio</i>	
First National Bank, Bellevue	1875
Western Bank and Trust Company, Cincinnati	1875
<i>Pennsylvania</i>	
Diamond National Bank of Pittsburgh, Pittsburgh	1875
Duquesne National Bank, Pittsburgh	1875
First National Bank, Canonsburg	1850
Greenville National Bank, Greenville	1875
Western National Bank, York	1875
<i>South Dakota</i>	
First National Bank, Vermillion	1875
<i>Texas</i>	
American Exchange National Bank, Dallas	1875
<i>Virginia</i>	
Augusta National Bank, Staunton	1875
Peoples National Bank, Charlottesville	1875
<i>Vermont</i>	
Merchants National Bank, St. Johnsbury	1875
National Bank of Newport, Newport	1875
<i>Wisconsin</i>	
Citizens Bank of Delavan, Delavan	1875
Marathon County Bank, Wausau	1875
Merchants and Savings Bank, Janesville	1875
<i>Organized</i>	
<i>Arkansas</i>	
American Southern Trust Company, Little Rock	1875
<i>California</i>	
County National Bank and Trust Company, Santa Barbara	1875
Merced County Security Savings Bank, Merced	1875
<i>Colorado</i>	
First National Bank, Trinidad	1875
<i>Connecticut</i>	
Bristol National Bank, Bristol	1875
<i>Illinois</i>	
Benton State Bank, Benton	1875
Havana National Bank, Havana	1875
<i>Indiana</i>	
Citizens National Bank, Portland	1875
<i>Iowa</i>	
American State Bank, Fort Madison	1875
Citizens National Bank, Hampton	1875
Farmers National Bank, Vinton	1875
Hershey State Bank, Muscatine	1875
First National Bank, Le Mars	1875
Iowa National Bank, Des Moines	1875
Monticello State Bank, Monticello	1875
Toledo Savings Bank, Toledo	1875
<i>Kentucky</i>	
First National Bank, Mayfield	1875
<i>Massachusetts</i>	
Boston Safe Deposit and Trust Company, Boston	1875
First National Bank, Attleboro	1875
Home National Bank, Milford	1875
Orange National Bank, Orange	1875
<i>Maine</i>	
Manufacturers National Bank, Lewiston	1875
Merchants National Bank, Bangor	1850
<i>Minnesota</i>	
Citizens State Bank, New Ulm	1875
Martin County National Bank, Fairmont	1875
Merchants Bank, Winona	1875



1st
Built Big
to Serve Better

St. Louis' Largest Bank—
The First National—has never lost sight of the problems and requirements of its ever-increasing number of Correspondents located throughout the United States, and has fitted itself to contribute a service commensurate with their needs.

Over 60 Years' Experience in handling out-of-town bank business.



Broadway-Locust-Olive

FIRST IN SIZE AND IN SERVICE

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION

Eastern States

Comprising New York, New Jersey, Pennsylvania and Delaware.

SEABOARD NATIONAL INCREASES CAPITAL

The board of directors of the Seaboard National Bank, New York, has authorized an increase in the capital stock of the bank from \$5,000,000 to \$6,000,000. Transferable warrants of subscription have been issued to stockholders of record as of December 7, allowing them to purchase one share of the new stock at \$200 for every five shares of stock held. Full payment for the new stock must be made on or before December 22, 1925.

The new issue will increase the surplus of the bank from \$7,000,000 to \$8,000,000. The last increase of capital by the Seaboard National was from \$4,000,000 to \$5,000,000 on February 14 of this year.

INSURANCE TO BE COMBINED WITH SAVINGS

Savings banks in and about New York are considering a plan of combined savings and insurance, so that a depositor who had obligated himself to save a certain sum of money by a specified time, would have the entire amount paid to his estate in case of his death before the completion of the undertaking to save. It will be accomplished by having the insurance companies, in cooperation with the banks receiving the deposits, insure the lives of the depositors, in effect, for a constantly decreasing sum representing the difference between the amount the depositor has decided to save and the amount he has already saved toward that goal. Thus it is thought that under group insurance policies the bank could guarantee to the depositor that his obliga-

tion will be fulfilled under all conditions other than inability on the part of the depositor to meet his obligation, due to unemployment, assignment of his account, or voluntary withdrawal. Further details of the plan are contained in a recent issue of the *Eastern Underwriter*.

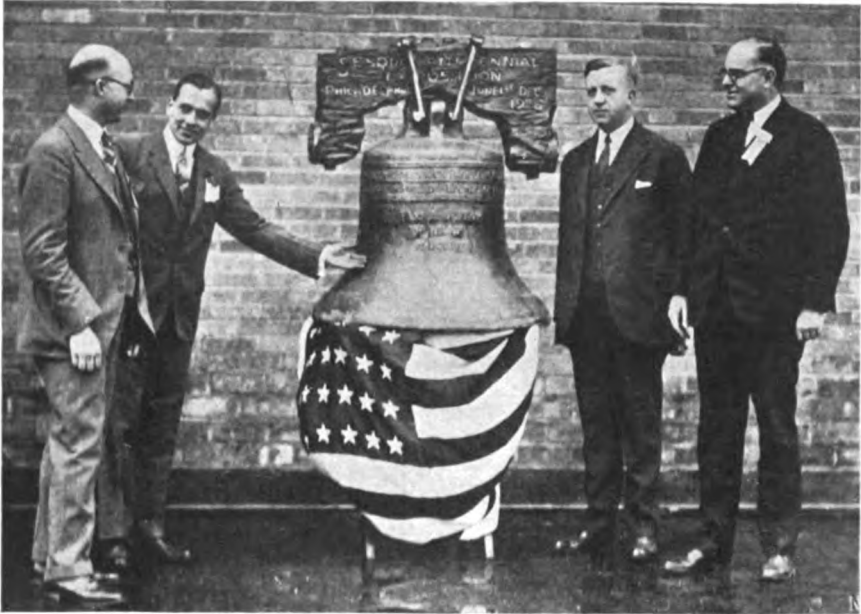
BANKERS ASSOCIATION ATTORNEYS TO ORGANIZE

Following out a resolution passed at the recent convention of the American Bankers Association at Atlantic City, favoring the organization of the attorneys of state bankers associations, the following officers of the temporary organization have been appointed: chairman, Thomas C. McClellan of Birmingham, general counsel Alabama State Bankers Association; vice-chairman, Earl C. Mill of Des Moines, attorney Iowa State Bankers Association; and secretary, James E. Hengts, attorney Ohio Bankers Association.

NEW YORK TITLE FORMS MORTGAGE CORPORATION

The New York Title and Mortgage Company, New York, has organized the National Mortgage Corporation, with capital of \$2,000,000 and surplus of \$1,000,000 to lend money on first mortgages outside of New York. The New York Title and Mortgage Company, of which the National Mortgage Corporation will be a subsidiary, will sell the mortgage securities created by the new company by pledging the mortgages with a trustee and issuing first mortgage certificates against them.

According to Harry A. Kahler, president of the New York Title and Mortgage Company, the new company will not conflict with the present activities of the parent company, but will further enlarge its circle of usefulness by enabling it to carry in its portfolio,



H. Ennis Jones, assistant to president Franklin Trust Company, Philadelphia, presenting on behalf of Mayor W. Freeland Kendrick of Philadelphia, and the Poor Richard Club in Philadelphia, a replica of the Liberty Bell to the Columbus Ad Club, Columbus, O. Left to right: Professor H. H. Maynard, president Columbus Ad Club; Mr. Jones; C. K. Woodbridge, president Associated Advertising Clubs of the World; and E. H. Kittredge, former president Financial Advertisers' Association

not only its metropolitan offerings, but a larger selection of equally secure, out-of-town mortgages, at a slightly higher rate.

MELLON DIRECTOR OF GUARANTY TRUST

R. B. Mellon, president Mellon National Bank, Pittsburgh, Pa., and vice-president

Union Trust Company, Pittsburgh, Pa., has been elected a director of the Guaranty Trust Company, New York.

THE LIFSEY TOURS BOOKLET

"The Fascinating Mediterranean" is the title of a booklet recently put out by Lifsey Tours, Inc., New York, giving the itineraries of their various Mediterranean cruises, and brief descriptions of the places visited.

FLORIDA OFFICE FOR NEW YORK TITLE

The New York Title and Mortgage Company, New York, has established an office in Miami, Florida, to broaden its service for the insurance of titles to Florida real estate. Hitherto the policies have been written from New York. Mark E. Archer has been appointed agent for Florida, in charge of the new office.

EQUITABLE TO INCREASE CAPITALIZATION

At a special meeting of the board of trustees of the Equitable Trust Company of

NEW YORK CORPORATION LAWS

Including Amendments, 1925

Contents

Full Text of the Business Corporations Law General Corporation Law, Stock Corporation Law, Sections of the Tax Law Applicable Thereto, Stock Transfer Tax Act, Uniform Stock Transfer Act, Blue Sky Laws, Articles of general application of the Membership Corporations Law, Legal Recording and Filing Fees, A Synoptic Analysis and Complete Index.

PRICE \$2.00

United States Corporation Company

150 Broadway, New York

Telephone Rector 4460



*Pride Mark
of a
Real Bank*

Big Enough—to handle any financial transaction, national or regional, in an efficient manner.

Small Enough—to consider every account as deserving our best efforts, knowing that our growth depends on our customers' success.

Old Enough—to apply to your bank-building problems 67 years of practical banking experience.

Young Enough—in spirit to bring the enthusiasm of aggressive officers and a progressive board of business men into action in behalf of our patrons.

Strong Enough—to offer the basis of absolute confidence in our resources of more than \$100,000,000.00.

The National Bank of Commerce
with which is affiliated the
Federal Commerce Trust Company  **in St. Louis**

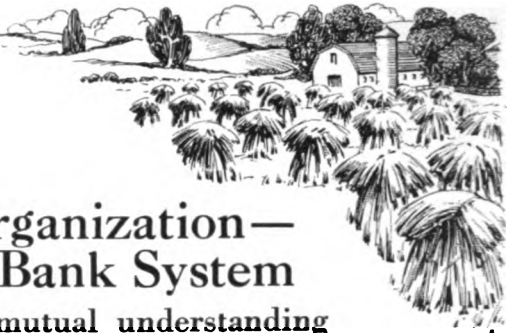
New York, held December 8, a special meeting of the stockholders was called for December 29, 1925, for the purpose of authorizing an increase in the capital stock of the company from \$23,000,000 to \$30,000,000, by the sale to stockholders of 69,000 shares at \$200 per share on a basis of three-tenths of one share for every share held, and the sale of 1000 shares at auction at not less than \$200 per share. This latter block of 1000 shares will be sold at auction to obviate the serious inconvenience and difficulty to both stockholders and company which would otherwise arise by reason of the fractions running into seven decimals. Any extra profits accruing from the sale of the stock by auction will go into the treasury of the company. This increase will give the company capital, surplus and undivided profits of approximately \$50,000,000 an amount sufficient to establish the proper capital ratio to its expanding business and provide for the company's new building.

GENERAL MOTORS EARNINGS

For the quarter ending September 30, 1925, net earnings of the General Motors Corporation, after depreciation and all



ARTHUR W. LOASBY
President Equitable Trust Company of New York,
which is increasing its capital stock from
\$23,000,000 to \$30,000,000



A Billion Dollar Organization— The Federal Land Bank System

A unit because of the mutual understanding
Total assets on Sept. 30th, \$1,059,486,378.11

IN LESS THAN eight years of actual operation, the twelve Federal Land Banks have grown into a billion dollar organization! Since the Bonds issued by each Bank are underwritten by all the other Federal Land Banks, the entire system may be regarded as a single unit—the largest Farm Mortgage organization in the world.

The statement of September 30th (forwarded on request) shows 370,876 mortgages averaging \$3,073 each, held on improved farms in all parts of the country. The Total Assets were \$1,059,486,378.11; the Total Capital, \$52,783,832.50; Reserve, \$7,650,528.23; Undivided Profits, \$5,262,239.00. The monthly earnings are now substantially in excess of \$700,000.

These figures represent a conservative valuation. Every piece of land acquired through foreclosure has been charged off; no such item is carried as an admitted asset. Likewise, every installment payment over 90 days past due is charged off until collected, and it does not appear as an admitted asset.

FEDERAL LAND BANK BONDS

"A Standard Form of Investment"

so stabilized as to find a ready market with as little fluctuation in prices as Government Bonds

These Bonds, issued in denominations of \$10,000, \$5,000, \$1,000, \$500, \$100 and \$40, are safeguarded by

1. The small size and wide distribution of the individual risks with an average security exceeding 200%.
2. The steadily increasing capital, reserve and net earning capacity of the twelve Federal Land Banks.
3. The constant purging of assets through the writing off of foreclosed mortgages and past due installments.
4. Careful management in which the Government participates without assuming financial obligation, further safeguarded by strict Government supervision.

Congress has declared that these Bonds are "instrumentalities of the Government of the United States". As such the Bonds and the interest received from them are exempt from all "Federal, State, Municipal and local taxation", including personal and corporate income taxes. This provision has been affirmed by the U. S. Supreme Court.

Federal Land Bank Bonds are eligible for the investment of all fiduciary and trust funds under Federal administration. They are also acceptable at par as security for all public deposits including Postal Savings.

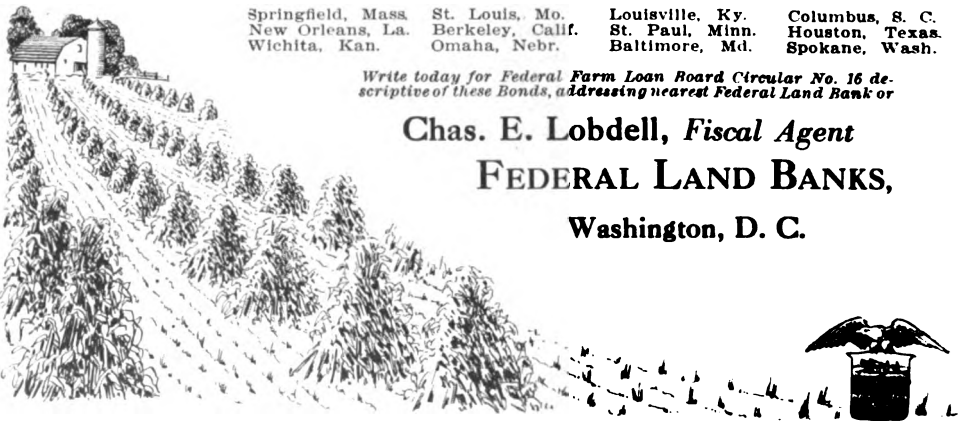
Bank earnings can often be increased by utilizing Federal Land Bank Bonds as security for Postal and public deposits.

Federal Land Banks are located at

Springfield, Mass.	St. Louis, Mo.	Louisville, Ky.	Columbus, S. C.
New Orleans, La.	Berkeley, Calif.	St. Paul, Minn.	Houston, Texas.
Wichita, Kan.	Omaha, Nebr.	Baltimore, Md.	Spokane, Wash.

Write today for Federal Farm Loan Board Circular No. 16 descriptive of these Bonds, addressing nearest Federal Land Bank or

Chas. E. Lobdell, Fiscal Agent
FEDERAL LAND BANKS,
Washington, D. C.



charges, amounted to \$28,161,730 as compared with \$10,349,423 for the same period last year. The corresponding figure for the first nine months of 1925 was \$74,243,966, as against \$37,416,413 in 1924. After deducting dividends on the preferred and debenture stocks, the earnings remaining for the common stock for the quarter amounted to \$5.09 per share. The same figure for the nine months' period amounted to \$13.27 per share.

Commenting on these earnings, Alfred P. Sloan, president of the corporation, said: "Comparison of the above earnings with previous years indicates that this establishes a new record for the third quarter and for the nine months. Both sales and earnings for September were the largest of any month of any year in the history of the corporation. Furthermore, earnings for the nine months exceed those of any previous entire year."

This is one explanation of the boom in motor stocks.



HAROLD C. RICHARD

President of the State Bank, New York, who has an enviable record as a golfer. He was one of the winners of the A. B. A. tournament at Atlantic City this year, and also won the annual tournament at Hot Springs. He has won the New York Athletic Club golf championship three times, and last year won the St. Cloud Country Club of Paris golf championship. The St. Cloud is the largest country club near Paris.



**We wish you all a
very Merry Christ-
mas and a Happy
New Year**

THE PEOPLES BANK OF BUFFALO

Four Offices:

Main and Seneca Sts. (*Head Office*)
Main St. at Tupper (*Uptown Office*)
Niagara and Virginia Streets
Michigan Avenue and Perry Street

CONTROL OF CORPORATIONS DIVORCED FROM OWNERS

At the recent meeting of the American Academy of Political Science, at New York, Professor W. Z. Ripley, of Harvard University, pointed out that there is a tendency in present day corporation finance to deprive the owners of corporations of their right to control such corporations.

Some of his comments on this situation follow:

"The practical disappearance of the individual and partnership forms of business organization, in favor of the corporation took place before the war. The present transformation is merely in respect of the seat of power over their direction. All kinds of private businesses are being bought up by banking houses, and new corporations are being substituted for the old, in order that the purchase price (and more) may be recovered by the sale of shares to the general public. But the significant change is that the new stock thus sold is entirely bereft of any voting power, except in case



THE NATIONAL BANK OF GIRARD.
GIRARD, PA.

MORGAN, FRENCH & CO., INC.

ARCHITECTS AND ENGINEERS

19 WEST 44TH STREET

NEW YORK

FOR THE COMING YEAR

We wish to each of you prosperity and success, and we hope that during that year we shall be able to serve you

MARINE TRUST COMPANY

of Buffalo

*Resources over
One Hundred Sixty Millions of Dollars*

of actual or impending bankruptcy. General stockholders, to be sure, have always been inert, delegating most of their powers of election, but at worst they might always be stimulated to assert themselves. Under the new style of corporation, such general stockholders are badly deprived of all rights in this direction, and new preferred stocks are sold up to the hilt of the value of the assets, if not beyond. The issues are called preferred stocks. They are really bonds.

"The recent Dodge Motors Company deal is typical. A banking house buys up a private business for, let us say, \$146,000,000. This sum and more they recover, let us say, by the sale to the public for \$160,000,000 of bonds, preferred stock and 1,500,000 non-voting shares of Class A common stock. But not a single one of the 500,000 Class B voting common shares are thus sold. The promoters have virtually paid themselves a handsome profit for the assumption of the entire directorial power, having mortgaged the property to the full amount of its original cost, including both assets and capitalized earning power.

"Perhaps the boldest case of this sort is that of an artificial silk concern, which thus

sold (let us hope) 598,000 shares of non-voting Class A stock, reserving 2000 of the total 600,000 shares as Class B stock carrying exclusive voting rights.

"The foregoing dangerous tendencies are much aggravated, also, by reason of the operation of a number of highly artificial legal devices which serve to isolate still further the property owner from control over his investment—the holding company, voting trusts, investment trusts, etc.

"They put the public interest in the sound and straightforward management of these businesses in jeopardy, not because bankers as such are more frail than any other people in general, but simply because the possession of uncontrolled power is always certain to entail abuse, whereby both innocent and guilty are alike dragged down.

"One remedy stands forth pre-eminently. Publicity of accounts and their standardization are likely to be the most serviceable as a check upon otherwise unrestrained control. The millions of investors and the public even if they have so confidently given their possessions over into the care of others, have a right to full and complete information. There lies an appropriate function



*National Manufacturer's Bank—Neenah, Wisconsin
Childs and Smith, Architects*

The exterior beauty of Crittall Steel Casements is a recognized asset in securing that air of dignity and substance so essential to banks in either large or small communities.

In addition to their artistic advantages, these permanent, weathertight steel casements permit the largest possible window openings, giving maximum daylight and wide, easily adjusted ventilation.

*All Crittall Casements and Windows are
made of Crittalloy—the Copper-Bearing Steel*

CRITTALL CASEMENT WINDOW COMPANY, Manufacturers
10965 HEARN AVENUE, DETROIT, MICHIGAN



for a rejuvenated and enlarged Federal commission to discharge an obligation of the Federal Government to a great, and in many respects, a helpless body of our citizens."

BETHLEHEM STEEL EARNINGS

Total income of the Bethlehem Steel Corporation for the third quarter of 1925 amounted to \$8,337,762, as against \$9,798,528, for the second quarter and \$6,495,731, for the same period last year.

President E. G. Grace, commenting on the report, said: "Earnings during the third quarter, after deducting all charges and preferred dividends, amounted to \$.56 per share on the common stock, against a deficit of \$.54 per share on the common stock in the third quarter of 1924. Total earnings for the first nine months of 1925 were \$3.53 per share, as compared with \$1.48 per share for the first nine months of 1924."



New England States

Comprising Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.

A. I. B. ENTERS MAINE

The first chapter of the American Institute of Banking in the State of Maine was recently formed at a meeting in Portland. The formation of the chapter is largely due to the effects of George S. F. Bartlett of the Boston Five Cents Savings Bank, a member of the national executive council of the institute, and its representative in the New England district.

The meeting was presided over by Mrs. Florence A. Stevens of the Maine Savings Bank, Portland, and among the speakers, besides Mr. Bartlett, was Frank P. Bennett, Jr., editor of the *United States Investor*. Many bank officers as well as employes attended the meeting.

ATLANTIC NATIONAL ABSORBS MASSACHUSETTS TRUST

The number of institutions which have been merged into the Atlantic National Bank, Boston, Mass., will be increased to thirteen when the merger of the Massachusetts Trust Company, which was recently



In Buffalo and Western New York

Competent, courteous and quick dispatch for your financial needs.

A close contact with industrial and commercial conditions and progress suggests the adequate co-operation of

Liberty Bank of Buffalo

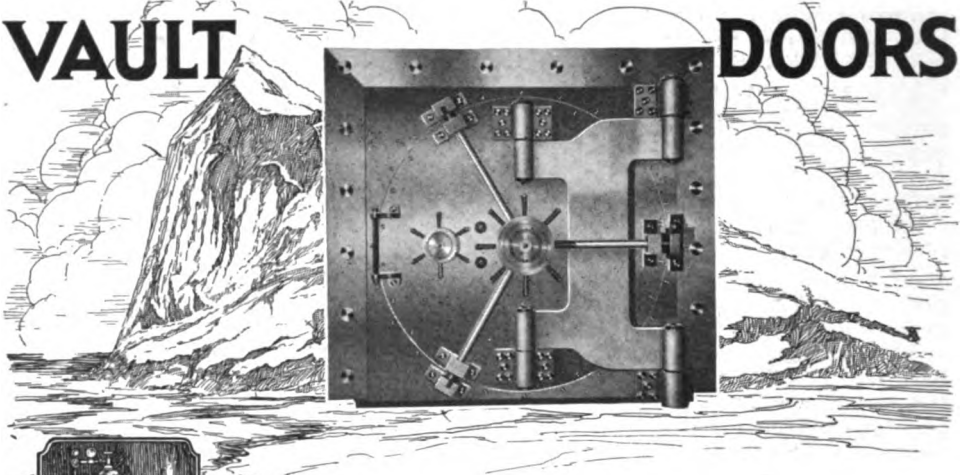
MAIN—COURT—PEARL STREETS

Correspondence Invited

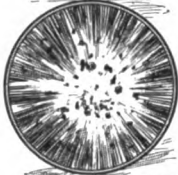
M O S L E R

VAULT

DOORS



TORCH



EXPLOSIVES



DRILL

Bank Vaults — like fortresses — should be built to resist all forms of attack.

Independent tests — conducted by leading testing laboratories and technical institutions — have proven that MOSLER Vault Doors containing DONSTEEL will resist burglarious attacks by torch, explosive or drill.

No metals are comparable to DONSTEEL in this respect.

Sold only by

THE MOSLER SAFE CO.

375 BROADWAY, NEW YORK, N.Y.

FACTORIES - - HAMILTON, OHIO.

Branches in all principal cities

BOSTON
CINCINNATI
PORTLAND
PITTSBURGH

BALTIMORE
ST. LOUIS
SEATTLE
DALLAS

CHICAGO
LOS ANGELES
ATLANTA
CHARLOTTE

KANSAS CITY
SAN FRANCISCO
NEW ORLEANS

ratified, is completed in January. The trust company will be converted into a national bank and then merged with the Atlantic National. There will be no change in the personnel, the present officers and employes of the Massachusetts Trust being given corresponding positions in the consolidated institution. For the present, at least, the offices of the trust company will also be maintained as before. Under the terms of the merger the Atlantic National Bank is to pay \$265 per share for the stock, which is something more than its book value.

MILLER WARNS AGAINST INFLATION

A. C. Miller, of the Federal Reserve Board, in a recent address before the Commercial Club in Boston, said that we are in danger of allowing the present period of prosperity to get us in a speculative frame of mind, with resulting inflation. The Federal Reserve System can help to prevent this, if the banks act in time. But there are many influences which make this difficult. Some excerpts from Mr. Miller's address follow:

"The discount rates of central banks are made to be moved. This is well understood in England, where the Bank of England for decades has employed the changeable discount rate with marvelous effect in giving stability to the British banking and credit system, which has met with full co-operation on the part of the banking and business public.

"We may expect that in time a similar situation will exist in the United States. As the Federal Reserve System itself more fully works out its guiding and operating principles, and as these come to be understood and accepted by the business public, we may expect to see the prejudice against changes of discount rates and other methods of credit control overcome, and the good functioning of the Federal Reserve System promoted by intelligent co-operation between the Federal Reserve Banks and the general business public.

"Time is of the essence of success in matters of credit and currency regulation by central or reserve banks. There are times in an upward trend of industry when the intervention of the Federal Reserve System by suitable discount policy can stimulate a forward movement in industry by maintaining a low rate; and later on, by an advance of rate, restrain the speculative extension of



THIS BANK offers complete facilities for the transaction of every kind of banking business.

Collections made promptly and on favorable terms on every part of the world

Foreign Exchange Bought and Sold

Commercial and Travelers' Letters of Credit

Correspondence and inquiries invited

Capital - \$3,000,000

Surplus and

Profits - 9,000,000

E. F. SHANBACKER
President

The
FOURTH STREET NATIONAL BANK
Philadelphia

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$4,000,000 Undivided Profits \$512,000

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD, *Vice-President*

WILLIAM J. WASON, JR., *Vice-President*

HOWARD D. JOOST, *Vice-President*

THOMAS BLAKE, *Secretary*

CLARENCE E. TOBIAS, *Assistant Secretary*

ALBERT I. TABOR, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

ALBERT E. ECKERSON, *Auditor*

BROWER, BROWER & BROWER, *Counsel*

ACCOUNTS INVITED

INTEREST ALLOWED ON DEPOSITS

industry, and thus serve to maintain a good condition of activity and prosperity. But the action must be rightly timed and prompt—hesitation and delay are the deadly causes of miscarriage and failure in the matter of central banking administration. At present, the Federal Reserve System is lacking in the high degree of initiative essential to its

most effective operation, this condition being due in part to the complex character of its organization, and the resulting wide distribution of authority and responsibility for its management; and to the fact that the larger economic and credit problems which the Federal Reserve System is called on to solve are lacking in the definiteness of character which makes for definiteness of action.

"The processes of inflation, with which our Federal Reserve System is called upon at times to cope, are insidious in their character. Inflation does not announce its coming in advance. It is not born full-fledged. It begins as expansion. It becomes inflation when expansion has gone beyond the limit of economic safety; that is, when further additions to the country's supply of credit cannot be digested by the body economic in alimending productive industry.

"The excess goes to feed the appetite for speculation, and that appetite grows by what it feeds on. Thus inflation makes rapidly for more inflation unless its incipient stage is clearly perceived by those responsible for the maintenance of a healthy credit and business situation, and subjected to appropriate restraining influence.

"There can be no doubt that the United States already is in an era of prosperity. Whether the prosperity which beckons is to be short-lived or of long duration will depend largely upon the wisdom and skill with which we handle ourselves in this country.

"The floating supply of credit in the United States has never been so large as now and never so much in excess of current and prospective requirements of commerce, agriculture and industry. This accounts for the comparatively slight growth in the volume of credit taken for commercial uses

Hare & Chase, Inc.

Automobile Finance

300 Walnut Street

Philadelphia



The name Hare & Chase has
fifty-eight years of business
prestige behind it

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta	Cleveland	Kansas City	Philadelphia
Boston	Dallas	Los Angeles	Pittsburgh
Buffalo	Dayton	Memphis	Portland, Ore.
Charlotte	Denver	Minneapolis	St. Louis
Chicago	Detroit	New York	San Francisco
Cincinnati		Omaha	Washington
	London, England		Toronto, Canada

from the banks of the country in the course of the last year.

"The great growth in the loan account of the banks of the country has not been in the commercial loan account, but in the collateral loan account. And the great growth in this branch of banking operations is due mainly to the huge volume of credit absorbed by the call loan market in the country's great speculative center (New York) since the opening of the year.

"This condition, along with the considerable volume of credit absorbed by land speculation in some parts of the country and speculative building operations, constitutes the danger spot in our present situation. There is evidence that a section of the public is losing its bearings and being drawn into the arena of thoughtless speculation. Cheaper and more abundant credit than the country has ever known on so extensive a scale is giving them aid and encouragement.

"It is time for a halt, lest a speculative frame of mind should be engendered which might in time invade the field of legitimate trade and industry."

Southern States

Comprising the District of Columbia, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky and Tennessee.

CONVENTION DATES

National Foreign Trade Association—at Charleston, S. C., April 28-30, 1926.

American Bankers Association (spring meeting of Executive Council)—at Pinehurst, N. C., May 3-6, 1926.

Texas Bankers Association—at Galveston, May 25-27, 1926.

FLEMING SUCCEEDS AILES

Robert V. Fleming has been elected president of the Riggs National Bank, Washington, D. C., to succeed the late Milton E. Ailes. Mr. Fleming was born on November 3, 1890. He entered the bank as a messenger in 1907, and advanced step by step until on May 20, 1920 he became cashier. About a year later, when Charles C. Glover retired from the presidency to

Correspondent Service

This Company is equipped by experience and facilities to meet the requirements of bank and trust company correspondents.

Inquiries by wire or letter are welcomed and will be promptly and courteously answered.

UNITED STATES MORTGAGE & TRUST COMPANY

Main Office : 55 Cedar Street

Branches :

Broadway at 73rd Street
125th St. at Eighth Ave.

Madison Ave. at 74th St.
Lexington Ave. at 47th St.

New York

become chairman of the board, and was succeeded by Mr. Ailes, Mr. Fleming was advanced to vice-president. In 1924 he was advanced again to the position of senior vice-president, a position he held until his recent election to the presidency.

Mr. Fleming has always played an active part in the affairs of the District of Columbia Bankers Association. He conducted the symposium—the technical banking discussion—at the 1920 convention; was chairman of the program committee of the 1923 convention; served as chairman of the general convention committee last year; and is now serving as secretary of the association, a position, which, by custom, leads ultimately to the presidency.

Mr. Fleming is the father of the present system of settling clearing house balances in Washington, whereby payments in cash are eliminated and settlements effected by telegraphic transfers through reserve accounts in the Federal Reserve Bank of Richmond. He devised this method and embodied it in his report on needed revision of rules and regulations of the clearing house—which report was subsequently adopted by



© HARRIS & EWING

ROBERT V. FLEMING

The new president of the Riggs National Bank, Washington, D. C., who succeeds the late Milton E. Ailes



Bankers who think—

Every community has two kinds of bankers—

Leaders who are alert and thinking for themselves. And followers who are mentally asleep, far behind the times.

Two kinds of bankers—two kinds of loans.

The progressive type of banker favors insulation in the building. He knows that a house insulated against cold requires less fuel to heat. The mortgagee has less maintenance expense and can meet his interest and principal payments *more easily*.

Houses insulated with Celotex Insulating Lumber have other advantages too. They are stronger because Celotex in wall sections has many times the structural strength of lumber. It is the one material that combines higher insulation value with greater structural strength and is not an extra item of cost in the building. Celotex houses withstand depreciation.

Celotex houses have quiet rooms because Celotex is also a sound deadener. Such houses are the envy of all who enter. They rent or sell readily and at better figures.

Celotex is not a new material. It has been proved by several years of successful building operation.

An indication of the wide acceptance of Celotex is shown by these production figures:

1921—8 million square feet; 1922—19 million square feet;
1923—31 million square feet; 1924—72 million square feet;
1925 will total 160 million square feet.

Ask your architect, contractor or lumber dealer about the advantages of Celotex insulated homes. Or have your secretary write for a copy of our new building book for you. It explains insulation fully.

THE CELOTEX COMPANY, CHICAGO, ILLINOIS
MILLS: NEW ORLEANS, LA.

CELOTEX

INSULATING LUMBER

“There is a use for Celotex in every building”



SALESMEN WANTED

one in each of the twelve Federal Reserve Districts—a man of ability, force and character to sell

A WONDERFUL ADVERTISING IDEA FOR BANKERS

Those who have seen it say so, and wonder why it wasn't done before.

The ultimate in Bank publicity, which completes their advertising cycle. Exclusive relationship will mean a fine opportunity.

JEFFCOTT & COMPANY
Philadelphia Bank Bldg.,
421 CHESTNUT ST.,
PHILA., PA.

Fla., to supervise the apartments built by these institutions for their employes.

NEW DOLLAR COIN PROPOSED

The cost of replenishing dollar bills has been giving the Treasury considerable concern. It has tried several methods of cutting down this expense. It attempted to popularize the silver dollar, and two dollar bills. Unfortunately, the people refused to co-operate, so that this plan failed. Then it was suggested that the size of the dollar bills be reduced about one-third, so they would fit an ordinary envelope. This proposal is still under consideration.

Meantime, however, another idea has cropped up—that of having a new dollar coin. It is said the present plan is to make the new coin about the size of the present quarter, with a gold center and a silver rim. It is feared, however, that the gold part of the coin would wear out faster than the silver part. Then, again, there is objection to making it the same size as the quarter, many holding that the new dollar coin should have a distinctive size, else the public will refuse to take it. Another suggestion is that the coin be made purely a token coin, with no relation whatever between the value of the coin as money and its intrinsic value. Definite information on the proposal will be awaited with interest.

the District of Columbia Bankers Association.

RINGLING TRUST INCREASES SURPLUS

The recent increase of the surplus of the Ringling Trust and Savings Bank, Sarasota, Fla., of over \$175,000, is another example of the striking growth of the business of the Florida banks. The Ringling Trust and Savings Bank began business only about a year and a half ago with capital of \$50,000.

During its short life, the capital has been doubled, and surplus has been increased to nearly eight times its original amount, standing now at over \$400,000. Charles Ringling is president of the bank.

BISCAYNE BANKS TAKE CARE OF EMPLOYEES

The Bank of Bay Biscayne, Fla., and the Biscayne Trust Company have employed Miss Ainah Royce, formerly superintendent of the Jackson Memorial Hospital, Miami,

CONVENTION OF INVESTMENT BANKERS

The annual convention of the Investment Bankers Association of America was held at St. Petersburg, Florida, from December 7 to 11. E. H. H. Simmons, president of the New York Stock Exchange addressed the convention on freedom in finance. The blue

Bank of Charleston

National Banking Association

Charleston, S. C.

Established 1834

The Bank of Charleston succeeded to business of liquidating branch Bank of the United States.

Capital and Surplus . \$1,500,000.00
Resources . . . \$12,500,000.00

THE FIRST NATIONAL BANK OF RICHMOND, VIRGINIA



The Old First
Est. 1865

with

EXPERIENCE — Over fifty-nine
years

STRENGTH — Capital and Surplus
\$4,000,000.00

OFFICERS — Experienced, capable and
well versed on conditions
and credits throught this
territory :

invites your business

JOHN M. MILLER, JR.
President

Resources over \$33,000,000

sky laws were also taken up. These matters
will be reported more in detail in the Jan-
uary issue of THE BANKERS MAGAZINE.



Middle States

*Comprising Ohio, Indiana, Illinois, Michigan,
Wisconsin, Minnesota, Iowa, and Missouri.*

LONSDALE HEADS RAIL MERGER COMMITTEE

John G. Lonsdale, president National
Bank of Commerce in St. Louis, has been



JOHN G. LONSDALE

President National Bank of Commerce in St.
Louis, who has been appointed head of a
special committee of the A. B. A. to
study the railroad consolidation
situation

STEEL-STRONGSM
COIN WRAPPERS and BILL STRAPS
HIGHEST GRADE
BEST QUALITY
MADE FROM THE WORLD'S FINEST KRAFT
SOLD IN ALL CITIES
BY BANK STATIONERS
Write for catalog illustrated in colors
THE CL. DOWNEY CO. 945 Clark St. CINCINNATI, O.

Established 1837

ADRIAN H. MULLER & SON

55 WILLIAM STREET

(Corner of Pine Street, New York)

STOCKS AND BONDS AT AUCTION

Regular Auction Sales of all Classes of Securities Every Wednesday

The Business of Banks, Bankers, Investors and Dealers in Securities Receives Prompt and Careful Attention

appointed by Fred I. Kent, chairman of the Commerce and Marine Commission of the American Bankers Association, to head a special committee to study the railroad consolidation situation. Mr. Lonsdale has already had considerable experience in railroad matters, having founded the Little Rock and Hot Springs Western Railroad. He is now a director of the Missouri Pacific.

The other members of the committee are Robert F. Maddox, chairman of the board Atlanta and Lowry National Bank, Atlanta, Ga.; and John McHugh, president Mechanics and Metals National Bank, New York.



HENRY H. HOPKINS

Recently advanced from vice-president to president of the American Trust Company, St. Louis, Mo., succeeding William R. Compton who became chairman of the board

HOPKINS HEADS AMERICAN TRUST, ST. LOUIS

Henry H. Hopkins has been elected president of the American Trust Company, St. Louis, Mo., to succeed William R. Compton, who becomes chairman of the board. Mr. Hopkins joined the American Trust

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djörup & McArdle**
42 Broadway, New York

“The Value of Fresh Air”

Winter is the time for intensive business. Preventable sickness, absenteeism and inefficiency cause serious losses. Greater profits result if your employees breathe pure air.

Vacations with pay for your employees are an investment in health and ambition. The investment will soon be lost unless a healthful atmosphere is maintained during the cold season.

Modern science demands ventilation with cool, fresh air. By the Gerdes Method of Ventilation healthful and invigorating *unheated* fresh air is diffused without causing draft or chill. A booklet fully describing this method and giving references of the highest character will be sent on request.

Theodore R. N. Gerdes, M. E.

Engineer, Manufacturer, Contractor

105-107 Bank Street, New York City

Telephone Watkins 2893

GERDES
METHOD

Company in 1910 as a junior clerk, and has been with the bank ever since, gradually working his way up through the positions of bookkeeper, paying teller, treasurer, vice-president and first vice-president to the presidency. During this time, the assets of the bank have increased from \$1,000,000 to \$17,000,000.

Mr. Hopkins is also vice-president and director of William R. Compton Co.; vice-president and director of the St. Louis Joint Stock Land Bank; and a director of the St. Louis Agricultural Credit Corporation.

ILLINOIS MERCHANTS TRUST IMPORTING GOLD

H. G. P. Deans, executive vice-president of the Illinois Merchants Trust Company, Chicago, has arranged for the importation of \$1,000,000 of gold from the Bank of England. This importation represents the return of a part of the bank's credit balances abroad.

Mr. Deans was recently elected a member of the board of directors of the J. Henry Schroder Banking Corporation, New York.

TRUST DEPARTMENT LINKED WITH REAL ESTATE FIELD

Realtors and subdividers joined with bankers recently in celebrating the opening of new and enlarged quarters of the trust department of the Union Bank of Chicago. About 5000 people attended the opening.

“The old conception of a trust company's services,” said George T. Preschern, vice-president in charge of the department, “is now a popular fallacy.

“As a corporation trustee for realtors, its scope of usefulness has broadened, bringing the services of the trust company into the every day life of the average man and woman. Thus, the trust department helps realtors by reducing sales resistance, and protects the contract purchaser by assuring him that he will receive merchantable title to his lot when his contract has been fully performed.

“It also relieves the subdivider of the details involved in collections, allowing him more time to devote to his selling organization. A subdivider can buy for a smaller initial payment where the title is trusted and the acreage seller knows that all the

...the temple. He died instantly.

ROUT BANDITS IN GUN BATTLE

Cracksmen Wreck Bank Vault; Flee in Auto

Press State Service
BELLEFONTAINE, O., Sept. 18
—In a gun battle with armed citizens a group of bandits were driven off after blowing open the vault of the Miami Valley bank Quincy, west of here.

If you are building or remodeling your bank write for our handbook on modern methods of bank vault reinforcement.

Rivet-Grip Prevents News Items Like This About Your Bank

The most vicious tools in the hands of the safe-blower are easiest to get. The acetylene torch and high explosives, his most effective tools of penetration, can be found within a few hundred yards of your bank.

But, with your vault protected by the Rivet-Grip System, even these are not sufficient for him to effect an entrance to your vault. The intricate network of steel thru the full thickness of the vault wall requires not only the use of many tools of penetration, but constant, frequent changes in their use.

Even corners and door connections, inherent weak spots known to all yeggmen, are as strong as the door or wall itself. There are no weak spots in a Rivet-Grip vault—you get *balanced protection* throughout.

Federal Reserve tests at Sandy Hook proved Rivet-Grip the most effective practical method of vault reinforcement known.

Yet Rivet-Grip is economical for the smallest as well as the largest banks.

The Rivet-Grip Steel Company

Representatives in all principal cities

2741 Prospect Avenue - - - Cleveland, Ohio



GEORGE T. PRESCHERN

Vice-president Union Bank, Chicago, in charge of the trust department, which has recently moved into new and enlarged quarters

collections on the contracts will be paid on his mortgage.

“Owing to the extensive real estate developments of its clients, the trust department of the Union Bank of Chicago has been forced to enlarge its quarters several times during the last few years, until now it occupies the entire second floor of the Union Bank Building.”

WAGNER LEAVES FIRST NATIONAL, ST. LOUIS

Natt T. Wagner, vice-president and director of the First National Company, the investment division of the First National Bank in St. Louis, has resigned to become a partner in the firm of Eldredge & Co., New York, in charge of their St. Louis office.

Mr. Wagner came to St. Louis immediately upon his demobilization from the United States Army after the war, to take charge of the newly organized bond department of the Third National Bank. When it was consolidated with two other St. Louis banks as the First National Bank in St. Louis, he

INDIVIDUALITY

Ask us to show you how we put your bank's
individuality into your advertising

It is something new—and desirable

OUTCAULT ADVERTISING COMPANY

221 EAST 20th STREET, CHICAGO, ILL.



ALFRED K. FOREMAN

Vice-president of the Foreman National Bank, Chicago, is being urged for vice-president of the Illinois Bankers Association. At the convention a year ago, Mr. Foreman withdrew voluntarily from consideration to make room for a banker from downstate. The election will be held at the June convention.

remained as manager of the bond department of the consolidated institution. Later, when the Mortgage Trust Company became affiliated with the First National Bank, Mr. Wagner was elected vice-president and director, and placed in charge of the municipal bond department of the First National Company, which position he now leaves to go with Eldredge & Co.

IOWA NATIONAL BANK'S GOLDEN ANNIVERSARY

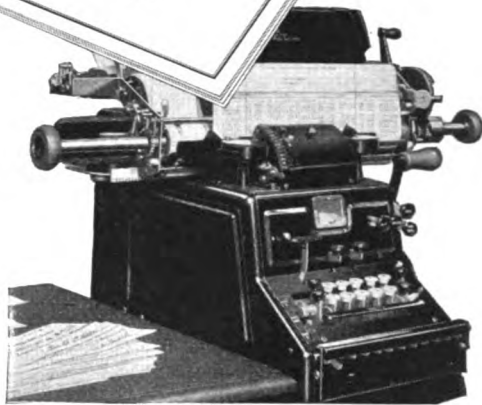
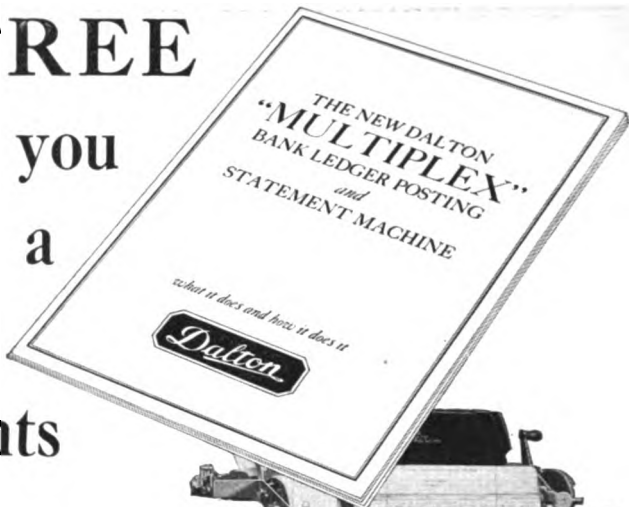
The Iowa National Bank, Des Moines, Iowa, celebrated its fiftieth anniversary on October 26, by keeping open house all day. On Friday evening, October 23, the officers and directors gave a dinner to the employes at the golf and country club. Covers were

BANK FOR SALE

Old established Western State Bank and Trust Company for sale. Owners retiring from business. State Bank Examiner's report for 1925 shows assets \$700,183.01; undivided profits, \$28,115.91. For report and details write H. M., c/o Bankers Magazine, P. O. Box 557, City Hall Station, New York.

**This FREE
book tells you
more than a
dozen ad-
vertisements**

Send for it!



It will take you ten minutes to read this book from cover to cover. But at the end of that time, you will know all the important points of the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine. . . .

- why this machine accomplishes 25 to 80 per cent. more work in a given time than the ordinary machine;
- why this machine can check its own work;
- why this machine makes mistakes practically impossible.

You will know all about these exclusive Dalton advantages. . . .

- the scientifically arranged 10-key Dalton "touch method" keyboard that enables the operator to post ledger sheets and statements with "eyes on work — fingers on keys;" that eliminates eye-strain and mental fatigue.
- overdrafts, including the date, printed in

RED, thereby making it practically impossible to mistake them for credit balances.

- visibility—how all work is directly before and within easy range of operator's line of vision.
- the position of the paper carriage which facilitates injection and removal of sheets.
- the improved automatic carriage return that eliminates vibration and makes this Dalton extremely quiet in operation.

This book is free. It will be mailed you immediately upon request. Or phone the nearby Dalton Sales Agent and have him explain to you, without obligation on your part, how the New Dalton "MULTIPLEX" Bank Ledger Posting and Statement Machine can serve you.

Dalton

**Adding-Calculating . Bookkeeping . Statement and
"Cash Register" Machines**

**THE DALTON ADDING MACHINE SALES COMPANY
Cincinnati, Ohio, U. S. A.**

Agents for Canada: The United Typewriter Co., Toronto and Branches
Sales Agencies in ALL the Principal Cities of the World

COLLECTION DEPARTMENT FORMS
LOCAL COLLECTIONS. FOREIGN COLLECTIONS. COLLECTION TRACER.
RECALL OF ITEM. INDIRECT REMITTANCE

WRITE FOR "SAMPLE SET C. D. F."

A. E. MARTELL CO., KEENE, NEW HAMPSHIRE

laid for 175. The guests were I. A. Andrew, state superintendent of banking; Frank Warner, secretary of the Iowa Bankers Association; Jerome Sharp, manager of the Des Moines Clearing House Association; and William W. Maish, son of the first cashier of the bank. Greetings were extended by Homer A. Miller, president of the bank, and J. R. Capps, cashier. Dancing and cards followed the dinner.

When the Iowa National Bank was organized, in 1875, Des Moines was little more than a frontier town. The first published statement, December 31, 1875, showed deposits of \$110,144 and resources of \$221,954. The most recent statement, September 28, 1925, showed combined deposits of \$24,581,727, and resources of \$27,559,833.

In 1907, the Iowa National effected a merger with the Des Moines Savings Bank. The Citizens National Bank was merged with the Iowa National in 1917. The combined institutions, the Iowa National Bank and the Des Moines Savings Bank and Trust Company, now occupy the first two floors of the former Citizens National office building, which floors were remodeled in 1922. The banks now have approximately 35,000 customers, served by more than a hundred officers and employees.

**UNION TRUST, CLEVELAND, OPENS
TWELFTH OFFICE**

The Union Trust Company, Cleveland, held open house at its new office at Cedar and Lee roads on November 14, the date of opening of the twelfth branch of the Union Trust. Earl F. Grow is manager of the new office.

Mr. Grow's first banking job was with the Citizens Savings and Trust Company, Cleveland, in 1907, as a messenger. He left, a few years later, to attend Ohio State University, and returned, in 1915, after graduation. Since then he has worked through almost all the departments of the bank, up to the position of assistant treasurer. He is well known in banking circles, and is a member of the board of governors of

the Cleveland Chapter of the American Institute of Banking.

H. W. Black of the main office commercial banking department of the Union Trust will be associated with Mr. Grow.

**GRISWOLD NATIONAL BANK,
DETROIT, OPENED**

The Griswold National Bank, Detroit, Mich., was formally opened to the public on November 20. Over 15,000 visitors inspected the bank's quarters on the opening day.

The new bank is capitalized at \$3,000,000. It was organized by a group of Detroit business leaders who felt that there was a

**A BILLBOARD IN
EVERY HOME**

An Advertising Idea

So unusual that you will wonder why someone hasn't done it before. You will buy this on sight.

BECAUSE—

- It has 75% retention value
- It renders a real service
- It reduces mailing cost 50%
- It costs only a cent and a fraction per home per month.

You will be thanked for sending it.

JEFFCOTT & COMPANY

Philadelphia Bank Bldg.,
421 CHESTNUT ST.,
PHILA., PA.



The Checking Account —the Check

Every month 20,000,000 people are shown the great value of checking service. They are told about a new type bank check that is helping banks secure new business.

OVER 10,000 American banks have found two ways to help solve the unprofitable checking account. *First*, they are benefiting in their localities from the effect of a tremendous national advertising campaign. New depositors are being created. Old accounts are increasing in size and becoming several times more valuable.

Second, they are turning the check from an expense into a business-building tool by a new type check, called Super-Safety.

The tremendous value of Super-Safety bank checks protected against fraudulent alteration is pointed out in Bankers Supply Company advertising. To know how valuable a business-getting tool this proves to be, simply read the letters from banks who have featured this extra point of service. For instance, one bank opened 12,000 new accounts in 15 days. Others have received results equally amazing.

So that banks may get the maximum benefit from this tremendous program, actual advertisements have been prepared which banks may now use in their own local papers. They are the work of some of the best known advertising brains in America. With them come various tested plans which have helped others build business.

Let us send you information showing what they will accomplish for your bank. You will want to file this data for permanent reference. Write now.



This eagle design identifies Super-Safety Checks - safest supplied by any bank. Look for it!

BANKERS SUPPLY COMPANY, Division
THE TODD COMPANY
5951 So. State Street

Business-Building Merchandise for Banks
New York Rochester CHICAGO Denver Dallas

Super-Safety Bank Checks protect depositors against check fraud. They are made of the safest check paper supplied by any bank.

need for greater banking facilities in Detroit, due to the city's great expansion in population and wealth.

Calvin H. Newman, president of the bank, comes to this position from the presidency of the Citizens National Bank, Emporia, Kan. He is descended from pioneering stock that came to Kansas in the days immediately following the Civil War. His father and grandfather were also in the banking business in Emporia. Mr. Newman is a close friend of William Allen White, the famous owner and editor of the Emporia Gazette, and contributing editor of Collier's Weekly. Mr. White was among the out-of-town guests at the bank's opening.

Other officers of the bank are: vice-president, Charles A. Kanter; vice-president and cashier, C. A. Kinney; assistant cashier in charge of business extension, Mark B. Peck; assistant cashier, L. J. Coleman; assistant cashier and auditor, I. F. Acheson; manager bond department, E. John Heber; manager credit department, H. J. Miller; and manager foreign department, L. B. Mallory.



● STEIN, MILWAUKEE

JOHN Le FEBER

President Grand and Sixth National Bank, Milwaukee, Wis., recently elected an honorary vice-president International Association of Milk Dealers

LeFEBER HONORED

John LeFEBER, president of the Grand and Sixth National Bank, Milwaukee, Wis.,



*“Who Is Your Chicago
Correspondent?”*

“For many years we have worked with the Union Trust Company, one of Chicago’s oldest commercial banks. Its resourcefulness and the spirit of helpfulness it has shown in handling our requirements have been remarkable.”

We invite bankers to become better acquainted with our specialized services to correspondent banks.



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

**UNION TRUST
COMPANY**
CHICAGO

COMPLETE PRIVATE WIRE SERVICE—DIRECT B/L AND COLLECTION FACILITIES



AN interior view of the new modern home of the Bristol Trust Company, Bristol, Conn., showing the handsome mural paintings which adorn the recess under the dome over the center of the main banking room.

Designed—Built—Equipped

by

The Griswold Building Company, Inc.

SPECIALISTS IN

Designing—Building—Equipping

BANKS

101 Park Avenue, New York City

At Your Service

*Our time, our staff,
our contacts*



FIRST WISCONSIN NATIONAL BANK MILWAUKEE CAPITAL AND SURPLUS TEN MILLION DOLLARS

is one of the seven men to be honored with the office of honorary vice-president of the International Association of Milk Dealers. The seven men so honored were the founders of the association eighteen years ago. Mr. LeFeber is also president of the Gridley Dairy Company.



Western and Pacific States

Comprising North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, Oklahoma, Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska.

CONVENTION DATE

American Bankers Association—at Los Angeles, October 4-7, 1926.


NEBRASKA BANKERS ASSOCIATION CONVENTION

A very interesting feature of the annual convention of the Nebraska Bankers Association, held at Omaha, on October 21-22.

was the review of banking conditions in that state by Kirk Riggs, secretary of the State Banking Department. "Nebraska is over-banked, and complete stability will not be secured until the situation is relieved," said Mr. Riggs. "This situation is giving us considerable worry. Many towns have two banks where there should be one. Competition breeds bad business methods. From fear of weakening, each banker refuses to consolidate unless the other fellow is eliminated. We must be able to abolish such conditions." He made the following comments on the guaranty of deposits law: "The principal complaint against the guaranty law is that it penalizes good and efficiently managed banks. The guaranty law is here to stay, and my idea is that the law be amended so that both state and national banks are included as beneficiaries of a fund to be made up of penalties levied on banks guilty of violation of laws or rulings. Given five years in which to grow and with bankers given this opportunity to acquire good banks and good habits, the fund will always be solvent.

"In addition to the nearly one hundred banks closed since the deflation days, the

FIFTH AND SPRING
CITIZENS
NATIONAL BANK
 LOS ANGELES



IN THE CENTER OF BUSINESS ACTIVITY

CITIZENS
TRUST & SAVINGS BANK
 LOS ANGELES
 736 South Hill Street 308 South Broadway
 BRANCHES THROUGHOUT LOS ANGELES

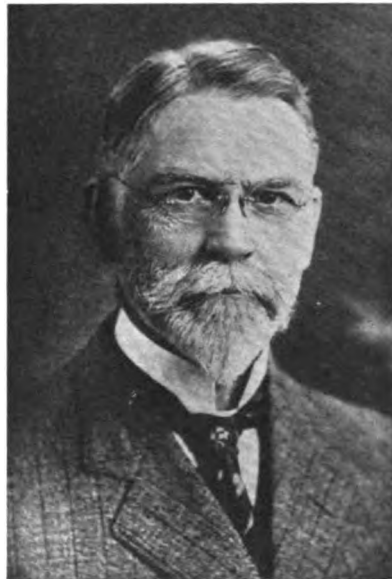
Island; chairman of the executive committee, P. L. Hall, Jr., cashier First National Bank, Greenwood; treasurer, F. W. Thomas, vice-president First National Bank, Omaha; and secretary, William B. Hughes, manager of the Omaha Clearing House Association.

JOHN M. ELLIOTT CELEBRATES ANNIVERSARY

Officers and employes of the First National Bank of Los Angeles joined in honoring John M. Elliott at a reception and entertainment on October 21, when Mr. Elliott completed his forty-fourth year of service with the bank.

A native of South Carolina, and a student in the Georgia Military Institute at Marietta in 1861-62, he enlisted in the Confederate Army, and served through the war in the infantry and signal corps.

After the war, he obtained employment in Georgia, as a shipping clerk. He was a receiving teller in the Central Railroad



J. M. ELLIOTT

Chairman of the board First National Bank of Los Angeles, Calif., who recently celebrated the completion of his forty-fourth year of service with that institution

guaranty fund commission is operating thirty-five hopelessly insolvent banks, and we are doing our utmost to save fifteen or twenty more that are very likely to fail. In clearing up the others, we have collected, in stockholders' assessments since January 1, a total of \$885,450. I believe the situation can be cleared up in two years, and the state be out of the banking business entirely."

Van E. Peterson, secretary of the Guaranty Fund Commission, addressing the convention on "The Guaranty Fund," took issue with this two year program. He believes that insolvent banks should not be closed, but operated by the state through the commission until solvency is restored, or their assets liquidated. More could be obtained in this way for the fund, and heavy losses could be saved to the banks.

J. W. McIntosh, Comptroller of the Currency, also addressed the convention on "The National Banks."

At the close of the convention, the following officers were elected to serve for the ensuing year: president, I. R. Alter, vice-president First National Bank, Grand

Bank of Savannah from 1866 to 1869. He then came to California and entered the lumber business at Santa Cruz, later engaging in railroading. In 1871 he came to Los Angeles, and until 1874 was the bookkeeper

for Griffith and Lynch Lumber Yard. It was he who sold the first lumber for building in "Indiana Colony," now Pasadena. From 1874 to 1880, Mr. Elliott was secretary of the Los Angeles County Bank. In 1880 he organized the first fruit cannery in Los Angeles.

He entered the First National Bank as a bookkeeping expert in 1881. The following year he was appointed an assistant cashier, and in 1885 advanced to cashier. In 1892, he was elected president, and served until 1917, when he became chairman of the board of directors.

Mr. Elliott is also a director of the Pacific-Southwest Trust and Savings Bank, Los Angeles, Calif.

FIRST SECURITIES, LOS ANGELES, APPOINTMENTS

John E. Barber has been elected a vice-president of the First Securities Company, subsidiary of the First National Bank, Los Angeles. F. S. Baer was elected manager of the bond department of the company; C. F. Seidel, assistant manager of the buying department; and R. H. Parsons, sales manager.

DEPOSIT GUARANTY IN SOUTH DAKOTA

The Depositors' Guaranty Fund Commission of South Dakota, which according to the law must reimburse every depositor, is in a very embarrassing position due to the fact that it has already a \$30,000,000 deficit, and no apparent source of additional funds.

The commissioners have concluded that it will be impossible to build up the guaranty fund from the income available under the law, to a point where any of the depositors of closed banks could realize a cent of their claims. The income will not provide a sum sufficient to pay more than a small fraction of the accruing interest each year. If present conditions continue, such funds as come into the fund will be paid out to depositors of the first few banks to close, to the detriment of depositors in later closing banks. Continued assessments against solvent banks to build up the fund cannot provide a sufficient sum within 100 years. To continue assessments on existing state banks would be taking money for which no value could be given, and would weaken the assessed banks and their depositors.

What to do, in such a situation, is a real problem.

ONE BANK COVERS THE LOS ANGELES METROPOLITAN DISTRICT



This circle, with a radius of 20 miles embraces the Los Angeles Metropolitan District. The area shown in this circle covers the greatest per capita wealth, the most continuous prosperity and the most rapid growth in California.

STARS INDICATE BRANCHES OF

SECURITY TRUST & SAVINGS BANK

Your patrons and friends visiting California will be extended every courtesy and consideration at any of these branches of the Security Bank if they bear a letter of introduction from you.

**RESOURCES EXCEED \$200,000,000
OVER 285,000 DEPOSITORS
CAPITAL & SURPLUS \$11,075,000**

Ask our Department of Research and Service for any desired information regarding business conditions in this region.

1865



1925

ESTABLISHED OVER HALF CENTURY

FURS

For The Holidays

*Useful Gifts of Practical
Utility Are Always
Appreciated*

COATS WRAPS SCARFS

In Every Desirable Fur

Each and every Fur Garment we
sell is first quality throughout,
made and fitted according to the
latest dictates of fashion.

MODERATE PRICES
PREVAIL

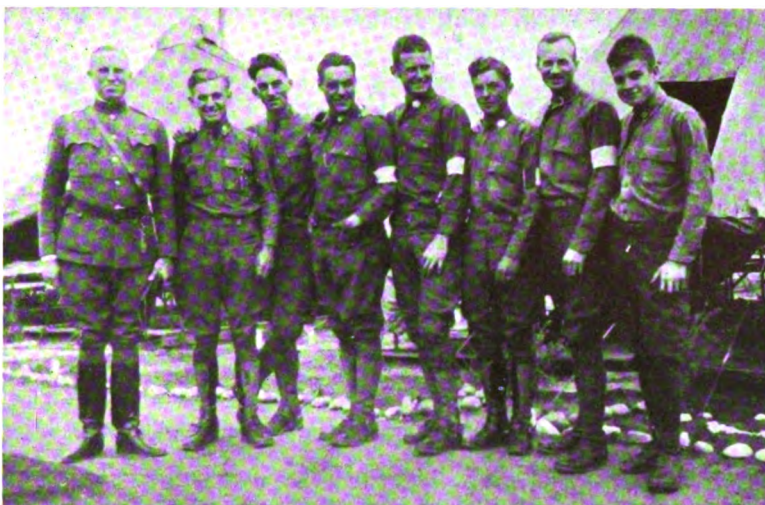
C. C. SHAYNE & CO.

Importers and Manufacturers of
STRICTLY RELIABLE FURS

126 WEST 42d STREET

NEW YORK





Col. J. B. Chaffey, John Morris, George Harrison, Ed. Zahnle, Warren Clutterbuck, Bill Simmons, Carl Jones, and Don Mc Masters; members of the staff of the California Bank, Los Angeles, who attended training camps last summer

OKLAHOMA BANKS' BANDIT PRECAUTIONS

Every year at about this time there are a series of bank robberies in Oklahoma, because at this time of the year banks have heavy deposits from the completion of marketing the cotton crop, the selling of live stock, etc. This year one county at least will be prepared. The bankers of Logan County have arranged to have five deputy sheriffs stationed in each town where there is a bank, during this period. All employes of the banks will be armed with rifles and pistols purchased from the Government. The employes will be given regular practice in shooting, and a system for a general alarm in case of an attempted hold-up will be worked out. It looks as though would-be bandits will be accorded a warm reception.

"NEBRASKA PLAN" OF BANKER-FARMER CO-OPERATION

BY P. H. STEWART

In every agricultural community in the United States there is a problem in the relationship and contact between the banker and the farmer. In too many cases each party feels that the other does not have quite the right attitude toward the business

at hand. The result is a feeling of restraint or even resentment which reacts to the detriment of both.

In Nebraska the Agricultural Committee of the Nebraska Bankers Association has originated and developed a plan whereby this situation can be improved. This is more than a paper plan. It goes farther than that; the plan has been put into operation and it works. Just recently a part of this program was carried out with enthusiastic success. But before we tell of that it may be well to outline briefly the "Nebraska Plan."

To begin with, there are three participating parties—the farmers, the bankers, and the Agricultural College. The first step in this plan is that of the bank's employing a competent trained man or special agent whose duties are to study and develop the best methods of farm management for the bank customers. This man must be well trained and well balanced, tactful, and competent to handle bank matters which are purely agricultural in nature. Several Nebraska banks have such service men who are doing much to insure safe loans, secure new customers and develop the agricultural contact and business.

The second phase of the Nebraska plan is that of holding a Bankers' Short Course on agriculture at the State Agricultural College at least once a year. Recently such

Custom Made Garments for Dress, Business and Sport Wear. Golf Jackets and Knickerbockers a Specialty.

M. ROCK - Tailor
315 FIFTH AVENUE, NEW YORK

Services can be had in the following cities :

Cleveland	Steubenville	Wheeling
Pittsburgh	Toledo	Youngstown

My representative visits the above cities once every month



a short course was held at Lincoln with an attendance of 219 bankers. Six of these bankers came from towns over 300 miles from Lincoln. It is not the idea of the short course to try to cram agricultural information into the banker so that he may return and tell his farmer customer how to farm. The object, rather, is to qualify the banker so he will know a real farmer when he sees one and be able to avoid contributing to the misfortunes that occur in a community through misguided and uninformed bankers and farmers undertaking operations with inadequate knowledge. It is essential that a banker in an agricultural community know enough of the basic principles of good farm management to recognize a sound farm project when a customer proposes it. Many times the farmer himself is uncertain as to the outcome of a deal and if the banker has no information they may both suffer severe financial losses. Most bankers, because of unpleasant personal experience during the last few years, recognize this truth.

To be more concrete, what could be presented in a short, two-day course that would be of value to bankers who attended? Perhaps this question can best be answered by a resumé of the recent Nebraska program, about which the bankers were very enthusiastic. This program began with a discussion on "How to Tell the Value of a Soil." This then led into a discussion of Nebraska's most important soil problems, which are the maintenance of organic matter and nitrogen. A discussion of legumes and their management to build up the soil in these two important constituents was given. After this came an explanation of crop improvement methods and recommended varieties and types. The relation between high soil fertility, good seed, high yield, and profit was pointed out. Another portion of the program dealt with hog management. Hogs bring in more dollars to Nebraska

farmers than any other one crop or product. It was pointed out that a banker makes a mistake in advising or financing a farmer to build a large central hog house as pig diseases soon become so prevalent in these that they cannot profitably be used. Instead individual hog houses which can be moved from place to place were recommended.

Likewise dairy and beef cattle feeding was discussed. It was pointed out that bankers who finance cattle feeders are much safer in making loans to buy and feed calves or yearlings than in financing the feeding of older steers. Other concrete points were discussed, all of which the average country banker has to deal with almost daily. A similar program could be worked out to fit local conditions in any state or locality.

Apparently the bankers felt that the program was practical and of sufficient value to more than repay them for attending. Upon the suggestion of Dan V. Stephens, president of the Fremont State Bank, Fremont, who was largely responsible for the organization of this short course, they voted to divide the state into sections bankers from each section attending the Agricultural College for a day or two. Each banker will, at this time, take as his guests five customers of his bank, thus furthering the spread of influence and making still more contacts.

The fundamental idea back of this "Nebraska Plan" is that the Agricultural College has carefully studied farm organization and the individual farm problems and is in a position to give sound advice. Through the Agricultural Extension Service it is organized to pass out this information. It is appreciated by the college people that due to his financial relationship, the country banker is in a position to do much toward agricultural progress in his contact with farmer customers. With the advice of the

Are You Interested in Canadian Trade?

If so, this bank can be of service to you. With Branches and direct connections in all important centres throughout the Dominion and a Foreign Department maintained exclusively for their needs, Importers and Exporters can rely upon an unexcelled service.



For further particulars write

Foreign Department
Standard Bank of Canada
TORONTO

Capital Paid Up - - - - - \$4,823,400
Reserve Fund and Undivided Profits 3,051,110

Agricultural College many unwise practices and developments may be avoided to a great extent. The Agricultural College is in a position to know whether dairy or beef cattle should be fostered in a certain region, or whether it is advisable to increase crop production along certain lines. As a point of contact between farmer and college, the banker is in a strategic position. A sound program developed through the co-operation of farmer, banker, and Agricultural College should help to stabilize and develop a permanent profitable agriculture.



Dominion of Canada

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Newfoundland, Prince Edward Island and Yukon.

ECONOMIC CONDITIONS IN CANADA

By J. W. TYSON

WITH the crop as the most important factor, it is estimated that the income of the Canadian people for 1925 from agriculture, mines, fisheries, electric power and manufacturing, will total more than \$5,500,000,000 and show an increase of about \$300,000,000 as compared with 1924. The total figure has not been exceeded except during the abnormal period of inflation during and following the war. The increased buying power of the agricultural communities, particularly in western Canada, is

making itself more evident. Since the big crop was assured with market prices to provide a satisfactory margin above the cost of production and the carrying charges, there has been a greater demand for general merchandise. There is evidence of renewed confidence in the situation in the West, where debts have been materially reduced during the last few years. This has meant an improved movement of goods to the consumer, although the tendency seems to be to restrict the volume of credit business in the West as compared with other parts of the country, where it is being increased by the wider adoption of instalment selling methods.

Manufacturing industries are now reporting better markets for their products, although the buying has not been all that was reasonably hoped for. Many manufacturing plants have increased their working forces and, in some cases, operations are at capacity. Car loadings have largely exceeded those of the corresponding period of last year. The wholesale and retail trades are registering improvement and report collections coming in better. The agricultural implement business is noting a marked improvement, after some years of serious depression. The steel industry has benefited by rail orders from the railways. Some branches of the textile industry are active, while others report serious conditions as the result of British competition. There is little change in the lumber industry in eastern Canada but British Columbia mills report larger orders.

The failure of either the Liberal or Conservative parties to secure a working ma-



Stamp out Tuberculosis with these Christmas Seals



The National, State, and Local Tuberculosis
Associations of the United States

majority in the House of Commons, as the result of the October election, and with the prospect of the Liberal Government, with a smaller representation than the Conservatives, endeavoring to carry on with the aid of the Progressives has had an unsettling effect on business. The Conservatives, with the largest group in the House, may at any time create a situation requiring a new election. In the meantime, as the result of

past experience, it is appreciated that the national business will be carried on under serious difficulties. The hope for a Conservative victory on the policy of more stable tariff protection for industry was indicated by moderate buying of steel, textile and some other industrial stocks prior to the election and this continued next day, until it became evident that the Conservative group would not have a majority over all and that the Government proposed to continue in office. However, the stock market generally has moved forward in a manner to indicate the outlook for better business in the future.

Since the first of the year there has been a steady advance in the value of Canadian bank stocks. This would seem to reflect the prospect of improved business conditions throughout the country. However, there are other factors to be taken into consideration. A couple of years ago the confidence of investors in the bank stocks was considerably disturbed because of the failure of the Home Bank and other developments. This confidence is now being restored. Then, there is evidence of appreciation of the relatively high returns which these stocks have been showing in relation to general investment yields. That the banks have been able to maintain their dividends under the unsatisfactory business conditions which have prevailed would seem to indicate that these dividends are reasonably assured, particularly with business improvement. That conditions have not in recent months been favorable, from the standpoint of business, for the banks is indicated by the fact that current loans are about \$382,000,000 less than savings deposits, whereas in the period of expansion prior to the war they were as much as \$280,000,000 greater than deposits. The deposits, of course, have shown a very great increase. Under these conditions the banks have, no doubt, been able to reduce their costs of doing business and they should be in a position to benefit in earnings as business improves. Bank mergers have also worked to the end of increasing efficiency and reducing administrative and other overhead charges. The following summary indicates the range of bank stock prices during the present year:

	First of year	High	Low	Present
Commerce	197	222	194 3/4	227 1/4
Canadian National	150	152 1/4	148	153 3/4
Dominion	193	213	189	215 1/4
Imperial	190	200	184	208
Montreal	245	271	240	263 3/4
Nova Scotia	225	284	262	283
Royal	227 1/4	246	227 1/4	251
Standard	171	194	170	192
Toronto	196 1/4	217 1/4	192 3/4	215

FURNESS BERMUDA LINE

(Bermuda Gov't's Official Contract Steamers)

Play GOLF in Charming BERMUDA—
Gem of Winter Playgrounds

(Average Yearly Temperature 70°)

Only 2 Days from New York

Sailings Twice Weekly From New York
Wednesday and Saturday

via Palatial Twin-screw Oil-burning Steamers

S.S. "FORT VICTORIA" and S.S. "FORT ST. GEORGE"

No Passports—Modern Hotels

All Outdoor Sports—Golf, Tennis, Sailing, Bathing, Horse Racing,
Fishing, Riding, Driving, etc.

ST. GEORGE HOTEL, St. George, Bermuda

Especially attractive, located in the historic, picturesque and quaint part of Bermuda.
Excellent cuisine and service. Magnificent tiled, heated and covered swimming pool.

West Indies Cruises

Delightful cruises to the Gems of the Caribbean Sea.

For illustrated Booklets on Bermuda or St. George Hotel or West Indies write

FURNESS BERMUDA LINE, 34 Whitehall St., New York

or Any Local Tourist Agent



Mineral production in Canada has been showing steady growth. This refers to gold and silver and other metals. The lead output for the first half of the current year reached a value second only to gold. The production for the six months was over 128,000,000 pounds compared with 79,000,000 pounds for the first half of 1924. Zinc production for the first half of 1925 was more than 55,000,000 pounds compared with 28,000,000 pounds for the corresponding period of 1924.

Figures for construction activities in Canada for the first ten months of the year showed a total of \$238,000,000, compared with \$222,000,000 for the corresponding period of 1924 an increase of 7 per cent. For the year ending September 30, exports of pulp and paper from Canada were valued at \$148,000,000, an increase of nearly \$9,000,000 over the previous twelve months.

The lifting of the restrictions to permit of the flotation of foreign bond issues in London is not likely to be followed by a major development so far as financing of Canadian projects is concerned. There appears to be plenty of money available in Canada to finance new undertakings assured of success, and during the last two years not only have Canadian issues floated

in the United States been coming back to Canadian holders but the latter have absorbed in addition, American securities to the extent of many millions. Besides the price level in the London market is not attractive, although some securities of new issues for projects in which British capital is already interested may go there.

Mergers of wholesale and retail establishments in the wake of the chain store movement are being followed by amalgamations of milling, bakery and dairy companies. This movement is in line with that which has been taking place for some time in the United States and has for its purpose more efficient operation and the reduction of overhead costs. In the pulp and paper industry mergers of newsprint makers are taking place. The newsprint price for 1926 has been lowered, and in the face of this situation new plants to be completed in the next year and others projected promise to more than double the daily output of the Canadian mills.

The Canadian flour milling industry is charging freight rate discrimination which, as the result of the milling-in-transit rate, puts the American flour mills in a more favorable position than those in Canada. As

Statement of the ownership, management, circulation, etc., required by the Act of Congress of August 24, 1912, of The Bankers Magazine, published monthly at New York, N. Y., for October 1, 1925.

State of New York, County of New York. Before me, a notary public in and for the State and County aforesaid, personally appeared J. R. Duffield, who having been duly sworn according to law, deposes and says that he is the business manager of The Bankers Magazine and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Bankers Publishing Co., 71 Murray street, New York; editor, E. H. Youngman, 71 Murray street, New York; managing editor, E. H. Youngman, 71 Murray street, New York; business manager, J. R. Duffield, 71 Murray street, New York.

2. That the owners are: (Give names and addresses of individual owners, or, if a corporation, give its name and the names and addresses of stockholders owning or holding one per cent. or more of the total amount of stock.) Bankers Publishing Co., 71 Murray street, New York; Warren Publications, Inc., 71 Murray street, New York (W. C. Warren holds 99 per cent. of stock); W. C. Warren, 71 Murray street, New York; W. H. Butt, 71 Murray street, New York; E. H. Youngman, 71 Murray street, New York; J. R. Duffield, 71 Murray street, New York; K. F. Warren, 71 Murray street, New York.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent. or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions, under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is..... (This information is required from daily publications only).

J. R. DUFFIELD.

Sworn to and subscribed before me this 28th day of Sept., 1925

ALEXANDER PUGLISI,

Notary Public.

My Commission expires March 30, 1926.

Canadian mills declare that they will be forced to move to the United States if this situation is not rectified. An appeal is being made to the Board of Railway Commissioners.

MAY HAVE GOLD COINAGE

As a result of the decision of the Northern Ontario gold mines to have their output turned into gold coins at the Ottawa mint which they will then deposit with the banks, Canada may ultimately develop a circulation of gold coinage instead of paper.

Ontario Mining Association has been working for some time on a plan that would allow for the sale of the bullion produced to provide a return in Canadian funds. The mint at Ottawa would not purchase the gold so the mines have worked out a scheme whereby the mint will refine the gold, extract the silver, turn the gold into coins which they will turn over to the mines' representatives and sell the silver for the mines.

BANK CLEARINGS AND DEBITS

Bank debits at the clearing house centers of Canada as reported to the Dominion Bureau of Statistics, were in September \$2,195,900,000 as compared with \$2,090,200,000 in the preceding month. This is an increase of \$105,800,000, or 5 per cent., over August, but if allowance were made for seasonal tendencies, according to the experience with bank clearings in the last ten years, the increase would be reduced to about 3 per cent. As compared with September, 1924, the bank debits were nearly maintained, the difference in the totals being less than two-tenths of 1 per cent.

The clearings in September were \$1,322,400,000 as compared with \$1,248,100,000 in August last and \$1,363,700,000 in September, 1924, representing an increase of nearly 7 per cent. and a decline of 2 per cent. respectively, for the two comparisons.

BANK OF MONTREAL STATEMENT

The statement of the Bank of Montreal, Canada, as of October 31, 1925, shows total resources of \$755,147,876, deposits of \$626,862,748, loans and advances of \$407,010,419, paid-up capital of \$29,916,700, and reserve, surplus and undivided profits of \$32,021,850. Profits for the year ended October 31, 1925, after deducting charges of management and making full provision for all bad and doubtful debts, amounted to \$4,604,962.

the result of this situation it is declared that the output of flour in Buffalo from Canadian wheat has expanded very rapidly.



© UNDERWOOD & UNDERWOOD

W. F. FOREPAUGH
President Herring-Hall-Marvin Safe Co.

W. F. FOREPAUGH, president of the Herring-Hall-Marvin Safe Co., comes from St. Paul, Minn., where the early part of his life was spent. After a year's study in Dresden, Germany, he entered Phillips Exeter Academy, graduating after a course of four years. He then entered the service of the Union Bank of St. Paul, resigning at the end of two years to enter the Sheffield Scientific School of Yale University, from which school he graduated. He then settled in New York and joined the reportorial staff of the "New York Evening Sun." Two years later he resigned to enter the oil business with J. F. Havemeyer, under the firm name of J. F. Havemeyer & Co. At the end of about three years, Mr. Forepaugh accepted an opportunity in the bond and brokerage business in Wall Street, being affiliated with Flower & Co. In February 1911, he was called upon to investigate the affairs and condition of the Herring-Hall-Marvin Safe Co. The history of this company from its inception in 1892, when the four oldest and leading safe and vault manufacturing companies were consolidated, had been one of many vicissitudes, including a receivership and two reorganizations. After a long and thorough examination of the condition of the company, Mr. Forepaugh made his report to the board of directors, with the result that an immediate change in the executive management was decided upon. Mr. Forepaugh was elected president and assumed the duties of this office on July 1, 1911.

The company at that time was in an almost complete state of disorganization and on the verge of bankruptcy. Since Mr. Forepaugh took charge, the history of the company has been one of steady progress and remarkable development until today, with the famous old names, Herring, Hall and Marvin fully restored to their former world wide prominence, the company stands in the forefront of the safe and vault industry of this country. The factory, located in Hamilton, Ohio, is modern and up to date in every department. The company maintains five direct branches and has over two hundred agents located in all of the principal cities of the United States. It is also represented in practically every country of the world.



The new building of the Liberty Bank of Buffalo, N. Y., designed and constructed under the supervision of Alfred C. Bossom, bank architect and engineer, N. Y.

The New Home of the Liberty Bank of Buffalo, N. Y.

FINANCIERS everywhere manifest interest in the new home of the Liberty Bank, for it is an answer to many problems of administration in banking, as well as those pertaining to the real estate investment.

The tallest structure in the city, whose skyline it dominates, the new quarters of the Liberty houses not only the bank itself but scores of important enterprises as well. Its site, 232 feet in Court street and 61 feet each in Main and Pearl streets, is in the heart of the business section of the city and, therefore, very valuable. To enable it to utilize so large a foothold economically, the bank erected a modern skyscraper twenty-three stories high, thus reducing its own overhead, as income is being derived by the renting of the upper stories. It is, therefore, enabled to conduct its business with economy and at the same time to provide a splendid building which is an important community asset. Close to the civic center and to McKinley Park, the structure responds in design and beauty to its settings and at the same time is an impressive monument to the dignity and importance of finance in the large municipality.

An international symbol, too, is this great structure, which can be seen far across into Canada. The increasing commercial relations between this country and the Dominion bring many Canadian customers to the Buffalo banks, and so much so to the Liberty Bank that it has a special department devoted to serving them.

The distinctively American type of the institution is shown by the twin towers of security, each one of which is surmounted by a Statue of Liberty. The electric torches which they bear serve at night as beacons to mariners on Lake Erie and also flash their fires over many square miles of territory.

For the large city where real estate is valuable, and becoming more and more so, bank structures of the type of the Liberty Bank seem especially desirable. The acumen and enterprise of the president of the institution, John A. Kloefer, and his associates, is being highly praised. This \$4,000,000 structure has already well justified the initiative and daring which brought it into being.

The time assigned for the erection of this building and its delivery into the hands of

the bank, was 365 days, without reference to the equipment. Alfred C. Bossom, of New York, the architect, as soon as the plans were ready, organized an efficient program which resulted in the building itself, including the highly specialized equipment, being ready in 333 working days, or thirty-two working days ahead of schedule. This means that the new quarters were actually opened a month and a half ahead of time. There were many technical reasons for this record time, accomplished by the architect and the general contractors, John Gill & Sons, of Cleveland, which are being discussed in the architectural press, the main factor being a new method of checking up and verifying shop drawings.

The base of the structure is of pink Milford granite, and up to the fourth floor the outer walls are of Bedford Indiana limestone, the balance being of brick with mellow toned terra cotta and marble work of Carthage stone.

In architectural style the building is Adam, so modified that it has a decidedly American character—which is accentuated by the pyramids capping the towers, which are pure Mayan in feeling—and represent the oldest type of architecture on the continent.

Because of the difference in grade between the front and rear of the building, an interesting arrangement of the space was made possible. On Main street, the front, is the main entrance to the building, flanked on both sides by stores. The elevator hall extends halfway back, at the end of which is the actual entrance to the banking room. This is on the Main street level, and is approached on the Court street side by a short wide stairway. Beneath the banking room are more stores with entrances on Court and Pearl streets.

The bank itself occupies practically four floors. Because of the considerable variations in grade from one end of the structure to the other, what is a basement on one end of the building becomes a ground floor on the other. In this basement the bank has vaults totalling nearly 2000 square feet, which is one of the largest spaces of the kind in the United States. The vault structure is separated by numerous steel beams, which are practically bridge spans and beneath it is a commodious cellar. Surrounding the vault is a thick outer shell of rein-



JOHN A. KLOEPFER
President Liberty Bank, Buffalo, N. Y.

MR. KLOEPFER was born in Hamburg, N. Y., on January 16, 1873. Banking has always been his business. His first job, in 1892, was with the Bank of Hamburg, Hamburg, N. Y., as a clerk. He steadily worked his way up to assistant cashier in 1898, and vice-president in 1904. He left the Bank of Hamburg, in 1910, to enter a bigger field as president of the Union Stock Yards Bank of Buffalo. In 1919 he was elected to his present position as president of the Liberty Bank of Buffalo. Mr. Kloeffer has always been active in the work of the New York State Bankers Association and the American Bankers Association, having served as treasurer and president of the former, and on the executive council of the latter. At the present time, he is president of the Buffalo Clearing House Association and chairman of the board of the Buffalo branch of the Federal Reserve Bank of New York.

forced concrete, through which run many electrical wires, making it acutely sensitive to even the slightest effort to tamper with it. The impact would send an electrical alarm throughout the entire building and to police headquarters. The vault is entered through a round door 96 inches in diameter and 20 inches in thickness, weighing many tons. This construction is from the works of the Mosler Safe Co., Hamilton, O.

In the basement, also are conference rooms and several special cages for tellers. This arrangement was intended to facilitate the exchange of Canadian money and for the transaction of numerous details of international business. Near the vault are sixteen coupon booths for the use of the patrons of the safety deposit vault. The basement is readily reached, from main banking floor by a large central staircase which can be used by general customers and by those who have been to the safe deposit department.

In the main banking room is a floor of Travertine and its walls, screens and counters are of soft-toned Tavernelle. The ceiling is coffered in an elaborate Italian style. Around the banking space on all sides are windows 16 feet in height and 8 feet in width so that light may come from all directions into this space, with an entire absence of glare. There is also a free passage of air from the basement ventilation plant through which the air is taken from the street level where it is filtered and washed and then heated or cooled as the season demands. Unusually large in its dimensions is the banking space for the accommodation of the public—100 feet in length and 26 feet in width. It may be reached from Main street and also from Court. This enclosure is provided with ornate check desks and with every facility for the transaction of business.

Near the lobby of the Main street entrance is a commodious library especially designed for consultation by the clients; also the president's room, which opens out into a reception room where his secretary is stationed.

Twenty-six cages or departments are situated in the main banking room for the paying and receiving tellers and those in charge of discount, interest and other activities of the bank. Back of the cages is a specie lift communicating with the vaults below.

The directors' room on the mezzanine is 27 feet square and most tastefully finished.

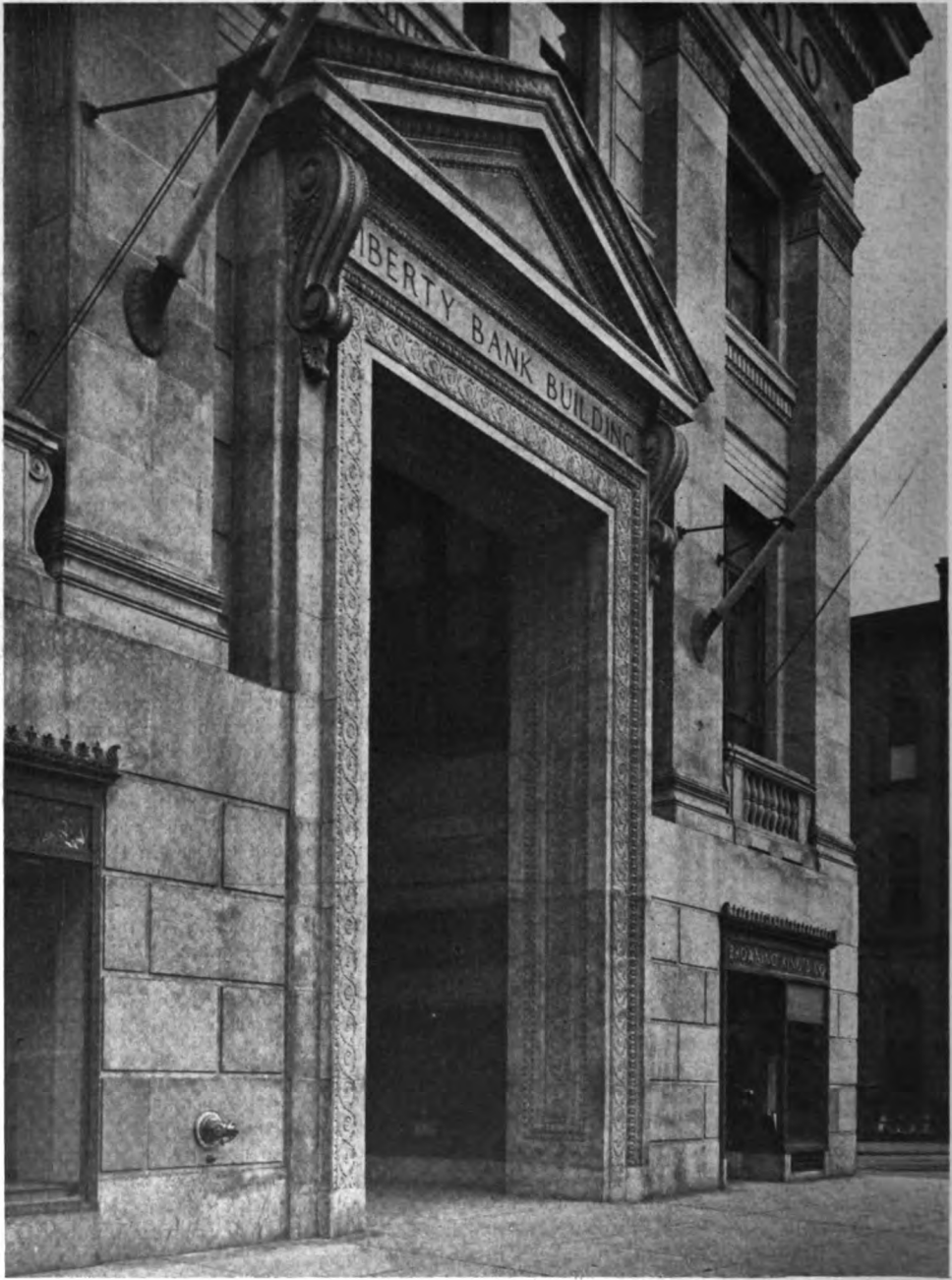
Most of the clerical force of the bank occupies the floor above. The bookkeepers' division is a sound-proof room all to itself, while the auditors' department has similar accommodations. A fireproof vault 18 feet by 22 feet has been placed on this floor for the care of books and records, and adjoining it is a printing department. Although one would suppose that all these activities would have a noticeable hum of toil, they are practically silent, for all the walls are so insulated that scarcely an echo can be heard.

For some years, the Liberty Bank, as is well known, has been deeply interested in the welfare of employes. Accordingly every effort has been made to provide comforts and conveniences for them on the third floor. There is a lounge for the women employes, 21 feet by 27 feet and adjoining it a commodious locker space for fifty persons. Similar arrangements are made for the men, who have a well-appointed lounge and seventy-five lockers. In fact, both of these quarters for the clerical force have been arranged to give the utmost opportunity for rest and comfort. They are, indeed, very much like a modern club or hotel. Shower baths and all sorts of lavatory conveniences are provided.

The offices in the building are reached by a battery of elevators of the latest type, equipped with safety devices. Each office door is within easy reach of an elevator, and the interior arrangement of the big structure is such that there are no dark corners and no dead centers in the ventilation. All the public facilities of the building are in reality for the exclusive use of tenants, as the bank has its own private elevators and other equipment. Those who go to the Liberty Bank for the transaction of business, therefore, will find it very easy to reach all departments of the bank or to call on the tenants.

The Liberty Bank, founded in 1884, has had a career of steady progress. For four decades it has been an important factor in the City of Buffalo and in the surrounding territory. It does a general banking business and also has trust powers. Its capital is \$2,500,000, and its resources are nearly \$70,000,000.

The chairman of the board is Oliver Cabana, Jr.; the president, John A. Kloefer; and the vice-presidents, H. C. Zeller, G. G. Kleindinst, C. C. Theobald, J. G. Lang, George J. Kloefer, J. M. Kinney and M. G. Perlstein.



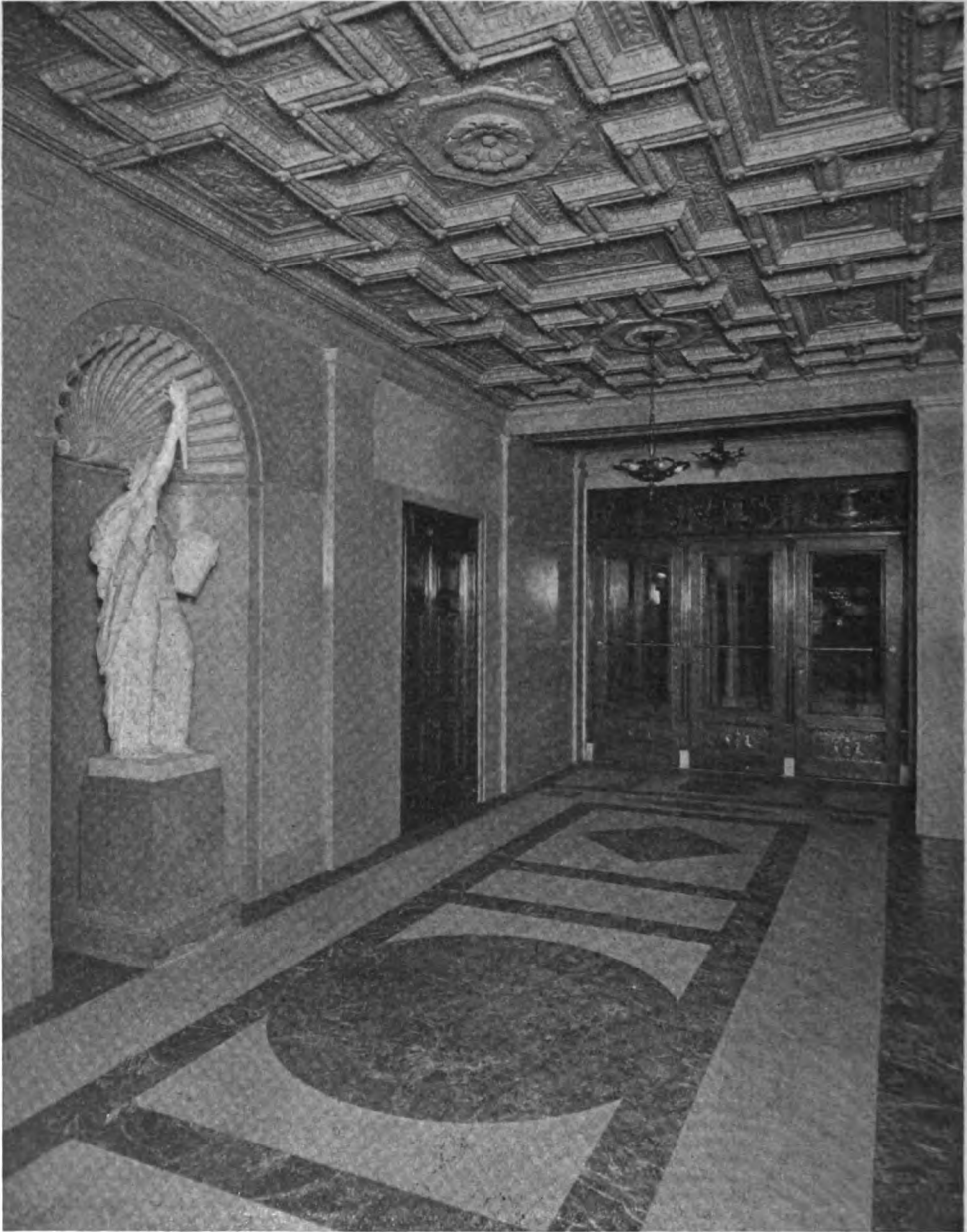
© DRIX DURVEA

A close-up of the entrance to the new building of the Liberty Bank of Buffalo, N. Y.



● DRIX DURVEA

The committee room, for use of the bank and its customers, in the Liberty Bank of Buffalo, N. Y.

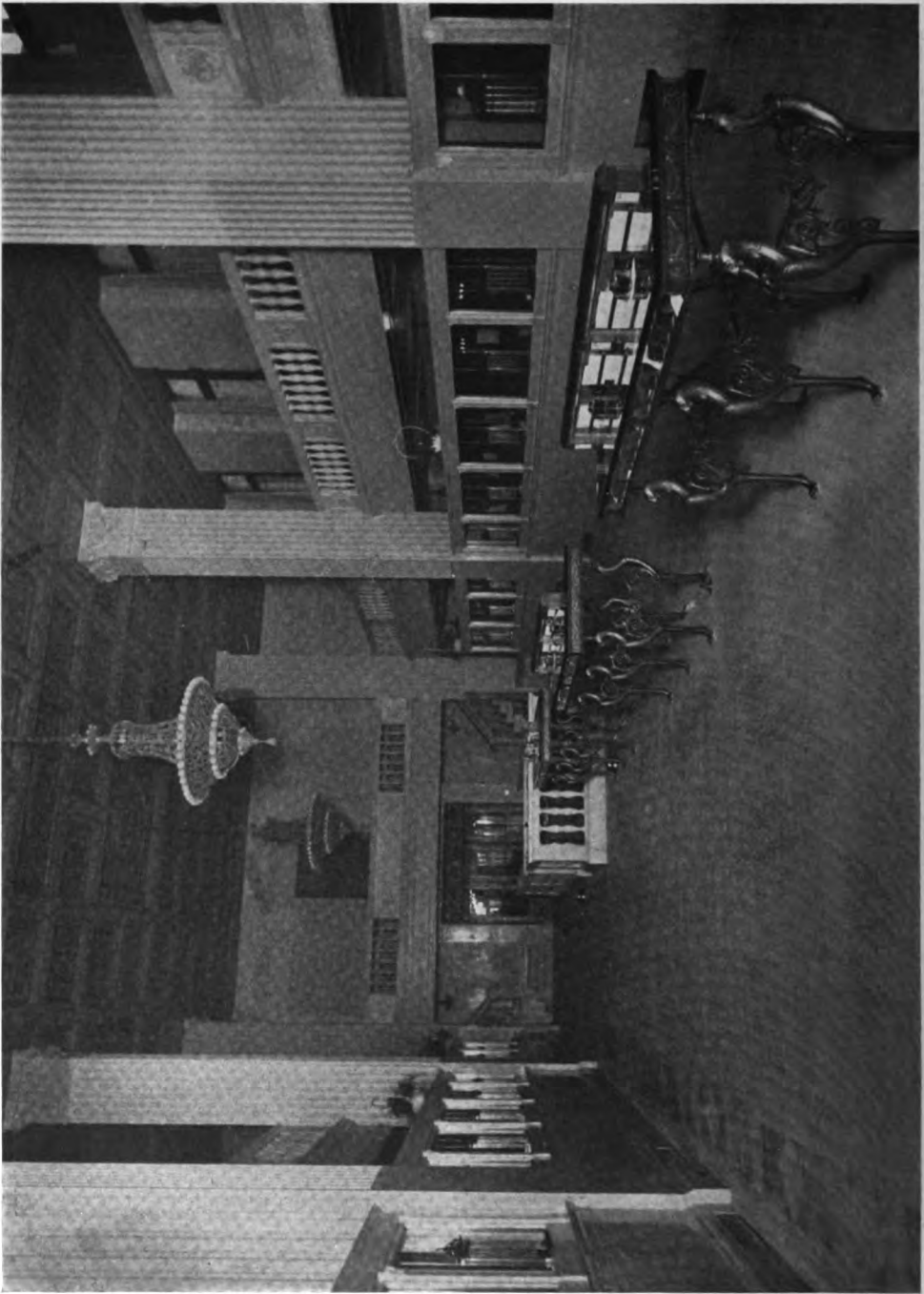


Entrance hall of the Liberty Bank of Buffalo, N. Y., looking from the doorway toward the bank



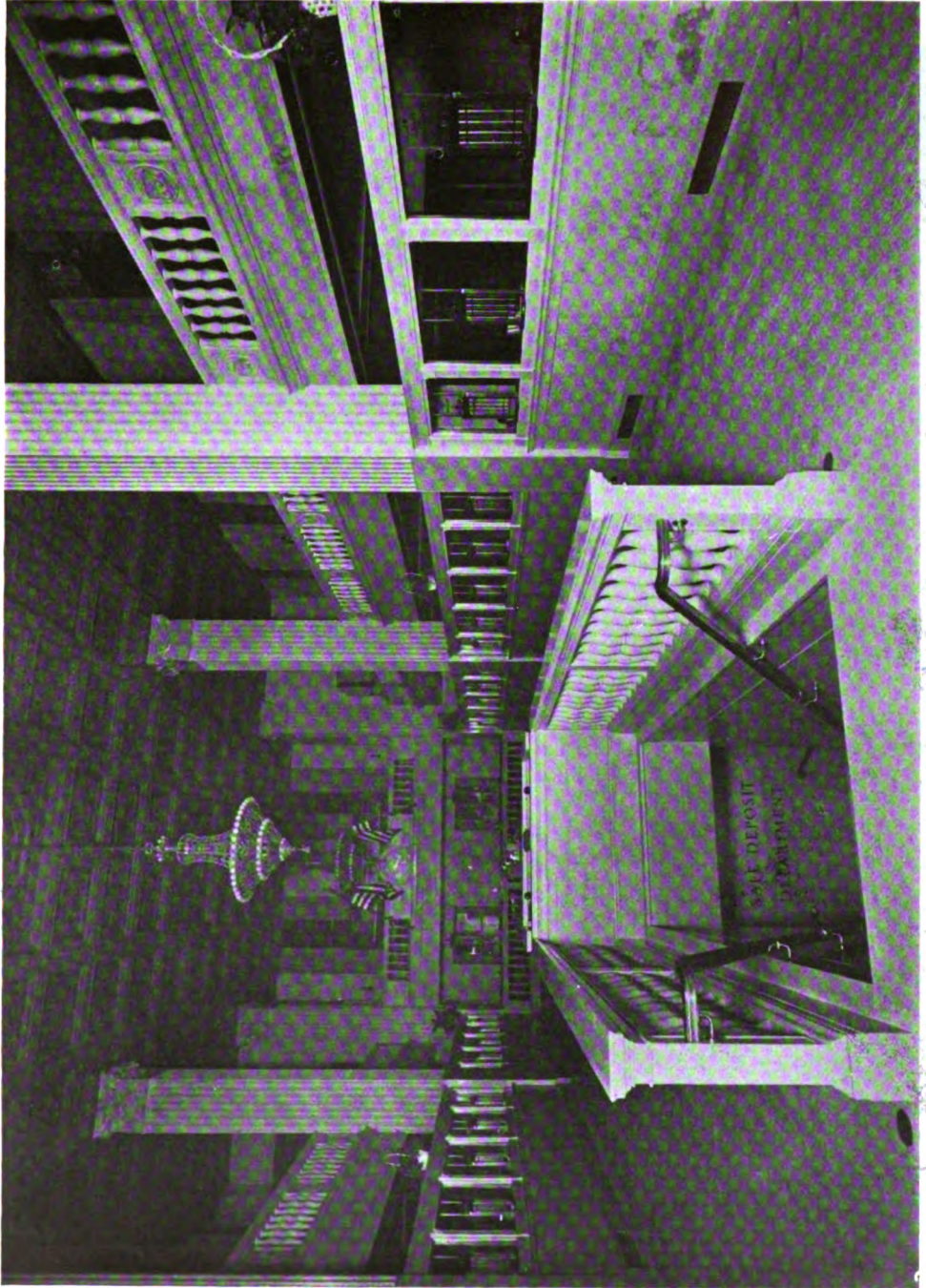
● DRIX DURYEA

Entrance hall of the Liberty Bank of Buffalo, N. Y., as seen when looking from the bank toward the entrance

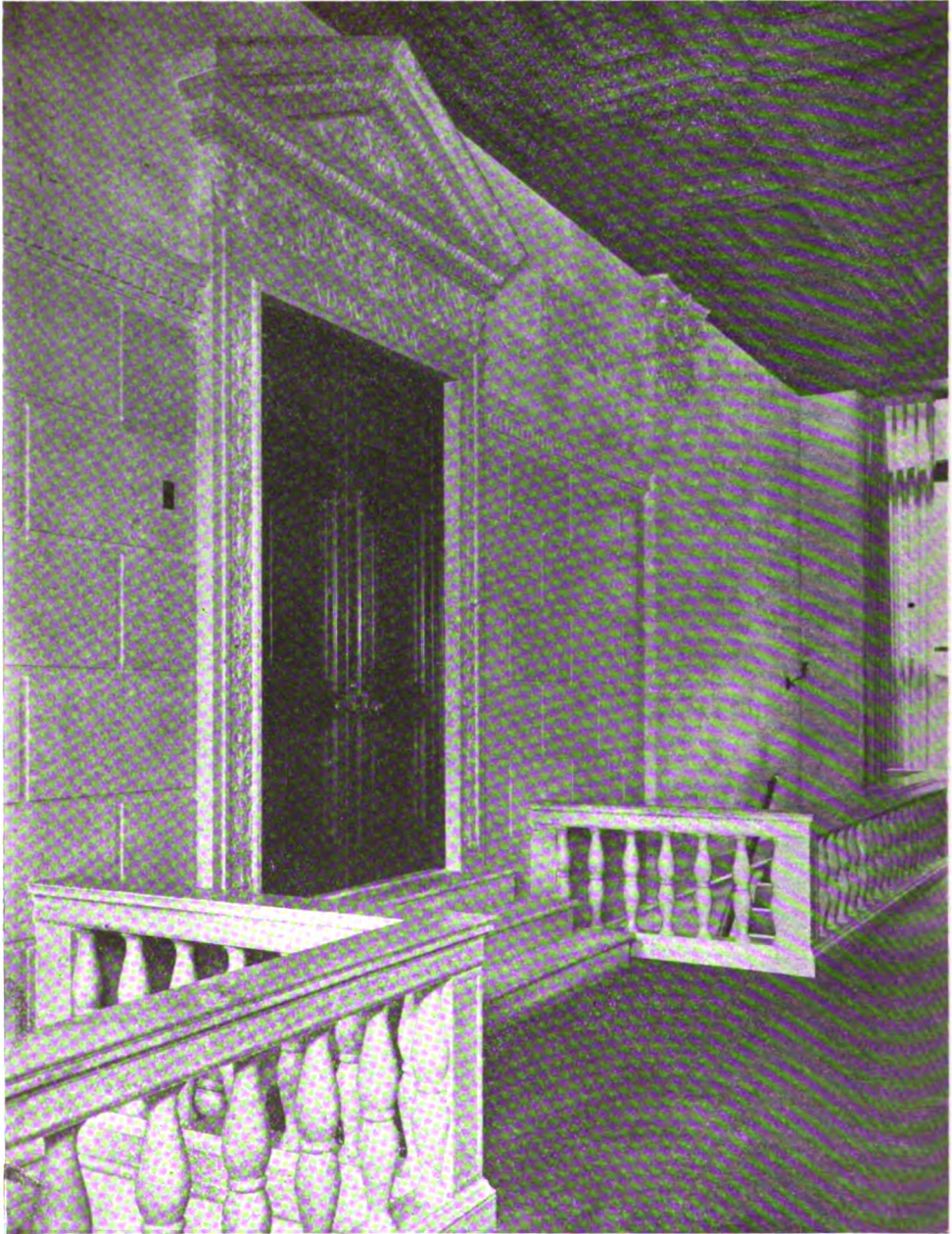


Main banking room of the Liberty Bank of Buffalo, N. Y., showing the ornate check desks

PHIX OUPREA

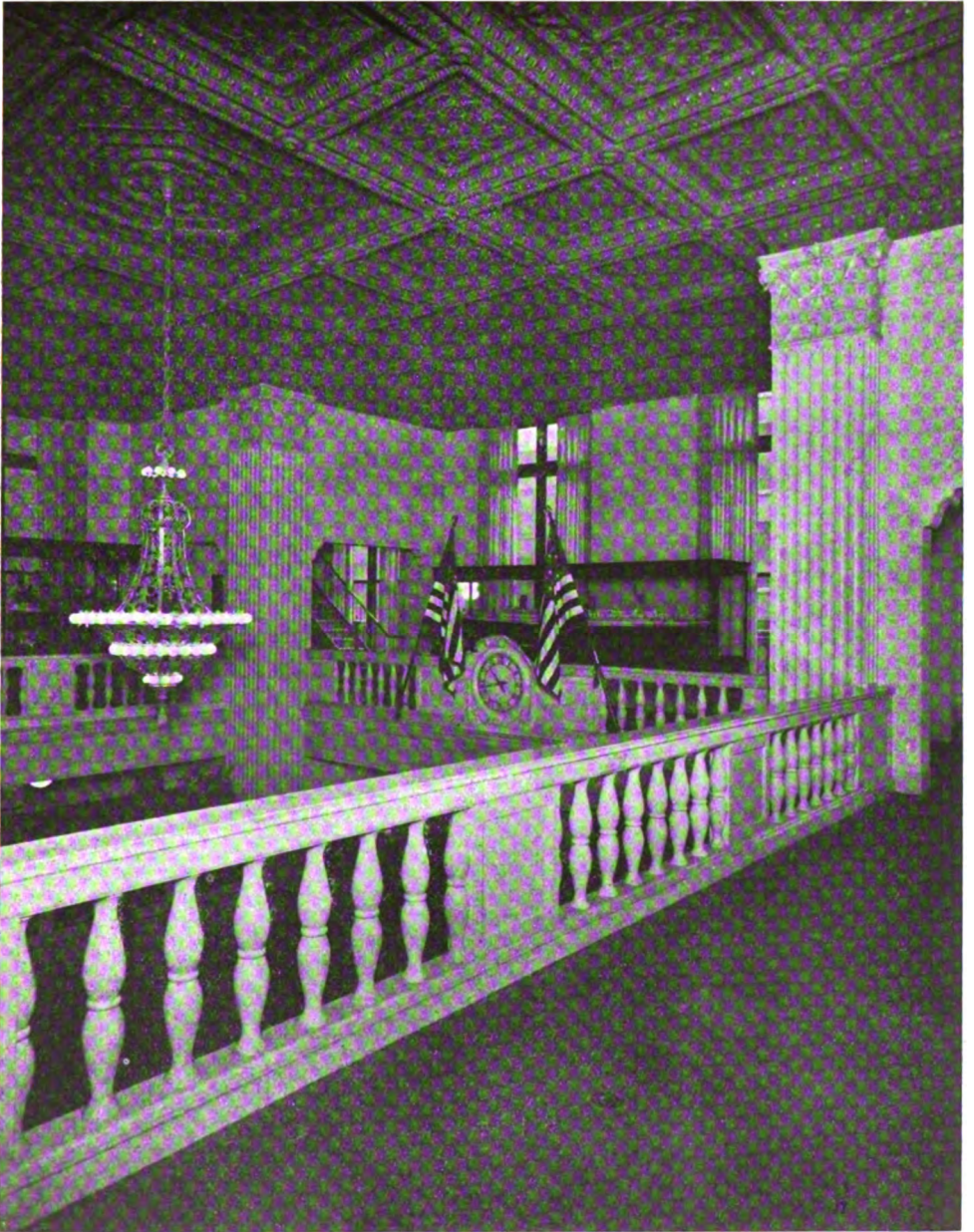


Another view of the main banking room of the Liberty Bank of Buffalo, N. Y., showing the stairway to the safe deposit department



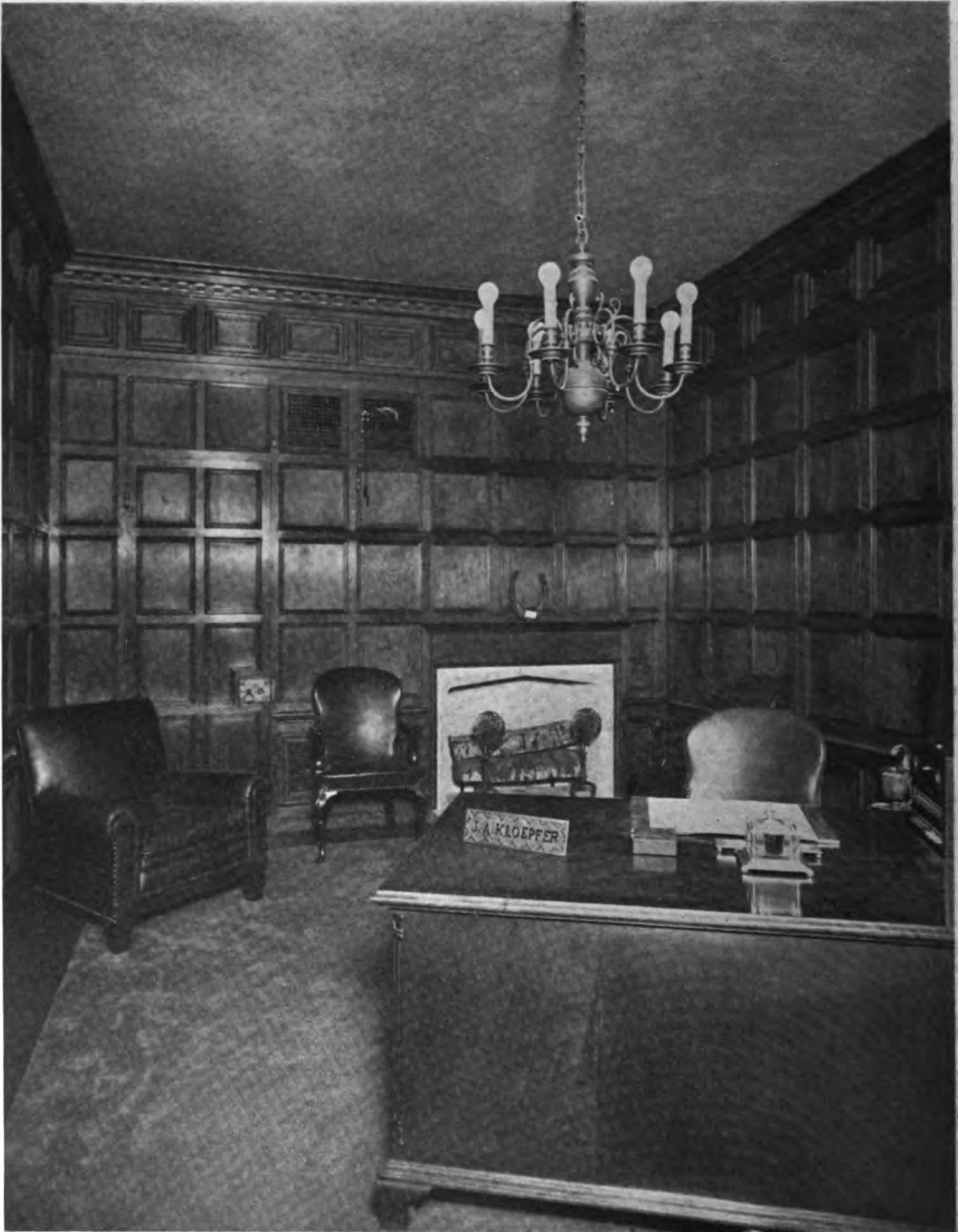
© DRIX DURVEA

The entrance to the directors' room in the Liberty Bank of Buffalo, N. Y.

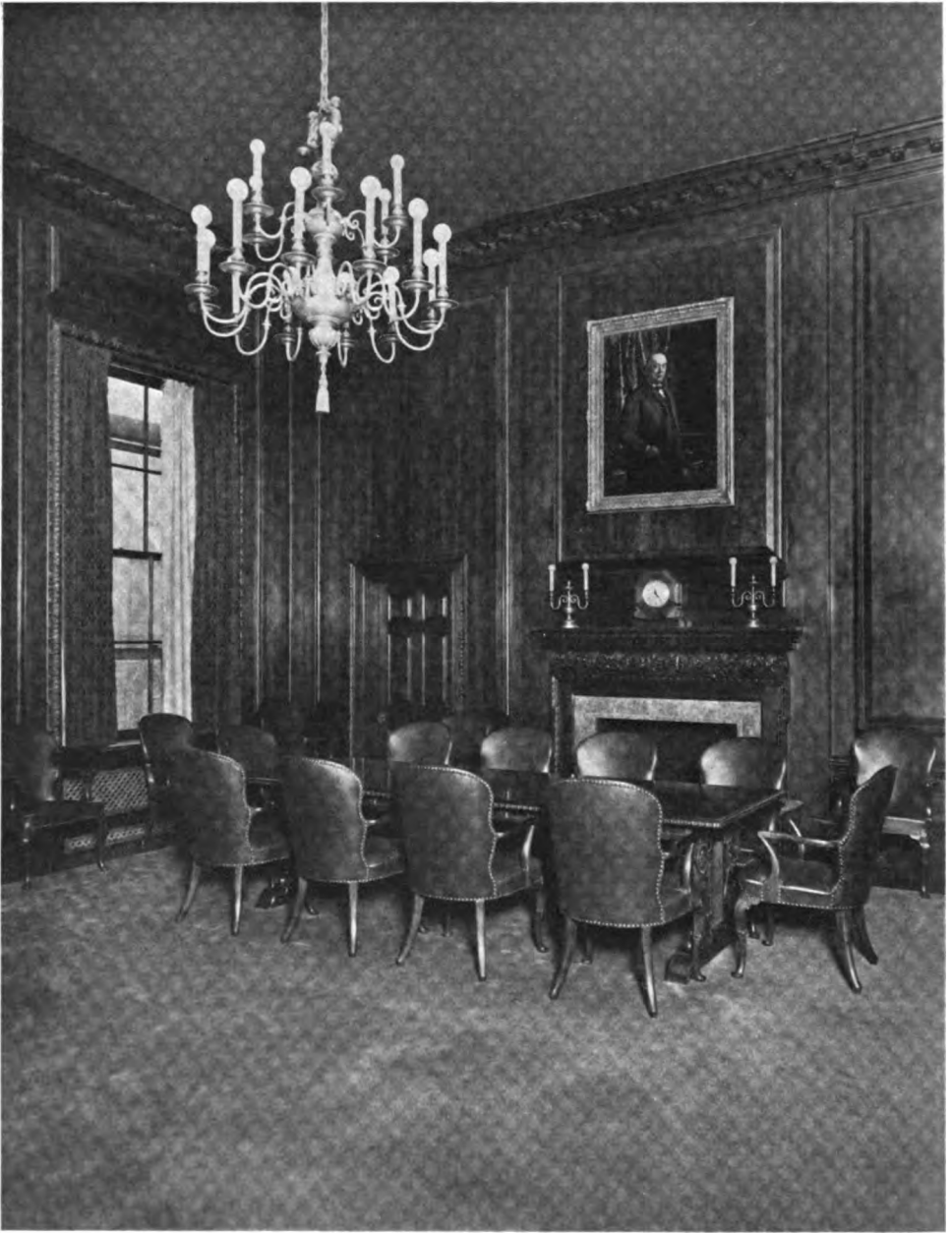


© DRIX DURVEA

The marine or "shipping" department of the Liberty Bank of Buffalo, N. Y.



The president's office in the Liberty Bank of Buffalo, N. Y.



ORIX DURVEA

The directors' room of the Liberty Bank of Buffalo, N. Y.



DRIX DURYEA

The safe deposit vaults of the Liberty Bank of Buffalo, N. Y., furnished and installed by the Mosler Safe Co., Hamilton, O.



Entrance to the State Street Trust Company, Boston. The flagstone marked in the foreground was presented to the bank by a former mayor of Boston, England, having been taken from the old guildhall there in which Elder Brewster and the Pilgrims were imprisoned and tried

Unique New Banking House of the State Street Trust Company, Boston

TYPICAL Old Boston, to the last degree, are the new building and banking rooms of the State Street Trust Company, and typical, too, of the atmosphere surrounding that conservative but highly successful banking institution. Occupying a prominent site at the corner of State and Congress streets, in the financial heart of Old Boston, the new building, planned by Parker, Thomas & Rice, architects, maintains its character, from the signboard on the corner of the building (depicting the seal of the company—the old State House) and the ship lanterns on either side of the main entrance on Congress street down to the smallest detail of the interior of the banking floor.

The interior of the banking rooms, designed by Richardson, Barrot & Richardson, architects, is a replica of the old counting rooms of the Boston merchants during the first part of the eighteenth century, arranged on a much larger scale and with

the addition of the most up-to-date banking facilities.

To accomplish this result it was found advisable to select, instead of the usual marble counters, Pilgrim granite from Hingham, the only known place in the world where this particular stone can be found. Its outstanding feature is an almost perfect series of parallel joints. The floor of the public space is made of flag-stones of the same material which is also an innovation. The granite of Boston's older buildings came from the vicinity of this quarry.

It was decided that the grille work most in keeping with this counter should be of hand forged wrought iron, the design being early Colonial. A simple style of paneling of pine and English oak covers part of the ceiling and walls, the pillars being of fluted wood, also copies of those in use of older days. Even the broad mullions of the windows are carefully copied from the early ones. Set in the floor op-



The main banking room of the State Street Trust Company, Boston, equipped with old tavern furniture, tavern lanterns, and old whale oil lamps on the depositors' tables. The big lantern which shows prominently at the top of the picture is similar to the one outside Boston Tavern at the time of Paul Revere

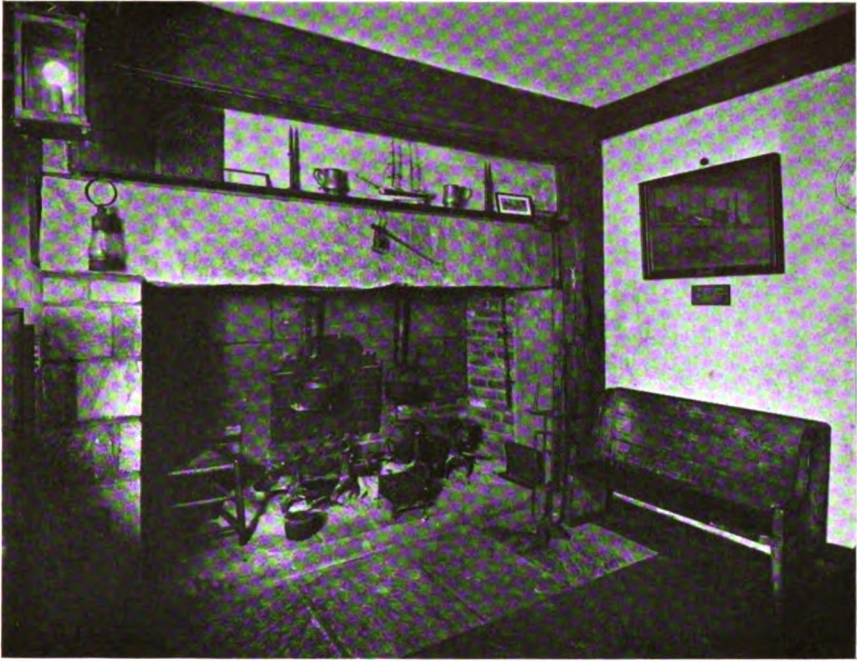
posite the main entrance is a compass cast in brass and iron with a 22 foot arrow pointing to north and south marks cut in the granite shelves of the counters.

Within the entrance is a treasured relic from Boston, England—a flagstone from the floor of the guildhall of that ancient borough—presented to the company by one of Boston, England's former mayors. It was in this old guildhall that Elder Brewster and others of the Pilgrims were imprisoned and tried before coming to New England.

Another original feature on the main floor is the private room of President Allan Forbes, which is a copy of a very old State street business office of the latter part of the seventeenth century, included in which is a large brick and granite fireplace, earlier than those supported by wooden beams, copied from an early Connecticut house, also of the seventeenth century. The fireplace is known as the Governor Dudley fire-back and is one of three known to be in existence. It was taken from an old house in Marshfield and shows a sarcastic effigy of the governor surrounded by guns to protect him from the angry populace.

It will be noted that the fireplace has two sets of andirons in accordance with the custom of early days of being able to have more than one fire at a time to cook on. Everything in this room is actually old and was selected with great care. The woodwork came from an early farm house in southern New Hampshire in the Connecticut Valley and the old beams in the ceiling have for years seen service in Massachusetts Hall, the oldest of the Harvard College buildings, dating back to 1720.

Other features of the room include an early American refectory table for a desk; antique chairs, one of which, a transitional Carver-Brewster, came from the tap room of the Wayside Inn; another, an old slat-back Connecticut chair; an oval maple tavern table with a top of a single piece of wood 27 inches broad, carrying an early American bible box with ball feet; old-fashioned fire buckets for waste baskets; a very rare old English clock of the period; old settles; a churn for an umbrella stand; old-fashioned pewter ink wells; a door check showing the facade of the old State House; and a sea chest with a whaling scene on the



The seventeenth century fireplace, one of the interesting features of the president's office at the State Street Trust Company, Boston. Note the two sets of andirons, used in the early days to have more than one fire to cook on. The Governor Dudley fireback is one of the three still in existence

cover, used as a wood box to supply fuel for the fireplace.

The lights on the walls are arranged in lanterns hung on wooden pegs, as in olden days. On the two window shades are views of State street, one showing the old State House and the other the Merchants Exchange, formerly on the present site of the bank. It was here that the merchants, shippers and captains used to congregate to transact business with China, India, Russia, the West Indies and other parts of the world and talk over the affairs of the day which at that time had to do chiefly with ships and their record runs, the latest arrivals in port and the price of foreign commodities.

Other features of the banking floor are the lanterns on the ceiling, the square one being like the early one which hung outside the old Boston Tavern at the time of Paul Revere. The octagonal ones are copied from the old wooden lanterns of the same period. The tables and chairs are imitations of old tavern furniture and the radiator covers under the mezzanine resemble the fronts of moulded oaken chests of the seventeenth century. The lamps on the deposi-

tors' tables are old whale-oil lamps and copies of this early type of illuminating device, now fitted for electricity, of course. The brass candlesticks on the officers' desks are real antiques. The pewter inkwells in use come from old English counting houses and are originals.

A doorway opening into the Exchange building is an original from an old house in Hatfield, near Deerfield, built probably between the years 1735 and 1750, one of the three of this kind in existence.

The clock in the public space came from Ipswich, England, and was made by the well-known clock maker of that town, Moore, who built the clock sent over from the English Ipswich to the First Church in the Massachusetts Ipswich. It was chosen on account of its resemblance to the exquisite clock on the gallery of the old North Church on Salem street.

The State Street Trust Company has always taken a great interest in the shipping of early and recent days and believing in the interest every person has in things pertaining to the sea, there have been reproduced on the lamp shades thirty of the most important ships of Massachusetts seaports.

These vessels have been selected with a great deal of care, and their histories have been inscribed on the ends of the shades together with some well known chanties.

The trust department is down-stairs, where there is a collection of prints of the Borough of Boston, England, exhibited publicly for the first time.

The company has taken over the State Street Safe Deposit Vaults in the basement of the Exchange Building and has removed its customers' boxes to this vault, which has been modernized. New coupon rooms have been added, among the most commodious and airiest of any in Boston.

The new building is entirely for the use of the bank, floors being reserved for the transfer department, check tellers and bookkeepers. The directors' room is on the top floor, a copy of an old room. On the walls are the pictures of the seven men who had the most to do with the founding of the company in 1891. The banking floor and transfer department extend into the adjoining Exchange building, which gives a large amount of space for the transaction of business.

Coincident with the opening of the new

building, the company announced the merger with it of the National Union Bank, chartered in 1792 and for many years a near neighbor of the State Street Trust Company.

This unique building plan of the State Street Trust Company has proved highly successful and the new banking rooms have attracted attention and favorable comment from all parts of the country. But while the banking house and its furnishings savor so strongly of the past, there is nothing old-fashioned in the facilities and service of the company. It has the complete equipment of the modern trust company, with trust, transfer, collection, foreign exchange, savings, and safe deposit departments, in addition to the general banking department.

The company's statement of October 1, 1925, shows capital, surplus and profits of \$4,737,255, deposits of \$59,642,162, and total resources of \$68,165,099, in addition to trust department assets of \$26,590,522.

Growth in deposits since 1921 has been as follows:

October 1, 1921	\$31,399,389
October 1, 1922	35,469,569
October 1, 1923	35,861,188
October 1, 1924	42,684,698
October 1, 1925	59,642,162



Bonds Advanced, Stocks Declined in November

BOND prices between October 31 and November 30 registered an increase of .07, according to the New York Trust Company's index of security prices, covering sixty-six bonds and 113 stocks. With the exception of foreign government and city bonds which showed a decline of 1.34 points and public utility bonds, which remained stationary, all other classes showed a slight increase, the most marked being telephone and telegraph bonds which increased .72 points

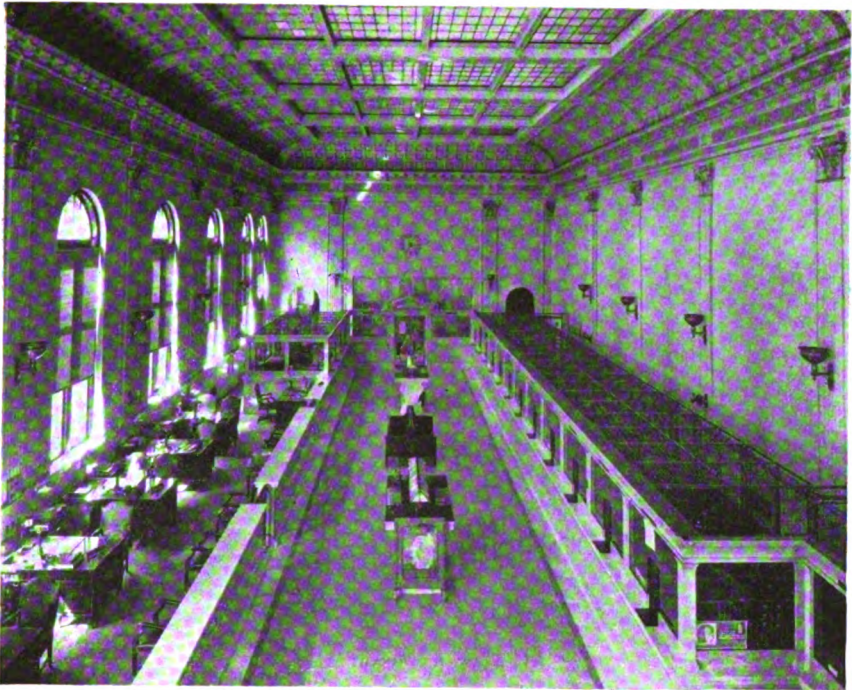
Compared with December 31, 1924,

average bond prices on November 30, 1925, showed a gain of 2.02 points.

Prices of stocks on November 30 averaged 1.34 points below those of October 31. All classes declined with the exception of railroad, iron and steel, sugar, tobacco, and New York bank and trust companies. Iron and steel and New York bank and trust companies made gains of 2.51 and 3.50 points respectively.

The average price for all stocks covered by the index on November 30 stood at 22.02 points above prices on December 31, 1924.





Lobby of the main office of the Planters National Bank, Richmond, Va.

Sixty Years of the Planters National Bank, Richmond, Va.

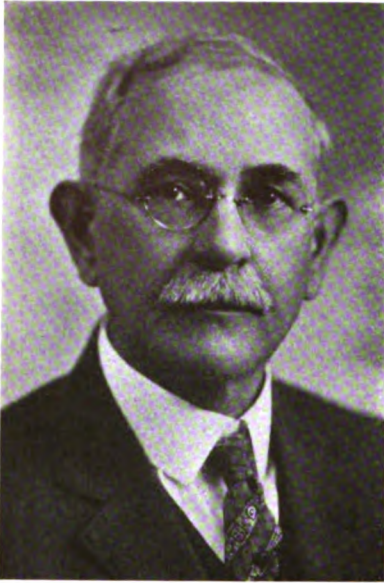
SIXTY years ago, on December 8, 1865, the Planters National Bank of Richmond, Virginia, was granted its charter. Its organizers, with S. C. Robinson as president, imbued with the earnest desire to assist in the great work of re-establishing the financial prestige of Richmond and the South and of regaining lost commerce, dedicated it to the work of reconstruction which confronted the South at that time. They were men of vision and that their faith in Richmond's future has been vindicated the history of the bank attests.

The bank's growth shows nothing spectacular. There has been no absorption of other banks or mergers, but just the steady, consistent increasing of resources indicative of sound, conservative and yet progressive banking. At the time of organization, capital was \$200,000, which shortly afterwards was increased to \$300,000. In 1917, it was increased to \$600,000, and in 1920 to \$1,000,000, this increasing of capital being largely due to stock dividends paid out of earnings. By 1907, surplus and undivided

profits totalled \$1,000,000; by 1917 \$1,400,000; and now they stand at \$2,200,000, with resources well over \$20,000,000.

Since the early eighties the Planters has been closely identified with the tobacco industry, hence its trademark—a tobacco leaf. This is due to the fact that the late James B. Pace, then president and one of the leading tobacco manufacturers at that time, encouraged planters, dealers, and manufacturers of tobacco to use the facilities of the bank, and his forward-looking policy met with marked success. This does not mean, however, that the bank confines its transactions solely to the tobacco industry, for such is far from being the case. On its ledgers are the names of many and varied industries.

The bank's steadily growing business has necessitated three enlargements, the last, five years ago when the entire building was remodeled. It is now modern in every respect, and fully equipped to handle business entrusted to its care expeditiously and efficiently. In line with its endeavors to



FOSTER STUDIO, RICHMOND, VA.

RICHARD H. SMITH
Chairman of the board



FOSTER STUDIO, RICHMOND, VA.

W. MEADE ADDISON
President

always anticipate the needs of its patrons, late in 1922 an office in the city's shopping district was opened and is proving a great convenience as evidenced by the growing patronage afforded it.

Throughout its long and successful career, the Planters has taken an active part in all matters in connection with the betterment and progress of the community it serves, and its facilities and counsel have been and are



HENRY S. HOTCHKISS
Vice-president



FOSTER STUDIO, RICHMOND, VA.

WARREN M. GODDARD
Vice-president and cashier



ORGANIZED in 1900, the Franklin National Bank of Philadelphia has attained a remarkable growth through service to the banking and business interests of the United States.

Today, with ample resources and increased facilities gained through nation-wide and foreign connections, this bank is prepared to give, in even larger degree, the same efficient and courteous service as in the past.

Foreign banking in all its branches is transacted. Travelers' Letters of Credit are issued.

OFFICERS

- J. R. McALLISTER**
President
- J. A. HARRIS, JR.**
Vice-President
- J. WM. HARDT**
Vice-Pres. and Cashier
- E. E. SHIELDS**
Assistant Cashier
- W. M. GEHMANN, JR.**
Assistant Cashier
- M. D. REINHOLD**
Assistant Cashier
- E. M. MANN**
Assistant Cashier

FRANKLIN NATIONAL BANK

PHILADELPHIA

Capital	-	\$2,000,000
Surplus and Profits	-	6,000,000

YORK VAULTS

New York Federal Reserve Bank

The World's Largest and Strongest Vault Entrances

The York Safe and Lock Company built and installed in the New York Federal Reserve Bank six (6) YORK Revolvable Vault Entrances, each 10 feet in thickness, the climax of mechanical genius and ingenuity.

In addition to the New York Federal Reserve Bank YORK has built at its factory in York, Pennsylvania, vaults for Federal Reserve Banks in the following cities :

<i>Cleveland</i>	<i>Boston</i>	<i>Buffalo</i>
<i>Philadelphia</i>	<i>Pittsburgh</i>	<i>Detroit</i>
<i>Chicago</i>	<i>Louisville</i>	<i>Jacksonville</i>
<i>Minneapolis</i>		<i>Little Rock</i>

YORK vaults are used by the U. S. Government, Clearing House Associations, and many of the leading Banks throughout the country.

Correspondence with nearest branch is welcomed by our Engineering department with banks contemplating new or enlarged vaults.

Principal Builders of High Grade Vaults

YORK SAFE and LOCK CO.
55 Maiden Lane New York

Branches

<i>New Haven</i>	<i>Boston</i>	<i>Philadelphia</i>	<i>Baltimore</i>
<i>Cleveland</i>	<i>Chicago</i>	<i>San Francisco</i>	

at the command of banks, business organizations, and individuals.

The bank's policy in regard to its employees is very liberal. It was among the first to furnish luncheon at the bank (being now equipped on the third floor with a modern kitchen and dining rooms); it grants an annual bonus, and affords protection under the group life insurance plan.

It is interesting to note that, to date, nine presidents have guided the destinies of the old Planters:

S. C. Robinson, 1865-1868; W. A. Macfarlane, 1868-1870; John B. Davis, 1870-1882; Charles E. Whitlock, 1882-1883; James B. Pace, 1883-1895; J. J. Montague, 1895-1896; James N. Boyd, 1896-1915; Richard H. Smith (now chairman of board), 1915-1920; and W. Meade Addison, 1920—.

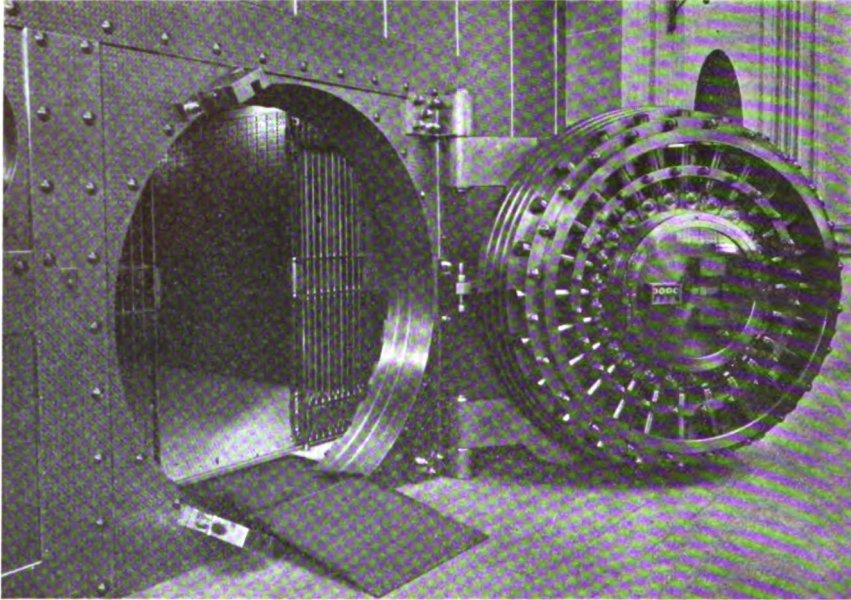
The directors of the Planters National at this time are men outstanding in the community, successful in their own lines of endeavor and amply qualified to direct the affairs of the institution. The officers are capable, well versed in financial matters, and close students of business conditions.



WILSON M. BROWN
Vice-president and trust officer



The directors' room in the Planters National Bank, Richmond, Va., finished in Old English oak, Jacobean period



Entrance to the safe deposit vault at the main office of the Planters National Bank, Richmond, Va., furnished and installed by the Diebold Safe & Lock Co., Canton, O.

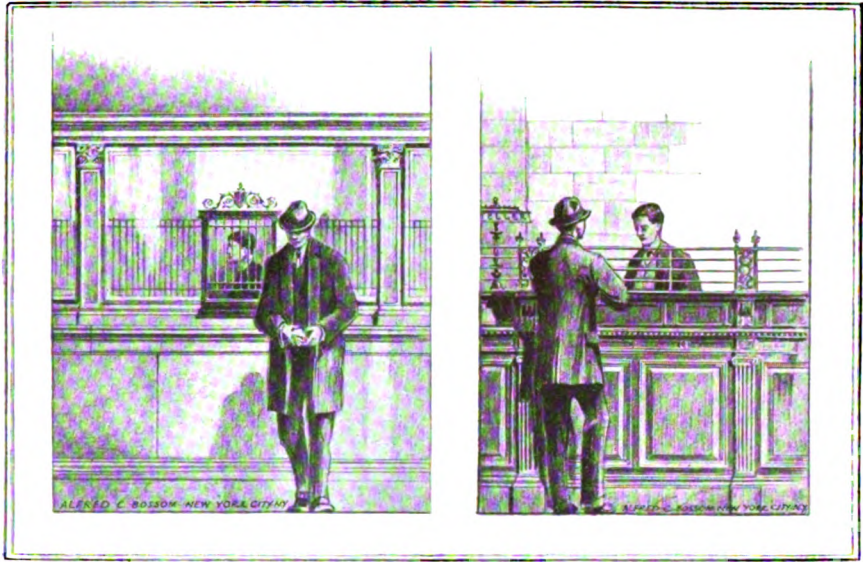
The directors are:

Henry W. Anderson, John W. Boyd, E. Mulford Crutchfield, John S. Eggleston, John B. Parrish, Leslie H. Reed, Frank L. Schofield, W. H. Sitterding, Walker D. Stuart, Jacquelin P. Taylor, and A. D. Williams. The officers are: Richard H. Smith, chairman of the board; W. Meade Addison, president; J. J. Montague, vice-

president; Warren M. Goddard, vice-president and cashier; Henry S. Hotchkiss, vice-president; Wilson M. Brown, vice-president and trust officer; D. V. Morton, assistant cashier; W. W. Neale, assistant cashier; R. G. Andrews, assistant cashier; W. Edwin Miller, assistant cashier; Paul Mayo, assistant cashier; and John H. Harton, auditor.



Lobby of the Broad Street office of the Planters National Bank, Richmond, Va.



The new type of tellers' counter originated by John Poole, president Federal-American National Bank, Washington, D. C., and worked out by Alfred C. Bossom, bank architect, New York, shown at right in comparison with the usual type of teller's wicket at left

New Bank Counter Proof Against Hold-ups

HOLD-UP men will find it a hard matter to prevail against the new type of counter for banks. It is without wickets or grilles, and yet it is held to be more effective than the barred and netted screens now in use.

This counter, faced with wood or marble, has two levels. The first level, 3 feet and 6 inches above the floor, is a ledge 8½ inches wide, which is used by customers for counting and writing. Over the glass surface of the second level, a few inches higher, the money is passed. On this level, also, is a slight rail consisting of three metal rods, four inches apart, supported by ornate stanchions.

Under the top on the inside of the counter is a recess lighted by electric lamps having powerful reflectors, in which recess the teller can keep papers and such specie as he desires. The bulk of the funds in his charge is in a counter drawer in front of him.

Before it was installed, this new device was demonstrated, by various tests, to be an entirely practical one. Money was placed in a specimen section of it and athletic young men were told to do the best they could to get it. They found it impossible to scale

the counter or to get the money, or indeed even to come near it. Several insurance companies say they will give the same rate against theft for this counter as they do for the one in general use.

Many advantages exist for the new type of installation as a deterrent to thieves and bandits. First, every man in the bank can see every visitor and also all his fellow workers. These days, the so-called "open vision" arrangement is considered of the greatest protective value. The large banks depend much upon detectives and guards assigned to the lobbies, who watch for criminals and act if suspicion is aroused. Many protective devices which are likely to become obsolete before long, were invented because the banks formerly had no such private detective staffs and also lacked numerous other means of repelling invaders.

John Poole, president of the Federal-American National Bank, of Washington, D. C., originated this latest device in the equipment of finance, and an experimental unit has been in commission in the Federal-American for several months. Its structural details were worked out by Alfred C. Bossom, bank engineer, of New York,



A view of the new type of counter recently installed in the Federal-American National Bank, Washington, D. C., showing how convenient the writing space for the customers is, and how they meet the bank employees face to face

architect of the new home of the Federal-American at Fourteenth and G streets, soon to be occupied.

Other advantages insuring greater service to the public mark this device. Owing to the increase of patronage and the rising values of real estate, for example, banks have been striving to make a more intensive use of their space. The high screens, the heavy gates and wire nettings make the conventional equipment very bulky. Their design also hinders patrons from getting acquainted with the personnel. The customer can now see the teller, face to face, without backing around or peeping through a little

hole. The name of the bank employe at each station appears on a sign on the front of the counter.

The width from teller to teller in most installations is not less than 5 feet 6 inches, and the average is nearer 7 feet from wicket to wicket. In the new screen this is reduced 4 feet, center to center, and each teller has the full accommodation he had in the older forms. In rush hours, practical experience has shown, the tellers are able to serve the public almost twice as quickly as is possible under the usual system. The lobby can also be cleared sooner, as those in the lines do not have to wait so long. There-



The new type of tellers' counter seen from above. Note how many more tellers can work in the same space behind the counter under this arrangement than with the usual barred wickets

fore, lobbies and public spaces can be made smaller, because fully one-third more tellers can occupy the same counter room.

"This development," Mr. Bossom says, "has had such a revolutionary effect upon the

utility of existing bank quarters and in provision for future expansion, that it is reasonable to expect that within a very few years, the old-fashioned high screen will have become a memory."



One Hundred Years of Banking in New Bedford

ASSOCIATED as it has been so closely with two great industries in this country, the history of the Merchants National Bank of New Bedford, Mass., is of particular interest. The romantic and adventurous whaling days have gone forever, but the great textile mills have brought renewed prosperity and made New Bedford again famous by their wonderful development.

Century old banks in this country are more numerous, of course, every year, but still uncommon enough to make them worthy of special mention when their anniversaries arrive. It was just one hundred years ago last September 1, that New Bedford saw the opening of the Merchants Bank. At that

time the town possessed barely 5000 population. Whaling was being carried on, but the war of 1812 had driven the whalers from the sea temporarily and a business depression had followed.

There was already a bank in New Bedford, but the maritime requirements seemed to warrant the establishment of another financial institution. Thirty-three whale ships were sailing out of the port; there were eight spermaceti and candle factories and two rope walks. Marine insurance companies were organized early in the town's history and the necessity of banks to finance the insurance companies followed.

Among the founders of the bank were John Avery Parker, the first president, who

is said to have come to New Bedford bringing his possessions in a wheelbarrow; and James B. Congdon, the first cashier, a prominent citizen and member of the local government. All the men interested in founding the bank were men of affairs, all in the hundred thousand dollar class, then a high standard of wealth. The capital stock was fixed at 150,000 and the bank was required to loan the Commonwealth any sum required by the legislature, not exceeding 25 per cent. of the capital, at 5 per cent. per annum. The debts were restricted to twice the amount of the capital. The rent of the first banking room was \$200 a year, and the first cashier received a salary of less than \$12 a week.

In 1828, the capital was increased to \$200,000, and the cashier's salary to \$1000, the latter hiring a clerk at his own expense, when necessary. By 1831, the bank had progressed to the acquirement of a building of its own and the salary of the cashier was again advanced to \$1300.

By 1850, the end of the bank's first 25-year period, had arrived the golden age of whaling and the prosperity evinced by the Merchants Bank abounded through every activity of the town. The number of whale ships owned exceeded 250 and their value was over \$6,500,000. In a single day vessels brought in oil to the value of \$300,000. In 1851 the bank received authority for an increase of \$200,000 in capital. In 1861 the bank responded to its country's needs and offered the Commonwealth a loan of \$50,000. At the close of the war the bank followed the custom of other state institutions and became a national bank under the National Bank Act, taking the title, the Merchants National Bank of New Bedford. By 1869

the capital had become \$1,000,000 and dividends of 12 per cent. were paid.

Toward the end of the century the town was beginning to realize that the whaling industry was doomed, though the introduction of petroleum was strongly resisted and attempts were made to bring out a whale oil lamp that would be superior to the petroleum lamp. The gradual shifting of the business interests of the city brought about an almost revolutionary decision on the part of the bank to leave the old banking center, near the counting rooms and wharves of the old merchants, and establish itself nearer the new centers of business. This decision showed the wisdom of the directors and has never been regretted. In 1894, on the site then acquired, what was then the finest business building in the city was occupied, but in 1916, on account of street widening, drastic changes were necessitated which culminated in the erection of an entirely new building, the present handsome and commodious structure.

Midyear, 1925, found the bank with total resources of \$14,323,730, surplus and undivided profits of \$1,931,655 added to its capital of \$1,000,000, and deposits of \$9,295,502. Few banks in this country have had a more dignified, honorable and successful career than the old Merchants of New Bedford and its traditions are being carried on by its present officials: Edmund H. Leland, president; H. C. W. Mosher, chairman of the board; Otis N. Pierce, vice-president; Henry W. Taber, vice-president; James H. Coffin, cashier, and Lester S. Cornell, assistant cashier; with a board of directors made up of some of the most prominent business and professional men of the city.



Cut Debt to Reduce Budgets

NEARLY 40 per cent. of the expenses of the National Government, 20 per cent. of the expenses of local government and 10 per cent. of the expenses of state government are required to meet the amortization and interest charges on public debt, according to the report of a committee representing agriculture, industry and transportation at a conference at the Hotel Astor, New York, recently. The object of the con-

ference was to halt increases in state and local taxation.

"These payments," says the report, "now require more than \$1,250,000,000 of the national budget and more than \$750,000,000 of the aggregate budget of our state and local governments. The total payments on account of all three forms of public indebtedness exceed \$2,000,000,000 a year, or are considerably more than 3 per cent. of the national income."



A view of the Park Avenue office of the National City Bank of New York from the entrance, showing the banking screen at the left, and the officers' quarters at the right

America's Billion Dollar Bank

Brings a Financial "Service Station" to the World's Greatest
Financial and Business District

FROM the days of the money changers in the market place, banks have generally been situated as near the centers of business activity as possible. It is only in very recent times that growing banking institutions have stepped out of the ordinary paths of business and located branches in strictly residential districts. This change has naturally followed upon the broadening services of banks to individuals through personal checking accounts, the handling of private estates, financial aid to travelers, investment service and the many other activities of modern banking.

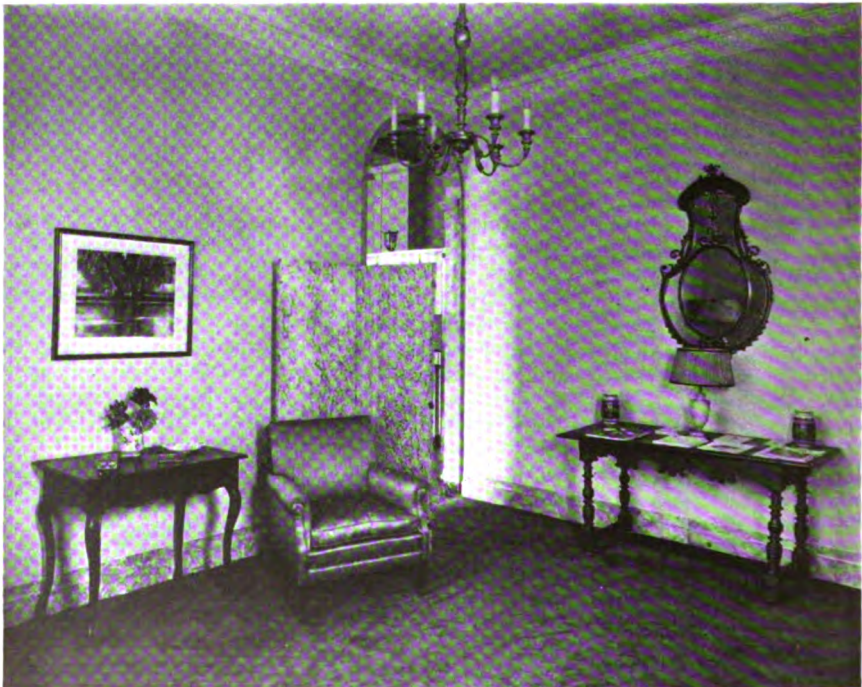
A bank located in a residential district of New York City opens up many interesting questions in architectural design. Possibly the first demand made on the architecture of a bank situated within a wealthy residential district is that it should be cour-

teous to its surroundings. With the dignity associated with any banking structure, should also go a certain refinement more suggestive of a home than of a purely commercial institution. As far as possible, bars and gratings should be eliminated. A representative residential-district banking room can be seen in the new Park Avenue branch of the National City Bank of New York, at Fifty-seventh street.

One of the first things noticed on entering the main banking room is the absence of bars, gratings and cages. Only clear plate glass separates the customers of the bank from the various departments. The officers of the bank sit at easily accessible desks within a step from the door. Two conference rooms and a well appointed women's banking department open out from the main room. These rooms are also freely accessible. The color scheme of the interior



This corner of the women's writing room in the Park Avenue office of the National City Bank of New York, indicates the good taste in which the interior decorations are carried out



Another view of the women's writing room in the Park Avenue office of the National City Bank of New York, a feature of which is the fact that wherever possible, genuine antique furniture has been used. The mirror is particularly attractive.

is a delicately tinted green with trimmings of Italian marble.

With the compactness of the National City Bank's Park Avenue branch, there is also completeness of banking service meeting every banking need. The departments of the bank particularly called upon, in the district in which it is situated, are exceedingly well equipped to serve their customers.

financial affairs. Customers are also served by a dependable investment service department with a direct inside telephone connection with the headquarters of the National City Bank. And there is also the customers' securities department, offering a complete service to customers who seek relief from all burdensome details in connection with handling their investments. There

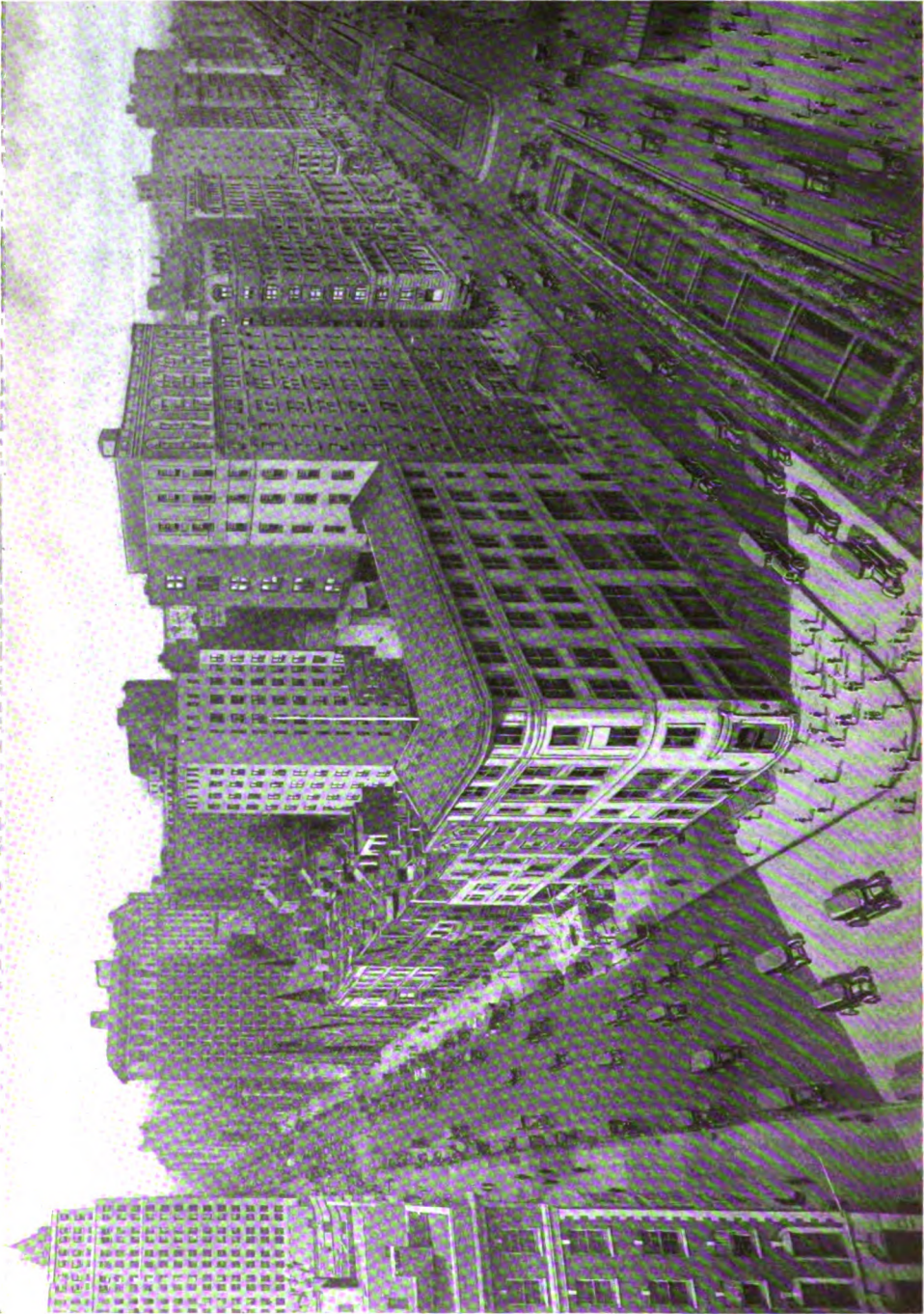


The Fifty-seventh street entrance to the Park Avenue office of the National City Bank of New York, showing one of the two conference rooms at the right

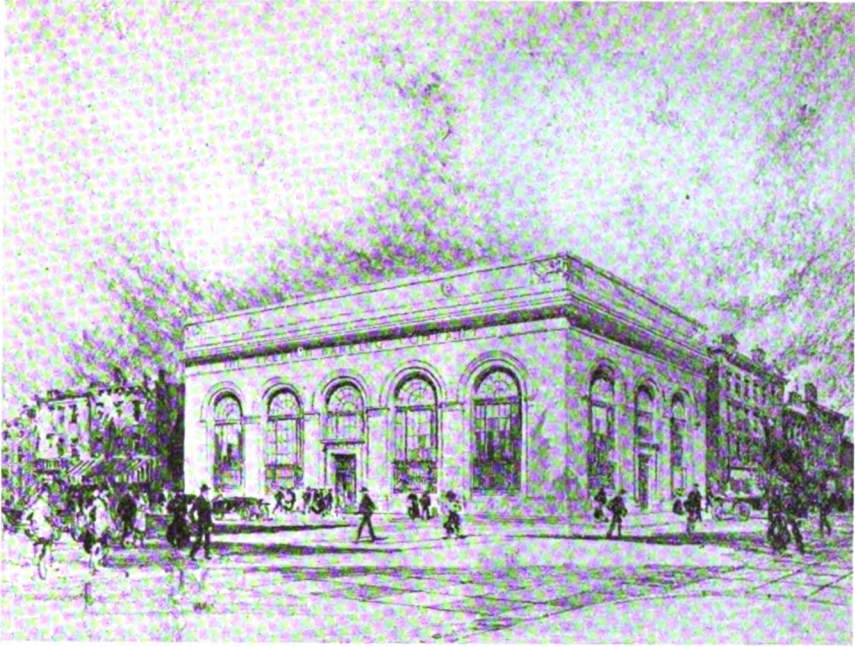
There is the foreign department which issues letters of credit, furnishes personal introductions to customers on their travels and meets all other foreign banking requirements. There is the compound interest department, especially developed. A personal checking account service is available for any account as low as \$500. A special feature is the women's banking department with rooms separate from the rest of the bank, furnished and equipped to offer women customers a home-like place in which to rest or make engagements or receive personal advice and aid in handling their

are seventeen individuals definitely associated with this "humanized banking shop," each one selected carefully for his or her efficiency and personality.

To sum up, this particular branch of the National City Bank, as it serves its exclusive residential section, furnishes a complete banking service in a slightly more personal and intimate way than is possible in the larger offices of a financial district. That this service is appreciated, is proved by the rapid and solid growth of business represented on the bank's books.



"National City" at the intersection of two great thoroughfares—Park avenue and Fifty-seventh street



The home of the historic Trenton Banking Company, Trenton, N. J., opened in 1919. The building was designed by Denison & Hirons, architects of New York

History of the Trenton Banking Company —Trenton's Oldest Bank

THE Trenton Banking Company, Trenton, N. J., is nearing its hundred and twenty-first year of service to its community. It was founded on December 3, 1804, being chartered under a special act of the legislature. Its first president was Isaac Smith a man of distinguished attainments in many lines. He served for some time as an instructor at Princeton University, but left there to do his part in the Revolutionary War. He attained the rank of colonel of the Revolutionary Army. Later, he decided that he would like to be a doctor. Accordingly, he studied medicine, and built up a substantial practice in Trenton. Tiring of this, he decided to take up law. He was admitted to the bar, practiced law for a time, and eventually advanced to the position of a Justice of the Supreme Court. It was this latter eminent position that he left to become president of the bank. He seems to have been an unusually versatile man.

For thirty years after its establishment, the Trenton Banking Company was the only bank in Trenton. It was active in support-

ing industrial enterprises, as is evidenced by the fact that when the Delaware and Raritan Canal was incorporated in 1830, the bank promptly subscribed for fifty shares of the stock. It was also one of the first stockholders of the Camden and Amboy Railroad, the first railroad in New Jersey.

Meantime, however, the bank was not negligent of its duties to the Government. It subscribed to the loan of the United States to finance the War of 1812, and stood ready to loan money to the State of New Jersey in 1833, in order to finance the building of several new buildings which the state was considering. However, the state did not avail itself of the services of the bank at that time. Later, during the Civil War, the bank drew liberally on its resources to aid both the National Government and the State.

During the hundred and twenty-one years of its existence, the Trenton Banking Company has had only eight presidents. John A. Campbell, who occupies that position at the present time, is also president of the



JOHN A. CAMPBELL

President of the Trenton Banking Company,
Trenton, N. J.

Trenton Potteries Co., Trenton N. J. He is a graduate of Princeton University, class of 1877, and a leader in civic affairs in Trenton.

The bank began business in what was known at the time as the "old court house and gaol" on South Warren street, and remained on the same site for 115 years. In 1919 the present white marble building, a picture of which is shown at the top of this page, was opened at the corner of State and Warren streets.

The bank illustrates how steadily it has grown since its founding, in a very interesting manner, by placing its first published statement at the close of business April 29, 1805, side by side with its statement 120 years later, April 29, 1925. The first statement shows total resources of \$65,751, capital stock of \$59,580, cash on hand of \$46,171, and deposits of \$8,023. Contrast these figures with those given in the April 29, 1925, statement, showing total resources grown to \$14,856,980, capital stock increased to \$750,000, cash on hand standing at \$324,727, and deposits now totalling \$12,645,106. Surely this is a record of which the Trenton Banking Company may well be proud.



A Business Congress

THE present Congress will be a "business Congress," predicts the Bank of America as a result of a study of the congressional make-up and the business problems confronting the nation.

"Three big factors combine to make possible the present favorable view which contrasts sharply with the fear and misgiving expressed by business men before the opening of Congress during each session in the past decade. In the first place must be mentioned the inauguration of a comparative 'era of good feeling' among the political parties. In the preliminary hearings of the Ways and Means Committee of the House on the tax bill, we find abundant evidence of the willingness of both the Democratic and Republican parties to co-operate in expediting legislation for the good of business in general.

"The second factor making for a favorable attitude of Congress towards business is the remarkable prosperity now enjoyed throughout the country. The agricultural

elements, which hitherto have constituted the center of unrest because of the hardships they underwent from 1920 to 1924, are now enjoying higher prices for their products, and are sharing to a large extent in the current wave of good business. Their representatives in the legislature as a result, have ceased to press for doubtful and radical measures to aid their constituents on the farms.

"A third reason for expecting good things of the new Congress is the fact that there is no serious business problem seeking an urgent legislative solution. In this respect, the new Congress faces a situation which is perhaps unique for the present century. With the close of the war, the taxation, the railroad, the agricultural, the shipping and the soldier bonus questions all created much doubt in business circles as long as Congress was in session, so that its adjournment was always accompanied with a sigh of relief. But those problems are now no longer pressing."

Tea Merchants and Bankers

By A. C. Blackall

IT is but little known that at one time Twining & Co., the oldest merchant tea house in London, launched out in the banking world. "Twining's," as a tea house, was established in 1706, and is in existence today and doing a flourishing business from the identical spot (greatly enlarged) where it first started operations.

The banking business was added to the tea business in 1824, but, with the amalgamation of several private banks in 1892, it was merged, together with Praeds, into the great house of Lloyds, Herbert Haynes Twining becoming a joint manager of the Strand branch.

In 1910, the concern celebrated its bicentenary, although it had been established in 1706. One of the features of the festivities to commemorate the occasion was a dinner, given by the directors to the staff. Among the various congratulatory speeches was a most interesting and amusing one by Herbert Twining in which he recounted many of the old customs of the firm. Mr. Twining mentioned that the bank closed at 5 p. m. and the tea warehouse at 7 p. m. In those days, he pointed out, white ties were always worn by those serving behind the tea counter and moustaches were not allowed in the bank.

Cashiers, too, at the bank were daily called upon to change checks for customers, who would ask for so much in notes, so much in gold and silver, some pounds of tea and coffee, and the balance in cocoa nibs! Mr. Twining expressed wonder as to how the present day calculating machines would have worked out such a transaction.

"After the bank balance of the day was made up," he said, "we had to write to our commercial travelers, and no one but a partner or one of the

family was allowed to correspond with those worthy gentlemen." This custom is still observed by the firm.

More than a century before this time, however, a considerable amount of financial business used to be transacted from Twining's Coffee House, where members of various clubs used to foregather, and, over their coffee or tea, discuss the problems of the day and frequently negotiate financial transactions. The business appears to have spread to the servants, and at least one of the waiters took advantage of a customer's credulity, as is shown by a very amusing advertisement which appeared in the "Daily Post" of Monday, September 17, 1722. It ran as follows:

Whereas Strelly Nash, formerly Servant to Mr. Twining at Tom's [N. B. Tom's was short for Thomas Twining's] Coffee House in Devereux Court, and since at Robin's Coffee House in Exchange Alley, and has of late acted as a Broker in the said Alley, did on Thursday last the 13th instant, receive from a Gentlewoman, a South Sea March Bond No. 254, for one hundred pounds, in order to sell the said Bond and promised to bring the Money in two Hours time, but has since absented himself from his Lodgings and cannot be heard of. If the said Strelly Nash will refund the said bond (or, if sold, the Money), to the Person from whom he received the said Bond, on or before the 21st instant, he will prevent all further Trouble to himself, or if any person will secure the said Strelly Nash and give notice to Mr. John Blackall at Jonathan's Coffee House in Exchange Alley, he shall receive Five Guineas Reward for the same. N. B. He is a tall thin man, wears a light Bob Wig and light Brown Colour Cloaths, about 25 Years of Age, and one of his Knees bending very much inward, which occasions his going Lame.

All this goes to show that human nature was much the same a couple of centuries ago as it is today. Evidently human credulity was no less in those days than in the more enlightened present.



Exterior of the recently opened new building of the Bound Brook Trust Company, Bound Brock, N. J., planned by and erected under the supervision of Morgan, French & Co., Inc., bank architects and engineers, New York.

Some Recent Bank Building Operations

SPECIAL

The BANKERS
MAGAZINE

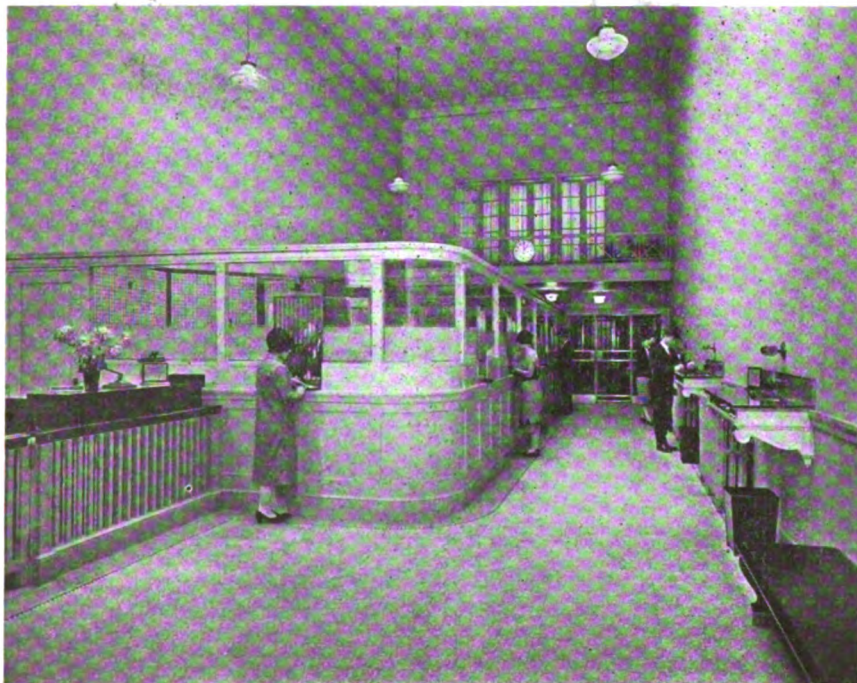
SECTION

Bound Brook Trust Company's New Home

THE new home of the Bound Brook Trust Company, Bound Brook, N. J., some pictures of which are shown on the accompanying pages, was recently formally opened to the public. Some 2000 people visited the bank on the opening day to inspect the new quarters. The president, W. H. Whiting, and the entire directorate and staff received the guests. Souvenirs, in

the shape of leather bill folds and card cases for the men, and roses for the ladies, were distributed. The floral decorations included gifts from the Chase National Bank, New York; the First National Bank, Philadelphia; the National Park Bank, New York; the Irving Bank-Columbia Trust Company, New York; Brown Bros. & Co., New York; and the First National Bank, Bound Brook, N. J.

Since its founding, almost ten years ago, the Bound Brook Trust Company has enjoyed a steady growth. Resources increased



The main banking room of the Bound Brook Trust Company, Bound Brook, N. J., showing the officers' space at the left, and the tellers' cages beyond. The building was planned and erected under the supervision of Morgan, French & Co., Inc., bank architects and engineers, New York.



A novel bank building, the home of the Palisade Trust and Guaranty Company, Englewood, N. J., remodeled by Holmes & Winslow, bank architects, New York, by additions to the side and rear of the old building. The main entrance was also altered to make it more interesting.



The Newton Trust Company, Newton, N. J., after remodeling by Holmes & Winslow, bank architects, New York. The remodeling included putting a whole new front on the building, and altering the interior without disturbing the floor levels.

from \$600,000 in 1916 to over \$1,770,000 in 1925, almost 250 per cent. It was this increasing business that made necessary the construction of the new limestone building, with its increased facilities for the transaction of business.

As one enters the building, the first impression is of a warm and cheerful atmosphere, due to the high ceiling with its central skylight, and the tall windows, providing natural light. At the left of the entrance are the officers' quarters, separated from the public space only by a low railing, so that the officers are accessible at all times. Further back on the left side of the banking room are the tellers' cages, so arranged as to provide prompt and efficient service without sacrificing the friendly atmosphere on which the bank prides itself. A separate cage has been installed for the loan and discount department, an additional paying and receiving teller's window has been provided, and the Christmas Club now has its own department. The assistant treasurer's window and desk has been located at the end of the counter-screen, where he is ac-

cessible to customers of the foreign exchange, safe deposit and storage departments.

The safe deposit department is located at the end of the building, with private booths for the convenience of customers who wish to examine papers, or cut coupons. On the mezzanine floor is the directors' room, with long French windows opening out on a balcony overlooking the main banking room. The directors' room provides, also, a convenient place for private conferences. The girls' rest room and locker rooms are also located on the mezzanine.

The building was planned by and erected under the supervision of Morgan, French & Co., bank architects and engineers, New York.

The officers of the Bound Brook Trust Company are: William H. Whiting, president; L. N. Wood, vice-president; R. H. Brokaw, vice-president; William Schure, vice-president; F. I. Collins, secretary-treasurer; and E. B. Durham, assistant treasurer.

The directors are: William H. Whiting, R. H. Brokaw, L. N. Wood, William Schure, F. I. Collins, Peter Koehler, J. J. Maier, I. L. Appgar, Jr.; C. F. Speare, W. C. Richardson, L. J. Mathis, and I. S. Whiting.



What Can be Done by Remodeling

IT happens in many cases that a bank wants larger quarters, or a more modern building; but still does not want to entirely abandon its old location or its old building. It feels that the location or the distinctive style of the building are important in keeping the good will of its customers. To retain one or both of these is not such a difficult problem as it might seem. Of course, it requires careful study and planning on the part of the architects to make the new part blend in with the old, but that it can be successfully done is shown by two pictures, reproduced on the accompanying pages, of buildings altered by Holmes & Winslow, bank architects, New York.

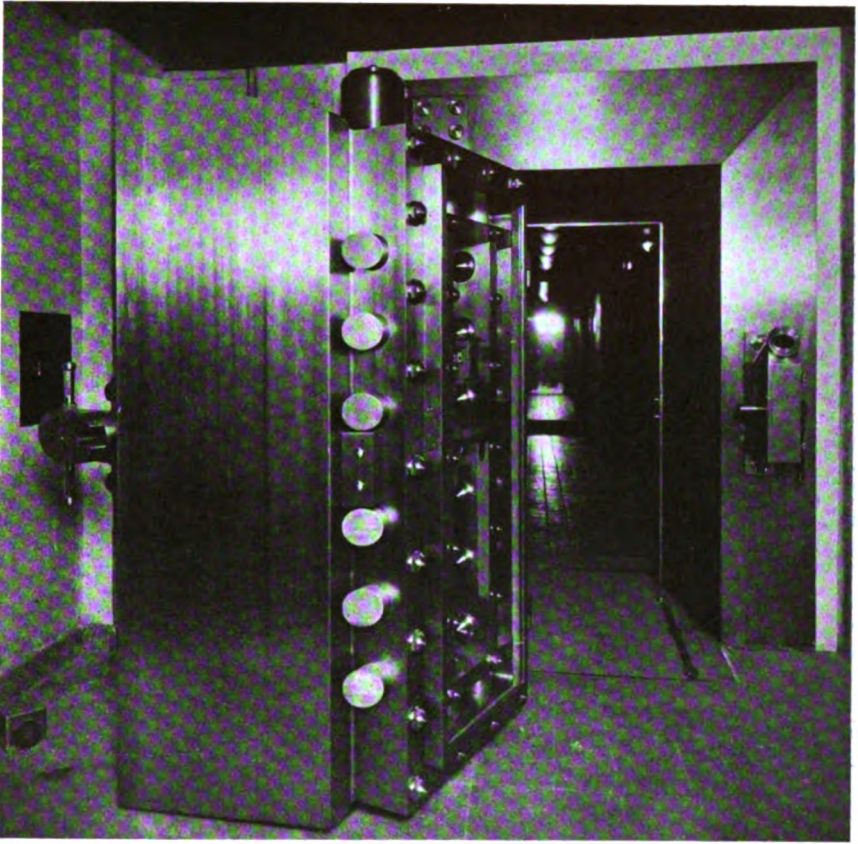
The interesting and unique type of design for the Palisade Trust and Guaranty Company, Englewood, N. J., was necessary because the old building remained standing, and the architects had to make additions to the side and rear, and also the main en-



The quarters of the American Trust Company, New York, after remodeling. The formal opening was held November 30.



Part of file room, Philadelphia National Bank, Philadelphia, Pa. Equipment by Rand Kardex Bureau



Main entrance to massive vaults of the Central Trust Company, Cincinnati, O., built and installed by the Herring-Hall-Marvin Safe Co., Hamilton, O., and New York.

trance way. The result is an unusual, but complete and uniform building.

In the case of the Newton Trust Company, a complete new front of classic Italian design, in cast stone was added to an old three story building. The interior of the banking room was also changed, as were the two office floors, without disturbing the floor levels.

These are very good examples of what it is possible to do with old buildings.



Trust Company of Larchmont's New Building Departs from Traditional Style

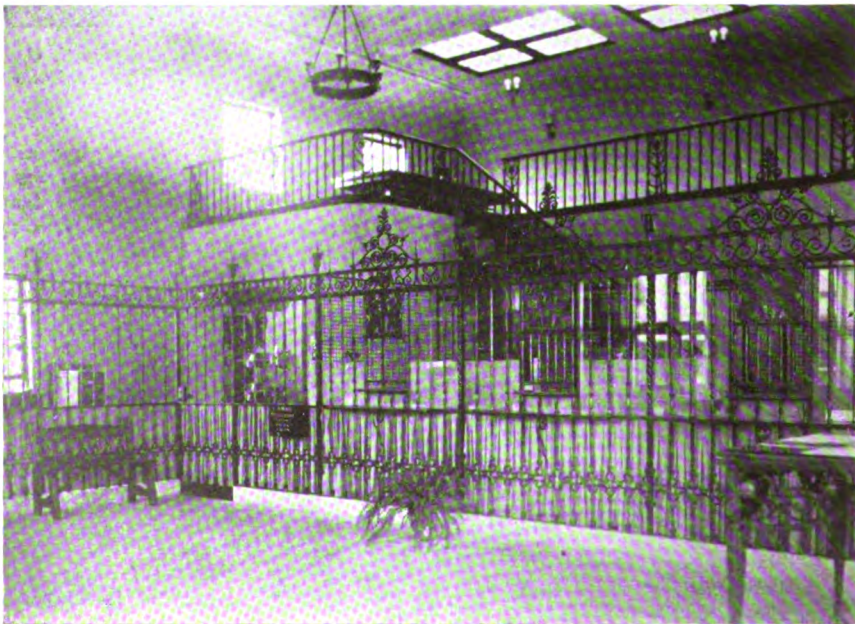
W RITING in the *Architectural Forum* recently, Alfred Hopkins, said, "A new building is the bank's best bid for

business." This is partly because a new building is indicative of stability, and partly because it attracts attention. The attention usually fades as fast as the flowers after opening day, and the building is then just "another bank." Sustained interest is worth dollars in advertising. It probably was this thought that led the directors of the Trust Company of Larchmont, N. Y., to depart from traditional "bank architecture" and adopt a style more interesting, though not less dignified for their new building. The trust company began business on December 22, 1924, and occupied small temporary quarters until the recent completion of its own building, located within a stone's throw of the railroad station, where the business center is developing.

The building is Spanish Renaissance, a style of growing popularity in this country, because of its ready adaptability to our requirements. Broad, plain wall surfaces make



An interesting departure from the traditional style of bank architecture in the new building of the Trust Company of Larchmont, Larchmont, N. Y., designed by E. D. Parmelee, architect, New Rochelle, N. Y.



The interior of the Trust Company of Larchmont's new building showing the grille with its background of blue velvet curtaining, and one of the genuine antique benches brought from Spain.



The new building of the Mechanics National Bank, Milwaukee, Wis., on the opening day. The children are waiting to get the pencil boxes given out by the bank as souvenirs.

for dignity and provide a fitting background for the ornate terra cotta entrance of true Spanish type. The street facades are very simple, enlivened by the attractive corner entrance.

The interior is no less interesting than the exterior. The public space is floored with Travertine stone and enclosed by a wrought iron screen silhouetted against plain, rough textured plaster walls. Behind and below the counter, forming a background for the grille, hangs a blue velvet curtain, back of which is a steel plate. The benches and chairs in the lobby were brought from Spain and are generations old. Blue curtaining and walnut paneling enclose the ladies' room. The check desk is of wrought iron of Spanish design, as are also the lighting fixtures.

The building was designed by E. D. Parmelee, architect, New Rochelle, N. Y.

Milwaukee's Newest Bank

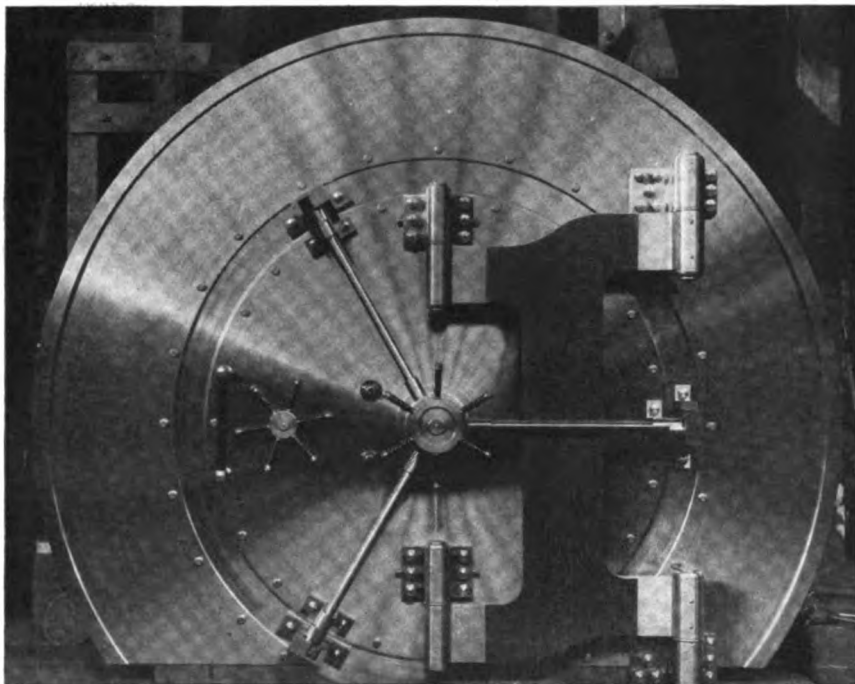
THE Mechanics National Bank of Milwaukee, Wis., the city's newest bank, opened its doors on October 31, with a reception to about 10,000 neighbors and friends. The bank, which is the thirty-sixth in the city, is located in Bay View, a rapidly growing industrial and residential district at the extreme south end of Milwaukee.

It is housed in a new \$100,000 building, a picture of which is shown above. Its capital is \$200,000, and its surplus \$50,000. Over \$80,000 in deposits was taken in on the opening day.

The officers and directors are, for the most part, men prominent in the industrial life of the community which the new bank will serve. The cashier, A. H. Lambeck, is known to large numbers of Bay View residents through his years of teaching in the South Division High School. For the past six years he has been associated with the



The very handsome mural painting of "The Italian Market" recently unveiled in the new banking room of the United Banking and Trust Company, Cleveland, Ohio. It is the work of Glenn Shaw of the faculty of the Cleveland School of Art. It stands eighteen feet high by ten feet wide, and shows the market scene in the bright colors of Southern Italy against a vivid blue sky and red roofed buildings.



The door to the vaults in the new building of the First National Bank and Trust Company, Frackville, Pa., manufactured and installed by Herring-Hall-Marvin Safe Co., Hamilton, O., and New York.

First Wisconsin National Bank, Milwaukee, Wis. H. O. Seymour, executive vice-president of the First Wisconsin National Bank, is also a director of the Mechanics National.

One of the interesting features of the opening was the special reception arranged for grade school children between the hours of ten and twelve in the morning. New pencil boxes were given out as souvenirs, and every child for miles around made his way to the new bank to get his. According to reports, it required the efforts of a special policeman and the entire reception committee to keep the eager chattering mass of youngsters right side up and moving.



First National of Frackville's New Vaults

CUSTOMERS and visitors of the First National Bank and Trust Company, Frackville, Pa., will find, on completion of this bank's new quarters, a modern banking institution with a well equipped vault installation.

The entrance to the vault, shown above, is a good example of modern bank vault design and engineering. It is well proportioned, built up of metals to resist the attack of both the oxy-acetylene torch and the drill of the burglar, and is handsomely finished in polished steel throughout. The locking mechanism of twenty-four massive steel bolts is checked by two combination locks and a time lock. The whole vault structure, including the door, is further protected by an electric burglar alarm system.

The visitor, on stepping into the vault, will find himself confronted with two carefully designed steel grille gates—the one on the left leading to the bank's security section, and the one on the right leading to the safe deposit section, the latter containing a varied assortment of boxes to meet the varying needs of customers.

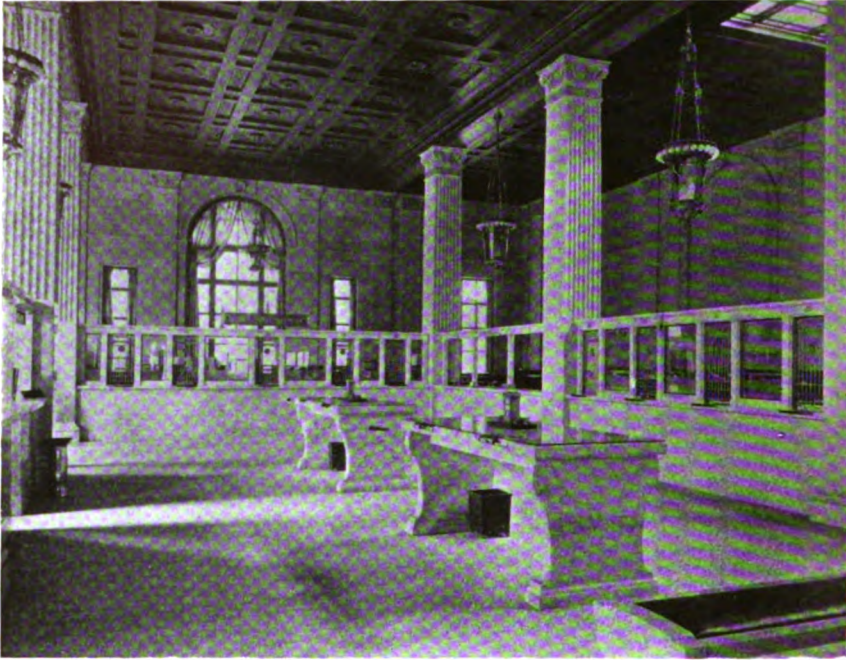
The vault was manufactured and installed by the Herring-Hall-Marvin Safe Co., Hamilton, O., and N. Y. The bank's new building was designed by, and is being erected under the supervision of Ritter & Shay, architects, Philadelphia, Pa.



The Fifth Avenue branch of the Mechanics and Metals National Bank, New York, designed and erected under the supervision of C. P. H. Gilbert, architect, New York. The building was originally built for the Lincoln Trust Company, which was absorbed by the Mechanics and Metals in 1922.



Interior of the Fifth Avenue branch of the Mechanics and Metals National Bank, New York, designed and erected under the supervision of C. P. H. Gilbert, architect, New York. The officers' space is on the balcony shown in the background. The directors' room and committee rooms are on the second floor, and additional working space and book storage room on the third floor. There are safe deposit vaults located in the basement.



Ample natural light adds cheerfulness to the banking room of the Liberty Trust and Savings Bank, Chicago, Ill. The steel casement windows were installed by the Crittall Casement Window Co., of Detroit. Weary & Alford Co., Chicago, were the architects.



Radio station KFVB, Los Angeles, Calif., owned by Warner Bros. Celotex, decorated, used for acoustical correction.

Bank Building Notes

The Thomas M. James Co., bank architects, N. Y. and Boston, are making plans for extensive alterations in the buildings of the Warren National Bank and the Warren Five Cents Savings Bank, Peabody, Mass.; also for alterations and additions to the banking rooms of the Bennington County National Bank, Bennington, Vt. At Lynn, Mass., banking rooms are being planned for the new Sagamore Trust Company, for which a building is being fitted up in connection with the Morris Plan Company.

* * *

The Lake Shore Trust and Savings Bank, Chicago, recently completed and opened enlarged quarters for its new savings and trust departments. Rows of cages line the north side of the lobby of the new savings department, where the unit teller system is employed. Each cage houses two tellers and behind each cage, work space is provided for a prover and two bookkeepers. A separate desk for opening new savings accounts is provided, and a wide counter in front of the bookkeeping department permits several depositors to get their balances checked for withdrawals at the same time. The whole

is finished with polychrome wood-work, and tinted ashler stone walls, and makes a very attractive interior.

* * *

The Bankers Trust Company, Indianapolis, Ind., has purchased the building in which it has been located since 1921, which will be known as the Bankers Trust building. The building had formerly been leased, with option to purchase, which, in view of the steadily advancing real estate values, the bank decided to exercise in order to obtain a permanent location for its business.

The company began business in 1916, with a capital of \$100,000. In June 1919 it absorbed the American Mortgage Guarantee Company, increasing its capital to \$250,000. Capital, surplus and undivided profits are now approximately \$400,000, and total resources are \$4,000,000. Howard C. Binkley is president of the Bankers Trust Company.

* * *

Herring-Hall-Marvin Safe Co., Hamilton, O., and N. Y., now are installing new vaults in the Federal-American National Bank, Washington, D. C.; in the Seventy-third street branch of the United States Mortgage and Trust Company, N. Y.; and in the Plainfield Trust Company, Plainfield, N. J.



Status of War Debt Funding to Date

WITH the settlement of the Italian debt problem the American Debt Funding Commission has reached agreements with ten nations for the repayment of obligations to this country amounting to \$7,383,134,000. These agreements call for payments for the reduction of the principal amount of the debts and in interest of \$180,282,628 in 1926, and for slightly greater sums annually for more than half a century thereafter. In all instances the debt settlements have called for complete liquidation within sixty-two years of the date the agreements become effective.

Great Britain led the way, funding her

debt of \$4,600,000,000 as of December 15, 1922. She is called upon to make by far the greatest annual repayments of any of the nations which have concluded their funding agreements and in 1926 will contribute \$160,900,000 of the total of \$174,272,628. Great Britain paid \$160,620,000 this year toward the retirement of the principal of her debt and in interest, so it is obvious the additional amount to be received in 1926 will not be large enough to play any important part in the re-adjustment downward of American domestic taxes.

Among the new contributors next year

Italy will pay only \$5,000,000, Belgium \$3,840,000 and Czechoslovakia \$3,000,000. All of the other individual repayments will be well under the \$1,000,000 mark.

Italy's debt was about half that owed by Great Britain, but Italy got off much easier where terms were concerned, because of recognition by the American Debt Commission of lack of capacity on the part of Italy to make any considerable payments for some years.

There remain nine countries which have not funded their governmental debts to the United States, but among them France is the only very large creditor nation, owing in principal and accrued interest, about \$4,210,000,000. The total amount of principal and accrued interest owned by the nine countries which have not reached agreements is \$4,640,906,885.

Government officials are hopeful that France will make further efforts to reach a funding agreement with this country within a short time but no new instructions have gone to the diplomatic representatives of the United States in France since the failure of the recent negotiations. Some observers here believe that action to reopen negotiations by France may be hastened by the success of the Italian-American negotiations.

The countries which have reached agreements with the American Debt Commission,

the total fixed for the funding of their debts, and the payments they will be called upon to make in 1926 are as follows:

Country	Funded principal	Repayments in 1926
Belgium	\$ 411,000,000	\$ 3,840,000
Czechoslovakia	115,000,000	3,000,000
Estonia	13,830,000	483,510
Finland	9,000,000	314,890
Great Britain	4,600,000,000	160,900,000
Hungary	1,939,000	67,588
Italy	2,042,000,000	5,000,000
Latvia	5,775,000	201,640
Lithuania	6,030,000	210,000
Poland	128,560,000	6,265,000
Total	\$7,383,134,000	\$180,282,628

The agreements reached by the American Debt Commission with Great Britain, Hungary, Lithuania, Poland and Finland have been approved by Congress and are effective. The tentative agreements with Italy, Belgium, Czechoslovakia, Estonia and Latvia will be placed before Congress at the next session for ratification. It is believed here that all will be approved. Great Britain has been making substantial payments for two years and small payments have also been received from one or two of the other nations.

The total indebtedness of those countries which have not funded their debts is: Armenia, \$14,959,479; Austria, \$30,550,750; France, \$4,210,556,948; Greece, \$17,625,000; Liberia, \$32,768; Nicaragua, \$110,590; Rumania, \$46,508,661; Russia, \$255,147,692; Yugoslavia, \$65,414,997.



BOOK REVIEWS AND NEW BOOKS

THE FRENCH DEBT PROBLEM. By Harold G. Moulton and Cleona Lewis. N. Y.: Macmillan. \$2.

THE elimination of complicating elements simplifies any problem. If enough of these can be excluded, the problem becomes simplicity itself, and suggests its own remedy. If the French debt problem can be disengaged from the political situation with which it is interwoven, and considered merely as an economic problem, the causes and remedies are easily perceived. This has been the method adopted by the authors of "The French Debt Problem."

Considered thus, the problem began in 1852, when the French debt began its rapid increase after the Crimean and Italian wars. The Franco-Prussian War, the financing of public works by the Government, the policy of colonial expansion, and the lack of a unified budget system were contributing factors in the increase in the French public debt from 5,516,000,000 francs in 1852 to 34,204,000,000 in 1914. The World War raised the debt to 154,392,000,000 francs and post war budget deficits were responsible for a further increase to 315,885,000,000 in 1924. This post war debt was incurred chiefly by an enormous increase in domestic borrowing, until, in 1924, the market refused to take any more bonds of the Government, and the Government had to make up its deficit by borrowing from the Bank of France. The Bank of France had finally to resort to direct inflation to supply the loans to the Government. Meantime, the war had wiped out the 38,000,000,000 francs net of accumulated foreign investments.

The acquisition of Alsace-Lorraine added greatly to the productive power of the country. The restoration of the devastated regions has been almost completed, and they may be expected to become productive very soon. But in spite of this, the budget is still unbalanced. Industrially, France is in fine shape, and "if somehow, the financial problems could be automatically wiped off the slate, the results of five years of post-war developments in France might be regarded as highly gratifying." To balance the budget would require a 40 per cent. increase in taxes, which, according to the investigators "cannot possibly be expected." "The most that can reasonably be expected in the near future from increases of present

tax rates and improved collections is perhaps 2,000,000,000 francs leaving a deficit of 10,000,000,000." Nor can expenditures be reduced by the means usually suggested. The civil employes are already underpaid, the state enterprises are showing deficits, and so cannot be sold to private enterprise, and military expenses cannot be reduced markedly. "A major operation is required; and it must be taken without an anaesthetic. The alternative is financial gangrene." The operation suggested embodies two features: (1) an arbitrary reduction of the interest payable on the entire internal debt to a flat rate of 2 per cent.; and (2) the levying of a special surtax on high incomes. This will enable the balancing of the budget and the stabilization of the franc at something like its present levels.

But the political situation in France makes it well nigh impossible to apply these remedies. The Reactionaries condemn all proposals, such as the capital levy, increase of taxes, or inflation. The Conservatives are opposed to any new taxes, advocating instead "ferocious economy," and an indefinite renewal of the floating debt. The Moderates call for a better distribution of the tax burden, and the conversion and amortization of the internal debt. The Progressivists see no chance for internal reconstruction except by reducing the interest on the public debt. The Socialists advocate a capital levy. The Communists, of course, would obtain the money to stabilize the franc and carry out their program of helping the farmers by taking the money from the banks, insurance companies and large fortunes in general.

It is this conflict of political groups in France that constitutes the real problem. None of the groups has enough power to put through any financial program, so we have the succession of ministries witnessed during this year. Meantime, the situation grows more acute.

The authors have described all this in clear and interesting fashion, in "The French Debt Problem," and have reinforced their conclusions, in most cases, with statistics. They seem, it is true, to arrive easily at the conclusion that French expenditures cannot be reduced by the usual means, without giving any statistical verification. For example, the statement that Government employes in France are already underpaid is

THE BANKERS MAGAZINE

accompanied by no figures as to the pay the employes actually get.

The description of the budgetary practices which France indulged in after the war, in order to cover up deficits is particularly interesting. So also is an economic analysis of the oft-repeated statement that "an internal debt imposes no burden." Numerous other current economic doctrines are also taken up and examined carefully. But the chief value of the book lies in the thorough way it outlines the real economic and financial situation in France, and how that situation occurred. There has been much discussion of the situation, based on nothing but impressions. "The French Debt Problem" gives the facts, and gives them in a form easily understood. It is heartily recommended.

+

SELECTIVE IMMIGRATION. By James J. Davis.

St. Paul, Minn.: Scott-Mitchell Pub. Co.
\$1.90.

MR. DAVIS is quite plainly a firm believer in selective immigration. It shows all through his book, which is not an examination of methods of selective immigration, nor the possible results to be expected therefrom, but propaganda for the idea. Witness these chapter endings: "What the Department of Labor and the Bureau of Immigration need, and what the American people need toward another step in safeguarding, preserving and actually improving the quality of our national mind is a whole hearted public support of the principle of selection of immigration." "Let us make our Oriental exclusion law really selective—selective of only those few Orientals who we know from experience are welcome here, and rigidly exclude all others." "We must strengthen the hands of those who keep guard at our gates. We must utterly stop the stream of the weak and the degenerate that trickles into our country from abroad to lower the average stamina and mentality of our nation." "We must have an immigration service that will select those who come among us on the basis of native quality, of native potential to become good Americans."

But the book is by no means given over to propaganda only. It is backed up by facts which support the thesis. Egypt, once a great nation, declined into comparative obscurity from which she has never emerged, because of unrestricted immigration mongrelizing the race. This is the danger that threatens the United States. This is illus-

trated in the figures Mr. Davis cites regarding feeble-mindedness. "According to the census of 1910, the foreign born population of the United States was 14.7 per cent. of our total population. If that foreign stock were just as good as our native with reference to insanity, it should have contributed only 14.7 per cent. of the population of our asylums. But it actually contributed 28.35 per cent." If we grant Mr. Davis' contention that "most of our facts seem to indicate that our criminal population is recruited from unsound hereditary stock," it follows that the proportion of criminals furnished by immigrants is much larger than it should be. This results in direct losses to our taxpayers, in money to maintain the institutions for the feeble-minded, and to restrain the criminals.

In addition to these serious faults of our present system, Mr. Davis maintains that selective immigration would lessen the number of deportations necessary; it would make assimilation of alien groups in our cities easier; it would raise the standard of living of immigrants; and it would eliminate instances such as cited in the book, where "immigrants whom we have admitted to the United States have been turned away from our neighbor on the north as being unfit for admission to the Dominion!"

Mr. Davis speedily disposes of the argument so often heard that we need increased immigration to keep up our labor supply, by pointing out that already many of our industries (the bituminous coal industry, to take only one) are already over-manned. Furthermore we can still introduce more labor saving machinery, and more efficient management, to make up for any supposed shortage of labor.

To supplement the system of selective immigration, Mr. Davis suggests a loosely organized "Uncle Sam's Fraternity" with every alien in the country enrolled, to provide education in citizenship. The idea is an admirable one, but the plan is very vague. It is doubtful if anything could be done with such a large unwieldy organization.

To sum up, then, Mr. Davis' book gives the impression of sketchiness rather than thoroughness. Probably this is due to the fact that the articles incorporated in the book were written for serial publication, and were gathered together into book form later.

The appendices contain a summary of immigrant legislation, the increase of population due to immigration, a digest of the

THE BANKERS MAGAZINE

quota law, and sundry other pertinent facts regarding immigration.

+

BUSINESS LETTER WRITING. By Roy Davis and Clarence H. Lingham. Boston: Ginn & Co. \$1.40.

It is to be hoped and expected that, with the number of books that are being published on business English and business correspondence, the stilted style of letters which has been so prevalent will gradually become obsolete. If not, it will not be because of lack of facilities for learning how to write.

"Business Letter Writing" is a very good example of what this kind of book should be. It discusses the theory of writing in a chapter on "Principles of Letter Writing," and then goes on to give examples and exercises in applying these principles. These exercises should make the book useful in courses in business correspondence.

All kinds of letters are considered; letters of application, buying letters, selling letters, letters of introduction and recommendation, complaints, adjustments, credits, collections, and even form letters. Even the writing and proofreading of advertisements is given some space.

It is, however, not a book for general reading, but rather for students, who will faithfully perform the exercises suggested. Primarily it is a text book.

+

OFFICIAL REPORT OF THE TWELFTH NATIONAL FOREIGN TRADE CONVENTION. N. Y.: National Foreign Trade Association. \$2.50.

THE convention, which was held at Seattle, Wash., June 24-26, had for its general subject, "Foreign trade, essential to prosperity." No attempt is made in this volume to select the material to be included. The complete stenographic report of the speeches and discussions is given verbatim. Most of the speeches are short and interesting, and easy to read. As at the bankers' conventions, so at this one, much of the most valuable information is contained in the discussions following the prepared addresses, which are also included. In the addresses, theory is discussed. In the discussions, the members get down to details and methods, and many helpful suggestions are brought out. For example, in the group session on "Foreign Credits," the members wanted to know

where to get credit information on customers in foreign countries. In answer to these questions, the work of the Foreign Credit Interchange Bureau was described. The bureau is a branch of the National Credit Men's Association, and its function is the collection and dissemination to members of credit information concerning foreign buyers. It has not been in existence very long, and seems to be too little known.

Other discussions of particular interest to bankers were "American Capital in Japan" by Grosvenor M. Jones, "American Banking and World Rehabilitation" by Henry M. Robinson (reprinted in a former issue of *THE BANKERS MAGAZINE*) and "Foreign Capital Investments in Mexico" by Hon. Baldomero A. Almada.

+

MUNDY'S EARNING POWER OF RAILROADS 1925.

Compiled and edited by Floyd W. Mundy. N. Y.: Jas. H. Oliphant & Co.

THE twentieth edition of this handy volume of statistics on railroads. It contains the usual chapters of discussion on the analysis of railroad reports, revised up to date, a discussion of the Transportation Act of 1920, the tentative plan of the Interstate Commerce Commission for consolidation of the railroads, and the valuations of the railroads completed to date of publication, as well as notes on the history, reorganization, capitalization, etc., of the railroads included. It is one of the most convenient reference books on railroads published, and is so well known as to need no further recommendation.

+

SPECIAL LIBRARIES DIRECTORY (2d edition)

Compiled by May Wilson. Edited by Rebecca B. Rankin. N. Y.: Special Libraries Association. \$4.00

MARKED progress in the development of financial library service for business men is shown in this report. About sixty well-equipped financial libraries are enumerated, and in addition to these, there are many more special libraries dealing with accounting, banking, business economics, corporations, credit, insurance, investments, statistics, taxation and public finance.

The directory describes American special libraries, and lists them according to general subject covered. It reveals a wealth of specialized information sources on every subject from advertising to acoustics; from

THE BANKERS MAGAZINE

banks to bibliography; from debts to dur-alumin; from earthquakes to eugenics; etc. Ready reference is facilitated by means of title, subject, and geographic indexes. John Cotton Dana, librarian of the Newark Free Public Library, Newark, N. J., contributes an interesting introduction.



Notes

The United States Mortgage and Trust Company, New York, has published its twenty-third edition of "Trust Companies of the United States" giving the statements of practically all the trust companies. This year's volume shows total trust company resources at \$18,145,675,000, an increase of well over \$2,000,000,000 over last year.



Edel Edward Seebach, a student in the Library School of the University of Wisconsin has compiled a selected bibliography on branch banking, giving all the discussions on branch banking in California, Indiana, Kentucky, Michigan, Missouri, North Carolina, Ohio, and Canada. It also gathers together what has been written on branch banking as a nation-wide policy, and a considerable number of articles on foreign branch banking. The copy received in this office was merely a carbon copy of the original manuscript. It is to be hoped, however, that this will be published, and made available, for the branch banking issue is by no means settled, and sources of information on it are desirable, so that it may be decided after consideration of all the factors involved.



Books Received

- PRACTICAL BANKING. By Gerald W. Jamieson. N. Y.: McGraw-Hill. \$2.00.
- THE FOREIGN EXCHANGE MARKET. By Hugh F. R. Miller. N. Y.: Longmans, Green. \$3.20.
- INTEREST RATES AND STOCK SPECULATION. By Richard N. Owens and Charles O. Hardy. N. Y.: Macmillan. \$2.00.
- AMERICA AND GERMANY 1918-1925. By Sidney Brooks. N. Y.: Macmillan. \$1.50.
- A SHORT HISTORY OF AMERICAN RAILWAYS. By Slason Thompson. N. Y.: Appleton. \$2.00.

CREDIT ANALYSIS. By W. C. Schluter. N. Y.: Prentice-Hall. \$5.00

ANALYSIS OF FINANCIAL STATEMENTS. By Harry G. Guthmann. N. Y.: Prentice-Hall. \$5.00.

THE UNITED STATES SENATE AND THE INTERNATIONAL COURT. By Frances Kellor and Antonia Hatvany. N. Y.: Thomas Seltzer. \$2.00.

TRUST DEPARTMENTS IN BANKS AND TRUST COMPANIES. By Clay Herrick. N. Y.: McGraw-Hill. \$4.00.



Other New Books

COMMERCE YEARBOOK 1924. Washington: U. S. Department of Commerce. \$1.00.

SALESMANSHIP APPLIED. By Paul W. Ivey. Chicago: A. W. Shaw Co. \$5.00.

NEW POLISH LAW OF NEGOTIABLE INSTRUMENTS. By M. B. Carroll. Washington: Government Printing Office.

ELEMENTARY STATISTICAL METHODS. By William G. Sutcliffe. N. Y.: McGraw-Hill. \$3.00.

AN ECONOMIC HISTORY OF RUSSIA (2 vols.) By James Mavor. N. Y.: Dutton. \$15.00.

MUNICIPAL BUDGET MAKING. By R. Emmett Taylor. N. Y.: University of Chicago Press. \$2.50.

ESSAYS IN TAXATION. (tenth revised edition) By E. R. A. Seligman. N. Y.: Macmillan. \$4.00.

MONETARY STABILITY. By J. R. Bellerby. N. Y.: Macmillan. \$2.50.

THE RUHR-LORRAINE INDUSTRIAL PROBLEM. By Guy Greer. N. Y.: Macmillan. \$2.50.

SMITH'S ARITHMETIC OF BUSINESS. By O. S. Smith. Chicago: Lyons & Carnahan. \$1.48.

Are you interested in
banking books?

If so send us your name
and address and we will
send you announcements of
new books as usual.

The Bankers Publishing Co.
71 Murray St., New York

PAPER

**“How can I
protect my checks
against fraud?”**

Thousands of banks have answered this question for their depositors by furnishing them with checks on National Safety Paper.

In Chicago, Philadelphia, Detroit, San Francisco, Toronto—in financial centers everywhere—the majority of banks and trust companies use this form of check protection.

Any attempt to alter a check on National Safety Paper is instantly exposed by a glaring white spot; instant proof that the check has been tampered with.

Ask your stationer, printer or lithographer.


George La Monte & Son

FOUNDED 1871

61 Broadway, New York



BANK of the MANHATTAN COMPANY

CHARTERED  1799

40 WALL STREET, *New York City*

UNION SQUARE OFFICE:
Broadway at 16th St.

MADISON AVENUE OFFICE:
Madison Ave. at 43rd St.

*30 offices conveniently located throughout the Boroughs of
Queens and Brooklyn*

STEPHEN BAKER, *Pres.*

RAYMOND E. JONES, *First Vice-Pres.*

Capital, Surplus and Undivided Profits over \$23,000,000.00

Total Resources \$285,000,000.00

ESTABLISHED 1871

The Dominion Bank

Head Office, *Toronto, Canada*

A. W. AUSTIN, *President*

C. A. BOGERT, *Vice-Pres. & Gen. Mgr.*

C. S. BLACKWELL, *Chairman of the Board*

With branches and correspondents throughout
Canada this bank is fully equipped to handle
your Canadian business.

London, Eng., Branch
73 Cornhill, E. C.

New York Agency
35 Wall Street

GIRARD AND THE FUTURE



STEPHEN GIRARD'S concern for his fellow men and his interest in their problems and needs did not die with him. He painstakingly arranged that the benevolences which had claimed his interest in life should not suffer interruption by his passing. Among other bequests, his will provided for a substantial sum to be expended annually for the improvement of the river front and port of Philadelphia, a project which had always been close to his heart.

A kindred spirit animates this bank. Transcending the span of individual lives, it has continued without interruption since Girard's day to serve the larger needs of its fellow men, a record of permanence worth considering when you select a Philadelphia correspondent.

THE GIRARD NATIONAL BANK

PHILADELPHIA

**RETURN TO the circulation desk of any
University of California Library**

or to the

NORTHERN REGIONAL LIBRARY FACILITY

University of California

Richmond Field Station, Bldg. 400

1301 South 46th Street, Richmond, CA 94804-4698

ALL BOOKS MAY BE RECALLED AFTER 7 DAYS

To renew or recharge your library materials, you may
contact NRLF 4 days prior to due date at (510) 642-6233

DUE AS STAMPED BELOW

SEP 25 2010

DD20 10M 7-08

UNIVERSITY OF CALIFORNIA