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THE BANKERS' MAGAZINE

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FIFTY-SEVENTH YEAR. JANUARY, 1903. VOLUME LXVI, No. 1.

PLANS FOR CURRENCY ELASTICITY almost invariably start with the assumption that what is required to make the currency more elastic is to make it easier to issue bank notes. The demand for asset currency, emergency circulation, and other disguised forms of credit issues, all proceed upon this theory. More money, plenty of it, seems to be the general cry.

That a more flexible system of currency is desirable is too well demonstrated by experience to require argument, but before there is any expansion of our credit structure it might at least be well to examine the foundations and see if they are as strong as they should be.

First, if we are to have an asset currency, it ought to be made redeemable in gold. It seems to be overlooked that one important element of elasticity—contraction—may be assured by requiring gold redemption; and under a proper system of redemption the excess of notes would be retired quite as effectually and at a smaller cost than by a tax of five or ten per cent. Of course any tax large enough to force the retirement of an emergency circulation will be a considerable burden on the business interests of the country, and it will make the notes unnecessarily costly. In fact, it is doubtful if legitimate undertakings could afford to make use of such an expensive instrument as a credit currency loaded with a special tax of, say, six per cent. For such a currency would only be issued when interest rates were already high, and to put on an additional six per cent. would render an emergency circulation useless for ordinary business transactions, though it might help the stock boomers accustomed to paying exorbitant rates at certain seasons of the year. But the primary demand for enlarging the currency is supposed to originate in the necessity of supplying more money for moving the crops. To put a tax of six per cent. on the emergency notes—the tax being in addition to the normal interest rate, which is upwards of six per cent.—would render the notes practically useless at the start for crop-moving purposes.

The fact is that our currency is non-elastic because the string has been pulled too far in one direction. It is like a bow bent so much that its spring is destroyed. The legal-tenders are fixed in volume by statute; there is expansion in the quantity of silver money, but contraction is impossible; the volume of National bank notes is now at the highest point ever reached, and there is not at any time a rapid commercial redemption of the notes, besides the amount that may be retired in any one month is limited by law. The only real elastic elements in the circulation are the gold coin and certificates; but contraction even of the gold supply is chiefly dependent upon international trade movements rather than domestic requirements. The only possible method of substantially correcting a redundant condition of the currency is by exporting gold, thus weakening our credit structure by diminishing its base instead of strengthening it by reducing the dimensions of the superstructure.

As a preliminary to any well-digested measure of currency reform the gold basis should be established in fact as well as in law. The greenbacks, to the extent of the $150,000,000 gold reserve in the Treasury, should be converted into gold certificates. This would not make any change in the volume of money. Then the $80,000,000 and upwards of free gold should be applied to a further reduction of legal tenders. Though this would reduce the available cash balance by that amount, and would also result in contraction to that extent, the large balance in the Treasury renders the first consideration nugatory, while an amount equal to the legal tenders cancelled would doubtless soon be supplied by modifications in the system of bank-note issues. The remaining legal tenders—not a very large amount—could be gradually retired from the surplus revenues, or by an issue of bonds. With the greenbacks out of the way, there would be no legal-tender paper money; but if it is thought desirable to have such a form of money, the gold certificates could be made a legal tender, except by the Government, thus making them similar to Bank of England notes.

Whether the present volume of currency is redundant or not is a point that need not be determined, although there are many who believe that the high prices generally prevailing are partly due to an inflation of the supply of money. Any plan for currency reform will be vitally defective that does not provide for compulsory retirement, by means of gold redemption, of the excess of bank notes that may be issued at any time. How this is to be accomplished with the present large volume of legal tenders and silver certificates in existence, it is not altogether easy to say. If Congress were disposed to consider the matter, the legal tenders could be disposed of without much difficulty; but the silver dollar is the apparently irreducible element in the problem.

EFFECTUAL MEANS OF REDEMPTION must be provided if a genuine bank-note currency is to take the place of the present system of Government currency. Under the State banking systems, that furnished a bank currency with more or less success, the machinery for retiring the notes had as much to do with the success of the currency as any other feature regulated by law or custom. As a general thing the redemption of the notes of the State banks was accomplished by private enterprise. There were few, if any, provisions under the State banking laws for the systematic redemption of the notes of the banks organized under them. It was understood that part of a bank's business was to issue notes and to redeem them when presented at its counter. But there were no legal provisions restricting the use of the notes by other banks or confining their circulation to particular districts. The whole business of compelling issuing banks to redeem their notes was in the hands of brokers who, in each locality, gathered up notes which had their origin at a distance and forced them back to the bank from which they emanated. The Suffolk Bank in Boston, and the Redemption Bank in New York city, were larger developments of the business of the private brokers. It was this force, gradually organized as the issues of State banks increased in all parts of the country, that was by degrees creating a balance-wheel to the system of free bank issues under State law, which in time would probably have reduced the dangers of dishonest and extravagant use of notes by banks to a minimum. What the Suffolk banking system accomplished in New England would perhaps have been realized by the gradual consolidation of note brokers' offices throughout the country. The inauguration of the National banking system and the repression of State bank issues by the ten per cent. tax put a stop to the further progress toward a satisfactory maturity of the State bank system.

It is hardly worth while to speculate what might have been the result had the State banks, which held the entire banking field prior to 1863, been free to follow their natural line of development. The system was in an imperfect state when it was cut off. The memory we have of it dwells largely on the imperfections which were just beginning to be corrected. From the satisfactory reports which were beginning to come from many sections and States, it is not perhaps too favorable a view to hold that if the old State bank systems had been let alone, they would by this time have developed into a system of banking as well suited to the United States as any of the foreign systems which are so much praised are suited to their peculiar localities.

That the State bank issues possessed many advantages in elasticity and adaptibility to local banking necessities which are lacking in the National bank notes, cannot be denied. That they were not as secure as the National bank notes will be admitted. But it is very probable that had they been permitted to develop under favorable conditions, the natural laws of business would have evolved methods of law and custom which would have secured the safety and retained the elasticity.

The National bank note is based on an extremely artificial principle, which secures safety beyond a peradventure, but which neglects and ignores some of the most important considerations making a bank circulation profitable and useful either to the banks or the public. The circulation of the old State banks was so devised that any form of wealth and capital might have its due share in becoming the occasion and the basis of the note issues. The circulation of the National banks is based on one particular class of capital, which forms but a small proportion of the whole wealth and capital of the country.

The deficiency in the power of banks permitted to issue bank notes based on United States bonds to provide the facilities which the banks of a country should provide, has become so patent that the demands are becoming frequent to return to some modification of the old State bank-note system. The fact that the National bank note wherever issued is based on the security of the indebtedness of the United States gives to it a uniform character and value that it will be difficult to obtain in notes issued by banks in differt parts of the country based on general assets.

The banks may all be organized, as are the National banks, under one uniform law, but it is beyond the power of law to make the credit of every bank alike in public esteem, or the assets and wealth of one part of the country equal as a basis of circulation for the whole country to that of every other part. When the National banks are permitted to issue notes on the security of their general assets there will necessarily arise a different valuation of the notes of different banks. The holder of a note based on United States bonds deposited in Washington does not inquire by what bank it was issued, but the holder of a note based on the general assets of some particular National bank will be likely to take into consideration the locality and peculiar condition of that bank, and perhaps make distinctions between one bank note and another, for reasons growing out of what he regards as differences in the place and character of assets. With a safety fund such as has been frequently suggested, these differences in the credit of notes of National banks will probably be reduced to a minimum, but they will exist to some extent nevertheless. But these differences of credit of notes growing out of locality, etc., are the very best guarantees of an active redemption of the notes, and this redemption is one of the essential features of an elastic note circulation. The provision, by which it is sought to force redemption, that no bank is to be permitted to pay out any notes but its own, would, when there is a restriction of note issues to a moderate percentage of capital, bring about undue contraction and prevent the banks from supplying the necessary currency when it was needed. Under such a provision a large part of the note currency would be in course of transportation from the last bank that received it to the bank of issue. It is to be feared that the proportion available for use in business would be a very small one. Fancy each of three or four thousand banks gathering up the notes of all the others and sending them for redemption. This would shortly become the chief end of the banking system and the public would find it hard to obtain currency. If there was no limit on the issues of each bank except the local demand, then the prohibition against paying out any but its own notes would be a more reasonable precaution to insure redemption.

The proposition to divide the United States into districts, the banks within each district being forbidden to pay out the notes of banks outside of their district, is a modification of the previously mentioned plan. If these districts can be marked out with a due regard to the natural flow of business the effect will perhaps be satisfactory. The natural tendency will be for all notes to flow to the present money centres, and the heaviest labor of sorting the notes and sending them for redemption will fall upon these centres. There cannot fail to arise great inequalities of redemption and in the time which banks in different localities find their notes remain outstanding. This may make some localities less desirable than others for banking purposes, and tend to interfere with the extension of banking facilities. But the exact effect of so radical a restriction on the use of notes of other banks by banks cannot be easily foreseen. If State banks are not restricted in this respect and National banks are restricted, there will be some advantage to the former. If the banks in the great money centres of the country, both National and State, were forbidden to pay out the notes of country banks, this without any other restriction would probably insure a sufficient redemption of notes to repress undue inflation without any restriction on the country banks. This would tend to establish agencies at the financial centres where country notes could be cleared without the use of any great amount of specie.

In establishing any redemption districts stress should be laid more on the natural lines established by the flow of currency in business than on geographical lines. In this respect the banking statistics of the country are open to criticism. Thus it is often of less importance to know just how many banks there may be within a given State or city with their resources and liabilities, than to know from what quarters of the country some of the great central banks draw their resources. The banks of a given geographical territory may have very little business affiliation, and be in no position to support each other, although their united statistics may be of great interest as showing the resources of that territory as a basis of taxation. But from a purely business standpoint it would be more interesting to know the united resources of some great bank at a financial centre, combined with those of its correspondents and tributary banks. If statistics were made up showing each of the leading banks at the great money centres, with their correspondent banks in every part of the United States, the real course of trade and business would be much more clearly shown than it now is by the purely geographical statistics that are now available. Whether such a grouping would show all that is suggested or not it would probably indicate the best lines on which a system of redemption could be conducted if Congress should authorize a bank-note currency based on general assets, and deem it necessary to prevent inflation and secure elasticity by a rapid and spontaneous return of surplus notes to the issuing banks for redemption.

THE PRICE OF SILVER seems to continue to fall, and even Mexico, the last stronghold of silver as standard money, is now seriously talking of changing to the gold standard. The Mexican dollar is at present worth about forty cents in gold, with a prospect of further decrease, and the standard silver dollar is now worth intrinsically as bullion but a trifle over one-third of a dollar. Silver will continue to be used as subsidiary or token coinage, but even for this purpose its employment will tend to diminish. When a nation has on hand, in silver coins, a large quantity of silver which it is bound to eventually redeem in gold, it might be a deterrent to counterfeiters to put a larger amount of silver into the minor silver coins.

The whole amount of silver dollars, subsidiary coinage and silver bullion now in the Treasury, rated at its coinage value, amounts to $670,133,145. Its real bullion value in gold is not much over one-third of this, or $223,377,715. As the United States will some time have to redeem the silver dollars and other silver coins in gold, the depreciation going on represents a progressive loss, the full extent of which is a matter of speculation.

It seems, with all the tendencies of the times toward less and less use of money in proportion to credit machinery by mercantile nations, that it will be impossible for silver to recover its place as a precious metal. With its greater use in the arts, on account of its cheapness, the price may be sustained at or near its present figure for some time. It is yet too soon to compare it with copper, the metal which was dismissed previously from monetary competition. When it comes to be measured by avoirdupois weight silver yet looms a great way ahead of copper. At fifty cents an ounce it is worth eight dollars a pound, and this price as yet precludes its use for trolley wire, even if it were a better conductor of electricity.

BANKING CONSOLIDATION continues to be the order of the day, both in this country and England. The latest development of this sort in New York finance is a combination of banking and insurance interests which in the magnitude of the capital involved rivals the Steel Corporation. The men who control the Morton Trust Company—LEVI P. MORTON, WILLIAM C. WHITNEY, THOMAS F. RYAN, and their associates—have done much within the last few years to revolutionize financial enterprise in New York, and have put that company among the foremost of the city. Their latest movement is the absorption of the Western National Bank by the National Bank of the United States under the name of the Western National Bank of the United States. The project goes beyond anything heretofore done in banking consolidation in this country, because it brings into combination with these banking interests two of the three large insurance companies in the city—the Mutual and the Equitable.

The insurance companies exercise a quiet but great power in banking circles, because of the large amounts of money constantly pouring into their hands in the form of premiums, and the necessity of finding safe investments for the funds which they hold in trust for their policy holders. Many forms of insurance, especially endowment policies payable at maturity, are substantially a form of banking. They impose upon the heads of the insurance companies the most serious responsibilities in determining upon the character of their investments and in dealing with their funds. The control of banks and trust companies by insurance companies is not altogether new, since it is no secret that several New York trust companies are the almost exclusive property of the big insurance companies. The combination which has resulted in the fusion of the Western National Bank and the National Bank of the United States brings into public view the co operation of the two insurance companies which take part by the appointment of their officers, President MCCURDY, of the Mutual, and Vice-President HYDE, of the Equitable, as Vice-Presidents of the new bank.

The formation of a bank with a capital of $10,000,000, with resources behind it which easily reach a thousand million, will give a unity and solidity to banking enterprise in New York which will aid greatly in extending the financial power of the city. The United States is becoming in nearly all fields a serious competitor of the European countries, and successful competition in industry must necessarily be supported by a corresponding organization of banking. The tendency towards consolidation among the smaller National banks of the country has made such progress that Comptroller RIDGELY in his last annual report recommended a special act to permit such consolidation without the liquidation of the banks. He declared that "the consolidation of business interests, in general, throughout the country has had its counterpart in the banking business, as evidenced by liquidations of National banks during the past year for consolidation either with institutions of the same class or State banks or trust companies."

It appears that in the entire country forty-six National banks within the past year were absorbed by other National banks, and eleven by State banks or trust companies. All of the National banks which were liquidated in New York, Chicago, St. Louis, Boston, Baltimore, Cleveland and Detroit were absorbed by other National banks. It is probable that this process is far from having come to an end, but the consolidation of the National Bank of the United States with the Western National Bank, under the management of the large financial interests which have been set forth, is scarcely likely to be surpassed in importance for some time to come.

THE FRIENDS OF CURRENCY REFORM are making a laudable effort to attract the interest of the Senate and House of Representatives to the imperfections of our present monetary system, notwithstanding the difficulty of securing legislation at the short session of Congress.

The frequent ups and downs of the money market during the last ten months have been an object lesson of the most vivid character. The expansion of trade, both domestic and foreign, and the augmentation of the opportunities for speculation have shown up the weak points of the financial laws of the country. Half the battle of currency reform will have been fought when public opinion begins to realize that our banking system is not perfect. That such a public opinion is now forming is evident from the more liberal attitude of the local newspapers throughout the country. The country newspapers have not perhaps opposed financial reform, but they have hitherto failed to realize what an important factor in that reform was the remodelling of the circulation feature of the National banking system. It has been very difficult to overcome a deep-seated and unreasonable prejudice against banks, which seemed to suspect every proposition to utilize banking facilities to assist Government finance and maintain business prosperity as a mere grant of undeserved favor to the banks themselves.

The public are beginning to realize the impossibility of a system of currency, which can successfully supply the necessities of modern business, that does not include currency based on bank credit. A Government currency has been tried for nearly forty years, and its defects are being gradually discovered. During this whole period there have been frequent recurrences of panics in the money market, and of periods of high rates for money, which, although they did not produce panic, yet entailed severe losses on the business of the United States. There were other defects in the monetary laws, and until the coinage of silver was stopped and the gold standard definitely adopted, it was impossible to prove that Government and inelastic bank notes were the chief cause of the eccentricities of the money markets. But as one defect after another has been eliminated and the trouble still continues, it becomes plain that the lack of an elastic bank currency is a much more serious defect than people have thought.

The time seems therefore more auspicious than ever for the urging of currency reforms upon Congress. Nevertheless, it is to be feared that nothing will be accomplished at the present session, because of the multitude of questions that are pending, which now have a greater political interest than that of the currency. The short period of two months, which is the practical length of the short session, gives little enough time for the consideration of the important questions that absolutely demand settlement of some kind. The separation of monetary and economic questions from mere political issues will no doubt be more observed in the future, but it will still be a long time before a monetary question will be treated from a purely business standpoint. The House at the present session may perhaps pass a banking bill, but it is almost hopeless to expect as much of the Senate, and it is in the latter that both the friends and opponents of any measure expect the final struggle.

THE YEAR 1903 opens under favorable conditions. Although there is an indication that the foreign trade of the country—or, more properly, the export trade—is diminishing, the situation of domestic commerce and industry is generally prosperous; and the exports are still large, although considerably less than the high average of the recent record-breaking years.

It would seem that the financial markets are no longer able to absorb all the securities offered, and, in consequence, the output of industrial and other stocks and bonds has fallen off very notably in the past few months. Many of the huge corporations recently organized appear to be settling down into a state of comfortable prosperity. Few or none of the dismal forebodings that were made as to the effect of industrial consolidation have been realized. The United States Steel Corporation, which is the most heavily capitalized company in existence, enters upon the present year by announcing a plan for profit sharing with its officers and employees. It is probable that the recognition of the principle of profit-sharing by such a large corporation will be imitated by many smaller concerns.

Throughout the country people are so absorbed in business that there is but little interest in political affairs, and at present there is no question in sight whose settlement is likely to distract the public attention from the present intense application to business.

Banking has received a fair reward in the year that closed last month, and the outlook for 1903 promises a continuance of satisfactory earnings. There is a hopeful feeling that in the near future the rigid restrictions of the note-issuing privilege will be relaxed and that the banks will be permitted to issue their notes at a fair profit, and also to provide better facilities for transacting the expanding business of the country.

FREE TRANSMISSION OF FUNDS is accomplished in several Europropean countries by the great central banks. From the annual report of the Bank of Belgium for the year 1901 it appears that during that year the Bank issued 435,208 checks, payable to order, of the value of over $270,000,000. Checks to order, of a minimum of fifty francs ($10), are supplied free of charge to the public at all the offices of the Bank and payable the next day after issue at all the offices of the Bank in Brussels, Antwerp and at thirty-nine country offices. A somewhat similar system prevails in Germany and other countries of Continental Europe.

The underlying idea in rendering this service, apparently for nothing, seems to be that the more the use of checks can be extended the more money will flow into the banks. It is not inconceivable, also, that a direct profit may be derived from the operation, as the Bank probably has the use of the funds deposited to meet the drafts for some days on an average.

The competition of the express companies in furnishing exchange is often complained of by the American banks, but if they would adopt the practice of the Belgian institution and supply drafts free, this subject would no longer occupy the large importance it now holds at nearly every convention of bankers. If this were done the objection would be raised by some that it is rendering a service for nothing. But if it should be found that in performing this apparently gratuitous service the banks greatly enlarged the number and volume of their deposit accounts, this objection would be without force. The country check problem would also largely disappear if country merchants could get exchange without cost. Belgium is a small country and banking transactions are much concentrated, and it does not seem probable that it would be practicable to adopt the custom of the Bank of Belgium in so large a country as the United States, where the business is scattered among so many institutions. But it would seem that some of the regulations recently put in force in this country are based upon the theory that banking instruments—out of-town checks particularly—should be restricted as much as possible or their use entirely prohibited. In several cities charges have been imposed upon such checks with a view to abating their employment. It would appear that the Bank of Belgium and other European banks regard it as the true banking policy to foster the use of banking instruments for transmitting funds, and thus bring into the banks a large amount of money that would otherwise go into other channels.

There are frequent deliberations among business men in New York as to measures necessary to arrest the decline in the city's commerce. Possibly such petty annoyances as the charge on country checks do not help the city's trade any. The action of the clearing-house in imposing this charge will probably lead to the proper settlement of the matter ultimately. The direct profits derived from such charges will be dearly bought if they tend to hamper the city's commerce or render the New York banks more or less unpopular in other parts of the country. Unfortunately, the action of the clearing-house has already had some effect in this latter direction.

THE PRICES FOR AMERICAN COMMODITIES, which are the consequence of the activity which has prevailed in all branches of industry, have reached such a high level that people are beginning to wonder how soon the contrary tendency will set in. It is more or less true that the period of overproduction and stagnation following the panic of 1893 was the cause which led to the great exploitation of foreign markets that has been the feature of the last five or six years. The inactivity of the domestic market, owing to lack of confidence, and the desire to retrench and economize, resulted in what at first appeared to be a great sacrifice sale in foreign markets of the goods that could find no purchasers at home. Foreign producers and manufacturers were undersold on their own ground, and the consumers abroad had the opportunity of judging of the quality of American commodities that they never had on such a scale before. That as to quality these goods have generally stood the test of comparison with the goods of foreign manufacture seems to be admitted, but whether they can maintain themselves at a higher level of prices than that which favored their introduction is yet to be seen.

In clearing our glutted markets of the stocks that after the financial breakdown of 1893 lay like an indigestible mass in the domestic markets, the combinations and trusts bore a great part. It would have been next to impossible for isolated manufacturers, in competition with each other, to have found the means to have forced an entry into foreign markets. That many individuals and corporations were saved from absolute bankruptcy by the bold ideas of those who promoted these combinations, is probably beyond dispute. Not only those who entered into these combinations were benefited but also those who did not. When the operation of disposing of the accumulations rejected by the domestic market approached completion, manufactures and production of raw materials for manufacture began to revive, and the influence was felt by all the collateral branches of industry that are concerned with exchange and transportation. With the universal revival of industry, domestic consumption increased, and prices began to strengthen.

Compared with the home market the foreign market is small, but its importance cannot be ignored, and should not be underestimated. Properly understood and cared for foreign commerce is the regulator and safety-valve of the home market. The builders of machines for navigating the air depend for flotation in that variable element upon balloons filled with a lighter gas, but as this gas shrinks and expands with slight changes of temperature, they find it necessary to have a smaller balloon inside the other, into which air may be pumped when the gas shrinks, and so prevent the outer balloon from collapsing. When the gas expands the air of the inner balloon is expelled, and thus the main balloon is constantly maintained at an average pressure. Foreign commerce bears an analogous relation to domestic trade. When prices shrink at home, the foreign market begins to take the goods, until home prices begin to revive. A nation that desires to maintain an advantage in foreign commerce must maintain its home prices at a non-competitive level.

It is probable, therefore, that the unexampled increase in the export of American manufactures during the last half dozen years, due as it has been to the preceding break-down in domestic prices, will be in danger of a severe retrograde movement, if prices in the domestic markets are forced to too high a level. If the wisdom and ability shown by the promoters of great industrial combinations in finding in foreign countries an outlet for the excess of domestic goods produced under the competitive system which they superseded, is not thrown aside, now that domestic consumption has become the most important factor, these great combinations will recognize the danger of forcing home prices to any extraordinary level. It is this consideration that is commencing to cause some apprehension at the prices that now prevail.

If our foreign commerce is to be a steady and growing adjunct to the prosperity of the country and not a thing of spasmodic advances followed by periodical exhaustion, there must be moderation in dealing with the domestic consumer. In the long run it cannot be considered an ideal condition for a nation to be and to feel alternately for comparatively short intervals very rich and very poor. That domestic prices for goods may legitimately be somewhat higher than the prices of those goods when exported, is recognized as the effect of the taxation required for protection of home industries and for the raising of Government revenue. The raising of revenue cannot be obviated and there are great differences of opinion as to the policy of maintaining protection duties.

The United States has within the last decade assumed an importance as an exporting nation unprecedented in her history, and has entered into competition with nations of greater experience in dealing with outside markets. The circumstances leading to this great growth as an exporting nation have been somewhat exceptional. If in order to maintain the stand taken by American goods in foreign markets periodical collapses of the domestic market are necessary, it seems like the amusing notion ascribed to the Chinese, when roast pig was first discovered, that it was necessary to burn one's house to secure the desired viand.

The taste of foreign trade which has been accorded by the collapse of the domestic markets in 1893–94 can be gratified in the future without causing a similar crisis in the domestic markets, but it will require wisdom and moderation in the promoters and controllers of the great industries of the country. The Government alone cannot avert danger by mere changes in the tariff laws, although some changes may be necessary. But whatever the tariff laws, greed and a reckless strife for control will, by unwise exploitation, be sure sooner or later to injure and perhaps temporarily destroy the elastic vigor of our domestic markets.

A VERY INTERESTING AMENDMENT to the constitution of the American Bankers' Association was adopted at the convention at New Orleans. Ex-presidents of the association are by this amendment made ex-officio members of the executive council. When the council was first adopted as the governing body of the association it consisted of nine members. The number was subsequently increased from time to time until it now stands at thirty, one-third elected each year. Of these ten annually elected, five are nominated by the American Bankers' Association at large and five by the delegates to the American Bankers' Association acting in behalf of the State bankers' associations of which they are also members. In addition to the thirty elected members of the council, the president and first vice-president of the association are ex-officio members, the whole council previous to this new amendment thus numbering thirty-two. There are now thirteen living ex-presidents of the association and these bring the number of the council up to forty-five.

The association has been in existence twenty-eight years. The term of the president is for one year. Until 1889 gentlemen were elected for more than one term, but in that year an amendment to the constitution prohibited such re-election. Up to 1890 seven gentlemen had filled the office. Of these three are still living. Since 1890 there has been a different candidate elected each year and of these ten are still living. The ex-presidents now compose nearly one-third of the council, and in the course of a few years it is very possible they will form a majority. The council as a working body will thus practically be composed at all times of the same men. What will be the practical effect of this amendment making ex-presidents life members of the council? The association, whatever its other defects, has as a rule elected to the presidency men who have shown decided ability in advancing its interests. Complaints have been made from time to time that the executive council has shown too much conservatism, and by star-chamber methods repressed the plain wishes of the delegates to the conventions. But it is very doubtful whether there is any real ground for these complaints. The growth of the association during the last decade has been due to measures inaugurated and pushed forward by the council. New and plausible projects are frequently suggested at the conventions, which at the time arouse the enthusiasm of the delegates. Many of these projects will not bear the test of experience, and it is better to repress the first thought of the delegates and await the second sober thought of the executive council. It is believed that the continuance for life in the council of those who have served as president, will confer upon the association the great advantage of having for its controlling advisers men who are widely known and whose experience will point out the right policy under all circumstances. The admission of ex-presidents as life members to the council also increases the desirability of the presidential office, and will make it sought for by the most distinguished bankers of the country.

IS THE MEXICAN DOLLAR PLAYED OUT?

Though not one of the great countries of the world Mexico is one of the most interesting. It has cut a figure in American history and is to-day a curious blend of the old world and the new. In its darkest hour it has always had some sign of surviving grace; some saving virtue to redeem it from anarchy and revolution. One of these beneficent survivals is its currency, which has been exceptionally honest and up to a recent period comparatively stable.

The Mexican dollar is one of the historical moneys of the world. It has few rivals either in age or in area of circulation. Before a British sovereign had been minted Mexican dollars were crossing the Pacific to the Philippines and the Far East. For centuries they have been familiar all over the American continent. Millions of them have crossed the Atlantic to Europe, and at one time Europe was largely dependent for its metallic money on the Mexican mints. These are scattered all over the Mexican Republic and some of them have been in continuous operation for nearly five hundred years. They have, I believe, turned out more silver money than the mints of any other country. Their official records go back to the year 1537. During the so-called Colonial Period, which extended from 1537 to the year of independence (1821), their total coinage was no less than 2,082 million dollars, equal at the old conventional rate of exchange to 416 millions sterling. During the Independence Period, 1821 to 1901, they added 1,363 million dollars or 272¾ millions sterling. Their whole coinage from 1537 to 1901 was thus 3,445 million dollars or 689 millions sterling.

Of course Mexico never required a tithe of that metallic money for its own use. The bulk of it was for export, in other words for sale to other countries. Three-fourths of the world had little or no silver of its own while Mexico had much more than it needed. It had a large surplus to spare, which it shipped partly in bars and partly in coin. Its mints became with much practice very expert at their work, and many silver-using countries found it cheaper and more convenient to buy ready-made dollars than to mint for themselves. So the Mexican dollar spread east and west and became an international unit of value. Till a comparatively recent date it formed a monetary link between widely different peoples like the Japanese, Chinese, Malays and Filipinos. Until the historical ratio between silver and gold was broken, there prevailed in the Far East a silver union analogous to the Latin Union in South Europe. It differed from the latter only in being a spontaneous growth, held together by no diplomatic convention and hampered by no monetary theories. By tacit consent oriental traders from Manila to Manchuria, and from Burma to Japan used this most cosmopolitan of all coins.

The Japanese were the first to break away from the Oriental Union, as it may be called. Their new-born commercial dignity required them to have their own dollars, and they became competitors of Mexico. The charmed circle once broken other defections followed, sometimes accompanied by fresh competition. The Government of India saw an opening for a British dollar and thereby added to the monetary confusion which succeeded the uniformity of the Mexican *regime*. And now two further innovations are threatened. The Americans being dissatisfied with the local currency of the Philippine Islands are casting about for a substitute, but their monetary experts are not yet able to agree on one. The very latest incident in this connection is the commission named by Mr. Chamberlain to consider the advisability of introducing a gold standard into the Straits Settlements.

What may be termed the international *regime* of the Mexican dollar has been slowly breaking up for twenty years past, and it is now only a shadow of its former self. Mexico has continued to be a large producer and exporter of silver, but year by year less of it has been shipped in a coined and more of it in an uncoined form. The latter export has increased so heavily as compared with the former that the international silver market has been unable to bear up against it. The latest slump in silver has been caused not by Mexican dollars but by the raw metal which Mexico exports in a great variety of forms—ore, regulus and bullion. Coinage is nowadays a much less important factor in the problem than is generally assumed, for not only does a large proportion of the silver mined never see the mints, but a majority of the dollars coined are for export. A comparatively small proportion of the total output passes into the local currency and of that again a considerable quantity is simply stored in the Treasury and the banks.

There are, in fact, two silver questions in Mexico more or less distinct from each other. One is the purely monetary and the other is the commercial question. This divergence is a logical and necessary result of the break in the fixed ratio between the two metals. The latter gave a check to the free coinage of silver and restricted its monetary use. Even where, as in Mexico, the mints were kept open to silver, the quantity coined became a decreasing percentage of the total amount to be disposed of, while the quantity marketed in other forms became an increasing percentage. The commercial movement going on outside of the mints grew more and more important than the movement within the mints. Both have had their effect on silver but in different ways. They have produced distinct problems, which will have to be treated separately.

In the past two years nothing special has happened to affect the value of silver one way or another, unless we regard the Chinese indemnity as a disturbing factor. There has certainly been no justification for a silver scare. On the contrary, a calm review of the commercial conditions might have suggested that they were rather favorable than otherwise. The published returns of production have shown a decrease, which in the case of the two principal producers—Mexico and the United States—is substantial. The exports from silver-producing countries have also been falling off. So steady has been the fall in Mexico and the United States that it ought to have been fairly interpreted as a sign of the silver flood being at last on the ebb.

Previous to the double crisis of 1893—the closing of the Indian Mints and the repeal of the Sherman Law—the United States was importing silver to the value of 31½ million dollars a year and exporting 36½ million dollars. In 1894, the year succeeding the double crisis, imports dropped to 17½ million dollars but by 1897 they were higher again than ever, that year's aggregate having been over 33 million dollars. In 1900 they reached their maximum of

40 million dollars, but immediately after there was a sharp reaction to 31 million dollars. All through the current year they have been lower than in 1901. The aggregate for the first eight months to the end of August was only 16¼ million dollars, being an average of only two million dollars per month.

Exports of silver from the United States are much larger than the imports as they include both domestic and foreign silver. The double crisis of 1893 did not check them as rapidly as it did the imports. Its first effect was rather to stimulate them as new markets had to be found abroad for the one closed at home. In 1894 the exports rose to 47 million dollars and in 1896—the Bryan year—they made a record of 64 million dollars. From that point, however, there was a heavy drop to 53½ million dollars in 1899, due possibly to the contraction of the silver-mining industry or it may be to starving the market for a purpose. The latter theory is favored by the fact of the exports having in the following year (1900) bounded up to over 66 million dollars. In 1901 there was another recoil, the aggregate exports falling to 55½ millions. This year (1902) the decline has continued, the aggregate for the eight months ended with August last having been under 31 million dollars. The average has thus been less than four million dollars per month against nearly seven millions in 1901 and over eight millions in 1900. The United States is the largest silver producer and so far as it is concerned the existing weakness of the market would not appear to be due to over-supply. Can it then have been reduced demand?

Here we encounter another puzzling fact, that while the supply declined the demand was well maintained. Shipments of silver from London to the Far East have during the past two years been at least up to the average of the decade. In 1900 they amounted to £7,954,512 and in 1901 to £8,014,285, practically eight millions sterling per annum. For the first ten months of the current year (1902) they have aggregated £6,261,050. These totals will bear comparison with the silver exports in the closing years of free coinage in India, apart of course from the abnormal years 1892 and 1893 when the bimetallists had their last boom. From 1886 up to and including 1891, the annual totals have been as follows: 1886, £5,273,153; 1887, £5,312,301; 1888, £5,371,007; 1889, £7,868,737; 1890, £8,177,684; 1891, £6,672,209. Aggregate of the six years, £38,675,091; annual average, £6,446,000. The three years, 1899 to 1901, show an aggregate of £22,923,623 and an annual average of £7,641,200. Thus the shipments of the past three years to the Far East have been almost a million sterling a year in excess of the last half dozen normal years before the closing of the Indian Mints.

Whatever may have broken the silver market it is clearly not the Far East. Its demand has been as large and continuous as when the double standard was still in operation. With some degree of plausibility it may be said that the Far East took the silver because it had no choice. The stuff was dumped on it and it could not help itself, except by lowering the price. But strange paradox again! it did not even lower the price very much till lately. So recently as the opening of 1901 standard silver was still within a fraction of 30d. per ounce. On January 1 the official price was 29 2-16d. Up to the middle of March it remained above 28d. At midsummer it was 27½d., at the end of September about 27d. and the last official price of the year was 25⅜d. The net decline during 1901 was 3 13-16d. per ounce, say 3¾d. In the current year there has been a further decline up to date of 1⅞d. per ounce. The silver market is now breaking records almost daily and the latest it has reached is 22 15-16d. per ounce. As comparing with the old mint price of 62d., the white metal is now at a discount of 63 per cent.!

If silver were a mere commodity that would be a disastrous fall, but the disaster has not been merely commercial. The money of a large portion of the globe being legally linked with silver has been dragged down along with it. Silver money has in its turn dragged down a network of international securities and investments, such as Mexican railways, mines and industrial enterprises. The indirect damage done has been worse even than the direct results. The chief victim is the Mexican dollar, which has kept step with silver in its downward course. Its exchange value in New York two years ago was about 51 cents and in London 25d.; to-day it is barely 40 cents in New York and 19½d. in London. It, too, has lost about 60 per cent. of its original mint value.

The solution of the rupee question in India does not afford much light or leading to Mexico in its dealings with the silver dollar. The only common point in the two cases is the origin of their troubles. With both, these originated in an external cause over which they had no direct control: namely, the breach in the old ratio between the two metals. India and Mexico had both to adapt themselves to that monetary revolution. It was a supreme crisis for both, but on the whole less formidable for India than for Mexico. The former was only a silver-using and not a silver-producing country. It had not nine or ten thousand silver mine owners to appease as Mexico will have when the inevitable step is taken of closing the mints against private coinage. In its worst form it was only a question of foreign exchange that India had to face and not, as in Mexico, a complication of exchange interests with those of a great national industry. On the other hand, Mexico is not and never has been a dumping-ground for silver from all parts of the world as India was during the open mint *regime*. It is only, or at least chiefly, her own silver she has had to take care of. She has always been able hitherto to protect herself from a silver invasion from abroad, otherwise her open mints would have been swamped long ago. Other material differences are to be observed in the effects on the two countries of the break in the ratio. In India the principal sufferer from it was the Government. It was forced into action by the ruinous discrepancy which resulted between its silver revenues and its gold obligations. But the Mexican Government may say that so far its "withers are unwrung." Little more than 40 per cent. of the public debt—114 million dollars out of 250 million dollars—is payable in gold. The chief sufferers in Mexico from the break in the ratio have been the owners of foreign capital invested in the country. The Mexican situation, in fact, closely resembles the Spanish, where the brunt of the bad exchange has fallen on the foreign-owned railways. Countries which purchase most of their silver for coinage, and can control the supply of it, are in a much more fortunate position than silver-producing countries which may have a great deal more of it than they can use at home. In their case the amount of the coinage is a secondary matter compared with the total amount of silver they have to get rid of, either by exportation or otherwise. What they have to send abroad counts simply as metal, whether coined or uncoined. Of late years both Mexico and the United States have been heavy exporters of the white metal, and it is their combined sales that have depressed the market to its present level. Free coinage of silver for local currency has had a comparatively small share in the depreciation. By itself, the suspension of free coinage might have a proportionately small remedial influence. It could only be one of several factors in any scheme for rehabilitating the dollar. The gross output of silver would have to be dealt with as well as the coinage, and it would be useless for Mexico to attempt the control of production single handed. The co-operation of at least one other leading silver producer—the United States—would have to be secured. But evidently that would not be a difficult matter, for the American producers will be only too ready to join in any feasible plan of restriction. The United States has a common interest with Mexico, not only in silver but in the exchange value of the dollar. New York is rapidly superseding London as the clearing centre for Mexico's foreign trade. Its dollar quotations are more effective than those of London, which are gradually becoming nominal. It is also very noticeable, that all through the latest crisis in the silver market Mexican exchange has been firmer in New York than in London. It has had a narrower range of variation, which is the more remarkable considering that New York has no independent silver market of its own. Practically, all its sales must be made through London, and yet it has invariably been able to give better rates for the Mexican dollar than have ruled here. The five years between the final defeat of the silver men in 1896 and the end of 1901 witnessed some sharp fluctuations in silver, but at the end of the period the dollar finished up only a few cents below what it had been in the beginning. The first price was 53⅞ cents in 1896 and the last was 50¼ cents in 1901. But in the interval the dollar had been down to 42 cents (1897–8). From that bottom level it rallied in 1899 to 48½ cents. and in the following year it had a further rally to over 50 cents. New York has, on the whole, been a better market than London for the unfortunate Mexican dollar.

The comparative steadiness of Mexican exchange in New York is not merely a hopeful sign for the future, but it illustrates a peculiar feature of the Mexican currency problem. The contemporaneous variations in the price of silver were greater and more irregular than the variations noted above in the exchange value of the dollar. In other words, the dollar had an exchange value in New York, not only steadier but as a rule higher than the corresponding value of silver. Exchange must therefore be recognized as a special and distinct element in the question. It has, of course, to move in harmony with silver, but not in absolute identification with it, as was the case during the free coinage *regime*. This is another and important illustration of the two distinct movements now going on in silver—the monetary and the commercial. In foreign exchange the dollar comes under the influence of various conditions in which the silver market as such has no share. The balance of trade and of finance, obtaining at a given moment between Mexico and foreign countries, may counteract or accentuate, as the case may be, the tendency of the silver market.

Fortunately for the intricate inquiry we are now entering upon, Mexico is blessed with an unusually clear system of public statistics, of which liberal use will have to be made in our further progress. With their help we can trace the Mexican dollar from the mine through all its commercial and financial ramifications. The relative magnitude of the monetary and commercial functions of silver appears, for instance, to have changed greatly in the past quarter of a century. In 1877–8 the total production of Mexican silver was valued at just under 25 million dollars ($24,836,403). Of this about nine-tenths went to the mints to be coined. Only $2,752,700 was exported as bullion and the remaining $22,084,203 was turned into money. In the next decade the new movement began, which diverted the bulk of the silver output from the mints and disposed of it as simple merchandise.

In 1887–8 the total production had increased more than 50 per cent. over that of 1877, its aggregate having been valued at $39,367,983. But only a fifth of the increase passed through the mints. The other four-fifths was added to the commercial or uncoined export of silver. The respective totals for the year were $25,862,977 minted and $13,505,006 coined. Five years later the new movement had made so much further progress that the value exported exceeded the value coined. The aggregates were $28,075,558 and $27,169,876 respectively, making a total output of $55,245.454, or a gain of 130 per cent. in the short period of fifteen years. The stoppage of the United States purchases of silver in 1893 caused of course a sympathetic crisis in Mexico. Mexican silver was then in a peculiar position. The total yearly production had risen in 1896 to 63½ million dollars, not far from treble that of 1877–8. But keen as was the demand for Mexican dollars, the coinage of them this year did not much exceed 20 million dollars. Thus, more than two-thirds of the total output ($44,393,103) went abroad as merchandise. In twenty years (1877–1896) the production of silver had increased fully 160 per cent., but while the commercial export had gained fifteen fold the coinage showed a decline of nearly three million dollars.

In the latest statistical year available—1900–1901—we find the same tendency farther aggravated. With a total production of 74¼ million dollars, the highest on record, the coinage had shrunk to 18¼ million dollars, and no less than 56 million dollars had to be thrown on foreign markets at its metal value. The whole twenty-four years above reviewed, virtually a quarter of a century, furnish the following remarkable aggregates: Total output of silver, 1,094 million dollars; total amount minted for local currency, 578 million dollars; total amount exported in ore and bullion, 516½ million dollars. The more we study these figures the more impressed we are likely to be with the influence Mexico has of late exercised on the silver market. In sheer dead weight it seems to have exceeded that of all other silver-producing countries, the United States not excepted. In order to realize this significant fact as clearly as possible, let us look at it from one or two other points of view. We may, for instance, study the relative position of silver in the export trade of the country. Subjoined are the total exports for the years 1896–97 and 1901–01, the silver exports and the percentages of the latter to the former:

Total Exports and Silver Exports of Mexico, 1896–97 and 1900–01.

YEAR.	*Total.*	*Silver.*	*Percentage of silver to total.*
1896–97......................	$117,748,092	$44,393,103	38
1900–01......................	158,009,487	56,036,016	36

The official statistics leave it somewhat uncertain if the above silver totals are for bullion and coin only, or for silver in ore and in combination with other metals. More probably the former, as the detailed exports exhibit even larger figures. In a comparative statement for the eleven months ended with May, 1901, the silver exports—ore, bullion, coin, etc.—are stated at $67,760,-000 or 11 million dollars more than the above table gives for the whole year. Presumably, therefore, silver in ores and in combination with other metals should be added to the $56,036,000. The detailed statement for the eleven months ended with May last (1902) discloses an important reaction in these heavy exports of silver. They appear to have fallen from 67¾ million dollars in the corresponding period of 1901 to 55½ million dollars. Simultaneously, a notable expansion took place in the merchandise exports. For the eleven months of 1901–02 they were valued at 79 million dollars, against 61½ million dollars in the preceding year.

If this could be relied on as a permanent change it would be a good omen for the Mexican dollar. The more that the merchandise exports are developed and the larger a proportion they form of the total exports, the less important will the silver exports become. Foreign exchange would be less dependent on silver and more on merchandise. It is in this direction that the Mexican dollar may find a new future at some half-way house between token coinage and market value. A steady curtailment of silver output, carried out *pari passu* with the development of other national industries, would be the most natural remedy for monetary evils. Mexico has, in fact, made a good start on this road to reform and has already a substantial balance of trade in her favor. But for this the fall of the dollar might have been much more rapid and severe. Such a fact, moreover, is not merely creditable as regards the past, but it is hopeful as regards the future.

The misfortunes of the Mexican dollar command a great deal more sympathy than the ups-and-downs of the rag money in other Spanish-American republics. They deserve more sympathy for several reasons—because the Mexican dollar has always been an honest coin, has of late had an exceptionally good government at the back of it, is associated with a sound system of public finance, and is fortified by a balance of trade invariably in favor of Mexico. These are strong collateral advantages for a currency system, and they give the Mexican dollar a much better chance to right itself than it might otherwise possess. Mexico's favorable balance of trade claims special attention, not only as an outward sign of prosperity, but as a powerful lever for the support of foreign exchange and the restoration of a decaying currency. During the five years ended with 1901, the excess of exports over imports amounted to 170 million dollars, as the following table will show:

YEAR.	*Imports.*	*Exports.*	*Excess of exports over imports.*
1896–97	$83,248,862	$117,748,092	$34,535,250
1897–98	97,270,290	138,068,504	40,795,214
1898–99	107,619,441	148,453,834	40,834,393
1899–00	128,796,606	158,247,933	29,451,327
1900–01	133,020,169	158,009,487	24,989,317

Everything there indicates healthy growth notwithstanding the handicap of a decaying currency. In the five years the imports, it will be observed, increased more than 50 per cent., but the exports showed even more remarkable progress. In an era of mining and railway development a special expansion of imports was to be looked for. It indicated a large influx of foreign capital and had more to do with foreigners than with the Mexicans themselves. But to the Mexicans is entirely due the credit of managing to pay for these increased imports by a corresponding expansion of their exports. They did not simply take them on credit as new countries under development often do. Local industry responded at once to the stimulus given it from abroad, and the more foreign material was imported the more Mexican produce was raised to counterbalance it.

It would, of course, be unreasonable to expect that the surplus exports should always be maintained at the same high level in face of exceptional imports, like those of 1900 and 1901. But though the favorable balance of trade was a good deal less in those years than in the two preceding ones when the imports were small, it was still ample for the maintenance of healthy relations between Mexico and the outer world. The sudden jump which the imports took in 1900 and 1901 was the more remarkable in view of the weakness of silver and the discouragement it gave to purchases abroad. This adverse influence has been greatly aggravated in the current year, and it is not surprising to find that imports are again diminishing. Exports, however, continue to expand, as is also natural under the circumstances. For the eleven months ended with May last (1902) they were valued at 143 million dollars, a gain of six millions over the corresponding period of 1901.

That the foreign trade of Mexico should go on prospering, and to prosper in spite of falling silver, is so far satisfactory. But it is one thing to be able to bear an evil and another thing to cure it. The evil has now gone so far that prompt remedies are imperative. No matter how strong the interests in favor of letting things drift or how great the difficulty of restoring them to a sound basis, it must now be done in order to prevent Mexico losing its rightful position in international trade and finance. A country which has always maintained honest money and fulfilled its international obligations to the utmost of its ability, is not to let itself be dragged down to the level of rag-money republics through sheer bias in favor of a monetary metal which, however honorable and interesting its history, no longer serves its purpose. Mexico has already suffered enough for silver and silver producers. It will now have to weigh its international against its domestic interests in the matter, and when it does so impartially it will be forced to the conclusion that the international interests are the more important of the two.

This can be readily proved from its own foreign trade returns by analyzing them a little more minutely. By a long way the best customer of Mexico is the United States. It furnishes more than a fourth of the Mexican imports and takes about three-fourths of the exports. In the year 1900–01 the total imports were, as already stated, 133 million dollars, of which the American quota was over 35 millions. Of the 158 million dollars of exports the American share was 117½ million dollars. All Europe combined had less interest in Mexican trade than the sister republic enjoys. Its aggregate exports in 1900–01 were under 29 million dollars as compared with the United States 35 millions, and the imports were 25¾ million dollars against the American 117½ millions. No other individual nation will bear comparison with the United States in either branch of foreign trade. British exports to Mexico ($9,924,553) are only a fourth of the American, and British imports from Mexico ($12,033,076) are little more than one-tenth. German exports, measured by the same standard, are one-fifth of the American and the imports about a twentieth. Outside of these three there is no serious competitor.

According to the now happily forgotten dogmas of bimetallism Mexico should have traded chiefly with silver currency countries. On the contrary, nearly the whole of her foreign trade nowadays is with gold standard countries. Metallic money is no longer a sufficiently important factor in international commerce to have much influence on its currents. These are determined by other conditions peculiar to each nation. Mexican exports are of such a character that they find their best market in the United States, which in turn can best supply the sort of commodities that Mexico requires to import. The monetary systems of the two countries have little effect one way or the other on the current of trade. Such influence as they have is obstructive. It stands to reason that business would be much easier to transact between the two republics if they had a uniform dollar. Between Canada and the United States there is monetary reciprocity, to the great advantage of both countries. If Mexico had a similar privilege the benefit to her would be even greater than it is to Canada.

One of the dreams of the future is a uniform dollar for the whole American continent. This great reform, when it does come will have to be initiated by the United States and Mexico. Both of them are ripe for it and they possess all the necessary means to carry it out. The dollar itself actually exists and is in circulation on both sides of the Rio Grande. Only by an absurd anomaly of legislation it has more than double the gold value in the United States that it has in Mexico. The obvious remedy would be to make the Mexican dollar token money as the United States dollar has been since the repeal of the Sherman Law.

W. R. LAWSON.

LONDON, November 18, 1902.

AMERICAN CONTROL OF THE MONEY MARKET.—In an article appearing in its issue of December 20 the London "Statist" says:

"The United States is rapidly acquiring a control over the London money market, which may place us in a very awkward predicament by-and-by. The United States just now owes a very large amount to Europe. The United States, in fact, has endeavored to do in six or seven years what ought to have been spread over twice or three times the period. It has attempted to become not only a great exporter, but also a great shipowner. For the moment, then, we have control of the American money market. But we shall not retain it long. The crops this year in the United States are exceedingly good and abundant. The exports from the United States will, consequently, during the next twelve months be on an immense scale, and after the recent fall in prices there is likely to be more economy than there has been during the past few years. Especially there is likely to be less manufacture of new companies and less ambitious combinations. After a while, then, the United States will be able to pay off the debt she owes at present to Europe. Then she will be the holder of by far the larger part of her own securities. She will have the most efficient railway service in the world. And she will have become a great shipowner. On the other hand, we shall have to buy from her every year increasing quantities of food and of the raw materials of our industries, and thus we shall annually run up a larger and a larger debt; while we shall receive in return less interest upon our holdings of American securities, and we shall have fewer ships upon whose earnings to rely. The prospect, then, is that before many years are over the United States will have attained to somewhat like the position we occupied thirty years ago. A great part of Europe will be indebted to her, and indebted to her not merely for food, but for the very means of earning a livelihood. When that time comes the London money market will be at the mercy of American capitalists. The Bank of England may put up its rate to any figure it pleases, but if American creditors insist that debts due from this country to America be paid in gold, the gold will have to be sent, however inconvenient it may be, from the London money market This is one of the totally unforeseen results of free trade. That we are becoming year by year more dependent upon the foreigner for our food has long been perceived, and has led to a powerful agitation to make our navy adequate for the protection of our trade. But people hitherto have not seen that the immense debt we were piling up annually for our food and the raw materials of our manufactures was likewise giving other countries a control over our money market, which might prove extremely inconvenient at no distant date."

THE EVOLUTION OF MONEY.

The history of the development of money is much less simple and more interesting than the account given in the early economic text-books. That money of stamped metal sprang into being in its present perfected form as soon as society began to feel the inconvenience of direct barter, is a rough and ready conception which would not be seriously defended by any careful student, but which is almost implied in many early discussions of the subject. This theory, in its crudest form, implies that exchanges were first carried on by barter of one article for another, until it was discovered that the intervention of a third commodity, capable of subdivision and generally acceptable, would facilitate the division of the articles exchanged into the desired proportions and make exchanges easy, and that this commodity was by universal convention adopted as money. It requires but little reflection, however, to make it clear that this account of the development of money is incomplete. It sums up in a way the ultimate results of this evolution, but it passes over intermediate steps, extending over many centuries, and it takes much for granted in the progress of economic history. The use of metals as money rests upon a firmer basis than convention, in the unconscious operation among all civilized peoples of the principle of natural selection Money of coined metal is distinctly an evolution, not a sudden creation.

In the simplest form of existence there was no demand for money, because there was practically no exchange of goods. There was not even an organization of society on an economic basis, if (as Prof. Bucher declares) "An economy supposes the management of property, the care for the future as well as the present, a distribution of time intelligently employed ; economy signifies labor, the valuation of objects, the regulation of their consumption, the ascent from generation to generation of the conquests of civilization." * Gradually exchanges of services and products to meet special emergencies in primitive society led to direct exchange of surplus goods for each other. This advance from the first forms of barter to the use of coined money involved a process of evolution, which extended over many centuries.

The acceptance of the simple theory of the sudden adoption of money as a substitute for barter departs from the actual history of social development in projecting back into primitive times the system of private property rights and organized exchange as it exists in modern times. Money was not required where domestic economy prevailed; it was not at first employed even in foreign trade; but in the nature of the case it came into most general use and served the most beneficial purposes in cities, where the division of labor permitted the organization of industry, and in foreign trade, where a medium of exchange was required of intrinsic value and of general acceptability. This progression in the use of money made great strides in the eighteenth and nineteenth centuries with the gradual extension of the division of

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* *Études d'Histoire et d'Économie Politique*, p. 25.

labor and with the capitalistic organization of industry, and is still going on in the twentieth century. Every new community opened to civilization, like Africa, China, and the Philippines, creates a new field for exchange, and illustrates under the eyes of those now living the process of evolution which has been going on in the use of money since the beginnings of civilized society.

The earliest communities apparently lived upon the communistic basis, obtaining and using food in common. When property rights emerged from these conditions, it is probable that accumulation of private property first began in the form of articles of personal adornment. These came to possess an attraction to savage eyes, which gave them a high marginal utility in exchange, in spite of their comparatively low utility in the scale of objects necessary to sustain life.* The first objects of this sort, like shells, pieces of metal, pearls and teeth of animals, had currency chiefly within the tribe. It was only as objects came into use which were found acceptable by other tribes in mutual exchanges that an international money became possible. Trade between tribes involves long strides beyond primitive conditions, because it implies the production of valuable goods in excess of domestic needs, the respect for inter-tribal rights, and the organization of a system of exchange.

The Slow Evolution of Metallic Money.

The slow evolution of metallic money followed certain well-defined lines. It did not involve the sudden substitution of a recognized intermediary between commodities which had formerly been exchanged by barter. It involved rather the gradual evolution through barter of the intermediary which was found most generally acceptable. The means of exchange was long confounded and intermingled with the final objects of exchange. The man who exchanged grain for cattle in the heroic days of Greece might take the cattle because he wished to consume them as food or increase his herd, or he might take them with the sole object of exchanging them with some one else for a sword or a shield. In the former case, they were not money in the usual acceptance of the term; in the latter case they were money. It was the same with kettles, long an object of exchange and measure of value in primitive Greek society. They might be taken for use or for the purpose of exchanging them again. When society began dimly to grasp the conception of a third and constant commodity interposed between the two halves of an exchange, it was the articles which had been found most exchangeable in barter which gave character to the wonderful new substance which was to have the unique quality of commanding all other things. It was a natural result of this evolution, to be described more fully hereafter, that the ox, the slave, and the utensil of daily life gave their name to the coins, and the earliest bronze money of Italy contained precisely the same alloy of copper, tin and zinc as the utensils which had preceded it as the medium of exchange.†

In this progress from direct barter to the use of a chosen intermediary of exchanges, several principles stand out, working often unconsciously, but none the less surely, because they were the inevitable consequence of simple economic laws and of the almost universal bent of the human mind. Money was no odd invention, to be played with and set aside as a curious illustration

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* Favre. *La Genèse de l'Argent*, in *Revue d'Economie Politique* (April, 1899), XIII, p. 361.

† Carlile, "The Evolution of Modern Money" p. 236.

of the ingenuity of an individual. It did not come into use until there was need for it, and there was not need for it before society had an economic organization which permitted the division of labor and the creation of surplus products for exchange.

A surplus of capital above the needs of current production is a prerequisite for any community which desires to use money. For a primitive people the usual tools of agricultural production, seed and live stock, are more essential than money. It is only when by these means additional capital has been created that it can be invested in a commodity to be employed solely as a tool of exchange, just as it is only when the farmer has saved something beyond his necessary tools and seed that he can afford to invest in a well-made wagon for carrying his products to market. This principle explains in part why in many early communities the article used as money was also useful for many other things. Where cattle, for instance, served as money they represented in themselves a productive form of wealth. Their use as a medium of exchange did not involve the setting aside of a large amount of capital for use as money above that required for other uses. When surplus wealth accumulated in the hands of primitive peoples, it was employed chiefly in the acquisition of articles which served for ornament. These articles, however, being—in their highest form of gold and silver—articles which were generally prized for the same purposes among other peoples, it came about that they possessed the quality of exchangeability peculiarly belonging to money. Thus they served the double purpose of ornamentation and a store of value, being capable of conversion from an ornament into a medium of exchange when the need for it arose. The use in this way of the precious metals required the setting aside of saved capital beyond the current implements of production, but it economized the use of the capital which would have been required if ornamentation and the tool of exchange had been provided from separate and independent materials and therefore from separate funds of saved capital.

The fact that the capital used as money must be drawn from accumulations beyond those required for the purposes of current production, brings out the fundamental nature of the proposition, that the article which has tended among all peoples to become the medium of exchange and standard of value has been the superfluous rather than the strictly necessary. It must be an article of universal desire in the realm where it is employed as money, and experience has shown that such a universal desire is directed towards the ornamental as much as the useful, and that the desire for the ornamental has the additional quality of being practically insatiable. The desire for any staple article of food has limits, and the production ordinarily does not go much beyond, and even falls below, the demand within these limits. A surplus of food for exchange was not a usual phenomenon in primitive societies, and only rarely could food fulfill the requirements of money. As Prof. Mommsen declares:*

> "The commodity that becomes money must above all things not be one that is indispensable for the supply of the most urgent material needs. It is for this reason that in no country has corn ever been used as the comparative measure of the value of other merchandise; and that mankind, after having, from the most remote antiquity, successively and in various countries employed as money cattle, iron and copper, have uniformly ended with silver and with gold."

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* *Histoire de la Monnaie Romaine*, preface, p. xiv.

It is obvious that the adoption as a medium of exchange of wheat or any consumable commodity of general use would result in extreme perturbations in the value of the medium of exchange and its relation to all other articles. The surplus corn or wheat, if they were used as money, might be absorbed by consumption in any given year and this would greatly reduce the stock available for carrying on exchanges. Only some article which is not absolutely necessary for the ordinary purposes of consumption, and of which there exists a surplus stock upon the market, meets the requirements of an efficient medium of exchange.

Insatiable Demand for the Money Metals.

The conception of money as a store of value must necessarily have followed the development of the spirit among men of prevision—care for the future. Some of the first stores of value were undoubtedly made in articles of general use, like iron, cattle and slaves, before the surplus of savings was such as to permit investment in ornament. Such forms of capital had the defect, however, that they were not of universal desire without limit in time and amount. The desire for them as simple commodities—aside from their value as evidence of wealth—was a desire which was satiable. It became desirable that the store of value—the fund of wealth reserved against future needs—should be in an article for which the demand was insatiable. As Mr. Carlile describes the requirement of this more advanced social stage:*

> "When the division of labor had made some considerable progress, then provision for the future would largely cease to be of this direct and simple character, and the commodity which would then best secure a man's future sustenance and well-being would not be so much the commodity best adapted for immediate utilization by himself or his dependents as the commodity which would be most efficient in securing for him the services of his neighbors or of strangers unconnected with him."

Hence emerges the vital factor in the selection of the metals as the material for money, that they represent an article for which the demand is insatiable. This is true to a large degree independently of their functions as currency. Gold and silver turned into money have the quality of commanding all other commodities. Hence the only limit imposed upon the desire for their acquisition in the case of the individual is the sum of his desires for all other articles. This is true of them because they are money, but it would be true to a large degree even if gold and silver did not enjoy by legal-tender laws this peculiar function. Gold and silver among semi-civilized peoples, and even at the present day among those which are civilized, are among the most highly-prized articles of ornament. It is not an accident that articles of ornament, seemingly useless in themselves, have been used as money under widely different conditions among barbarous, semi-civilized and civilized peoples. The desire for ornament, for superfluous wealth, is from the standpoint of the economic man a desire which is insatiable. No man, at least the man governed purely by theoretical economic motives, fears becoming too rich. Money in its abstract sense stands for riches. In barbarous societies it was the article used as money in its concrete sense which was at once the symbol and the substance of wealth. Many are the cases recorded in the history of barbarous peoples where wires, shells and similar articles served the common purpose of ornament and of money. In the words of Prof. Babelon: †

* "The Evolution of Modern Money," p. 236. † *Les Origines de la Monnaie*, p. 248.

"Wherever one comes across man on the surface of the globe, one finds at the same time that it is the superfluous which by instinct seems to him the most necessary. Man has scarcely learned the use of clothes before he hangs around his neck, on his arms, on his legs, and in his ears, necklaces, bracelets, rings and pendants of every shape in the manufacture of which the precious metals are always and everywhere preferred."

In India and China, where primitive economic conditions still to a large extent prevail, the common method of hoarding wealth is in the form of coins strung into bracelets and ornaments. These articles can be readily used as money in times of famine or special need. From this primitive instinct for the superfluous signs of wealth has sprung the universal desire for ornament, not from its intrinsic utility but as a mark of social distinction and personal leadership. The millionaire, who goes on piling up wealth after he already has enough to command every bodily comfort, is actuated by the same motive which governs the East Indian or the Chinaman who hoards silver and gold that he may be known as the richest and most powerful among his fellow men. In the acute language of Mr. Carlile:*

"There is at bottom a discernible identity between the impulse of the primitive savage or of the Hindoo peasant, whose aim in life appears to be to bedeck himself with ornaments of gold and silver, and that of the millionaire who, it may be, thinks of little else but of making fresh additions to his millions. With both the thought is the same, to stand out of the crowd, to distance others, not to be left behind in the race. The Hindoo aims at being more highly ornamented than his neighbors, the millionaire at being able to draw his check for a larger sum."

Gold and Silver Symbolic of Wealth and Power.

Scarcity of silver and gold has from the earliest times made their possession the symbol of wealth and power. Hence they have been eagerly sought by all who have desired leadership in its tangible form of wealth or in the political and military prestige to which the possession of means is so necessary an incident. The desire for the metals became coincident with the desire for all other things in primitive times, and, therefore, practically without limit, because the metals were exchangeable for all other things. The search for the precious metals, both for ornament and money, was an early stimulus to foreign trade. The quest of Jason for the golden fleece is typical of the struggle everywhere on the shores of the Mediterranean for the sources of supply of silver and gold. M. Hauser declares that it was for gold as much as for grain that Athens assumed control of the Milesian colonies and that she founded new ones in the Crimea, in Thrace, in Epirus, in Thessaly, in Macedonia and at Thasos. She scattered over the shores of the sea her drachmas of silver, extracted from the mines of Laurium, and exchanged them for the gold of Siberia and of the Ural. The Phoenicians founded many colonies in the west in order to be near the mines. How actively their quest for gold stimulated on both sides their traffic with the barbarians, M. Hauser thus sets forth:†

"They received it from the Arabian caravans, which traversed the desert with their camels; they went in search of it in Southern Egypt, then in the country of Ophir, perhaps at Zimbabye, and it was in trading from place to place with their stuffs of purple and of glass, that, a thousand years before Gama, they are said to have doubled the Cape of Good Hope. Tyrians, Sidonians and Carthaginians sold also the gold of Spain to that people of

* "The Evolution of Modern Money," p. 266.

† *L'Or*, p. 288.

metallurgists, goldsmiths and jewellers, the Etruscans, who transformed it into delicate filagrees and graceful and enduring trinkets. They sold it to the Gauls, greedy like all barbarous peoples, for gold. To buy a little gold in the Phoenician or Greek markets of the Mediterranean, to decorate their arms and limbs with bracelets in battle, the Gallic charioteers traversed with their heavy chariots, over trails scarcely marked, the thick Celtic forests, and crossed the channels of Great Britain to seek the tin of the Catterides or even further the amber of the Baltic."

Local wants or national prejudices might give to a certain article the character of money at home, but only an article of universal desire would serve the purpose of exchange abroad. Such an article was afforded in primitive times by anything which appealed to the love of ostentation. Hence it was that the Phoenicians found a ready market for their brightly-colored cloths, necklaces, rings and other ornaments among savage peoples. But among these peoples, as among those more advanced in civilization, gold and silver became the highest form of wealth when they were introduced as ornaments. They had the advantage of being easily concealed, if there were need of it, and of being transformed from money into ornament and ornament into money, according to the exigencies of private and public fortune. German writers in the Middle Ages point to the wealth of the German burghers as illustrated by their rich possessions of gold and silver plate. One of the best-known writers of the time mentions that "The merchants eat off dishes of pure silver and gold." The coins of that time were often debased and of uncertain value, and, as Mr. Schoenhof aptly declares, "Private hoarding in this form is the natural consequence of such a state as existed in the Middle Ages."* Plate could readily be converted into money or into bullion, the equivalent of money. The possession of plate had, in the average mind, a much closer connection with its use as money a few centuries ago than at present. Sir Dudley North declared that "if every one had plate in his house the nation would then be possessed of a solid fund in these metals which all the world desires." Jean Bodin alludes to a proverb current in his time in France, "that in plate one loses nothing but the fashion," and Lord Burleigh in his will left his plate to be distributed among the legatees by weight, just as if it was so much bullion.†

How a Single Commodity Came to be Selected as Money.

The choice of a single material to serve as money was the unconscious elimination of a less desirable means of exchange until the most desirable was found.‡ The producer of an article having a very limited market would naturally be willing to exchange it for an article more generally desired, even though it were not in itself the unit of exchanges. Degrees of exchangeability at a given moment vary within the widest limits. At one end of the scale of exchangeability in modern times might be placed unimproved land in the country or a rare work of art; at the other end, outside of actual money, might be placed the securities of first-class governments. Degree of salability at short notice at an economic price—a price giving fair returns for cost—marks successive articles in the approach towards those which are most ex-

* "A History of Money and Prices," p. 80.

† Carlile, p. 247.

‡ This principle is recognized by Pantaleoni, that "the choice of one determinate thing, in preference to many possible things, as a medium of exchange, is effected—like the choice of any other direct commodity, among many possible ones, for the satisfaction of a direct want—by *natural selection*."—"Pure Economics," p. 225.

changeable. Thus it happened that several articles which were objects of general desire might serve as rude tools of exchange at the same time in the same community. Iron, having many uses, obtained a high place as a medium of exchange in the heroic ages. Caesar found iron and copper bars in use as money in Brittany, and they are still used in Cambodia and Thibet. Among the Kaffirs iron lances were long highly valued as money. The general desire for cheap fabrics and decorations among barbarous peoples who have begun to trade with civilized nations has often been noted. It made the fabrics and ornaments of Tyre a form of money in the hands of her traders in dealing with the people of Africa.

All these facts point to the gradual recognition of the principle laid down by Prof. Menger, that "the commodities which under given local and time relations are most salable, have become money among the same nations at different times and among different nations at the same time." * The material of money in its earliest forms was simply the most desirable object of barter. It was only by degrees that a single article came to be set aside for the distinctive purpose of money. "The precious metals," in the language of Prof. de Greef, "were themselves merchandise entering into the general system of barter before being devoted to their special functions as measures of value and intermediary of exchanges." † But a long process of evolution was traversed before the precious metals, even by weight, became the standard, and another long process before private marks of weight and fineness developed into official coinage. The process of this evolution is well set forth by Prof. Bullock: ‡

"In this way the universally acceptable commodity acquired a new and distinct use. Hitherto it was valued simply as an object of personal consumption; now it is demanded also as a means of facilitating exchanges. Formerly it was a common commodity; now it is a peculiar commodity possessing a special function—namely, the function of serving as a general medium of exchange. Whenever a commodity acquires this function, it becomes money."

Even after money came into general use at the trading centers and official coinage had been adopted by leading European States, gold and silver continued to pass more frequently by weight than by tale, and were admitted into international trade for their intrinsic value rather than for marks impressed upon them by the State. This was the natural result of debasements and wear and tear upon the coinage. It has been only in recent times that the State has assumed in practice the jealous restriction of the national circulation to the national coins and made itself responsible for their maintenance at their legal weight. As late as the seventeenth century a homogeneous national money existed only in theory. All commercial States were compelled to be tolerant of the coins of other nations, because their own official coinage formed but a small part of the mass of money in circulation and was mingled, especially on the Continent of Europe, with coins of widely-varying dates and issued by a multitude of dead and living potentates.

The means of ready publicity and communication were lacking for giving uniformity to the coinage by calling in an old issue and substituting a new.

* "On the Origin of Money," in "The Economic Journal," June, 1892, II, p. 252.

† *La Monnaie, le Crédit et les Banques*, in *Annales de l'Institut des Sciences Sociales*, III, p. 225.

‡ "Introduction to the Study of Economics," p. 211.

The Vicomte d'Avenel correctly declares that Europe in feudal times, harassed as she was by tariffs, toll-gates, the absence of roads, and other political and economic obstacles to trade, was more cosmopoitan in respect to the circulation of money than the Europe of to-day. In 1636 a French Royal edict fixing the official ratio between the French standard and foreign money named not less than thirty-eight foreign coins having circulation in law and in fact in France, and these were only a fraction of those in actual use. "By the side of the pistoles of Spain circulated at this epoch other pistoles struck by the princes of Italy, at Parma, at Milan, Florence, Genoa, Venice and Lucca; those of Liege and the Dukes of Savoy and Lorraine; one used the double ducats of Portugal, the *albertus* of Flanders, and the coins of the United Provinces." * In the earlier periods of the Middle Ages, there had been still greater variety. Beside the coinages of petty European princes, almost infinite in the variations of their weight and fineness, circulated the gold pieces of the Arabian Empire, the ducats of Sicily, and the besants and constantines of the old Roman Empire at Byzantium.

Exchangeability a Vital Requirement of Money.

The conclusive evidence that exchangeability is a vital requirement in money is afforded by the reversion to barter or to the estimation of money by weight which has occurred when the standard has been too much tampered with. It was noted by Adam Smith that money was received at the Exchequer by William the Conqueror by weight and not by tale, and there is reason to believe that payments were made in this way up to the time of the reform of the coinage in the time of Elizabeth.†

All through the Middle Ages experience verified the maxim of Prof. Nicholson, that "most governments have found when they tried to enforce an unpopular change in the standard (to benefit, for example, by fiat money) that the people have resorted to bargains on the old standard." ‡

Midst the bewildering debasements of the French coinage under Philippe le Bel contracts escaped recurrence to pure barter by stipulating for gold or silver of the weight and value of the time of St. Louis. Public opinion adhered to the opinion that money was merchandise and that if the government issued debased pieces they should be received only at their intrinsic value. The princes had not the means they would have had at the present day for forcing their debased pieces into circulation, and their frequent alterations of the coinage, instead of affecting the entire economic system, had only the character of a local bankruptcy at the places where the new pieces were paid for public obligations. §

On many occasions where paper money has been forced into circulation to excess and made legal tender by law, the same phenomenon of recurrence to barter or to contract for the delivery of the precious metals by weight has demonstrated the fundamental conviction of merchants, that money was a commodity deriving its value from the material of which it was composed. ‖

* *La Fortune Privée a travers Sept Siècles*, p. 56.
† Roger's edition of "Wealth of Nations," I, p. 27.
‡ Principles of Political Economy," II, p. 101.
§ Avenel, pp. 52–53.
‖ This was the case with the Rhode Island paper money of 1786. Prof. McMaster says that the traders "closed their shops or disposed of the stock by barter. For a time business was

Organized exchange, therefore, by the use of money has followed an evolution which has been slow and is not yet complete. Upon some of the steps of this evolution light is thrown by a cursory glance at economic history. Primitive society, even that of the Middle Ages, had little use for money while the household and the community were self-sufficing. Division of labor might be carried far within the limits of the household before any acute need for money was felt. The extension of slavery kept up the system of household production after the division of labor had reached an extent which permitted considerable refinement in tastes and needs. Under the system of household economy, great farms could be cultivated and the technical work of the flour-mill, the tannery, the spindle and the loom could be carried on, even in towns, with little occasion for the use of money. This was the system which prevailed to a large extent in Greece and in Roman society, even after the creation of cities and the development of international trade had opened certain markets for coined money. How different was the financial organization of society under such conditions from the modern capitalistic system is thus set forth by Prof. Bucher:*

> "That which in modern theory it is the custom to call 'circulating capital' is in the system of household economy only a simple fund in process of use which awaits consumption. It is a product unfinished or only half finished. In the regular course of this economy there exist neither merchandise nor prices, neither circulation of goods nor distribution of income, and hence (as special forms of income) neither wages, nor the profits of management, nor interest."

From the moment that money became known, its possessor enjoyed, even in communities where its use was not widely spread, the benefits naturally belonging to a commodity which commands all others. In Egypt, where payment of taxes in kind was maintained even under the successors of Alexander the Great, the tax-farmers took the produce off the hands of the farmer and contracted for a money payment to the State. Thus the tax-farmers, as Prof. Cunningham declares, "came in as speculators in raw produce; their intervention facilitated the collection of a money revenue without compelling the peasant to pay in money." †

The high utility of money resulting from its peculiar qualities gave great power in ancient times and in the Middle Ages to those who possessed it. The possession of circulating capital and actual metallic money—too often confounded by careless students in modern times—were almost necessarily the same thing under economic conditions where there was no other means of storing value in a negotiable form. Hence the possessor of money had a lien upon the possessions of his neighbors which was much more strongly felt than even under the acute conditions of modern industrial competition. In the Roman Empire it was the farmers of the taxes, and the money lenders who were the men of power. In the provinces in the declining days of the Empire the

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at an end, and money almost ceased to circulate except among the supporters of the bank. Rent was paid in grain; nor was it by any means, in some towns, a rare thing to see cobblers exchanging shoes for meat, and shopkeepers taking cords of wood for yards of linen."—"History of the People of the United States," I, p. 338.

* *Études d' Histoire et de l'Économie Politique*, p. 75: A striking proof of the differences between the ancient economy and the modern is found by Prof. Bucher in the fact that even the names are lacking in early Latin and Greek for modern financial conceptions. *Merces* is used indiscriminately for wages, rental, interest on capital and price.

† "Western Civilization," I, p. 129.

land-owners, unable to pay the accumulating taxes, could borrow only from the men whose relations with the official classes and the tax-gatherers put them in command of ready money.*

MONEY AS AN AID TO INDIVIDUAL FREEDOM.

When the system of slavery was succeeded in the Middle Ages by the occupation of the lands of the west by the Goths, Vandals and the Germanic tribes which overran the Roman Empire, the subdivision of labor in the family group continued to obviate the need for money. Local groups aided each other in work too heavy for a single group and the feudal system brought an enlargement and consolidation of the family group, and thereby continued a sufficient subdivision of labor, without creating the need for formal exchanges between groups.† Gradually, no doubt, the field of exchange extended, as certain raw materials came to be needed for spinning and weaving, and as a surplus of production permitted the exchange of this surplus for foreign luxuries. But throughout antiquity and even down to the nineteenth century, the principal exchanges in foreign trade were exchanges of superfluities and luxuries—not exchanges of necessary food or of the raw materials and finished products of staple manufactures. They were events touching only the surface of the organization of domestic industry—not reaching down to its depths, like the organized foreign trade of the nineteenth century.‡

As the refinement of production and civilization in mediæval society gradually led to a greater division of labor and the gathering of artisans in towns, a system of exchange developed between the town and the surrounding country which affected more deeply than previous exchanges the fundamental economic life of the community. Special markets grew up, where a great mass of exchanges were set off against each other and balanced without large demands for money. They were, however, expressed in terms of money, which was the measure of value of tributes, taxes, and presents, even when these payments were actually made in kind.§ The extension of the use of money was at once a cause and a consequence of the division of labor and the liberation of the laborer from attachment to the soil. The substitution of money payments for services in kind tended to sever the relations between master and man and pave the way for economic freedom. As Prof. Cunningham has pointed out: ‖

"When payment is made in kind, in return for service rendered, the laborer has little choice as to the form in which he will take his earnings, and no choice as to the time of labor; when he works for wages he is free to choose his own way of spending his earnings, and free to decide whether he will work on the terms offered and for the time specified or no. This is a step in advance, because it opens up possibilities of progress, and of rising in the world, though the wage-earner does not necessarily enjoy increased comfort. * * * Freedom to migrate, freedom to change employment, freedom to work or not, and to spend what he earns as he likes, are important elements in personal independence; and these only became possible as the consequences of the introduction of money taxation, the capital of moneyed men, and the payment of wages in money. In the Athens of the time of Pericles these conditions were so far introduced and a considerable number of the inhabitants had secured such economic independence that they were able to enjoy a personal political freedom, such as was impossible in the ancient Egypt or in Phoenicia."

* Dill, "Roman Society in the Last Century of the Western Empire," p. 266.
† Bucher, p. 54. ‡ Ibid., p. 71. § Ibid., p. 72.
‖ "Western Civilization," I, p. 95.

Hence the introduction of any article as money, having the qualities of durability, transportability, and divisibility, marked an important economic revolution in society. In ancient society, organized upon the basis of slavery, there was no great demand for money for the actual purposes of exchange except in the cities and in foreign trade. It was the same with mediæval society. "The feudal lord," M. Guyot truly declares, "could not sell his oats, his game, nor his cattle. If he had wide lands he was not able to distribute their products abroad. It was necessary then that he should consume his products where they were produced, and thus he created around him a clientage which he supported and from which he demanded all sorts of services."*

St. Paul's Cathedral presented a typical illustration of the mediæval economy. Adjoining the Cathedral was the horse-mill, a bake-house, and a brewery, where the grain was ground, bread was baked five times a fortnight, and beer was brewed twice a week under the supervision of the warden of the brew-house.† It was thus that both secular and religious society was organized in the Middle Ages. It was only gradually that payments were commuted into terms of money—payments to the State, to the barons, and to the heads of the religious houses. In the early days of England, after the Conquest, the kings used to receive from their manors certain quantities of provisions for supplying the daily necessities of the royal household. The royal officials knew precisely from what counties were due wheat, various kinds of flesh, provender for horses, and other necessities. Money was then employed for the payment of soldiers and for certain other purposes and was the standard for reckoning the value of the taxes paid in kind. As early as the times of Alfred and Ethelred in England, tenants sometimes paid in money and the tax levied for the *Danegeld*, or tribute to the Danes, was collected in money.‡ But it was only some time after the Conquest, when Henry I was obliged to cross the sea to suppress the insurrection in France, that the need of coined money began to be keenly felt.

It was in England that money payments first generally took the place of services, and it was by the use of money, in connection with other causes, that Englishmen were able to secure the freedom of the individual and the possibility of modern industrial development. The laborer was no longer bound to the parish in which he was born, but could seek a free market for his labor where his special skill would command the highest pay. What the results were to English industry is thus set forth by Prof. Marshall: §

"Freedom of industry and enterprise, so far as its action reaches, tends to cause everyone to seek that employment of his labor and capital in which he can turn them to best advantage; and this again leads him to try to obtain a special skill and facility in some particular task, by which he may earn the means of purchasing what he himself wants. And hence results a complex industrial organization, with much subtle division of labor."

We find money, therefore, developing by a long process of evolution, step by step with the progress of society. Originating in the need for a common denominator of other exchanges, the article upon which fell the final choice of local societies was that which was gradually selected from other commodities as the most exchangeable. This choice inevitably fell, unless diverted by

* *L'Économie de l'Effort*, p. 35.
† Ashley, "English Economic History and Theory," I, p. 45.
‡ Bry, *Histoire Industrielle et Économique de l'Angleterre*, p. 13.
Principles of Economics," I, p. 39.

special circumstances, upon those articles which were sought in progressive communities as the visible evidence of wealth, above and beyond that required for the needs of daily subsistence, and therefore upon articles for which the demand was not limited by the wants of the body, but through the ever-expanding wants and ambitions of civilized men was a demand insatiable in its nature, unlimited in time or space. Inevitably the precious metals emerged from the body of all other commodities as conforming best to these requirements in character and meeting best the conditions of an efficient tool of exchange. Society, having found such a tool, as it acquired the command over iron and stone through generations of travail and blind groping to adapt means to ends, stood at last upon the threshold of modern industrial development, fully equipped for the division of labor, the accumulation of capital in a transferable form, and the freedom of the individual to contract for goods and services in money instead of being bound by personal servitude to the land or the work-bench. Money, therefore, stands forth, along with a few other steps in the evolution of society, as one of the most potent of the factors of our modern industrial civilization. CHARLES A. CONANT.

PROFIT-SHARING BY THE U. S. STEEL CORPORATION.—Nothing in the history of corporations, or, indeed, in the annals of sociology, at all approaches the scheme which is set forth in the circulars addressed to the stockholders of the Steel company and its officers and employees. There have been profit-sharing plans and agreements without number; the whole history of New England manufacturing and of British industry is sown with them; but there has never been anything imagined which in its comprehensiveness, in its scope, in its wisdom, and, necessarily, in its humanity, approached that which recently reached the public and the persons it affects over the signature of Mr. George W. Perkins, the chairman of the Finance Committee of the United States Steel Corporation. And it is to the acute intelligence and financial genius of Mr. Perkins that the construction and elaboration of these ideas are to be credited.

If the record of profit-sharing in industries offers little of encouragement to either the student of economics or to the humanitarian, the reason is not far to seek. The vast majority of such efforts have been either grudging or inadequate, and all, or nearly all, have failed to take account of the element of human nature. The indispensable equation, that of mutuality of incentive, of full moral participancy, has been lacking and there has been nothing to take its place.

With the proposition of the Steel company it is very different. It goes far beyond anything of the kind that liberality or sagacity has ever devised, and we do not think we err when we characterize it as the most portentous and far-reaching problem in practical sociology that the world has ever seen. It is impossible now to circumscribe or define its effects. We think they must prove almost revolutionary; and that they will be felt in every great corporate industry in this and other countries does not admit of question.

There is no aspect in which this astounding project can be profitably considered or rightly understood which does not take account primarily of the liberal and humanitarian policy in which it had its inspiration. Therein lie its foundation and its explanation and therein alone can it find its final acceptance and justification.—*New York Sun.*

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

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INDORSEMENT OF CHECKS BY AGENT—DUTY AND LIABILITY OF DRAWEE BANK.

Supreme Court of Illinois, October 25, 1902.

JACKSON PAPER MANUFACTURING CO. vs. COMMERCIAL NATIONAL BANK.

The authority of an agent to indorse commercial paper can be implied only where the agent is unable to perform the duties of his agency without the exercise of such authority.

A commercial traveler employed to sell and to take orders for goods, to collect accounts and receive money and checks payable to the order of his principal, is not, by implication, authorized to indorse his principal's name on such checks.

A bank paying a check indorsed by an agent of the payee is bound to inquire into the agent's authority; and if it makes payment upon an indorsement which the agent was not authorized to make it is liable for the amount.

The rule in Illinois is, that when the check of a depositor is presented to the bank, and the deposit is sufficient to pay the check, it is an absolute appropriation of the amount of the check to the holder, and that the contract implied by law between the bank and its depositor for the benefit of whoever may become the holder of the check is one upon which such holder can maintain an action.*

By certifying a check a bank enters into an absolute undertaking to pay it when presented at any time fixed by the statute of limitations, and is estopped to deny that it has sufficient funds of the drawer to pay the same.

The Jackson Paper Manufacturing Co. was engaged in the manufacture and sale of paper at Jackson, Mich. In January, 1895, it employed one Charles A. Jackson to act as superintendent of its mill at Jackson, Mich., and he continued to act as such superintendent from January, 1895, to the latter part of December, 1896, or the first of January, 1897. In December, 1896, Jackson went to Chicago to solicit orders for the company and to make sales of paper for it. J. Herz & Son and E. W. Copelin & Co., paper dealers, of Chicago, were customers of the paper company. J. Herz & Son were indebted to it at that time in the sum of between $300 and $400. Jackson went to see J. Herz & Son at their store in Chicago and settled with them their account with the company. J. Herz & Son, on December 18, 1896, gave to Jackson their check of that date for $325.65, payable to the order of the Jackson Paper Manufacturing Company, and drawn upon the Commercial National Bank of Chicago. Jackson took this check to E. W. Copelin & Co.,

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*** This rule does not prevail in any State where the Negotiable Instruments Law has been adopted. That act provides: A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check. (Section 325, New York Act.)**

of Chicago, and asked E. W. Copelin to cash it for him. Copelin had done business with the paper company, and had visited its mill at Jackson, Mich., and had seen C. A. Jackson there acting as superintendent and manager of the mill. Jackson indorsed the check as follows: "Jackson Paper Mfg. Co., C. A. Jackson, Supt.," and turned it over to Copelin. Copelin procured the check to be certified by the Commercial National Bank, upon which it was drawn, and gave Jackson the currency for it. Copelin then indorsed the check over to the American Exchange National Bank, with which he did business, and deposited it to his credit in the American Exchange National Bank. The check went through the Chicago Clearing-House on December 19, 1896, and was paid by the Commercial National Bank on December 21, 1896. The amount thereof was charged to the account of J. Herz & Son, the drawers of the check. When Jackson thus obtained the money upon the check from Copelin, he did not remit the money to the Jackson Paper Manufacturing Company in Michigan, and the amount thereof was never received by the appellant. The company learned nothing of the whereabouts of Jackson until January, 1897, when they then learned of his death by suicide in New Orleans. About the same time they learned of his collection of this money from J. Herz & Son through letters received from the latter.

MAGRUDER, *C. J.* (omitting part of the opinion): The weight of authority seems to be in favor of the contention of appellant that authority to indorse commercial paper can only be implied where the agent is unable to perform the duties of his agency without the exercise of such authority. In other words, the power of an agent to indorse commercial paper for his principal must be a necessary implication from an express authority conferred upon such agent. Wherever such power is implied from the acts of the agent, the acts, subject to such implication, must be acts of a kind like those from which the implication is drawn. Parsons, in his work on Contracts (Vol. 1 [6th Ed.] p. 62), says: "An agent's acts in making or transferring negotiable paper (especially if by indorsement) are much restrained. It seems that they can be authorized only by express and direct authority, or by some express power which necessarily implies these acts, because the power cannot be executed without them."

The power of an agent to bind the principal by the making or indorsing of negotiable paper can only be charged against the principal by necessary implication, where the duties to be performed cannot be discharged without the exercise of such a power, or where the power is a manifestly necessary and customary incident of the character bestowed upon the agent, and where the power is practically indispensable to accomplish the object in view. An agent cannot bind his principal by making or indorsing notes for his own benefit or the benefit of third persons. (Mechem, Ag. §§ 389-392.)

It is true that Jackson was the superintendent of appellant's mill, and managed the business of running the mill; but "an agent having general authority to manage his principal's business has, by virtue of his employment, no implied authority to bind his principal by making, accepting or indorsing negotiable paper. Such an authority must be expressly conferred, or be necessarily implied from the peculiar circumstances of each case. It may undoubtedly be conferred, and by implication, but it will not be presumed from the mere appointment as general agent." (Id. § 398.)

Daniel, in his work on Negotiable Instruments (Vol. 1 [4th Ed.] § 292), says: "When the authority to execute or indorse a negotiable instrument is sought to be deduced from an agency to do certain other acts, it must be made to appear affirmatively that the signing or indorsement of such an instrument was within the general objects and purposes of the authority which was actually conferred ; and in interpreting the authority of the agent it is to be strictly construed."

We fail to discover anything in the record in the present case to show that the power to indorse the check here in controversy was within the general objects and purposes of the authority conferred upon Jackson. Instead of transmitting the check to the appellant, he assumed to sign appellant's name upon the back of the check, and to obtain the cash for it. The indorsement was evidently made for his own benefit. There is, of course, some evidence tending to show that the trip made by him to Chicago was a trip taken in the interest of the business of the appellant, but his accounts show that there was paid to him during the time of his trip sufficient money for his expenses. Copelin & Co., who cashed the check upon his indorsement, had no business, on December 18, 1896, when the check was cashed, with the appellant, or with Jackson, as the agent of appellant. There is nothing to show that Copelin & Co. at that time owed the appellant anything, or purchased any goods from the appellant at that time through Jackson, as appellant's agent. It may be that Jackson had authority at that time to collect debts that may have been due to the appellant as his employer, but "authority to collect debts and give discharges carries no implication of authority to indorse a negotiable note." (1 Daniel, Neg. Inst. [4th Ed.] § 293.) "The nature and extent of an implied authority are deemed to be limited to acts of a like nature with those from which it is implied." (Am. and Eng. Enc. Law [2d Ed.] p. 1002.)

It is not shown by any evidence whatever in the record that Jackson ever indorsed a check for the appellaut, except the check here in controversy. It is not proven that he ever did any such act as the indorsement of a check or note, which was approved and ratified by the appellant after it was done.

The statements made by the text writers above referred to appear to be sustained by the decided cases. (Boord vs. Strauss, 39 Fla 381; Gregory vs. Loose, 19 Wash. 599; Dodge vs. Bank, 30 Ohio St. 1; Doubleday vs. Kress, 50 N. Y. 410; Smith vs. Association, 12 Daly, 304; Atkinson vs. Manufacturing Co. 24 Me. 176; Middlesex County Bank vs. Hirsch Bros. Veneer Mfg. Co. 24 N. Y. St. Rep. 297, 4 N. Y. Supp. 385; Graham vs. Institution, 46 Mo. 186; Smith vs. Gibson, 6 Blackf. 370; Railway Equipment and Publication Co. vs. Lincoln Nat. Bank, 82 Hun, 9; New York Iron Mine vs. First Nat. Bank of Negaunee, 39 Mich. 644; Vanbibber vs. Bank, 14 La. Ann. 486; Jackson vs. Bank, 92 Tenn. 154.)

While it is well settled that an authority to draw, accept, or indorse bills may be presumed from acts of recognition in former instances, yet those acts must be known to the party setting them up. (Rawson vs. Curtiss, 19 Ill. 456; Maxey vs. Heckethorn, 44 Ill. 437; St. John vs. Redmond, 9 Port. 432; Cash vs. Taylor, 8 Law J. K. B. [O. S.] 262; Chitty, Bills [13th Am. Ed.] p. 41, *32.) That is to say, where a party, accepting a check or note or bill indorsed by an agent, and shown upon its face to be indorsed by an agent, maintains that the agent had apparent authority to make such indorsement, he must prove that the facts giving color of authority to the agent were known to him.

If such person has no knowledge of such facts, he does not act upon them, or part with anything on the faith of any apparent authority, and there fore is not in a position to claim anything from such apparent authority. (1 Daniel, Neg. Inst. [4th Ed.] § 297, and other authorities last above referred to.)

Chitty on Bills (13th Am. Ed. p. 41, supra) says: "But it must appear that the bill or note is taken upon the faith of prior similar transactions, and therefore the holder of a bill purporting to be, but not in fact, accepted by the person to whom it is addressed, cannot recover against the apparent acceptor by proving a fact, subsequently discovered, that on a former occasion the defendant had given a general authority to the person, who accepted in his name, to accept bills for him. To make such authority available, the holder must show either that the authority remained unrevoked at the time of the acceptance, or that he took the bill on the faith of such authority."

It is insisted by the appellant, that the appellee bank did not show, and did not propose to show, that appellee had any knowledge of the acts relied upon as showing by implication the authority of Jackson to indorse the check. To this contention the appellee replies that it was not necessary for it to prove its knowledge of prior similar transactions, and that it accepted and paid the check on the faith of such transactions, but that it was sufficient if Copelin & Co., who purchased the check from Jackson, had such knowledge. In other words, the question, as presented by the appellee, is whether Copelin & Co. obtained good title to the check through the indorsement of Jackson. Appellee claims that, if Copelin & Co. had good title to the check, that firm would transfer by its indorsement no worse title than it had. Without stopping to discuss this contention, or to pass any opinion upon it, it may be admitted for the purposes of this case to be correct, and yet the question remains whether there were any acts or circumstances brought home to the knowledge of Copelin & Co., which would justify them in purchasing this check upon Jackson's indorsement without making inquiry as to his authority. It is true that Copelin had been to Jackson, Mich., and had seen Jackson in charge of appellant's mill, and had seen him engaged in the management of appellant's business. There is also evidence to the effect that he saw Jackson opening mail, and giving orders to the men in the employ of the company, and countersigning some of the checks drawn by the company upon its bank to pay for material. But under the authorities above referred to and quoted from, none of these acts were sufficient to justify Copelin & Co. in inferring that Jackson had authority to indorse the check.

The check was drawn by J. Herz & Son upon the appellee bank. In the present case it is not denied that Herz & Son had funds enough in the appellee bank to pay the check so drawn by them to the order of appellant. The doctrine of this court is that, "when the check of a depositor is presented to the banker, if the deposit is sufficient to pay the check, it is an absolute appropriation of the amount of the check to the holder; and that the contract implied by law between the banker and his depositor for the benefit of whoever may become the holder of the check is one upon which such holder can maintain an action." (Gage Hotel Co. vs. Union Nat. Bank, 171 Ill. 531.)

In the present case it appears that the check was certified by the appellee. By such act of certification appellee assumed the duty to pay the check only to the appellant, the payee therein, or upon appellant's genuine indorsement. Having direct notice of Jackson's agency by his signature upon the back of the check as superintendent, appellee was bound to take notice of the limitations upon its authority. When it certified the check, it entered into an absolute undertaking to pay it when presented at any time within the time fixed by the statute of limitations, and was, therefore, estopped to deny that it possessed sufficient funds of the drawer to pay the check. (Bank vs. Jones, 137 Ill. 634, 27 N. E. 533 ; Middlesex County Bank vs. Hirsch Bros. Veneer Mfg. Co. 24 N. Y. St. Rep. 297 ; Smith vs. Association, 12 Daly, 304 ; Dowden vs. Cryder, 55 N. J. Law, 239.)

The mere fact that Jackson was in possession of the check which he thus obtained from J. Herz & Son did not authorize him to transfer it to Copelin & Co., or authorize Copelin & Co. to purchase it from him upon his indorsement of appellant's name thereon ; nor was any authority thereby conferred upon the appellee bank to pay the same. In Dodge vs. Bank, supra, it was held that "the rightful possession of a check made payable to the order of a particular person confers no authority on the drawee to pay the same to the person having such possession, without the genuine indorsement of the payee," and that, if the drawee relies upon false representations as to identity, for which neither the drawer nor payee is responsible, he makes payment to a wrong person at his peril.

In Doubleday vs. Kress, supra, it was held that the possession by an assumed agent of a promissory note payable to the order of the payee, and not indorsed by him, is not alone sufficient evidence of his authority to authorize a payment thereof to him.

In Smith vs. Association, supra, it was held that a party making a special contract with the general manager of a corporation knows that he is making it with a mere agent, and he is bound at his peril to ascertain the agent's real authority.

In Atkinson vs. Manufacturing Co., *supra*, it was held that proof that a person was an agent of an incorporated company, and had charge of the business of said company at a certain place, was not alone sufficient to show that such a person was authorized to draw a note or bill in behalf of the company, and that the acceptance of a draft by the treasurer of an incorporated company, without evidence of any authority in him to perform such acts, did not thereby render the company liable thereon.

In Smith vs. Gibson, *supra*, it was held that the authority of an agent to buy and sell goods for his principal did not confer a power to bind him by drawing or indorsing bills and notes, and that no agency will be implied in such cases unless there is some evidence of recognition by the principal in the particular case or in similar cases. In Railway Equipment and Publication Co. vs. Lincoln Nat. Bank, *supra*, which was an action brought to recover for the conversion of certain checks belonging to the plaintiff, it was held that the fact that the agent there was held out as the manager of the business of the corporation in no way authorized the conclusion that he had the right to bind the corporation by his signature to commercial paper.

In New York Iron Mine vs. First Nat. Bank of Negaunee, *supra*, it was held that a general agent, without being specially empowered so to do, had no authority to make promissory notes in the name of his principal, and that where a general agent in Michigan was accustomed to indorse the company's paper for collection or discount, and to draw on the treasurer in New York for the current needs of his corporation, and his drafts were duly paid, this could not imply authority in the agent to make promissory notes in the name of the corporation.

In Vanbibber vs. Bank, *supra*, it appeared that the drawers of a check were accustomed to have deposits of funds at the bank, and to draw occasionally against the same; and it was there said: "The drawers of this check requested the bank to pay its amount to plaintiffs or order. The bank had no right to pay it to any other person. It has, however, paid it upon a forged indorsement, and the amount of the check must be considered to be still in the bank, subject to the rights of plaintiffs. * * * If there was a negligence anywhere, it was on the part of the bank. Their duty to their depositor required them to be satisfied that the indorsement of the check was that of the payees. * * * It is also established that the collector was never authorized by the plaintiffs to indorse any check drawn to the order of the firm, or any check."

In Graham vs. Institution, *supra*, which was a case similar in its facts to the case at bar, it was said by the court: "This suit is brought to recover the amount of two checks, which were drawn on the defendant by third parties in favor of the plaintiffs, and made payable to their order. The drawers delivered the checks to the plaintiffs' collecting agent, one Dixon, in settlement of certain bills which the latter had in charge for collection, being bills due from the drawer of checks to the plaintiffs. Dixon indorsed the defendant's firm name upon the checks, and presented them at the bank, and drew the money upon them, which he seems to have appropriated to his own use, without rendering any account thereof to the plaintiffs. * * * The question presented is purely one of agency. Was Dixon the plaintiffs' agent to indorse negotiable paper given in settlement of debts due to his employers? He was their agent to adjust such claims and receive the amounts due upon them, and to do those subordinate and incidental things usual and customary in the accomplishment of the main purpose had in view, to wit, the collection. The main purposes had been accomplished when he had received the checks payable to his principals. His duties as a collector ceased at that point. His next duty was to account with his employers for the proceeds of his collections, and turn over the checks to them, to be disposed of as they might judge proper. The indorsement of the checks was no necessary incident of the collection of the accounts."

In Jackson vs. Bank, 92 Tenn. 154, which is also a case similar in its facts to the case at bar, the Supreme Court of Tennessee says: "No authority will be implied from an express authority. Whatever powers are strictly necessary to the effectual exercise of the express powers will be conceded to the agent by implication. In order, therefore, that the authority to make or draw, accept and indorse, commercial paper as the agent of another may be implied from some other express authority, it must be shown to be strictly necessary to the complete execution of the express power. The rule is strictly enforced that the authority to execute and indorse bills and notes as agent will not be implied from an express authority to transact some other business, unless it is absolutely necessary to the exercise of express authority. (Tied. Com. Paper, § 77.)

Possession of a check, payable to order, by one claiming to be agent of the payee, is not *prima facie* proof of authority to demand payment in the name of the true owner. (Id. § 312.)

A bank is obliged by custom to honor checks payable to order, and pays them at its peril to any other than the person to whose order they are made payable. (Id. § 431.)

It must see that the check is paid to the payee therein named upon his genuine indorsement, or it will remain responsible. (Pickle vs. Muse, 88 Tenn. 380.)

An authority to receive checks in lieu of cash in payment of bills placed in the hands of an agent for collection does not authorize the agent to indorse and collect the checks. (Graham vs. Institution, 46 Mo. 186; 1 Wait, Act. & Def. p. 284; 1 Daniel, Neg. Inst. § 294.)

The indorsement of the check was not a necessary incident to the collection of the accounts. (Graham vs. Institution, 46 Mo. 186.)

It follows that a drummer or commercial traveler, employed to sell and take orders for goods, to collect accounts, and receive money and checks payable to the order of his principal, is not, by implication, authorized to indorse such principal's name to such checks. No equitable considerations can be invoked to soften seeming hardships in the enforcement of the laws and rules fixing liability on persons handling commercial paper. These laws are the growth of ages and the result of experience, having their origin in necessity. The inflexibility of these rules may occasionally make them seem severe, but in them is found general security." (See, also, Renting Co. vs. Hutchinson, 25 Ill. App. 476; Commercial Nat. Bank vs. Lincoln Fuel Co. 67 Ill. App. 166; Beattie vs. Bank, 174 Ill. 571.)

A person dealing with an agent takes the risk as to the extent of his authority, and is bound to inquire into his authority. (Reynolds vs. Ferree, 86 Ill. 570, and authorities last above referred to.)

The rulings of the court below upon the admission and exclusion of evidence, and its action in giving and refusing instructions, were in opposition to the views hereinbefore expressed. We are therefore of the opinion that the trial court erred in this respect.

POWER OF NATIONAL BANK—PURCHASE OF MUNICIPAL BONDS.

Court of Appeals of Kentucky, October 31, 1902.

NEWPORT NATIONAL BANK *vs.* BOARD OF EDUCATION OF NEWPORT.

A National bank has power to deal in municipal bonds, and may make a contract with a municipal corporation for the purchase of its bonds.

In the month of February, 1900, the board of education of the city of Newport, Ky., being in debt in the sum of $27,200, decided to issue for the purpose of funding the debt its bonds of that amount, maturing at the end of forty years, redeemable after twenty years at its option, and bearing interest at the rate of four per cent. per annum. The Newport National Bank bid for all the bonds, and offered therefor $27,945. This offer the defendant accepted, and agreed to deliver the bonds to the bank, but thereafter refused to carry out its contract, and sold the bonds to other persons. Thereupon the bank filed this suit for damages for the breach of the contract. The cir cuit court sustained a general demurrer to the petition on the ground that a National bank has no power to make such a contract, and therefore was not bound by it.

HOBSON, *J.*: A corporation can engage in no business not authorized by its charter. Its powers are only such as are conferred by the statute, and an enumeration of its powers in the statute is an exclusion of all others. (Covington Gaslight Co. vs. City of Covington [Ky.], 58 S. W. 805, and cases cited.)

The powers of a National bank are derived from the act of Congress, and, so far as material to the question before us, are as follows: "To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange and other evidences of debt; by receiving deposits; by buying and selling exchange, coin and bullion; by loaning money on personal security; and by obtaining, issuing and circulating notes according to the provisions of this title." (Rev. St. U. S. Sec. 5136 [Comp. St. U. S. 1901, p. 3455.])

It will thus be seen that express power is conferred to carry on the business of banking by discounting and negotiating promissory notes, bills of exchange, and other evidences of debt. The board of education is a corporation created by the laws of this State, and its bonds are manifestly evidences of debt, and the transaction in question is therefore authorized by this provision of the National Banking Act, if the purchase of the bonds by the bank is warranted by the words "discounting and negotiating."

It is urged that the bid of the bank, being for more than the face of the bonds, was not a discounting of the bonds within the fair meaning of that term. Without stopping to inquire whether this is true or not, we are satisfied it is warranted by the word "negotiating," which is a general word coming to us from the Latin, and signifying to carry on negotiations concerning, and so to conduct business, to conclude a contract, or to transfer or arrange. The two expressions "discount and negotiate," taken together, have a broader meaning than the word "discount" alone, and seem to us to have been used designedly by Congress to authorize these fiscal agencies to invest their surplus in promissory notes, bills of exchange, and other evidences of debt so as to make it remunerative.

In Leach vs. Hale, 31 Iowa, 69, a National bank received United States bonds of one class on deposit under an agreement to exchange them for those of another class, and failed to make the exchange. It was held that the transaction was not *ultra vires*. The Court said: "It is the policy of the Government to encourage the purchase and sale of its bonds and to facilitate transactions in them, for thereby their value will be enhanced, and the credit of the Government in a measure promoted. It is not probable that Congress intended to impose restrictions upon the National banks, the most numerous class of financial agents in the country, which would operate to prohibit dealing in the securities of the Government in a manner usual among bankers and banking institutions. The effect of such legislation, it is apparent, would tend to discourage transactions in these securities, and in a measure operate to lessen their value."

This case was followed by the Court of Appeals of New York in Yerkes vs. Bank, 69 N. Y. 382, and it has also been held that, as interest coupons attached to municipal bonds are evidences of debt in the nature of promissory notes, a National bank may deal in them. (Bank vs. Bennington, 16 Blatchf. 53 Fed. Cas. No. 4,807.)

Every reason which sustains the power of a National bank to deal in the bonds of the United States or interest-bearing coupons of municipal bonds applies with equal force to its purchase of corporate bonds, for one is as precisely an evidence of debt as the other, and the purchase of one is no less a negotiation than the purchase of the other. The same reasons of public policy, too, apply in one case as the other. A large part of the capital of the country is invested in National banks, or controlled by them, and, if none of this capital could be applied to the purchase of municipal or corporate bonds, then the value of these securities would be greatly impaired, and much injustice would be done to the municipalities of the country.

In Bank vs. Boyd, 44 Md. 47, a customer deposited with a National bank certain municipal coupon bonds as collateral security for a debt then existing. After the debt was paid off, the bonds were left with the bank on the idea that they should be a security for any future indebtedness. When such indebtedness did not exist, the bonds were stolen from the bank, and it relied upon the plea of *ultra vires* to defeat the responsibility for them. It was held responsible, and the power of the bank to take such bonds as collateral security for a debt was upheld. The power to hold municipal bonds as collateral security for a debt not created is no more fairly within the implied power to carry on a banking business than the power to buy such bonds outright. The case of Bank vs. Pierson, 24 Minn. 140, is not approved.

Judgment reversed, and cause remanded, with directions to overrule the demurrer to the petition.

CHECK—LIABILITY OF DRAWEE—PRESENTATION.

Supreme Court of Nebraska, December 4, 1902.

EDMISTEN vs. HERPOLSHEIMER, *et al.*

In the absence of special circumstances, in order to hold the drawer liable on his check it must be presented not later than the day following its receipt, where the payee receives it in the place in which the bank on which it is drawn is located.

That the check is drawn on a bank in the city where the collection of such paper is made through a clearing-house, and the check was received after banking hours, does not relieve the payee of the necessity of presenting it the following day.

It is the duty of the holder of a check, if he receives it after banking hours, to present it during banking hours of the next day if the bank is located in the same town; if not, then to forward it by mail the next day.

On Friday, May 28, 1897, J. H. Edmisten executed and delivered to Henry Herpolsheimer and another, doing business under the name of H. Herpolsheimer & Co., his check, drawn on the Merchants' Bank of Lincoln, for $200.62, in payment of an account, at their place of business in said city. On the following day the plaintiffs deposited the check, with others, in the American Exchange Bank, with which they transacted their banking business. The Merchants' Bank was open for the transaction of business at the date of the delivery of the check and the day following. The following Monday was a legal holiday, and the next morning the Merchants' Bank failed to open, and has never since opened for the transaction of business, and has passed into the hands of the State Banking Board. It was wholly insolvent, and nothing was realized from its assets. The check was never presented. This action was brought by the payees against the maker of the check to recover the amount due thereon. A trial was had to the court, which resulted in a finding and judgment for the plaintiffs.

ALBERT, *C.:* The only disputed fact in the case is whether the check was delivered during banking hours on the date of its delivery. This question was submitted to the court on conflicting evidence, and, the court having found that it was delivered after banking hours, under the well-known rule of this court its finding on that point will not be disturbed. Therefore, for the purpose of this case, we shall assume, as one of the facts in the case, that the check was delivered to the payees after banking hours on May 28, 1897.

This leaves but one question in the case, and that is whether the failure to present the check for payment on the day after its receipt relieves the defendant from liability thereon. It will be observed that the payees were doing business and received the check in the city where the bank on which it was drawn was located. The rule is that, in the absence of special circumstances, in order to hold the drawer liable on his check it must be presented not later than the day following its receipt, where the payee receives it in the same place in which the bank on which it is drawn is situated. (Tied. Com. Paper, § 443, and the cases there cited; Norton, Bills & N. [last Ed.] 388 *et seq.*; Anderson vs. Rodgers, 53 Kan. 542, Daniel, Neg. Inst. [4th Ed.] § 1590; Rand. Com. Paper [last Ed.] § 1105; Holmes vs. Roe [Mich.] 28 N. W. 864, 4 Am. St. Rep. 844; Grange vs. Reigh [Wis.] 67 N. W. 1130; Murphy vs. Levy [Sup.] 50 N. Y. Supp. 682.)

Counsel concede this to be the rule, but urge that, under the special circumstances in this case, the plaintiffs were not required to present the check on the day following its receipt. The special circumstances relied on are that the collection of such paper in the city of Lincoln is made through the agency of a clearing-house, and that the check, having been received after banking hours, could not, in the usual course of business, pass through the clearing-house and be presented for payment on the day following its receipt by them. This position is sustained by two opinions, both from the same court, and delivered by the same judge. (Loux v. Fox [Pa.] 33 Atl. 190; Willis v. Finley [Pa.] 34 Atl. 213.)

In the opinions referred to, a departure from the settled rules of the law merchant is impliedly admitted. An attempt to justify such departure is made on the grounds of a custom among banks, and the impossibility, owing to the great volume of business, of conforming to the established rule. The reasoning does not commend itself to our judgment. We do not believe a party should be permitted to excuse a lack of dilligence by showing that such a lack is customary among those engaged in like business in the same city, nor to plead the magnitude of his business as an excuse for a failure to prosecute it with diligence. The special circumstances that will excuse delay in presentment have generally been held to be such as are beyond the holder's control, or arise from some agreement or understanding between the drawer and some one or more of the other parties to the paper.

In Holmes vs. Roe (Mich.) 28 N. W. 864 the Court says: "The clearing-house, and the mode of conducting business through it, has no bearing on the liability of the drawer of the check which is alleged not to have been presented within the time allowed by law."

In Bank vs. Miller, 37 Neb. 500, this Court says: "No custom or usage among banks, as to the manner of presenting ordinary checks for payment, will relieve them from the legal duty of presenting such checks for payment within a reasonable time." The cases just cited, to our minds, state the correct rule. It follows that the failure of the plaintiffs to present the check for payment on the day following its receipt by them relieves the defendant from liability thereon, and that the judgment of the district court is wrong, and should be reversed.

It is recommended that the judgment of the district court should be reversed, and the cause remanded for further proceedings according to law.

Ames and Duffie, *CC.*, concur.

PER CURIAM: For the reasons stated in the foregoing opinion, the judgment of the district court is reversed, and the cause remanded for further proceedings according to law.

(On rehearing, Oct. 22, 1902.)

OLDHAM, *C.*: The issues involved in this case are properly stated in the original opinion. There was only one disputed question of fact between the parties to the controversy, and that was as to whether the check of defendant, Edmisten, was presented to plaintiffs during banking hours on Friday, May 28, 1897; defendant contending that it was, and the plaintiffs that it was not delivered until banking hours had closed. This dispute was determined by the trial court in favor of plaintiffs' contention. The finding of the trial court on this disputed question of fact was and should have been treated as binding on this court in the former opinion.

All other questions of fact were stipulated in the record, and were briefly stated, as follows: That the Merchants' Bank, of Lincoln, was open all day Saturday, following the day the check was drawn, from 10 o'clock, A. M. until 3 o'clock, P. M.; that all checks presented on that day were paid by this bank; that defendant, Edmisten, had funds to his credit in this bank more than sufficient to pay the check in controversy; that plaintiffs' place of business and the Merchants' Bank were each located in the city of Lincoln, Neb., and were situated within a distance of two blocks of each other; that a subsequent check drawn by the defendant, Edmisten, and delivered to one F. L. Rose on May 29 was presented at the bank on that day by said Rose, and was paid in full. It was further stipulated that May 30 was Sunday; that May 31 was Decoration Day, and a legal holiday, on which none of the banks of Lincoln were open for the transaction of business; and that on the following day, June 1, the Merchants' Bank suspended business and was and is wholly insolvent. It is also stipulated that plaintiffs proceeded with the collection of the check in the manner set forth in the original opinion, and that the check never was presented to the Merchants' Bank on account of the suspension of that institution, but that it was presented to defendant, Edmisten, and payment demanded of him, and payment refused, before this action was instituted.

In the face of this record, we can see no escape from the conclusion reached by the learned commissioner on the former hearing of this case. We have carefully re-examined the numerous authorities cited in support of his decision, and are satisfied that he has followed a well-beaten track that has been trodden by many judicial feet; and we do not feel disposed to recommend this court to depart from this broad highway of well-reasoned cases, to follow the dimly marked by-path pointed out by counsel for defendants in error. There is every reason why a strict rule of diligence in presenting a check by the holder should be exacted in this case, and no reason why it should be relaxed. Here, plaintiff's place of business was but two blocks from the bank on which the check was drawn, and the bank remained open, paying all checks presented, a whole day after the check was received, and it would have required very slight physical exertion for plaintiffs or some of their employees to have taken this check to the bank Saturday, and received the money on it; but, instead of this, plaintiffs chose a leisurely, labyrinthine journey for this check, by depositing it in another bank, and having it thread its way from this bank to the clearing-house, and from the clearing-house to the banking house of the drawee. And while this check was pursuing this circuitous route the drawee departed its business life with enough of defendant's money in its possession to have satisfied the check had it reached its destination before the demise of the bank.

In the case of Grange vs. Reigh (Wis.) 67 N. W. Rep. 1130, it is said: "Where the payee of a check resides and receives the check at the place where the bank is located, a reasonable time for presentation to the drawee reaches, at the latest, only to the close of banking hours on the succeeding day, excluding Sunday and holidays." In Kirkpatrick vs. Puryear (Tenn.) 24 S. W. Rep. 1130, the Court says: "It is the duty of the holder of a check, if he receives it after banking hours, to present it during banking hours of the next day if the bank is located in the same town; if not, then to forward it the next day by mail. If he fails to do this, and the check is afterwards not paid, his right as against the indorser is extinguished." Citing, in support of this conclusion, Morse vs. Banks, Sec. 442; Bank vs. Merritt, 7 Heisk. 193; Schoolfield vs. Moon, 9 Heisk. 173.

We are therefore satisfied that the former opinion was right, and should be adhered to; and we so reconmend.

PROMISSORY NOTE—TRANSFER—WARRANTY.

Supreme Court of Oregon, June 3, 1902.

CARROLL VS. NODINE.

Where a promissory note is indorsed without recourse there is an implied warranty by the seller that it is what it purports to be, and that no payments have been made, except such as appear to have been endorsed thereon, and that such as so appear are genuine and operate to continue the obligations in force as against the statute of limitations.*

But parol evidence is admissible to show that at the time of the transfer the indorsee agreed to take the paper at his own risk, and to relieve the indorser from such liability.

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* By the Negotiable Instruments Law it is provided: Every person negotiating an instrument by delivery or by a qualified indorsement warrants:

1. That the instrument is genuine and in all respects what it purports to be;
2. That he has a good title to it;
3. That all prior parties had capacity to contract;
4. That he has no knowledge of any fact which would impair the validity of the instrument or render it valueless.

But when the negotiation is by delivery only, the warranty extends in favor of no holder other than the immediate transferee. The provisions of subdivision three of this section do not apply to persons negotiating public or corporate securities, other than bills or notes. (Section 115, New York Act.)

This was an action upon an implied warranty on the sale without recourse by defendant to plaintiff of a certain promissory note made and executed by Louisa A. Hudson and Thomas R. Hudson to Fred Nodine on August 21, 1878, for the sum of $150, with interest at ten per cent. per annum, and by the latter indorsed to the defendant. The note was secured by a mortgage upon real property in the city of Union, Or. Several payments were indorsed thereon, including one of $7, of date October 25, 1893. The complaint contains appropriate allegations showing that suit was subsequently commenced to foreclose, and the defense interposed that the $7 indorsement was not a genuine payment, by reason whereof the statute of limitations had run against the note. The answer set up, among other things, that at the time the defendant sold and indorsed the note to plaintiff, he was fully informed of all matters concerning the credit made thereon of date October 25, 1893, and that the same was a valid and genuine payment; that he then guaranteed that she should never at any time be held liable upon said note in any capacity, or for any part thereof; and that her indorsement of said note without recourse would, and in fact did, forever relieve and protect her from all liability thereon. The case went to trial upon the issues thus tendered, with others, and, plaintiff having recovered judgment, the defendant appealed.

WOLVERTON, *J.:* There are but two errors relied upon for reversal. It is first contended that the plaintiff, at the time he purchased the note, agreed and guaranteed that the defendant should never be held liable thereon in any capacity, and that such an agreement constitutes a valid defense to the action. The question arose upon an attempt to prove the express warranty set up in the answer by parol, which the court refused to permit, under the idea that the contract, being in writing, could not be thus varied.

The theory of the plaintiff is that the indorsement of the note fixes and determines the relation of the parties to the transfer—that is, imports a contract in writing between them—and that, like other contracts of the kind, cannot be varied or controlled by a contemporaneous verbal agreement, as it is presumed that the whole understanding of the parties has been incorporated in the writing.

The case of Smith vs. Caro (9 Or. 278) and other cases of like nature, are relied upon in support of the contention. In the case cited the indorsers simply wrote their names upon the back of the note; and the court held that by the law merchant the indorsement imported a contract in writing, which served not only as a means of transfer, but to fix and determine the liabilities of the indorsers, and that it was not competent to vary the contract by any parol agreement that might have been entered into at the time. The liabilities of an ordinary or unqualified indorser are upon the instrument indorsed, conditioned upon demand and notice; but where the transfer is by indorsement without recourse, or by delivery, the vendor's liabilities arise from the fact or contract of sale, and not upon the paper. The purpose of such an indorsement, like delivery without indorsement, is simply to carry title to the purchaser, without alone importing a contract (4 Am. & Eng. Enc. Law [2d Ed.] 475).

The authorities are in unison, however, that where a note is thus transferred there is an implied warranty by the seller that it is what it purports to be, and, as applied to the exigencies of this case, that no payments have been made except those that appear to have been indorsed thereon, and that such as so appear are genuine, and operate to continue the obligation in force as against the statute of limitations. (Bank vs. Smiley, 27 Me. 225; Society vs. Giddings [Cal.] 30 Pac. 1016; Hannum vs. Richardson, 48 Vt. 508.)

There is an intimation in a note to Drennan vs. Bunn (Ill.) 7 Am. St. Rep. 354, 366 (s. c. 16 N. E. 100), that the general rule that oral evidence is inadmissible to change the contract of indorsement relates to restrictive indorsements, also, and, extended, it applies to indorsements without recourse. The authorities referred to, however, as sustaining the principle, go to the proposition that it cannot be shown by parol that an unqualified indorsement was made for the sole purpose of transferring the title, and that it was agreed at the time that the words "without recourse" should be written over it.

This, it appears to us, is coming back to the same question. An indorsement without recourse is a very different thing from an unqualified indorsement; and it would be just as objectionable to show an agreement by parol that the vendor should be relieved of all liability on the instrument, as it would be that the vendor agreed to waive demand and notice, which was the case of Smith vs. Caro, *supra*. In either case there is a variance of the contract which the unqualified indorsement imports.

We have been unable to find any case covering the exact point here. Where an article of personalty in the vendor's possession is sold and delivered to another, and nothing is said, there goes along with the contract an implied warranty of title, and a failure thereof renders the vendor liable. The implied warranty attending the sale of commercial paper arises upon like principle. (Hannum vs. Richardson, *supra.*)

It will hardly be disputed that the vendor of personalty may by verbal understanding or agreement limit the liability under the implied warranty of title, and thereby make the transfer entirely at the purchaser's risk; and why should not the same principle govern as to the sale and delivery of commercial paper, where the indorsement merely operates to transfer the title? And to carry the reasoning a little further, there is no implied warranty by a sale and simple delivery of the paper, or by the indorsement without recourse, of the solvency of the maker or other person liable for its payment; but we take it to be unquestioned now that the vendor may, by express verbal agreement, warrant the solvency of such parties, and thereby render himself directly liable in case of their default in payment. The statute of frauds does not stand in the way of such an agreement. (Milks vs. Rich, 80 N. Y. 269; White vs. Webster, 58 Ind. 233.)

So that it may be deemed competent for the vendor to verbally enter into an express warranty with relation to the paper in connection with the transfer of the title, and the only question that remains is whether it is superseded by the contract which the mere delivery or indorsement without recourse implies. But we have seen that such an indorsement does not constitute a contract in writing, and serves merely to transfer title, as in the case of delivery when payable to bearer.

In Smith vs. Corege (Ark.) 14 S. W. 93, the vendor, by verbal agreement, expressly warranted that the paper transferred by delivery was good, and hence not tainted with usury; and the court permitted the establishment of the agreement against an objection that it was contrary to the statute of frauds. Now, if it be permissible to show by parol an express warranty that the paper is not usurious, or that the makers are solvent, why is it not equally

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competent to show by parol that the purchaser agreed to take the paper at his own risk, absolutely, and thus relieve the vendor of all liability of whatsoever nature that ordinarily attends the sale and transfer by such methods where nothing is said to vary the effect of the transaction ? Logically there is but one answer to the question, which is that the verbal agreement may be shown, and we are constrained to so hold.

ALTERATION OF NOTE—LIABILITY OF MAKER.

Supreme Court of Kansas, October 11, 1902.

BANK OF HERINGTON vs. WANGERIN.

Where a negotiable instrument is delivered to a payee, complete in all its parts, the maker thereof is not liable thereon, even to an innocent holder, after the same has been fraudulently altered so as to express a larger amount than was written therein at the time of its execution. *

Such maker is not bound at his peril to guard against the commission of forgery by one into whose hands such instrument may come.

(Syllabus by the Court.)

CUNNINGHAM, *J.:* The defendant in error, Wangerin, executed his note for $60 to one McNaspy, as payee. The note was written by the payee upon a printed blank, and in such a manner that, after Wangerin had signed, McNaspy was enabled to place in the scroll prepared for the figures representing the number of dollars the figure "1" before the figures "60," and to write in the line prepared for the written amount, and before the word "sixty," the words "one hundred and." This was all done in such a manner that no one would be able to discover the change or alteration by the closest scrutiny, and thereby the note appeared to be one executed by Wangerin for the sum of $160. This note was sold for its full value to the plaintiff in error, in the regular course of business, before maturity, and without notice of any change.

The question is, whether the bank can recover either the face of the note or the original consideration of $60 from Wangerin. The district court held that it could not. The authorities are at variance upon this proposition; the greater weight, and, as we think, the better reasoned, being that no recovery can be had upon the note. The cases holding the contrary rule do not agree upon the reasons therefor. Some place it upon the ground of negligence on the part of the maker, in this: that in the drawing of a negotiable promissory note, which might or probably will be sold to an innocent holder, he is bound, at his peril, to see that the instrument was executed in such a manner that an alteration therein could not be made so as to deceive and mislead an innocent holder thereof ; that it was the duty of the maker to use all such reasonable means as were necessary to guard against the alteration of the note so as to defraud such indorsee. Others hold that the maker is estopped from denying the execution of the note by the equitable doctrine that, where one of two innocent parties must suffer from the wrongdoing of a third, he must suffer who has made it possible for such third party to commit the injury. It does not very clearly appear from the argument of the plaintiff in error which one of

* By the Negotiable Instruments Law, it is provided: "Where a negotiable instrument is materially altered without the assent of all parties liable thereon, it is avoided, except as against a party who has himself made, authorized or assented to the alteration and subsequent indorsers. But when an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor." (Section 205, New York act.)

these principles it invokes, though it undoubtedly is willing to avail itself of either.

We think the former ground is not available, because the proximate cause of the injury to the indorsee was the fraudulent and criminal act of McNaspy in raising the amount of the note, and not the negligence of Wangerin in its execution. Wangerin cannot be held to be negligent for not anticipating that McNaspy would or might commit this act of forgery, such acts being unusual and not to be anticipated. Indeed, we think it may be safely held that no one can ever be charged with negligence for his failure to make it impossible for another to commit a crime. The equitable principle is not fairly stated by the quotation from the plaintiff in error's brief: "where one of two innocent parties must suffer loss by the fraud of a third, he who has made the loss possible by his negligence must bear the burden of loss." It is better stated: "Where somebody must be the loser by reason of a deceit practiced, he who employs and puts trust and confidence in the deceiver should be the loser, rather than the stranger." For in order to estop one by the acts of another, such other must be in some way clothed with an agency to act for the one sought to be estopped, and the maxim does not apply where the party who did the injury did so himself without warrant or authority, express or implied, from any one.

In this case, as McNaspy can in no wise be said to be the agent of Wangerin, Wangerin cannot be estopped by an unauthorized, much less by a felonious, act of his.

In 1877 Chief Justice Gray, speaking for the Supreme Court of Massachusetts in Bank vs. Stowell, 123 Mass. 196, after a full review of all the cases on both sides of this question decided up to that time, said: "The alteration of a promissory note by one of the makers, by increasing the amount for which it was made, by the insertion of words and figures in blank spaces left in the printed form on which it was written, avoids the note as to such makers as do not consent thereto, even in the hands of a *bona fide* holder for a valuable consideration."

Since that time the Supreme Court of Kentucky, alone of all the courts of last resort in this country, in Bank vs. Halderman, 58 S. W. 587, following its former decisions, has taken the contrary view.

On the other hand, the view expressed in Bank vs. Stowell, supra, has been sustained in the following cases: Bank vs. Burns, 129 Mass. 596; Exchange Nat. Bank vs. Bank of Little Rock, 7 C. C. A. 111, 58 Fed. 140; Bank vs. Clark, 51 Iowa 264; Fordyce vs. Kosminski, 49 Ark. 40; Burrows vs. Klunk, 70 Md. 451; Cronkhite vs. Nebeker, 81 Ind. 319; Searles vs. Seipp, 6 S. D. 472. The same principle is also announced by the text-writers, as follows: Bigelow, Bills, Notes & Cheques, 216, 221; 2 Pars. Notes & B. 549; 1 Rand Com. Paper, § 187.

We think the same general principle has been announced by this court in Horn vs. Bank, 32 Kan. 518.

Many cases can be found supporting the rule, and probably the law is, that where an instrument, as uttered by the maker thereof, is in an incomplete form, having blanks which palpably invite addition or change, the maker will be held to have empowered the payee to fill such blanks as his agent, and when such instrument, so changed, is found in the hands of an innocent holder, it should be enforced against the maker; but the case at bar is not of that kind. Here the instrument was complete in every respect when delivered to the payee; and we must hold, following the proper reasoning, and, as we think, the great weight of authority, where a negotiable instrument is delivered to a payee, complete in all of its parts, the maker thereof is not liable thereon to an innocent holder after the same shall have been fraudulently altered so as to express a larger amount than was written therein at the time of its execution.

It is, however, insisted that the plaintiff in error is entitled to recover in this action the original amount for which the note was given. The petition, besides setting out the note in its altered form, discloses all of the facts of the transaction—among them, that the note was given March 26, 1896. Action was not commeneed until July 20, 1900. Admitting that had action been commenced in time, and upon proper allegations, a recovery could have been had as for money had and received, yet in this case the petition, on its face, shows that more than three years have elapsed between the date of the transaction and the bringing of the action; hence recovery is barred by the statute of limitations. It follows that recovery cannot be had either upon the note, for that is not the contract of the defendant, or upon the original transaction, as that is barred by the statute of limitations.

The judgment of the district court will be affirmed. All the justices concurring.

USURY—PENALTY FOR-RECOVERY FROM NATIONAL BANK.

Supreme Court of Tennessee, Nov. 10, 1902.

FIRST NATIONAL BANK OF MORRISTOWN vs. HUNTER, *et al.*

Where usurious interest has been charged and received by a National bank upon notes drawing interest only after maturity, the maker's only remedy to recover such interest is by an action against the bank, and such usury cannot be set up by way of cross-bill in a suit by the bank to recover on the notes.

WILKES, *J.:* The original bill in this cause was to recover upon two notes made by defendants. It was brought by the complainant bank located at Morristown, in Hamblen county, against defendants, in Washington county. The notes amounted to about $300 and $275, respectively, and are the last of a series of notes originally for $4,500 and $1,500, respectively, which have been renewed and discounted and partially paid on from time to time in the bank for about ten years. There was an answer denying liability, and a cross-bill which sought to recover double the amount of usury which had been charged and paid under the entire series of renewals and discounts. The original complainant filed a plea in abatement that the action to recover the usury could only be brought in the circuit court of Hamblen county, the situs of the complainant bank. There was a replication to this plea, setting out that the cross-action was based upon the same subject-matter as that embraced in the original suit, which complainant had brought in the chancery court of Washington county, and that the matters set up in the cross-bill were necessary to be considered in order to reach the justice and merits of the case. The plea was sustained, the cross-action dismissed, and proper exceptions were taken. A trial upon the merits was had, and all relief was denied complainant, and its bill was dismissed, and it appealed. In the court of chancery appeals the decree of the chancellor was virtually sustained, and the cause was referred for an account of the usurious interest paid, which it was declared should be allowed for a period of six years back as a set-off to the action brought. The defendants prayed an appeal from so much of the decree as limited their right of recovery to six years, and the complainant prayed a broad appeal.

For defendants it is insisted that they are entitled to recover all usury paid and charged during the whole series of transactions, extending over about ten years; that the complainant did not rely upon any statute of limitations in its pleadings, and hence could not on the hearing. In this connection it is said that, when there is a series of renewals and discounts, the party sued has the right to a credit for all the usury received during the whole period, and on all the transactions; citing a number of Tennessee cases, which undoubtedly so apply the Tennessee law in defense and on recovering usury. For complainant it is insisted that the defendants' right to any recovery depends upon the provisions of the acts of Congress relating to usury received by National banks, and that such banks are liable for usury only in the manner and to the extent provided in such acts, and not in the manner and to the extent provided by the local laws of the State.

We are of opinion this question is settled by the late case of Haseltine vs. Bank, 183 U. S. 136. In that case it is said: "Two separate and distinct classes of cases are contemplated by the section of the act" (referring to sections 5197, 5198 of the Revised Statutes of the United States [U. S. Comp. St. 1901, p. 3493]): "First. those wherein usurious interest has been taken, received, reserved, or charged, in which case there shall be a forfeiture of the entire interest which the note carries with it, or which has been agreed to be paid thereon; second, in case usurious interest had been paid, the person paying it may recover back twice the amount of interest paid, from the association taking or receiving the same. While the first clause refers to interest taken and received, as well as reserved and charged, the latter part of the clause apparently limits the forfeiture of such interest to such as the evidence of debt carries with it, or which has been agreed to be paid, in contradistinction to the interest actually paid, which is covered by the second clause of the statute. Carrying this perfectly obvious distinction in mind, the cases in this court are perfectly harmonious. The Supreme Court of Missouri was correct in holding that defendants could not be allowed set-off or credit for the usury thus paid, the remedy prescribed by the statute being exclusive." (Barnet vs. Bank, 98 U. S. 555; Driesbach vs. Bank, 104 U. S. 52; Hambright vs. Bank, 3 Lea, 40; Barrett vs. Bank, 85 Tenn. 426, 22 Enc. Pl. & Prac. 491.)

The notes sued on in this case have been discounted by the bank; that is, the interest to maturity was paid when the notes were taken by the bank. In this way the interest on the note was paid when they were discounted. (Bobo vs. Bank, 92 Tenn. 449.) They carry no interest with them until after maturity.

In the Haseltine case the forfeiture of the interest is limited to such interest as the evidence of debt carries with it, and which has been agreed to be paid, in contradistinction to the interest actually paid, which is covered by the second clause of the statute. The only right to recover back usury which has been paid is that given by the second section of the act, which is, in substance, that the person by whom it has been paid, or his legal representatives, may recover back in an action of debt twice the amount of the usury they paid, from the association taking or receiving the same, provided such action is commenced within two years from the time the usurious transaction occurred. The usurious transaction occurred when the several notes were discounted, so far as the transaction may be affected by the statute of limitations. (Bobo vs. Bank, 92 Tenn. 457.)

So far as the notes sued on in this case are concerned, they carry no interest with them prior to maturity, and they cannot, therefore, be credited or defended against, as to any interest embraced in them, under the first section of the act.

Can the defendants, under their cross-bill, recover the usury which they may have heretofore paid upon the series of renewals and discounts out of which the present notes arise, and of which they are the remnants. We are of opinion they cannot, but their remedy is by a separate action, in the nature of an action of debt, under the second section of the act referred to. (Barnet vs. Bank, 98 U. S. 555; Driesbach vs. Bank, 104 U. S. 52; Stephens vs. Bank, 111 U. S. 197; 22 Enc. Pl. & Prac. 500.)

The text of the Encyclopædia is as follows: "It is now well settled that in an action by a National bank the defendant cannot avail himself by way of set-off, recoupment, or counterclaim, either of the amount of usury actually paid to the plaintiff, or of the penalty for usury prescribed by section 5198 of the Revised Statutes of the United States [U. S. Comp. St. 1901, p. 3493];" citing a large number of State and Federal cases. Under the statute the recovery will be for twice the amount of usury taken and received by the bank within two years next preceding the date of the action brought. (Bobo vs. Bank, 92 Tenn. 451, and authorities there cited.)

As to what courts have jurisdiction to entertain the action, we need not consider, as the present case must fail for the reasons stated.

It results that the decree of the court of chancery appeals must be reversed, and judgment will be given here in favor of the bank for the amount of the two notes sued on, and interest from the date of their maturity, and all costs.

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

BILLS AND NOTES—CONSIDERATION—DONATION.

A note is presumed to have been given on a sufficient consideration. Where a note payable at the maker's death was executed to an evangelical preacher to aid in the dissemination of religious doctrines in which the maker believed, and the preacher continued in the work, the consideration was sufficient.

Woodworth vs. Veitch, 64 N. E. Rep. (Ind.) 932.

CHECKS—INDORSEMENT—FORGERY—PAYMENT—MISTAKE—COLLECTION—AGENCY.

A check drawn on plaintiff bank was falsely indorsed in the name of the payee, and given to defendant for collection, and defendant indorsed thereon, "Pay to any National bank or order," signing the indorsement, and forwarded the check to plaintiff as "enclosed for collection and remittance," and plaintiff forwarded payment. *Held*, in an action to recover the payment, that defendant's indorsement, not being for the purpose of transferring the check, was not an endorsement, in a technical sense, importing a guaranty of previous signatures.

Though defendant paid over the amount to the forger, it was liable to plaintiff, for money had and received, for payment made under mistake.

Neither the indorsement nor the letter apprised plaintiff that defendant held the check as agent for collection.

A check drawn on a bank of another State was falsely indorsed in the name of the payee, and given to defendant for collection. After the bank paid defendant, the payee instituted suit against it in the State of its residence, and it called on defendant to defend the action, but defendant refused, and judgment was rendered against plaintiff. *Held*, in an action by plaintiff against defendant to recover over, that plaintiff was entitled to call in defendant in the payee's suit, and therefore defendant was bound by the judgment, and could not raise the question of the payee's negligence.

First Nat. Bank of Minneapolis vs. City Nat. Bank of Holyoke, 65 N. E. Rep. (Mass.) 24.

CHECKS—INDORSEMENT BY AGENT—POSSESSION—IMPLIED AUTHORITY—CERTIFIED CHECKS—OBLIGATION OF BANK.

J was employed to superintend plaintiff's paper mill, to purchase supplies, and occasionally to make trips for the sale of goods. Plaintiff's financial business was conducted by its treasurer and managing director, and J had no authority to sign or indorse checks for the company, and had not previously done so except to countersign checks for supplies purchased. While on trips, J occasionally collected money from customers, which was charged to him on the company's books, but of this plaintiff had no knowledge until after J's death. While on his last trip, J procured a check for a customer's account, which he indorsed in plaintiff's name, by himself as superintendent. He procured another customer to cash the check and then absconded. The check was paid by defendant, the drawee bank, through the clearing-house, without inquiry as to J's authority. *Held*, that J had no implied authority to indorse the check, and that defendant was liable to the payee therefor.

Where the purchaser of a check payable to a corporation from the corporation's superintendent, and indorsed by him as such, had seen such superintendent in charge of the corporation's mill, and engaged in the management of the corporation's business, opening mail, and giving orders to the men in the company's employ, and countersigning some of its checks drawn on the company's bank in payment for material, such acts were not sufficient to justify the purchaser in inferring that such superintendent had authority to indorse the check.

Where a bank received a check drawn on it payable to a corporation, indorsed by the corporation's agent as superintendent, the bank thereby had direct notice of the superintendent's agency by the indorsement, and was bound to take notice of the limitations of his authority.

Where a bank certifies a check, it thereby enters into an absolute undertaking to pay it when presented at any time within the time fixed by the statute of limitations, and is therefore estopped to deny that it possessed sufficient funds of the drawer to pay the same.

The fact that a corporation's superintendent was in possession of a check which he had obtained from a customer did not authorize him to transfer it to a purchaser by indorsement, or authorize the purchaser to take it from him on his indorsement of the payee's name thereon, nor was any authority thereby conferred on the drawee bank to pay the same.

Jackson Paper Mfg. Co. vs. Commercial Nat. Bank, 65 N. E. Rep. (Ill.) 136.

STOCKHOLDERS' LIABILITY—ENFORCEMENT—PLEADING.

Under 1 Mills' Ann. Stat. § 518, declaring stockholders of a banking corporation individually liable for all its debts contracted while they were stockholders equally and ratably to the extent of their shares, the complaint in an action against a single stockholder should show the total number of shares, defendant's holding, and the amounts of and dates when the debts were contracted.

Richardson vs. Boot, 70 Pac. Rep. (Colo.) 454.

CONSTITUTIONAL PROVISION—CONSTRUCTION—BANKING CORPORATION—POWERS—LIABILITY OF STOCKHOLDERS—RES JUDICATA—ASSETS OF CORPORATION.

To buy and sell commercial paper, to make and negotiate loans, to receive money to be transferred to and paid at other places, to buy and sell exchange upon other cities in this and foreign countries, to receive money on deposit, and to pay the same out upon checks or orders, are each banking functions; but it is not necessary, in order to constitute a corporation a banking institution within the meaning of section 7, art. 11b, Const., that it shall exercise all of these functions.

In determining whether or not a corporation is a banking institution within the meaning of section 7, Art. 11b, Const., the court will look to its articles of incorporation, its declared objects and purposes, the character of the business transacted by it, and even the construction which the officers themselves, in their management of its affairs, place upon its charter powers, if this construction is not unwarranted by the language of its charter.

A corporation filed articles providing, among other things, that the general nature of its business should be to make and negotiate loans, to purchase and sell notes, mortgages, stocks and bonds, to borrow money and issue its own obligations therefor, to receive money on deposit, and to execute trusts. It received money on deposit, and paid the same out on checks; it bought and sold commercial paper; it made and negotiated loans; it bought and sold exchange upon other cities, and also transacted much of the business of a loan and trust company. It designated itself a "loan and trust company." *Held*, that it was a bank, and its stockholders were liable under the provisions of section 7, Art. 11b, of the constitution.

An adverse ruling on a motion the principal purpose of which is to secure the removal of a Receiver on the ground that he is a stockholder of the corporation, and therefore not a suitable person to enforce the stockholders' liability provided for in the case of banking institutions, is not an adjudication of the question whether the corporation is a banking institution within the meaning of section 7, Art. 11b, of the constitution; but such ruling will leave the party free to litigate the question of the stockholders' liability in another court of concurrent jurisdiction.

The liability of stockholders of a banking institution to its creditors, imposed by section 7, Art. 11b, of the constitution, is not an asset of the corporation, collectible by suit or assessment by the officers of the corporation or a Receiver acting in their stead, but it is a subject-matter wholly distinct from that of the assets of the corporation; and a Receiver can proceed to the enforcement of such liability only at the instance of the creditors themselves, and by direction of the court, and then only after the claims of the creditors have been judicially ascertained, and the assets of the corporation exhausted.

Hamilton Nat. Bank, *et al.* vs. American Loan and Trust Co. *et al.* 92 N. W. Rep. (Neb.) 189.

SAVINGS BANK—PAYMENT OF DEPOSIT—IDENTIFICATION OF DEPOSITOR.

A by law of a Savings bank provided that the institution would not be responsible for loss, where a depositor had not given notice that his pass-book had been lost or stolen, if the deposit shall have been paid on presentation of the book. *Held*, that where a bank paid money to one presenting the pass-book and forged orders purporting to be signed by the depositor, the by-law afforded the bank no defense, as it authorized a payment to one falsely personating the depositor.

Kingsley vs. Whitman Sav. Bank, 65 N. E. Rep. (Mass.) 161.

FORGED CHECKS - PAYMENT—BALANCED BANK BOOK—RETENTION.

Rev. Stat. 1899, § 698, authorizes a trial court to refer a case when an issue of fact requires the examination of a long account on either side. In an action by a depositor to recover an alleged balance from a bank, the only facts in issue were whether twenty-one alleged forged checks were in fact forged by the depositor's bookkeeper, and the fact of forgery was not seriously controverted. The correctness of all balances and charges and credits was conceded, except as depending on the forgeries. *Held*, not to authorize a compulsory reference.

Where a depositor, by retaining without objection, his bank book as balanced and returned to him, together with the canceled checks, recognizes the balance shown as an account stated, the burden of proof is on him to show that the balance was in fact based on the payment of forged checks.

A depositing corporation intrusted its bank book and the cashing of the checks and verification of balances to its bookkeeper, who forged the President's name to certain checks, procured them to be cashed, and appropriated the proceeds. When the canceled checks and bank book, duly balanced, were returned at various times, the bookkeeper abstracted and destroyed the checks. *Held*, that the bookkeeper's knowledge of the fraud, obtained by him in the course of his employment when he received the balanced check book and canceled checks, was not imputable to the depositor, as the knowledge of an agent is not imputable to a principal where it would be against the agent's interest to communicate it, and consequently the depositor was not precluded, by his failure to ascertain the first of the series of forgeries and to notify the bank thereof, from recovering from the bank the sums paid on the subsequent forgeries.

Where the bookkeeper of a depositing corporation presents an unsigned check, which the bank pays, the bookkeeper appropriating the proceeds, such payment is negligence *per se*, and the bank is liable to the depositing corporation, without reference to any question of the estoppel of the corporation to recover for the payment of forged checks, because of having failed to warn the bank in advance thereof.

Kenneth Inv. Co. vs. National Bank of Republic of St. Louis, 70 S. W. Rep. (Mo.) 173.

NATIONAL BANKS—BONDS—POWER TO PURCHASE.

Under the National Banking Act (Rev. St. U. S. Sec. 5136; Comp. St. U. S. 1901, p. 3455), giving National banks all such incidental powers as shall be necessary to carry on the business of banking by "discounting and negotiating promissory notes, drafts, bills of exchange, and other evidence of debt," a National bank has power to purchase bonds issued by the board of education of a city.

Newport Nat. Bank vs. Board of Education of Newport, 70 S. W. Rep. (Ky.) 186.

NATIONAL BANKS—USURY—ACTION ON NOTE—CROSS-BILL.

Where usury has been charged and received by a National bank in discounting notes which drew no interest until after maturity, the maker's only remedy to recover such interest was by action under the second subdivision of Rev. Stat. U. S. § 5198 [U. S. Com. St. 1901, p. 3493], providing that the person paying usury may recover back twice the amount of interest paid from the bank; and such liability could not be set up by way of cross-bill in an action by the bank to recover on the notes.

First Nat. Bank of Norristown vs. Hunter *et al.* 70 S. W. Rep. (Tenn.) 371.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

PRINCIPAL AND SURETY—RELEASE OF SURETY BY GIVING TIME TO PRINCIPAL DEBTOR—KING'S BENCH ACT, SEC. 39 O. S. 14.

BLACKWOOD vs. PERCIVAL (Manitoba Reports, Vol. 14, p. 216).

STATEMENT OF FACTS: The plaintiffs sued to recover a balance they alleged to be due them on a joint and several promissory note for $3,500 dated August 5, 1897, made by the defendant Percival under the name of George Percival Company and George H. Campbell, payable to the order of D. M. Blackwood, three months after date.

It appeared that on August 4, 1897, the three parties named entered into an agreement to become the joint owners of a hotel that was being built at Mine Centre, each taking a one-third interest and each of them becoming liable for one-third share of the indebtedness incurred in the erection and furnishing of the hotel. Money being required to pay for the work that had been done on the building, it was arranged that the defendant and Campbell should make a joint and several promissory note payable to the order of D. M. Blackwood, who undertook to get the note discounted through the plaintiffs, who were his brothers. The note sued on was made accordingly, and the plaintiffs at the request of D. M. Blackwood endorsed it and had it discounted at the Bank of Ottawa in Winnipeg, and gave their check for the proceeds to D. M. Blackwood.

When the note was made it was agreed that each of the three parties to it would pay one-third of its amount when it fell due. The plaintiffs had no knowledge of this agreement when they endorsed and discounted the note, but they were told of it by D. M. Blackwood about the time the note fell due.

On November 5, 1897, the defendant sent the plaintiffs' check for $1,166.67 to apply on account of the note and which the letter said "must be understood to clear us." As the check, however, was noted to be, "in full of note $3,500," the plaintiffs did not cash it but they drew a sight draft on Percival for the $1,166.67 attaching the check to the draft, and they discounted the draft at the Bank of Ottawa. Then, according to the evidence of William Blackwood, one of the plaintiffs, D. M. Blackwood, gave them his note payable to their order for $2,000 and cash sufficient with the proceeds of this note and the draft on Percival to make up $3,500, and the plaintiffs endorsed and discounted the note and then paid the bank $3,500 and took up the first note. Percival paid the draft on him, but the $2,000 of D. M. Blackwood was not paid by him when it became due; and after having renewed the note several times the plaintiffs paid the bank the $2,000 in October, 1898, and charged the amount to D. M. Blackwood in their books. He did not pay the $2,000 or any part of it and on February 24, 1900, the plaintiffs began this action against the defendant to recover the balance of the note for $3,500, which in the statement of claim they alleged to be $2,333.33 and then claimed interest at six per cent. since November 8, 1897.

Defendant gave evidence that as a result of these dealings between plaintiff and D. M. Blackwood he was led to believe that the original note for $3,500 was fully paid and satisfied and that in consequence he settled accounts on that basis with Campbell and D. M. Blackwood and paid to each of them a large sum of money.

JUDGMENT (BAIN, *J.*): It was urged that the inference should be drawn from the evidence that it was D. M. Blackwood and not the plaintiffs who took up the note on November 8 and that the plaintiffs therefore cannot claim to be the holders of the note. I am satisfied of the contrary, however. Sufficient funds to meet the note not having been provided by the parties liable and the plaintiffs wishing to avoid paying the balance of $2,000, and expecting probably that the money would shortly be forthcoming, it was reasonable enough that they should take D. M. Blackwood's note for $2,000 and endorse and discount it and with the proceeds and the money they had in hand pay and take up the note sued on. Then when it was seen that there was no likelihood of the $2,000 being paid, the plaintiffs paid the amount themselves and charged it to D. M. Blackwood in their ledger. When they took up the $3,500 note they retained it, there was no agreement that the note for $2,000 was to be taken in discharge of it; and if the liability of the defendant to the plaintiffs is the ordinary liability of the maker of a promissory note to the holder of it, I cannot see that anything the plaintiffs have done has extinguished that liability.

The defense, however, is raised that as to the balance of the note which is unpaid, the liability of the defendant was merely that of a surety for the payment of the shares of the $3,500 that Campbell and D. M. Blackwood should have paid, and that after the note became due the plaintiffs by giving time to them or either of them discharged the defendant from further liability.

When the plaintiffs endorsed the note they had no knowledge, so far as is shown, the obligations of the several parties among themselves were otherwise than as they appeared on the face of the note, but shortly before the note fell due they were made aware of the facts. I do not find it necessary to consider the effect of this or of the extension of time given because the defendant has not satisfied the requirements of S. S. 14 Sec. 39 of the King's Bench Act, which provides that while a surety may set up as a defense the giving of time to the principal debtor, "the same shall be allowed in so far only as it shall be shown that the surety has thereby been prejudiced."

In Swire vs. Redman (1 O. B. D. 536) Lord Cockburn spoke of the rule, that the giving of time by the creditors to the principal debtor released the surety, as one that was not consistent with justice or common sense; and in Oriental Financial Corporation vs. Overend (L. R. 7 Chg. 142) Lord Hatterley spoke of the suggestion having been made that it would have been better if the courts had decided *ab initio* not that the surety should be absolutely released, but that he should be put to prove his injury and be allowed damages for any injury he might have sustained by time having been given; and it is practically this suggestion which has now been embodied in the King's Bench Act. The onus of proving that he has been prejudiced must rest on the surety; and as I understand the act he must show that he has suffered pecuniary loss and damage as the reasonably direct and natural result of the creditor having given the extension of time; and the defense will avail him to the extent of the loss or damage he can prove. I think the defendant has failed to establish any damage in the present case. There will be judgment for the plaintiffs for $2,000, with interest from October 21, 1898, and costs.

On appeal the full court confirmed this judgment, stating that they agreed so fully with Justice Bain as to consider it unnecessary to add anything to what he had said on the main issues.

SIGNATURE OF DECEASED MAKER OF PROMISSORY NOTE—EVIDENCE TO CORROBORATE PLAINTIFF—COMPARISON BY JUDGE.

THOMPSON vs. THOMPSON (Ont. L. R. Vol. 4 p. 442).

STATEMENT OF FACTS: This action was brought against the executors of the alleged maker of a promissory note. The plaintiff gave evidence verifying the signature as that of the deceased, but no other evidence was given on that point except the production of a mortgage which was in the custody of the registrar of deeds and had been duly certified as registered by him at the time of its receipt. The executors disputed the plaintiff's claim on the note and contended that there had been no evidence to corroborate that of the plaintiff verifying the signature to the note. The learned trial judge himself compared the signatures to the note and to the mortgage and without any evidence otherwise as to their being made by the same person, held the mortgage to be corroboration of the plaintiff's evidence, and gave judgment for the amount of the note with interest and costs. From this judgment the defendant appealed to the division court.

JUDGMENT (FALCONBRIDGE, *C.J.*, STREET and BRITTON, *JJ.*): The Ontario Evidence Act requires a claim against the estate of a deceased person to be proved by further evidence than that of one witness, that is, that there must be corroborative evidence in order to prevent fraud on the estates of deceased persons. Here there was no direct evidence except that of the plaintiff authenticating the signature to the note as that of the deceased, except the production from proper custody of a duly certified mortgage bearing the signature of the deceased. The learned trial judge, on comparison of the two without further evidence to assist him, held the mortgage to be sufficient corroboration to comply with the terms of the act. In this he was correct, for the Registration Act (R. S. O. 1897, Cap. 136, sec. 63) enacts that an original part of a document upon which the registrar has endorsed a certificate of registration is to "be received as *prima facie* evidence of the registration and of the due execution of the same." It would be different if another note bearing the signature of the deceased were produced and sworn to by this same witness as identified the signature on this note sued on.

Appeal dismissed with costs.

ACCOUNTING FOR COLLATERAL SECURITIES DELIVERED TO BANK—ONUS OF PROOF—APPEAL.

UNION BANK vs. ELLIOTT (Manitoba Reports, Vol. 14, p. 187).

A creditor who has received collaterals as security for a debt is bound, after payment of the debt, to return them or account to the creditor for their face value in the absence of evidence to show that the respective amounts of them could not be collected.

STATEMENT OF FACTS: This was an action brought in the county court by the Union Bank to recover the amount of a promissory note made by the defendants Elliott & Cowie, who defended and counterclaimed for the face value of certain collaterals delivered to the bank and not returned or accounted for. After a time the bank discontinued its action, but the counterclaim was tried and judgment given against the bank for $58.03. The defendants appealed to the full court to have the amount of this judgment increased.

For sometime the defendants had a current account with the bank, obtaining advances and depositing lien notes and agreements as collateral security which were to be collected by the bank whose usual practice was to enter them in a register in which payments on account of them were entered, and in which Elliott & Cowie initialed for any of them taken out of the bank by them. About March, 1899, the account was closed but a certain number of collateral securities remained with the bank unaccounted for. Early in the year a promissory note, of which that on which the bank sued in this action was a renewal, was overdue and the Manager of the bank wished it paid or renewed. Elliott & Cowie raised the question of the collaterals and demanded an account of them. The Manager was unable to account for twelve of them and induced the firm to give a demand note—that on which this action was brought—upon his promising to so account. Elliott & Cowie had themselves received payment of one or two of these collateral notes, but had paid the money so received into the bank, but the dates and particulars of such payments they were unable to give.

JUDGMENT (the Full Court): The learned county court judge was of the opinion that the defendants should have given undoubted evidence of the receipt and payment to the bank or in some other way brought home to the bank conclusively the receipt and non-credit of the moneys, and that the deposits as to which there was no specification of their source might be in part made up of the moneys collected on these notes. Apparently when the account was closed in March, 1899, the defendants were entitled to the balance of the collaterals remaining unpaid, although it is possible that the circumstances were such that the bank could have insisted upon holding them as security for the note then overdue, but upon the giving of the demand note they became subject to the agreement then made.

No authority has been cited to show on what principles a court of equity compels a creditor whose debt has been satisfied to account for negotiable instruments the legal title to which has been transferred to him by way of security. But it seems to us that the value should be taken *prima facie* to be that which a court of law ascribes, which the authorities show conclusively to be the face value of the security with accrued interest, the onus being thrown upon the creditor to prove any facts from which it might be inferred that such amount could not be collected.

The evidence of the defense shows that Elliott & Cowie were paid the amount of four of the notes claimed for. If it had been left at that the defendants could recover nothing for these. But with the defendants' evidence of these payments we should take their evidence that they paid the amounts to the bank. It is true that the learned judge of the county court might accept the admissions of receipt without giving credence to the latter evidence; but it appears to us, with all respect, that the learned judge has not given sufficient weight to considerations of the bank's duty to produce or account for the instruments of security and of the presumption to be drawn from the bank's failure to do so. The evidence for the defense is strongly corroborated by the bank's failure to produce or account for the documents.

It appears to us that under the circumstances of this case this court can properly find that the alleged payments were made to the bank. We do not interpret the alleged agreement at the time the demand note was given to bind the bank to any greater liability for the collaterals than the law of itself imposes when instruments of value are given as collateral security.

Appeal allowed with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

COMPOUND INTEREST AGAINST AN EXECUTOR.

Editor Bankers' Magazine: LOS ANGELES, Cal., December 19, 1902.

SIR: One of our customers is executor of an estate of a trustee. At various times the trustee, who was also our customer, collected money of the estate and deposited it with us in his regular account upon which he drew and to which he added from time to time in the course of his business. The beneficiary of the trust now claims that the trustee should not have done this, and says his estate is liable for compound interest upon the trust moneys so

deposited and used from the time of the trustee's death until the claim against the trustee's estate was allowed and payment authorized. The whole claim is the result of spite. Will it work? L. B. H.

Answer.—No. We do not believe that compound interest is collectible under the circumstances.

INTEREST AGAINST A RECEIVER.

Editor Bankers' Magazine: CLEVELAND, Ohio, Dec. 5, 1902.

SIR: A bank here has been in the hands of a Receiver for some time. We have a claim against it for a clearing-house balance. When this demand was first presented the Receiver refused to allow it, claiming that the checks cleared should be returned to our customers and by them presented. He is now ready, we are informed, to allow the claim, and we wish to know whether we are entitled to interest. TELLER.

Answer.—We think not. The rule is that the refusal by a Receiver to allow a demand, albeit that refusal is erroneous, will not make him liable for interest.

GUARANTY OF OVERDRAFTS.

Editor Bankers' Magazine: CHATTANOOGA, Tenn., December 10, 1902.

SIR: A depositor at the time of opening an account with us gave us the guaranty of a Richmond bank to secure overdrafts up to $500. His overdrafts have reached this figure several times, but have always been liquidated until the present overdraft, which is $375. Our customer has failed, and the Richmond bank declares that it is no longer bound by the guaranty. They say that they were discharged when the first overdraft was paid and are not bound upon those subsequently made. Is this the law? M. H. P.

Answer.—No. The guaranty is a continuing one and is not exhausted by the first overdraft and its payment; but the guarantor bank is liable on those subsequently made.

MARRIED WOMAN'S POWER TO BIND HERSELF FOR A CORPORATE DEBT.

Editor Bankers' Magazine: PATERSON, N. J., December 5, 1902.

SIR: There is a corporation here which keeps an account with us. A is the manager, his wife the principal stockholder, and other relatives owners of the residue of the stock. Lately the financial affairs of the company have been a little straitened and the wife has given several notes, which have been deposited with us to cover the company's checks. These people now claim that the wife is not bound by her notes as she never received any consideration. How is that? S. A. F.

Answer.—It is undoubtedly true under your law that, notwithstanding the fact that a married woman is the principal stockholder in a corporation, she may not assist it with her accommodation notes, and her notes for its benefit are not enforcible against her unless she obtains, directly or indirectly, money, property, or other thing of value, for her own use or for the use, benefit or advantage of her separate estate.

TIME TO PRESENT CHECKS AGAINST FAILING BANK.

Editor Bankers' Magazine: OTTAWA, ILL., December 10, 1902.

SIR: One of the banks here failed recently and an acquaintance of mine had a deposit there. The day before it closed its doors he drew a check upon it in favor of one of its stockholders, but, although he knew that the bank's condition was critical, and although the check was drawn early in the day, he did not present it. Now, is my friend still liable to him on the account to settle which the check was given? T. B. C.

Answer.—We think him still liable. Under your law the drawee has until the close of banking hours on the day following the day on which the check was delivered in which to present it, and your courts refuse to recognize any exception to this rule because he knows the bank is liable to fail.

SUFFICIENCY OF PRESENTMENT OF CHECK.

Editor Banker's Magazine: SPRINGFIELD, Ill., December 12, 1902.

SIR: A controversy has arisen between us here in the bank whether, if a notary takes a check to a bank to present during banking hours, but, finding the doors closed, hunts up the President and demands payment of him, the presentment is sufficient when the Comptroller has taken charge of the affairs of the bank before the presentment? COLLECTION AGENT.

Answer.—We believe a presentment under such circumstances as you name is sufficient.

DELAY IN PRESENTING CHECK.

Editor Bankers' Magazine: ATLANTA, Ga., December 27, 1902.

SIR: A customer of ours drew a check on his account with us which was not presented for nearly a month. In the meantime his deposit had been withdrawn on checks subsequently made, so that when this old check was presented we refused payment because it was an overdraft. The question occurs to me whether the payee of that check has not lost his money by his delay? CASHIER.

Answer.—No, we do not think that he has lost his right to hold the drawer by reason of his long delay in presenting the check. The rule is that delay in presentment will not release the drawer of a check unless some loss has resulted to him by reason of the delay.

FORMALITIES REQUIRED UPON AN INCREASE OF BANK STOCK.

Editor Bankers' Magazine: ST. PAUL, Minn., December 3, 1902.

SIR: We are discussing an increase in the capital stock of our bank, and in a friendly way a dispute has arisen among the directors as to the necessary steps to carry our increase into effect. The question is, How shall we put the increase in effect? Must we take the same steps as when we first incorporated? Our statute, although it allows an increase, says nothing about the formal matters pertaining to it. DIRECTOR.

Answer.—To amend your articles of incorporation so as to increase your capital stock the same things are required as when you organized, with reference to the execution, filing and publication of the amendment.

BANK'S LIEN ON STOCK.

Editor Bankers' Magazine: ALBION, Mich., December 10, 1902.

SIR: Our law gives us a lien on the stock of any shareholder who is indebted to the bank as principal, surety or otherwise, and provides that a transfer is void as to the bank creditor of the stockholder. Now, a partnership of which one of our stockholders is a member gave a note to the bank, and subsequently transferred his stock. There was a delay in asking for a transfer on the bank's books and in the meantime the note came due. The assignee of the stock claims that he is not liable because there was a by-law of the bank giving it ten days in which to purchase or find a purchaser, and permitting the shareholder to sell at his pleasure after the expiration of that time. He says this by-law waived the bank's lien on the stock, and he also thinks that he should not be held liable because he had his assignment before the note was due, and because it was a partnership and not an individual obligation. I wish to know whether we still have our lien? O. C. T.

Answer.—We think that the bank has a lien on the stock for the note of the prior stockholder's firm, even in the hands of his assignee. The partners are always liable individually for the firm debt, and we think the bank has a lien on the stock for this debt. We are of the opinion also that the by-law cannot be construed to be a waiver of the lien. It was not intended to apply to this situation, but was intended only to give the bank the right to purchase or find a purchaser for its stock; and, lastly, the fact that the assignment of the stock antedated the maturity of the note will not prevent the lien attaching when the transfer was not completed, before the note became due, by entry on the stock books.

DIRECTORS LIABLE WHEN THEY USE BANK FUNDS IN MINE PROSPECTING.

Editor Bankers' Magazine: PUEBLO, Colo., December 9, 1902.

SIR: A neighboring National bank was obliged to take a mining claim in order to secure itself upon a debt due it. The debtor had searched diligently for ore but, although he spent quite a fortune, never found anything. The board of directors of the bank that took the land resolved to continue the explorations and spent large sums in prosecuting them, but to no purpose. Several of us here think that those directors would be liable for the sums so spent. We think it a misappropriation of the bank's funds and wish to know whether we are right. L. H. B.

Answer.—If the directors' use of the bank's funds was wrongful, that is, if it was in any sense a misappropriation, they would certainly be liable. The matter depends largely upon their good faith. The facts which you have given are a trifle too meagre to enable us to give a positive judgment, but we incline to the opinion that the directors would be liable. In this connection our answer to the next question may help you.

LIABILITY OF DIRECTORS FOR LOSS THROUGH A LOAN TO A DIRECTOR.

Editor Bankers' Magazine: MARION, Ind., December 13, 1902.

SIR: The directors of a bank loaned largely to one of their number. When these loans were made the director was a merchant doing a large business which required frequent loans. Later, in a time of panic and financial stringency, the loans were extended to prevent the failure of the director and also to protect the interests of the bank. There is no impeachment of the good faith of the directors, but I believe they are liable because they loaned to one of their number and then extended the loans. What is the law on this? B. J. L.

Answer.—We do not believe that the directors are liable. Where they exercise ordinary prudence they may not be held liable for mistakes of judgment or want of skill when they are not guilty of fraud and have not connived at fraud, or by supine negligence and inattention permitted some fraud which ordinary attention might have prevented. The mere fact that the borrower was one of the directors and that the loan was extended when the debtor was in failing circumstances, does not necessarily stamp the transaction as wrong nor lay the directors liable when what they did was in good faith.

PROMISE TO PAY AFTER DEATH.

Editor Bankers' Magazine: JEFFERSONVILLE, Ind., December 20, 1902.

SIR: Is the writing of which I enclose a copy a note, or does the fact that it is payable after death prevent its being such?

$1,000.00. JEFFERSONVILLE, Ind., October 3, 1902.

Ten days after my death I promise to pay Leonard Crowell, or order, One Thousand Dollars, value received. HENRY K. LADUKE. D. B. N.

Answer.—The instrument which you enclose, which is copied above, is a promissory note. The fact that it is not payable until after the maker's death does not change it. An instrument which is payable upon the happening of an event which is certain to happen, is a note.

CONCERTED ACTION FOR RELIEF OF THE MONEY MARKET.

The associated banks of New York city by contributing their loanable funds to a pool and arranging for the loans to be made at uniform rates under one management, have several times more or less successfully averted the collapse of the money market threatened by stringent conditions. This practice of pooling loanable funds was used last month more as a preventive of what was feared than as a remedy for what actually happened.

Monetary crises are oftener due to psychological causes than to real conditions. When the natural supports of the money market stand firmly in mutual strength, they inspire that confidence in the minds of traders of all classes which is the antidote of panic. It is not the fear of high rates for money, so much as the dread that money cannot be had at all, that causes the wild rush in which men lose their heads. An amount of money equitably dealt out to all alike, even if the rates are higher than normal, will restore confidence when an equal amount, under ordinary circumstances, would be absorbed by a few favored ones at the expense of others, and the tendency to panic would increase.

This method of pooling loanable funds is said to be superseding the use of clearing-house loan certificates in times of severe stringency. The clearing-house loan certificate was first used in the panic of 1860, and it has been resorted to at intervals since. It was the mainstay in 1873, in 1884, in 1890, and in 1893. While lauded by financial writers and looked upon by the public as a sure safeguard of the banks, the banks themselves seem to have experienced losses and inconveniences, which have gradually inspired an aversion to resorting to this method. The reason why banks naturally competitors ever combine to protect each other is because the danger of failure of weak institutions extends to the strong ones. No matter how strong a bank may be it cannot stand a wave of distrust which has been started and sufficiently augmented by the failure of other banks. Among the associated banks of a money centre, at any given time some are in better condition to meet bad conditions of the money market than others. Each bank is exposed to the distrust that may arise from the betrayal of weakness on the part of any one. But while by the combined efforts of all the danger to the weak banks may be averted, yet the effort made must more or less depend upon the resources of the strong banks. As a consequence, when an association for mutual support exerts itself, the strong banks in a crisis have to exert their strength more than they would otherwise be required to do to support institutions which in ordinary times are their competitors and rivals. If it were certain that the failure of the weaker institutions would not cause a distrust so great that it must necessarily affect the strongest, it would be better business policy to let the weak banks fail and thus get them out of the way. But the strong banks are compelled to support the weaker ones, and it is the next best policy to give this support in a way most advantageous to themselves.

The issue of clearing-house loan certificates in a measure forces the stronger banks to carry some of the weak ones longer than they might wish to. When these certificates are taken out by the weaker institutions and used in the settlement of balances, no one can tell what banks may have to receive them. They are very apt to accumulate in the hands of the stronger institutions, and these are compelled to weaken themselves to carry them.

The system of pooling their funds by the stronger banks, on the other hand, in anticipation of an extraordinary demand for money, while it protects the weak banks by the betterment of market conditions, at the same time secures to each strong bank the use of its own funds at the highest average rate of interest. It is in fact a method which enables the strongest banks of the association to fix a discount rate, by which the oscillations of the loan market may be steadied, undue speculation repressed and confidence gradually restored, in a manner analogous to that in which the Bank of England controls the discount rate in England. The loans made from the pooled funds, when it is actually necessary to make them, bear better interest than clearing-house loan certificates, the security is more definite and the time of payment more certain. If the pooling of funds is successful in stopping the crisis, each bank easily recovers its own funds and has them at its own disposal.

If the pooling of funds at the proper time restores confidence to traders, and enables the banks furnishing the funds to keep them well in their own hands, and at the same time protects the weaker banks by the betterment of market conditions, then pooling is manifestly a better resource than the issue of clearing-house loan certificates.

The evolution of the banking facilities of the great money center of the United States is an interesting study. Deprived of a great central bank by the political institutions of the country, the necessity of such an institution is proved by the efforts of the independent banks fostered by our laws to provide some substitute by which the peculiar functions of a great National bank may to some extent be performed. The conditions which the wealth and growth of the country impose upon the New York banks have forced them first into association for convenience, then to association for mutual defense, and now to association for affording that protection from extremes of the money market which in other commercial countries is afforded by some one bank of great resources and monopolistic character. The ingenuity shown in these endeavors has been great. It is, however, still a question whether any temporary combination of independent banks, naturally competitors and rivals, will ever be able to enforce as equable monetary conditions as might be afforded by one bank greatly exceeding the average in power and resources. In the last four or five years there have been many consolidations of banking institutions in New York city, from which have come eight or nine banks much exceeding all the others in capital and deposits. It may be due to this fact that the operation of pooling funds for the regulation of the money market seems about to supersede the clearing-house loan certificate, which seemed to be a more or less adequate remedy when the clearing house banks were more on a par. If this process of combination and consolidation continues, there may be eventually evolved through natural laws the great controlling central bank that our statute laws refuse to establish. That it will not necessarily interfere with the welfare of banks of ordinary strength, is proved by the fact that the average clearing-house banks of New York city still find room to prosper under the shadow of eight or ten great banks.

The developments of the last decade make it highly probable that this evolution of strength in banking at the money centres will progress toward a great central bank without much change in the existing banking laws of the country.

ELASTICITY IN THE CURRENCY.

[Address delivered by Hon. WILLIAM BARRET RIDGELY, Comptroller of the Currency, at the annual banquet of the New York State Bankers' Association (Group VIII), in New York city, on the evening of December 18, 1902.]

The National banking system will complete the fortieth year of its existence on February 25, 1903. In the forty years' record there is little to apologize for and much to be proud of. On the whole, it is and always has been a good system of excellent banks, ably and honestly managed. As banks of deposit, they have been safe and reliable. As banks of discount they have served their customers well and aided materially in the development of the country. As banks of issue they have performed two important duties; greatly aiding in the placing of Government loans at times when such aid was badly needed, and furnishing a currency which has been absolutely safe and uniform in value. The one great objection which can be fairly made to the system is the lack of elasticity in the currency which is issued. If this defect can be remedied without impairing the safety of the notes, we will have a good currency well adapted to the needs of the country.

There have been 6,476 National banks organized, of which 4,601 were in operation at the date of the last call for statement of condition. The number of banks which have failed is 387, on an average of about ten each year. The total loss to the creditors has been about thirty-eight million dollars, an average of about one hundred thousand dollars per bank, or a million dollars per year. The total losses of creditors amount to about eighty-three one-hundredths of one per cent. of the average amount of deposits in all the banks of the system. One-tenth of one per cent. per annum on the average deposits of all the banks, or one dollar on every thousand dollars of average deposits, would have produced a sum considerably more than sufficient to pay all the losses to creditors after paying the expenses of liquidation. Considering that this covers the whole period of the existence of these banks, beginning with a new and untried system in the midst of the uncertainties of a civil war; that during this period there occurred two disastrous panics and periods of great industrial depression, due to entirely other causes than the operations or weakness of the banks; that included in these results are all the failures of National banks established in new States and Territories in advance of their need, this is not a bad record. It is rather one upon which we can congratulate ourselves. We should, however, study the history of the banks during this time and, if possible, strengthen them where they have shown weakness and reduce, if we cannot remove, the dangers and difficulties which have been encountered.

Two important considerations, more than any other factors, led to the passage of the National Bank Act. The first was to provide a market for Government war loans; the other was to furnish a uniform bank-note currency to take the place of the various State bank-note issues then in circulation. It was the original expectation that the National bank notes would take the place of all other forms of paper currency and form the only currency in circulation. The bureau officer placed in charge of the banks was for this reason given the title of Comptroller of the Currency. Owing, however, to the fact that the legal-tender notes were not retired when the necessity for their use ceased, and, further, that the limitations surrounding the issue of National bank notes prevented their supplying the full needs of the country for paper currency, these bank notes have never fulfilled the complete original purpose and become the sole currency, or even a chief part of it. The Comptroller of the Currency is really the superintendent of National banks, and only incidentally the comptroller of a limited portion of the currency.

LEGAL TENDERS WERE INTENDED FOR TEMPORARY USE ONLY.

Since they were first issued, there has been a contest between the legal tender and National bank notes. As is always the case, the worse money has driven out the better. The legal-tender notes, which are in no way as good currency as the National bank notes, have checked the growth of a proper bank circulation. Among the many bad effects of these legal tender notes on our currency and financial matters, this is by no means the least. It is unfortunate that the legal tenders were ever issued. It was with great reluctance that any one consented to them, and their issue was only agreed to as a temporary or emergency measure with the expectation, if not positive agreement, that they were to be replaced as soon as possible by the National bank notes. Mr. Sherman, in reporting the legal-tender bill from the Finance Committee of the House, said :

"The issue of Government notes can only be a temporary measure and is only intended as a temporary measure to provide for a national exigency."

Mr. E. G. Spaulding, the father of the legal-tender act, in a letter to the Comptroller of the Currency, said :

"All the advocates of the legal-tender act, while it was pending in Congress, based their arguments for the necessity of its passage as a temporary relief to the Treasury during the war and not as a permanent policy of the Government; on the contrary the National Banking Law was advocated as a permanent system of banking and currency for the whole country."

Their original temporary character is further shown by the fact that the notes of the first two issues bore these words on their backs :

"This note is a legal tender for all debts, public and private, except duties on imports and interest on the public debt, and is exchangeable for United States six per cent. bonds, redeemable by the United States after four years."

In his Financial History of the War, Mr. E. G. Spaulding says:

"The great mistake—greater than all other mistakes in the management of the war—was the abrogation of the right to fund the greenback currency into gold bonds as provided for in the two preceding acts. All the other mistakes, civil and military, which occurred during the war, were of slight consequence when compared with the mischievous and grave consequences resulting from this one mistake."

It was a very unfortunate thing that the supposed necessity for haste led to the introduction of Government currency notes. An irredeemable Government note is the worst of all forms of currency. The legal-tender notes have accomplished nothing which could not have been better done by bank notes and they have been a never-ending source of weakness and trouble in our monetary affairs. In spite of the seeming saving of interest, the legal tenders have been a very expensive currency. The amount of the interest has been lost several times over in direct expense to the Government and the losses of our people due to our unsatisfactory and inefficient currency. These notes should have been continued as convertible into bonds, and such as were not in this way converted should have been retired years ago. We would thus have been spared many of our worst difficulties.

Any complete and satisfactory solution of our present currency problems should include some plan for the retirement of the legal tenders. Many men who have given this question much study and thought, among them some of the ablest and most influential leaders in the currency reform movement, go so far as to say they are not in favor of and will never support any measure for a change in the currency which does not provide that the legal tenders shall be retired. While I firmly believe the currency would be greatly improved by this retirement and especially that it would make a place for bank notes which would be much better for our people in every way, I do not agree with this extreme view. I believe the bank note circulation can be greatly improved by a few quite conservative changes which will add to its elasticity, or rather introduce some elasticity where there is now practically none. These changes are not new suggestions; they have been considered and discussed for several years. I believe a strong effort to have them adopted should now be made by all those in favor of currency reform, and I urge every man who agrees that these changes will improve the currency to give his support to the effort, even if what is proposed does not accomplish all he wishes to see done.

The Committee on Finance and Currency of the New York Chamber of Commerce in their report recently submitted have set a most excellent example. They have made a number of wise and well considered recommendations, all or any number of which I should be glad to see carried out in legislation. From my personal knowledge of the views of some of the members of this committee, I know that the recommendations made do not cover all the changes they desire made in the laws, but the committee has wisely chosen a few important practical measures which they believe will improve present conditions. Their report was adopted by the Chamber of Commerce by an overwhelmingly affirmative vote and I understand Congress will be urged to take action on the lines laid down in the report. It is eminently proper that this important body should take the lead in such recommendations, and if their action shall result in all or any of these recommendations being incorporated into laws, it will add to the long list of the valuable public services of the Chamber of Commerce and of the distinguished citizens who composed the committee which made the report.

American Banking System Free from Monopoly.

I wish to speak a few words particularly in regard to the items of the report regarding the currency and its elasticity, although I dislike to detain you too long talking shop when I know you are impatient to hear other gentlemen who have something far more entertaining to talk about. The most serious objection, in fact the only serious objection, to our bank notes has been from the very beginning their almost entire lack of elasticity. When the act was first passed there were restrictions as to the amount of notes which could be issued and as to the distribution in the different States. This led to much difficulty which was augmented by the legal tenders circulating side by side with them. After several changes, all restrictions as to the total amount of notes outstanding were removed and by the Act of January 14, 1875, National banking became, as it should be, entirely free. Since that date, any five citizens of good character and reputation can establish a National bank in any part of the United States. The papers necessary to be filed are very simple; there is no incorporation tax as is usually required from State corporations and not even a dollar of fees paid for the filing of papers, the deposit of bonds, or issuing of the Comptroller's certificate. There is no restriction as to the amount of capital stock except the minimum required in cities according to their size, and in regard to the minimum capital permitted in reserve cities. A new bank may be organized with as large a capital as desired, and an existing bank may increase its capital to any extent. It is thoroughly in accordance with our democratic institutions that banking should be thus perfectly free and open to all. There is not and should not be any possibility of a monopoly of banking privileges.

The Act of 1882 contains a prohibition of the retirement of more than $3,000,000 of National bank notes in any calendar month. This prohibition has not only prevented the contraction of the currency when the notes have become redundant, but also prevents expansion when it is needed. Owing to this difficulty of retiring their notes, many banks refuse to increase their circulation when otherwise they would do so. Whatever necessity there ever was for this restriction on retirement has long since ceased to exist, and, as recommended by the Chamber of Commerce report and the report of the Comptroller of the Currency for 1902, the restriction should be removed. If there is nothing else done in regard to the currency, this should be done at once.

Frequent Redemption the Prime Requisite of Elasticity.

The prime requisite for an elastic currency is frequent redemption and freedom of retirement. To have proper and true elasticity, contractibility is as necessary as expansibility. It is shown by the experience of all countries and systems of currency that the main reliance for contraction should be redemption. It is more reliable than any tax restriction or regulation. Only through the operation of a proper system of redemption can any currency be made automatic and responsive to the demands of business. It was the constant redemption of the notes of the Suffolk system which made that currency as good as any in the world and in most respects far better than our National bank currency. We have in circulation such a vast amount of currency which is practically inflexible in volume, legal-tender notes, Treasury notes, gold and silver certificates, as well as bank notes, that it is and will continue to be very difficult to introduce any elasticity into it It must all be supplied by the bank notes. This adds to the urgent necessity of giving them the greatest possible measure of this quality. There has never been sufficient proper or real redemption of the National bank notes, and what little opportunity or inducement there is for this should be encouraged and increased rather than restricted.

Under present conditions, when the annual demand for money in the country for moving the crops begins to decrease, and especially in the spring and early summer, when money becomes plenty, it accumulates in the reserve cities, and particularly in New York. Having less demand at home, the country banker, being unable to readily and easily reduce his circulation, increases his balance in New York, attracted by the interest he receives. There is little to do with the money there for the short time it can be depended upon but to lend it on call. The New York banks are not only compelled to use the deposits of the country banks in this way, but they loan money directly for their correspondents, hold the collateral and look after the loans for them. Many country banks are doing this now who a few years ago would never have considered doing so at all. The result of this is to add to stock speculation, promotion and underwriting of all sorts of new enterprises, the basis of such business being that most uncertain dependence, demand deposits of outside banks.

In the autumn, when this money is wanted again, there is trouble to furnish it. This goes on year after year. Everyone knows what is going to happen and it always does happen. The annual recurrence of this perennial disturbance of the money market is a disgrace to our intelligence and a reflection on our business judgment and sense. The largest crop movement in any part of the world takes place every summer and fall in our farming States and finds us every year with the worst facilities in the world for furnishing the currency required. We have the greatest farms and the best farming machinery for producing the crops, the most extensive, best equipped, and most perfectly organized system of warehouses, elevators, lake vessels and railways for storing, handling, and distributing these products, and yet year after year we go on using the obsolete financial machinery without even any apparent effort to improve it. It is not so much a question for the banks and bankers, nor of furnishing them additional privileges, but it is a matter of paramount importance to the people engaged in all lines of business who have the right to demand that they be given the best business facilities which can be devised. It is not only the man in the farming district who needs the money to handle the grain, cotton, cattle or other farm products, but the man engaged in any business who finds his arrangements for money interfered with by the annual disturbance. I venture to say there is not a man here who has not in his own experience seen many a meritorious proposition which would have been a benefit to the community where it was to be located or some perfectly legitimate operation which would have succeeded on its own merits which has been stopped by the annual crop moving scarcity of funds.

A Sound and Elastic Bank-Note Currency would Strengthen Business.

We have frequently seen our whole fabric of credits endangered by the possibility of forced liquidation, with its resulting loss, if not ruin, to many sound and solvent concerns, from this same cause. The best way to provide for such variations in the amount of currency required is by bank notes, and our currency system will never be satisfactory or efficient until our banks are able to supply this. There is no periodical variation possible in our other forms of currency, and this duty must all fall on the bank notes. We cannot, of course, cure all this trouble. People will always over-trade and over-speculate when tempted by the promise of large profits. No way has ever been suggested to prevent this. It is no use to scold the speculators and denounce Wall street as the cause of all the trouble. We will always have speculation in stocks and other forms of speculation. We must count on that, and deal with it accordingly. The rest of the people, however, have a right to the best protection which can be given to them and their business operations. The best means of giving this protection is by a sound, elastic bank-note currency. Such a currency would not only prevent much of the disturbance caused by the crop movement, but would also be a source of strength to our banks and business at all times. Instead of being a source of weakness in a crisis or panic, an expansible bank-note currency is an element of safety and protection. The experience where they have such a currency demonstrates this. The most notable recent instance was during the last crisis in Germany, where their splendidly elastic bank currency was of the greatest assistance and protection to all classes of business. During the year 1900 its volume fluctuated from about 1,100 million marks in January to 1,300 million in March, back to 1,100 million in May, up above 1,300 million in June, down below 1,100 million in August, and up again above 1,400 million in December.

The English system is more like our own, the notes of the Bank of England are virtually a combination of gold certificates and bond-secured notes, and their volume is practically inflexible except as to the gold certificates. During three cases in 1847, 1857 and in 1866, the Government suspended the bank act and permitted the bank to issue notes at its own discretion. It could and did thus use its credit in the best and only way to quell a panic by the free issue of notes which every one will accept. In all these instances the panic subsided as soon as it was known that the notes could be had. With our inflexible system, almost nothing of this kind can be done. It does not help the condition of any individual bank to buy bonds with its funds and take out notes. In times of stringency very few bonds can be obtained in any way and those only at advanced prices.

Bond Security Incompatible with Elasticity.

To introduce any expansibility into our bank currency we must sooner or later get away from bond security in some way ; either do away with it altogether or require part bond security and allow a certain portion of each bank's circulation to be uncovered by bonds. The best bank circulation is one currently redeemed in gold coin and based entirely upon an ample gold reserve held by the bank, especially if made additionally secure by a guarantee fund raised by a tax or premium on circulation.

I think the best plan which has been suggested for modifying our bank currency is to allow the banks to issue more than the par value of the bonds deposited. The first consideration should be to make these notes absolutely secure to the holder. No change in our bank notes is justified, however advantageous it may be in other respects, which in any way impairs their safety.

The Government can safely guarantee or insure these notes if protected by the bonds held for a part of their value, and, in addition, by a guarantee fund to be raised by a tax or premium for insurance levied on the bank circulation.

Our forty years' experience demonstrates that this guarantee fund can be raised by a tax so small that it will deter no strong bank from taking out circulation for fear it is paying for the weaker banks. This tax can be laid with such a margin of safety, based on the losses for forty years, that the Government will be perfectly safe and yet make the circulation attractive to the banks. This circulation ought to be made fairly profitable. There has never been profit enough in bank circulation to induce the banks to take out anywhere near the maximum amount permissible. In the report of the Comptroller of the Currency just made, there is given a table showing the percentage of outstanding to permissible circulation from 1863 to 1902. The maximum of 81.6 per cent. was reached in 1882, the minimum of 27.54 per cent. in 1892, and since the Act of 1900 it has been a little over fifty per cent., being now 53.32. It is hard to figure now whether there is any profit at all in it, as it depends on the amount of notes which can be kept outstanding and the price of the bonds. On circulation based on some classes of bonds, there is a positive loss.

Banks Should Derive a Fair Profit from Circulation.

It is unfair to the banks to expect them to take the risks and go to the trouble and expense of taking out this circulation unless there is a fair reumuneration for doing it. You cannct expect any one to do good work unless fairly paid, and I have no patience with the spirit which refuses to do right or to advocate a measure which will undoubtedly be for the common good for fear some one may make money out of it. Business which is fairly and honestly conducted ought to be reasonably profitable, and unless it is so it will not be long continued. The proportion of the total banking capital and deposits of the country now represented by the National banks is gradually decreasing. From 1882 to 1902 the capital of the National banks declined from sixty-seven per cent. to fifty-two per cent. of the total banking capital of the United States and the deposits from 39.7 per cent. to 33.2 per cent. of the total deposits. There is an increasing tendency for commercial banking to be done by banks organized under laws less restrictive in regard to the nature of loans and investments and the amount of cash reserve held. The restrictions of the National Banking Act in these regards have been demonstrated to be wise and beneficial. It would be much better for the business of the country if its commercial banking were done mainly by banks in a uniform system under Government supervision. This should be encouraged by making the system as attractive and profitable as can safely or fairly be done.

These additional notes should be exactly the same in form and in all respects as those now issued. In fact, the change should be merely the increase of the permission so that a bank might issue one and one-half times the par value of the bonds deposited, the maximum amount of bonds remaining the same as now, equal to the capital stock of the bank.

Gold Convertibility of all Forms of Money Should Be Assured.

The banks should be required to carry additional cash reserve against the uncovered portion of their notes. If the recommendation of the Secretary of the Treasury, confirmed by the Chamber of Commerce report, that the silver dollars be made convertible or redeemable in gold, is adopted by Congress, as it should be, this reserve should be carried in gold. But it would not be fair to the banks to require them to carry gold reserves while the Government keeps in circulation the large volume of silver and silver certificates without specifically providing for their redemption in gold. The recommendation in regard to the silver dollars is one which should be incorporated into law at once. The question of the redemption of the silver is the last point on which there is the least doubt as to the firm establishment of the gold standard. All this doubt should at once be settled so that we will have no money in circulation which is not readily and quickly convertible into gold coin when needed. The tax on the first ten or twenty per cent. of notes should not be much, if any, greater than the present rate, certainly no more than the requirements of the reserve or insurance fund. There should, however, be increased requirements for redemption, so that the notes will be frequently and constantly redeemed. This redemption and the cash reserve held would be the best means of automatically regulating the volume of the notes to the demands of business. When they were wanted, people would use them and keep them out; when they were not needed, they would be returned to be redeemed and retired. As the proportion of notes increased the tax should be increased, and the last ten per cent. should be taxed five or six per cent., as in the German system, so that the maximum amount would not come out until there was a very pressing demand for the notes. This would insure some reserve for expansion. I do not like the expression or the idea of an emergency currency. What we want is a currency so safe and elastic that it will prevent emergencies. Above all, this currency should be constantly changing, coming and going so that issuing it would not be any confession of weakness or indication of an emergency on the part of the issuing bank. The last thing a banker wishes to acknowledge is that there is any emergency in his affairs, and the issue of bank bills which were regarded only as emergency notes would be apt to only hasten and aggravate an emergency which might otherwise never occur, or, if it did occur, might be easily overcome.

United Efforts Necessary to Secure Currency and Banking Reforms.

It is going to be extremely difficult to get anything done in the way of currency legislation. To accomplish anything there must be united and strong effort. There should be no pride of opinion or authorship in these matters and no desire to have something new. Stability and soundness are the first requisite for a financial proposition—novelty is the last. Let us follow the example of the Chamber of Commerce, choose a few measures upon which there is good prospect of an agreement and all work together for those things we can agree upon. In this way only can we hope to improve our banking and financial systems so that we can feel they are the proper basis for our splendid agricultural, industrial and transportation systems and are able to give them the support they require and are entitled to in the great career we are surely destined to follow in the century opening before us.

A distinguished Russian statesman said recently to a New York banker: "You have a great and wonderful country. Nowhere else in the world are there so many natural advantages side by side; you have a most intelligent and active people, thoroughly equal to their responsibilities; you have a certain and wonderful future before you; if you only had as good a government as Russia to give you proper financial and monetary facilities you would have no rival in the trade and commerce of the world."

We should no longer rest under such a reflection on the intelligence and efficiency of our financial system, but correct as promptly as possible the mistakes which have been made. Our currency laws are a patch-work from beginning to end of measures passed for the emergency of a civil war, concessions to greenback fiatism, free silver and bimetallism, all compromise with prejudice and ignorance. They can and must be altered if our progress in the trade of the world is to have the assistance of our financial system and not continue to be made in spite of it. This is the most important question for the consideration of your bankers' associations. It is up to you to act. No other equal number of men have as much at stake and as great responsibility in this matter as the members of the New York State Bankers' Association.

*THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

V.

The loan department is without doubt the most important one in the bank. Here most of the profit is made, here, also, is where the losses occur.

It is necessary to keep funds profitably employed; at the same time the security must be such as to insure payment of loans made. If the borrower is willing to pay more than the market rate of interest, his security should be throughly investigated, while if the security is of the highest, a low rate of interest is required. High interest has many times so blinded the eyes of the lender that security has not been properly scrutinized, and the result has usually been loss.

The aim of all banks is to keep money safely loaned, having as few losses as possible. To do this successfully the ability to choose borrowers is of the highest importance. One must be a good judge of human nature and a close observer of men.

It seems hardly necessary to say anything about honesty; few will have any business with other than honest men. It has been said of unscrupulous persons before now, that, although they might be dishonest with others, they could not afford to be so with their bank; look out for them, they are only waiting till the amount is large enough.

Business Ability of Borrowers.

Business ability is an indispensable condition; the man who keeps close track of the trend of his business can do much to avoid failure, and is entitled to a line of credit where one who has not these qualifications is not. If the prospective borrower is not a man of business ability, he will not be a desirable customer in any event; as over ninety per cent. of those in business fail, the chances of success of those not possessing good business qualifications are few. And even if he does not fail, the manner of doing business will not be pleasant to one who is in the habit of having things done right. He will want notes held after maturity and checks paid when his balance is not large enough to meet them, making one of the most undesirable things in the banking business, overdrafts. Overdrawing one's account is the poorest way of making a loan, and good banks will have few customers who do this; they unload them on their more careless neighbors.

What to Do with Past-Due Paper.

The bane of the banker is past-due paper. Oliver Wendell Holmes once said that all diseases could be cured, only in some cases it was necessary to call the physician several hundred years before. This is the way to take care of past due paper, do it from one to four months before; don't take any that has symptoms. The desirable customer will not have any, and one who does not take up a loan on the day it is due is to be avoided. Of course there will be times when it is necessary to carry paper in this undesirable state, but it should be taken care of as soon as possible; how-

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

ever, it is seldom desirable to throw good money after bad, the chances are that a greater loss will be the result. There is an impression in some localities that banks are for the purpose of furnishing capital for borrowers to do business with, and the banks are too often doing it to all intents and purposes. A line of accommodation paper to be carried indefinitely should not be encouraged; even if the security is good, loans should be paid at maturity, if only to show ability to do so. If the bank has not good security and a wide margin in its favor, it becomes a partner in the venture, instead of a conservative institution making a loan. When a customer allows his paper to go to protest it is a danger signal not to be overlooked; get rid of him as soon as possible.

When it comes to the knowledge of an officer of a bank, and officers should instruct clerks to keep them informed on this point, that one of the customers is trading checks, it is time to call the loans of this party and invite him to take his account elsewhere. Business men seldom overdraw and never trade checks, and one who habitually does either is nearing the end of his business career.

Keeping in Touch With the Public.

The officers of a bank should keep in touch with the public; much may be learned by getting out among people that one who stays at home would never hear of. It is well to call on customers occasionally; the appearance of a merchant's place of business tells much of his probabilities of success or failure.

A bank should never take a loan that could not be lost without seriously impairing its resources; it is better to have many small loans than few large ones.

It is not good policy to go away from home to lend money, especially if there are banking facilities where the loan is to be made; if good security is offered one seldom has to go abroad for accommodation. Do not take a customer from another bank without knowing of good reasons for a change being made; undesirable lines of discount are sometimes unloaded in this manner.

Buying Paper of Brokers.

There are many banks, especially in small towns, that have difficulty in getting good paper to discount. To buy paper through brokers is hazardous, as the makers are usually so far distant that proper knowledge of their resources cannot be had, and loans of this kind are too large for banks of small capital to take. In cases of this kind surplus funds can be invested in good stocks and bonds to advantage. This holds good with any bank that has any considerable surplus over requirements; but as a bank's first duty is to its local customers, the securities should be such that in case of any call for money they could be quickly sold and advantage taken of a higher rate of interest.

Balances kept on deposit by borrowers have much to do with making profitable loans; security being equal, customers carrying good balances should have preference over those who do not.

Loans should be under the supervision of a committee consisting of at least three of the directors, who, together with the executive officers, should pass on all paper, fixing a maximum amount for each borrower. This amount should never be exceeded, the breaking of this rule having caused the failure of many banks.

It is desirable that a statement be made weekly showing amount of each customer's loans, separating business from accommodation paper, and, in a column near enough for easy reference, the average balance of each should be shown, that comparison may be made.

As it is easier to refuse credit in the beginning, the loan committee should use great care in taking on new lines of discount, an undesirable customer being easier to acquire than get rid of.

ANALYZING BORROWERS' STATEMENTS.

Statements made by prospective borrowers are usually a basis for credit, and ability to analyze them is very necessary. The fixed capital should be separated from live assets, and there should always be a good margin of the latter over liabilities, or the one making the statement will not have working capital enough to do business on safely. The item real estate is an evasive one, the owner nearly always setting a higher value on it than others would, and there is usually a mortgage to complicate matters, and mortgaged real estate is not looked upon with much favor by conservative bankers. A manufacturing plant might be likened to a tool that has great value to one knowing how to use it, but worthless in the hands of others. It is a good asset for the manufacturer who has capital and experience, but a poor one for the bank.

For these reasons real estate, tools and fixtures should only be considered, together with a good working capital, the ability of the manager and the prospect of the business future being good.

The statement should always be taken at time of inventory, as this is the only period when the true condition is shown. The man who refuses to make a statement is not worthy of credit, and usually has something to conceal in taking such a stand.

LOANS ON COLLATERAL.

Loans made on collateral, while very common in many places, are almost unknown in others. When the collateral is a listed security it is easy to know the present value; but this is not all that is necessary, as values fluctuate. A knowledge of the stock market is the result of years of experience. Some stocks are subject to violent fluctuations, others change but seldom, then a few points only. A mercurial stock is not good security at best. When the value is known experience teaches what margin is required; while five per cent. is enough for some twenty-five per cent. would not be enough for others. Where the collateral is an unlisted security statements of the company issuing it will give its value. The statements of companies issuing listed securities should also be looked into, as stocks are frequently sold on the exchange for a higher value than conditions warrant.

REQUISITES OF A SUCCESSFUL BANKER.

To sum up the requisites for a successful banker, the ability to judge human nature comes first. If in choosing customers the right men are selected, those who are honest, able and progressive, and the careless, speculative and unbusinesslike turned down, there will not be many bad debts to charge off at the end of the year.

The word progressive means much nowadays. It is the nature of all things in this world to move, and if a business is not progressing it is retrograding. Know to which class your customers belong; if progressive, you are safe, if not, call in loans before it is too late. Moral courage is a necessity; the ability to say no and stick to it, at the same time to do so in such a manner as to leave no unpleasant impression, is desirable.

Choose a safe middle course, between a willingness to lend anybody on anything and being afraid of everybody and everything. The banker has all sorts of propositions put to him and the nature of the business makes quick decisions imperative. While it is not necessary to be a pessimist one must have enough of that quality in his make-up to prevent being taken in by the many visionary schemes presented. Not by any means the least of the duties of the banker, and the successful ones all do it, is to read the financial magazines carefully and regularly, thus keeping informed as to what is going on in the world ; one who does this will not become a back number. Banking is not a business for the nervous, excitable man ; he would soon wear out, and in losing nerve would make costly mistakes.

The Credit Department.

The credit department need not necessarily be confined to large institutions; in smaller banks one clerk can take care of it in connection with other duties if desired. The business of this department is to gather all information possible concerning customers, especially borrowers ; but as any customer may become a borrower, none should be neglected.

Of course it is not best to ask for statements of any who are not borrowers, but all information as to character, business, rating, etc., should be kept in case it should be required.

Statements, never more than one year old, of every borrower should be kept on file. The daily reports of judgments, real estate transfers, etc., should be carefully scanned, and anything concerning a customer investigated at once. The form of statement recommended by the New York State Bankers' Association covers the ground thoroughly.

Attach to the statement a form like the following :

Assets, active			Liabilities, active		
Cash			Bills payable, merchandise		
Bills receivable (customers)			Bills payable, banks		
Accts. receivable (customers			Accounts payable		
Merchandise			Balance		
Total			Total		
Assets, passive			Mortgages, real estate		
Real estate			Mortgages, machinery and fixtures		
Machinery and fixtures					
Total			Balance		
			Total		
Balance active assets					
Balance passive assets					
Total worth					

This will enable those examining statements to see at a glance what they usually have to figure out with pencil and paper. There should be no accounts receivable due from partners at time of inventory, and if such an item appears put it into passive assets and make inquiry as to why it was not charged off.

Be sure and see that amount of insurance carried compares favorably with amounts charged real estate, machinery and fixtures, and merchandise ; this is very important. Compare statements as to sales, net profits, etc., and if business is not progressing report the fact at once. Ascertain if bad debts are charged off yearly and what percentage is written off real estate, machinery and fixtures, and how often. These items are apt to depreciate in value, and it is usual to deduct a certain percentage yearly.

The statement, with all data, such as mercantile reports, etc., attached, should be kept in a letter file, flat ; this will keep papers in better condition than if folded.

The credit department should have the custody of the weekly statement book showing total of each customers' line. This book should be ruled to accommodate four weeks to a page ; at extreme left the customer's name, then a space for maximum amount fixed by discount committee ; following come four spaces for weekly totals, and at right average balance carried on deposit for month. No one should

	Maximum	Jany 2		Jany 9		Jany 16		Jany 23		Jany 30		Average Balance	
Ash Ad	8000	7859	54	7605	81	6401	51	7401	86	7308	51	1608	00

RULING FOR PAGE OF WEEKLY STATEMENT BOOK, SHOWING TOTAL AMOUNT OF EACH CUSTOMER'S LOANS.

exceed his maximum, and the average balance should be enough to entitle each to amount loaned: for if any one is not carrying a balance in fair proportion to loans, it is sometimes good policy to drop them in favor of one who would.

The method of keeping papers, etc., is not of so much importance; if the information is there, is up to date, correct, and easily found, it is all that is required.

The credit department, if properly conducted, can be of great value, and the manager has the opportunity to acquire knowledge fitting him for executive positions.

Care must be taken not to become too technical; if the bank clerk is not wide awake he will narrow instead of broaden. The dividing of banks into departments does not tend to expand the employees, and too often their horizon does not extend beyond their department.

The newly established American Institute of Bank Clerks will enable those inclined to educate themselves to do so, and it is hoped that all will avail themselves of the opportunity.

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PROPOSED INCREASE OF NATIONAL BANK CIRCULATION.

The following bills, providing for an increase in the circulating notes of National banks, have been introduced in Congress:

In the House of Representatives, December 17, Mr. Fowler introduced the following bill; which was referred to the Committee on Banking and Currency and ordered to be printed.

A BILL providing for the issue and circulation of National bank notes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any National bank may, with the approval of the Comptroller of the Currency, take out for issue and circulation an amount of National bank notes not exceeding twenty-five per centum of its paid-up and unimpaired capital without depositing United States bonds with the United States Treasury in the manner provided by existing law.

SEC. 2. That said National bank notes shall be furnished by the United States at the expense of the respective banks issuing them, and shall be in the denominations of ten dollars and multiples thereof.

SEC. 3. That before any National bank shall receive any of the bank notes referred to in this act it shall first deposit in the Treasury of the United States as a guaranty of the payment thereof an amount of United States bonds or gold coin, or both, equal to five per centum of the amount of the notes so taken out, and such deposit shall be counted as a part of the lawful reserve of said bank against said notes. The interest upon said bonds shall be paid to the bank so depositing them, and if said bank shall retire said circulation, or any portion thereof, an amount of bonds or gold coin, or both, equal to five per centum of the notes so retired, shall be returned to said bank: *Provided, however*, That if it should be necessary to sell said bonds for the purposes defined in this act, the Secretary of the Treasury is hereby authorized to dispose of the same and use the proceeds in accordance with the provisions of law herein contained.

SEC. 4. That every National bank taking out such notes for issue and circulation shall, on the first days of January and July of each year, pay into the Treasury of the United States, in gold coin, a tax of one-quarter of one per centum upon the average amount of such notes in actual circulation during the preceding six months, and the tax so paid into the Treasury shall, with the five per centum deposited as a guaranty for the payment of the notes, constitute a guaranty fund.

SEC. 5. That such notes shall be a first lien upon the assets of the respective banks issuing them, and shall be received upon deposit and for all purposes of debt and liability by every National bank at par and without any charge of whatsoever kind, and such notes shall be receivable for all public dues except duties on imports, and when so received shall be paid out again.

SEC. 6. That any National bank having notes outstanding in excess of seventy-five per centum of its paid-up capital, to secure the payment of which United States bonds have been deposited, may, upon the deposit of lawful money for the redemption of such excess, take out for circulation the notes provided for in this act, without reference to the limitation of three million dollars each month prescribed in section nine of the act approved July twelfth, eighteen hundred and eighty-two.

SEC. 7. That the provisions of the law contained in section nine of the act approved July twelfth, eighteen hundred and eighty-two, limiting the amount of notes that may be retired to three million dollars in any calendar month, shall not apply to the notes taken out in accordance with the provisions of this act.

SEC. 8. That every National bank taking out such notes for issue shall maintain at all times the same reserve against such notes when in actual circulation as is now prescribed by law for deposits.

SEC. 9. That the bank notes taken out for issue in accordance with the provisions of this act shall be redeemed on demand in gold coin over the counter of the bank issuing them, and if said bank is located outside of one of the redemption cities hereinafter established it shall then select a National bank as its agent in a redemption city, subject to the approval of the Comptroller of the Currency, which shall upon demand redeem said notes in gold coin.

SEC. 10. That for the purposes of this act New York, Chicago, and San Francisco shall be redemption cities, and all the National banks redeeming their notes at any one of these cities shall constitute a redemption district, and the New York redemption district shall be known as redemption district numbered one, the Chicago redemption district as redemption district numbered two, and the San Francisco redemption district as redemption district numbered three.

SEC. 11. That if any National bank shall receive such circulating notes of any other National bank located outside of its own district it shall not pay them out over its own counter, but shall forward them either to some bank in the district to which the notes belong, or to some bank located in the redemption city of its own district, and then they shall be returned to the bank issuing them or to some bank in the district to which the bank issuing them belongs.

SEC. 12. That upon the failure of a National bank any National bank notes that have been taken out by it in accordance with the provisions of this act shall, upon presentation to the United States Treasury, be paid in gold coin out of the guaranty fund; but the United States Treasury shall recover from the assets of the failed bank an amount equal to its outstanding notes, and the same shall be paid into the guaranty fund.

SEC. 13. That any National bank desiring to go into liquidation shall first pay into the guaranty fund an amount of gold coin equal to the amount of its notes then outstanding.

SEC. 14. That if such fund shall, for any reason, fall below an amount equal to three per centum of the total amount of the bank notes taken out in accordance with the provisions of this act, the Comptroller may impose an extraordinary tax, not exceeding one per centum in any one year, upon the amount of the notes at the time outstanding; but such extraordinary tax shall be refunded to the respective banks whenever such repayment shall not reduce such fund below an amount equal to five per centum of all the notes outstanding.

In the House of Representatives, December 11, Mr. Pugsley introduced the following bill; which was referred to the Committee on Banking and Currency and ordered to be printed:

A BILL to render the currency more elastic and responsive to the financial and commercial requirements of the country.

Be it enacted by the Senate and House of Representatives of the United Sates of America in Congress Assembled, That when it is deemed expedient, the Comptroller of the Currency may, by and with the consent of the Secretary of the Treasury, issue to National banking associations, in addition to the circulation now authorized by law, circulating notes in amounts and under the conditions hereinafter provided.

SEC. 2. That circulating notes provided for by this act may be issued to any National banking association to an amount not exceeding one-tenth of the face value of the United States bonds on deposit by the said bank with the Treasurer of the United States to secure currency notes issued under existing law, the same to be secured by approved notes, bonds, or bills receivable having one or more indorsers, or notes collaterally secured. Said notes, bonds, and bills receivable shall exceed the amount of said circulation by at least fifty per centum, and the President, or Cashier, and a majority of the board of directors of each National banking association, shall certify, under rules and regulations prescribed by the Secretary of the Treasury and the Comptroller of the Currency, that the same have been specifically set apart for the purpose specified. The Secretary of the Treasury and the Comptroller of the Currency, whenever deemed expedient, may direct that said securities shall be deposited in the Treasury or a sub-Treasury of the United States, in a clearing-house, or in any National bank designated by them as trustee of said security.

SEC. 3. That every National banking association whose surplus is twenty per centum, or more, of its capital may be authorized by the Comptroller, in addition to the circulation provided for in the foregoing section, to issue circulating notes to an amount not exceeding twenty per centum of its capital stock, the same to be secured as is provided for in seetion two of this act.

SEC. 4. That the circulation issued under the provisions of this act shall be a first lien upon all the assets of the National banking association issuing the same, as provided in section fifty-two hundred and thirty of the National Bank Act.

SEC. 5. That each National banking association issuing circulating notes under these provisions shall have on deposit with the Treasurer of the United States, in lawful money of the United States, a sum equal to five per centum of its circulation under the provisions of this act, which sum shall be counted as a part of its lawful reserve, to be held and used for the redemption of such circulation; and all National banking associations issuing this circulation shall maintain in their vaults a reserve of twenty per centum in lawful money of the United States against such circulation.

SEC. 6. That upon the circulation as provided for by this act a tax shall be levied as follows: Upon the circulation provided for in section two a tax at the rate of three per centum per annum, and upon the circulation provided for in section three a tax at the rate of four per centum per annum during the period for which the notes may be in circulation. Said taxes shall be levied under rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury, and shall be assessed by the Treasurer of the United States.

SEC. 7. That the proceeds of the taxes herein prescribed shall be covered into the Treasury of the United States as a miscellaneous receipt, and all notes coming into the hands of the Treasurer of the United States shall be redeemed from the "National-bank notes redemption account," as prescribed in the National Bank Act.

SEC. 8. That the Comptroller of the Currency shall at all times keep on hand, in the circulating notes herein provided for, thirty per centum of the banks' capital.

SEC. 9. That the circulating notes herein provided for shall not differ in color or design from the National bank-note currency.

SEC. 10. That any National banking association may retire its circulation by paying into the Treasury of the United States legal-tender notes in an amount equal to the outstanding circulation provided for herein; and the Comptroller of the Currency, by and with the consent of the Secretary of the Treasury, may call for the retirement of this circulation whenever it is deemed expedient that the same should be withdrawn. The circulation herein provided for, however, shall not remain outstanding for a longer period than twelve months.

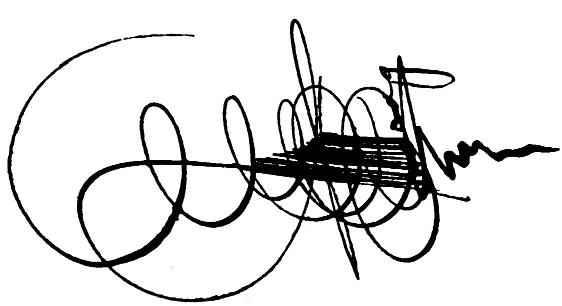
SEC. 11. That any officer or director who shall falsely certify that securities have been set aside as herein provided shall be deemed guilty of a misdemeanor, and shall, on conviction thereof in any circuit or district court of the United States, be fined not more than five thousand dollars, or shall be imprisoned not more than five years, or both, in the discretion of the court.

SEC. 12. That section one of the act of June twentieth, eighteen hundred and seventy-four, be amended so as to read: "An Act to provide a National currency secured by a pledge of United States bonds, or otherwise, and to provide for the circulation and redemption thereof."

SEC. 13. That section fifty-one hundred and seventy-two of the Revised Statutes be amended so as to read: "In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denomination of five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, and one thousand dollars, as may be required to supply the associations entitled to receive the same, as amended by act of March fourteenth, nineteen hundred. Such notes shall express upon their face that they are secured by United States bonds deposited with the Treasurer of the United States, or approved security otherwise deposited, by the written or engraved signature of the Treasurer and Register, and by the imprint of the seal of the Treasury; and shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signatures of the President or Vice-President and Cashier; and shall bear such devices and such other statements, and shall be in such form, as the Secretary of the Treasury shall, by regulation, direct."

SEC. 14. That, where it is not inconsistent, the provisions of the National Bank Law shall apply and control, unless otherwise prescribed, in the issue, circulation, and redemption of the currency provided for by this act.

A PUZZLE SIGNATURE.



THE BANK OF ENGLAND WEEKLY ACCOUNTS.

By ANDREW W. KERR, F.S.A. Scot., Royal Bank, Hope Street, Edinburgh; Author of "History of Banking in Scotland."

The state of the money market affects almost every one more or less directly and more or less acutely; yet its course is observed by comparatively few people, except those who are in continuous touch with financial affairs. The man who carefully consults his watch that he may be punctual to his appointments, and looks at his weather-glass to judge if he should wear a waterproof in an excursion, usually pays no heed to the indications of favorable or adverse influences that will affect his receipts and payments of interest, and the remunerativeness, the prices, and even the safety, of his investments. Yet the means of forming fairly reliable judgment on the course of the money market are presented to him regularly in his morning newspaper. Among these the most essential is the statement rendered by the Bank of England every week to the Commissioners of Stamps and Taxes. It is published every Friday morning by the daily press, and periodically by the financial journals, stockbrokers' circulars, and other mediums of monetary information and discussion.

In considering this important subject it will be well to have before us a specimen copy of these returns. For our purpose one is as good as another, so we select the latest at time of writing. It will be understood that, the accounts being in very concise abstract, it is not possible to be quite sure of the precise grouping of details. But the general purport is clear enough for practical purposes. The following is a copy of the official print:

BANK OF ENGLAND.

AN ACCOUNT pursuant to the Act 7 and 8 VICT. cap. 32, for the week ending on Wednesday, the 29th day of October, 1902.

Issue Department.

Notes issued	£49,957,330	Government debt	£11,015,100
		Other securities	7,150,900
		Gold coin and bullion	31,782,330
		Silver bullion	....
	£49,957,330		£49,957,330

Dated the 30th day of October, 1902.

J. G. NAIRNE, *Chief Cashier.*

Banking Department.

Proprietors' capital	£14,553,000	Government securities	£16,416,132
Rest	3,181,603	Other securities	27,786,733
Public deposits—(including Exchequer, Savings banks, Commissioners of National Debt, and Dividend Accounts)	10,563,746	Notes	20,778,410
Other deposits	38,845,758	Gold and silver coin	2,308,284
Seven day and other bills	145,452		
	£67,289,559		£67,289,559

Dated the 30th day of October, 1902.

J. G. NAIRNE, *Chief Cashier.*

It will be noticed that the return purports to be made in obedience to the great Act of 1844, which, as supplemented by the relative acts of the succeeding year referring to Scotland and Ireland, practically regulates the banking system of the United Kingdom. But the practice of making such a return was commenced eleven years earlier. By an act passed in 1833* mitigating the monopoly of the Bank of England, and extending and making workable the provisions of an act of 1826† permitting the formation of large joint-stock banks, the publication of an abstract balance-sheet weekly was provided for. This was a consolidated statement, showing, so far as the note issues were concerned, only the amount of the circulation in the hands of the public, and not indicating so pointedly as is done by the present form the extent of the bank's available reserve of cash. Whether this was actually of much consequence appears to be a debatable point. Some of the witnesses examined by the Bank Acts Committee of 1857 were not satisfied with the new form. The ground of their objections was not, as might be supposed, that the accounts gave too little information, but that they gave too much. It was even proposed to revert to the former practice of making a consolidated statement showing the liabilities and assets in one account. The general judgment, however, was adverse to this, and no change was made. The statements were formerly made up to the close of business on Saturday, and not published until (as now) the following Friday. As a result of the discussion in the Select Committee of 1857, the bank voluntarily altered its practice by bringing the statement down to Wednesday's date.

But, whatever interest the original form of publication may have from historical points of view, it is the arrangement of 1844 alone that concerns us practically at the present time. The Bank of England was then separated into two distinct portions—the Issue Department, devoted exclusively to the management of the note issues; and the Banking Department, in which all the other business of the bank is conducted. The separation is absolute, except that both departments are under the supervision of the directors of the bank; more so than the distinction in a general insurance company between the life and fire departments.

The Issue Department holds the unredeemed balance of the old Government debt, and other (presumably British Government) securities to a total amount of £18,175,-000. This was originally £14,000,000, but has been increased from time to time, the latest addition being £400,000 in August last. This action is in pursuance of a provision whereby the Bank of England may be authorized to increase its issue securities to the extent of two-thirds of the authorized circulations of banks which have ceased to issue. Against this fund the bank issues notes in the same way as the Scottish banks issue within what is called their "authorized" limit, with the important exceptions that the privileges of the latter to issue without hypothecating securities and to make their returns on weekly averages are entirely withheld from the Bank of England. Beyond £18,175,000 the issues are made entirely against equal value of gold coin or standard bullion. This is the same as the Scottish and Irish arrangement, except that in the cases of the latter it does not appear to have been contemplated that they would hold uncoined bullion. It is permissible to the bank to issue also against silver, provided the value of the latter portion of the excess issue do not exceed one-fifth part of the whole of the bullion so held. This power has, however, never been exercised, although in 1897 the bank directors announced their intention to commence the practice. The emphatic representations of the other banks against such a weak and dangerous concession to the bimetallic craze, induced them to reconsider their resolution.

As gold goes into the Issue Department, notes go out into the Banking Department. When gold is withdrawn, notes to an equal value go into it. Thus the amounts of the issues and of the security for them are automatically adjusted—rising and falling as the bullion current is in favor of or against the bank. This

* 3 and 4 Will. IV. c. 98.

† 7 Geo. IV. c. 46.

latter experience is usually in accordance with the course of the foreign exchanges. The bank feels the flow or the ebb of the bullion tides more than other institutions, as it is the only one that can retain large quantities of the precious metal. Receivers of metallic remittances immediately deposit them with banks, so that they may be able to draw against them; for gold in bulk is not convenient for the current business of the market-place. And as no bank except the Bank of England is in a position to retain uncoined bullion, or more coin even than is required for its current business, such consignments are taken to the bank, either directly or as soon afterwards as is practicable. Of course, in certain states of the market, gold, on arrival, is at once taken up to be sent to other countries, and so does not reach the bank at all. But it would not be held long in expectation of such an opportunity. As Bank of England notes are legal tender except at the bank, and are much more convenient to handle than gold in quantity, other banks have every inducement to keep as small a portion of their cash reserves in specie as is consistent with the usual demands of their customers.

Thus the Issue Department of the Bank of England is the holder of the ultimate reserve of legal tender, and, in consequence, the foundation on which the mighty structure of British credit is reared. That structure has been likened to an inverted pyramid, the apex of which is the stock of gold so held by the Bank of England. It is obvious, therefore, that any tendency of the foundation to disappear will occasion anxiety; and when it is further remembered that the ability of the bank to meet its liabilities in cash on demand depends on the possession of a sufficiency of sovereigns, the sensitiveness of the money market to the fluctuations of the stock of bullion is easily understood. There is little reason to doubt that, under the arrangements of 1844, that sensitiveness is more acute than it would be under a more elastic system. This will be more apparent when we come to consider the constitution of the banking reserve.

The Banking Department is more interesting than the Issue Department, as it is a much less cast-iron arrangement; and, moreover, it is from it mainly that we read the signs of the times. It is conceivable, although not very probable, that the stock of gold might be heavily drawn on without producing any disturbance of the money market. For it is possible that such a movement might be accompanied by an equally great contraction of the active circulation. But the market is keenly sensitive to the movements of the banking reserve, which is the hand of the financial barometer. While a drain of five millions of bullion, accompanied by a contraction of notes in circulation to the same amount, would hardly occasion a tremor; a fall of similar extent in the reserve would occasion much discussion and questioning of the future, preparation for contingencies, and incipient alarm.

The first item in the account is proprietors' capital. This has been increased from time to time from the original £1,200,000, when the bank was founded in 1694, to its present amount, which it reached in 1816. At that time a bonus of twenty-five per cent. was paid in the form of new capital without cost to the proprietors, who seem, however, to have foregone their usual dividend for that year. Compared with other banks this is an enormous capital, and handicaps the establishment greatly in the matter of rates of dividend. But the position and duties of the bank are exceptional, and this undoubtedly enables it to fulfill its functions and to receive the confidence of the nation more readily than if its operations were conducted on a smaller fund.

The next entry is "rest." This, as the word implies, signifies the amount remaining after provision for all the liabilities of the bank both to the public and to the proprietors. In other words, if the bank repaid all the Government deposits; all the balances due to other banks, to firms and private persons; and retired all their drafts (or bills); and, furthermore, repaid to the stockholders the capital held by them—there would remain in the Banking Department a sum of over £3,000,000. This, the "rest," would be divisible among the proprietors of the capital stock. The "rest" increases during each half year by the addition of profit earned; and the practice is to appropriate to dividend such an amount as will leave fully £3,000,-000 in "rest" account. It will be seen incidentally that the goodwill of the bank as a going concern is very large. Taking the stock at its market price as 325 per cent., the total value is £47,297,250. The nominal value is only £14,553,000, which, together with the "rest" of £3,000,000, is all that the proprietors would get under such an operation as described above. This shows a difference of £29,744,250, which may be taken to represent the value of the business over and above the amount of its stock in trade. No account is here taken of site, building, and such like values, as they do not appear in the account.

We now notice the item indicating the aggregate amount of the balances due to the Imperial Government on their various departmental accounts. This is more detailed in the account than any other group. Presumably it is mainly accounted for by the Exchequer balances, in which, also, the fluctuations will be most noticeable. The "other deposits" are understood to include local government accounts, accounts of other banks and bankers, joint-stock companies, business firms and private persons, home, colonial, and foreign—in fact, all creditor balances other than those due to the National Government. Of these the most important, from a public point of view, are the bankers' balances. This is owing not so much to their amount as to the character of the relationship existing between the bankers' bank and the bankers themselves. Formerly the latter were, in that connection, a law to themselves, fearing neither the bank nor the public. When they could profitably employ their money they did so regardless of what effect they produced on the banking reserve, and only allowed their balances to accumulate beyond their probable requirements when they had funds uselessly in hand. That is to say, they inconvenienced the bank at times when their consideration was desirable, and they strengthened it at those times when there was no desire for their assistance. In this respect, however, a considerable improvement has taken place, the leading banks recognizing their duty to assist the Bank of England in maintaining its reserve, by themselves keeping the balances due to them by the bank at higher points than formerly.

The only remaining item of the liabilities is a comparatively trifling one—that, namely, relative to the remittance business. It shows the aggregate amount of drafts on demand and at a currency (bank post-bills—*post* – *after* sight or date) issued by the bank on its branches and correspondents outstanding unpaid at the date of balance.

The assets of the Banking Department are classified in four groups. First, we have the Government securities, in which, presumably, are included the bank's own investments in British Government stocks held in connection with the banking business proper, both of the funded and of the unfunded debt, and securities for temporary borrowings by Government departments. The second item, "other securities" (the official terminology is neither descriptive nor elegant), will include all other stocks and shares held by the bank either on their own account or for customers. We may imagine (in the absence of information) among them metropolitan, Indian, colonial, and foreign Government, railway debenture and preference stocks, and sundry other stocks and shares of such classes as the dignity of the establishment may permit the recognition of. In the main, however, the group will represent the advances to commercial, financial, and other houses against bills and securities, including pledged British and other Government and general approved stocks. In a Scottish bank's accounts the equivalent of this item appears in a multiple form—as, say, Indian and colonial Government stocks, bills discounted, advances on cash-credit and current accounts, loans on stocks for short periods. But the bank leaves much to the imagination of the interested reader.

We now come, in the last place, to the most essential portion of the weekly accounts, so far as regards their function of indicating the condition of the money market. The banking reserve consists of two items—notes and coin. It may almost be said that only the first of these requires particular attention; for, except in times of unusual pressure, the amount of coin held does not vary much—the bank apparently aiming at a holding of something over two millions. Formerly they were content with about a million less; but the liabilities, both actual and problematical, of the bank have greatly increased during the last quarter of a century, necessitating a larger scale of cash provision. Of course, if the metallic till money were drawn on unduly, notes would be presented at the Issue Department, and coin brought into the Banking Department to replenish the stock of specie.

This illustration shows the *modus operandi* of a gold drain. If the operation described be repeated again and again, the stock of unemployed notes will be rapidly reduced. The life-blood of the bank is ebbing away. Its potentiality to support the credit of the nation is lessening. Business men begin to think of making provision against a pressure in the money market. Bill cases are opened and the contents sent to the various banks to be discounted; or arrangements made for overdrafts of current accounts, or for loans on stocks and sundry securities. Bankers finding their own funds drawn on to an unusual extent, seek to replenish their coffers by drawing on the Bank of England. Then the pressure on the bank becoming acute, the directors raise the rate of interest, if they have not already done so, to stem the drain. More men open their eyes to the situation, and hurry to their bankers; and so pressure grows on pressure until all the important people are provided for. Or, it may be, until one or two big firms are refused assistance, when credit cracks, and we have a full-blown crisis, in which weak houses go to the wall, sound ones save themselves by large sacrifices, and even powerful establishments are strained and agitated, while all suffer loss and incur expense in the struggle for financial life. Under such conditions the banking reserve is apt to approach the vanishing point, and a prospect of suspension of cash payments comes into sight. Then the Treasury has to come forward and authorize the bank to disregard the provisions of the law forbidding them to issue notes beyond the defined limits. Immediately the fever subsides when men know that the bank's power to aid them is restored—that they can get Bank of England notes when they require them.

While the amount of the reserve is the crucial point of the accounts, other elements occasion continuous observation. The active circulation, found by subtracting the amount of notes in the Banking Department from the total issue; the movements of the deposits, both public and private, and of the securities in like manner, and the rise and fall of the stock of bullion—are all carefully scanned weekly. The latter item is practically gold only; for, although permissible, no issue is in practice made against silver. The silver held is merely till-money. Its intrinsic value is so small and unstable that it would be an unsatisfactory fund to found a note issue on. Besides, although the bank could legally issue against a holding of silver, the legal-tender limit of the metal would not enable it to pay a single one of its notes in the white metal except at the option of the holder. Another point always watched is the proportion which the reserve bears to the amount of the public liabilities—that is, the proportion which the conjoined amounts of notes and gold and silver coin in the Banking Department bear to the conjoined amounts of the public and other deposits and the seven-days and other bills. In the return given as an illustration, the figures give a proportion of somewhat more than forty-six and one-half per cent.—a fairly high point, considering that gold had been flowing out of the bank for nine weeks, but not so high as immediately previous to that drain.

Many other points, not included in the return, are of course considered in connection with the prospective position of the money market, but these do not come within the limits of our present subject.

The sufficiency of the reserve for the immense responsibility resting on it is a question of national importance, but can only be alluded to here. No one answers that question in the affirmative. While forty-six and one-half per cent. is a large proportion of liquid assets—vastly greater than any other bank dreams of maintaining—when distrust and panic seize the nation, it tends to disappear with great rapidity owing to the general rush to replenish cash reserves all over the country. While this pressure on the bank has nothing in common with what is called "a run on the bank"—for it is not coin but notes of the bank itself that are wanted—it has in effect very much the same result to the bank. But the bank cannot be expected to do more than it presently does towards increasing the store of gold. To do so would involve a curtailment of its banking business, reducing the Banking Department to the position of a mere currency storehouse. Any further movement towards strengthening the position must take the form of a Government measure. This would entail considerable annual loss of interest to the nation; but it would not probably be too high a price to pay for a strong bullion reserve, with the attendant advantages in times of national and international difficulty.—*Accountants' Magazine.*

GOLD AND SILVER OUTPUT.—George E. Roberts, Director of the Mint, has issued his preliminary estimate of the production of gold and silver in the United States during the calendar year 1902.

The total production of gold was $80,853,070, an increase for the year of $2,186,370. The production of silver amounted to $31,040,025, a net increase of $3,352,084.

Following is the estimated production of States:

SOURCE OF PRODUCT.	*Gold value.*	*Silver, commercial value.*
Alabama	$2,873	$50
Alaska	7,823,798	30,061
Arizona	4,155,039	1,680,100
California	17,124,941	480,798
Colorado	27,502,429	9,085,714
Georgia	102,388	349
Idaho	2,067,183	3,180,000
Maryland	2,956	2
Michigan	80,800	42,930
Montana	4,134,365	6,890,000
Nevada	3,514,212	2,120,000
New Mexico	688,400	298,602
North Carolina	91,783	11,498
Oregon	1,860,465	68,600
South Carolina	147,928	152
South Dakota	7,398,057	182,878
Tennessee	145	....
Texas	600	250,372
Utah	3,720,930	6,360,000
Virginia	4,444	273
Washington	434,109	360,400
Wyoming	45,230	2,756
Total	$80,853,070	$31,040,025
Klondike	14,562,191	91,768
Nome (included in Alaska)	5,023,256	9,540

REDEMPTION OF A CREDIT CURRENCY.

Editor Bankers' Magazine:

SIR: The article on "Redemption of a Credit Currency" in the September BANKERS' MAGAZINE touches upon what seems to be the most important phase of the asset currency question.

It is certainly true that "in all the plans and propositions for a credit or asset currency, the prompt and continuous redemption of the notes has hardly been considered," and it is equally true that this is "one of the most important points, involving, as it does, the safety of a note issue based on general credit." These two propositions are also incontrovertible: That "the present bank currency, being absolutely secure, does not develop enough motive for redemption," and "with asset currency, motive for redemption is furnished, not, perhaps, by insecurity, but by liability to insecurity through overissue."

Now, may it not be possible for this motive for redemption to be furnished in another manner and through another channel? It is stated that "it is exceedingly doubtful, if banks were allowed to issue asset currency, whether a system of rapid redemption could be put into operation over the whole of the United States except at considerable expense. There would have to be some inducement for banks to gather up each other's notes and present them for redemption." Why not furnish this inducement by means of a simple provision that no bank shall pay out the notes of any other bank? That is, when a bank, in the regular course of business, receives the notes of any other bank, it shall be prohibited from again paying out such notes. It seems clear that such prohibition would leave but one course for the bank to follow, viz., to send the notes to the issuing bank, either directly or through some intermediate bank, to be redeemed. And it is of advantage to do this without delay, as the cash on hand is thereby at once increased.

This provision, then, would cause the "rapid and continuous redemption" which, as is said, "is the only way to ensure the security of an asset currency and to prevent undue inflation of issues."

It would bring about "the almost immediate return of notes for redemption and reissue, and hence the practical absence of limit of amount of issues, to which was due the elasticity of the asset currency issued by the New England State banks." Each bank would, to the full extent of its opportunities, act the part of the Suffolk Bank, to whose plan of forcing the redemption of their notes "the safety of the New England banks was largely due, for the reason that they always had on hand ready for issue a considerable proportion of their own notes," exactly what this plan would cause.

It is generally supposed that an asset currency must be, to some extent, insecure, to cause redemption, and hence elasticity; but under this plan absolute security, whether provided for by guarantee of the Federal Government, the safety fund system, or by both methods combined, could have absolutely no effect in the direction of inelasticity. The limit to be placed upon issues also becomes of minor importance; whether it be ten, twenty or fifty per cent. of the bank's assets, any amount in excess of the needs of business is at once forced into retirement.

Our present bank currency, as agreed by all who have devoted much attention to the subject, is almost absolutely inelastic. If some additional currency is to be issued, its need of elasticity is much greater than if all the present currency were to some extent elastic, and surely no currency could more rapidly contract and expand than a currency issued and redeemed in the manner I have proposed.

To create additional currency, and at the same time to try to bring about elasticity by imposing a tax restricting its issue by making it unprofitable except during an emergency, seems crude and essentially wrong in principle. And for these reasons: The inducement to elasticity works slowly and clumsily, because given at the wrong point, *i. e.*, at the point of issue instead of at the point of redemption; and a tax on currency is simply an addition to the cost, when what is needed is a bank currency issued and retired as quickly, easily and cheaply as can be provided.

Does it not seem reasonable that such a currency may be created by the plan proposed? And, if so, is not the present a good time for its introduction, when an addition to our currency which shall be capable of rapid and automatic contraction and expansion is of vital importance? RAY ROBSON.

BATH, Mich.

THE GROWTH OF TRUST COMPANIES.

Charles A. Conant, Treasurer of the Morton Trust Company, New York city, and a well-known writer on financial and economic topics, presents some facts and figures in the November issue of the "Review of Reviews" showing in a very striking manner the great gains made by the trust companies of the United States in recent years. He says:

The growth of the business of trust companies during the last few years has partaken of the prosperity which has come to many other American enterprises. This is plain from the statistics of their numbers, deposits and resources, as reported to the Comptroller of the Currency, and set forth below for representative years:

Trust Companies of the United States.

YEAR.	*Number.*	*Capital.*	*Individual deposits.*
1891	171	$79,292,889	$355,330,080
1897	251	106,968,253	566,922,205
1901	334	137,361,704	1,271,081,174
1902	417	179,732,581	1,525,887,498

Here is a multiplication within ten years of the individual deposits of trust companies by more than four times, or an increase of more than 300 per cent. Even within the brief period of five years the increase has been more than 150 per cent. The total resources of the New York trust companies were $300,765,575 on January 1, 1893. They rose slowly during the next five years to $396,742,947 at the beginning of 1897, and then went up by bounds to $579,205,442 on January 1, 1899, and to $797,963,512 on January 1, 1901. The figures for the beginning of 1902 showed another advance of nearly $200,000,000, making the total resources $969,408,911, and those for the first half of 1902 indicate a like progress. The total deposits of the trust companies of the State of New York on June 30, 1902, were $887,001,687, and the total resources were $1,087,212,685. How this progress compares in New York city with that of the clearing-house banks may be seen from the following figures of individual deposits:

Deposits in New York City Banks.

	June 26, 1897.	*June 30, 1902.*
Clearing-house banks	$597,100,000	$960,246,000
Trust companies	305,354,638	760,776,124

These figures show that while the deposits of the clearing-house banks of New York city have increased about forty per cent. in five years, those of the trust companies have increased about 150 per cent. Percentages in such cases are sometimes deceptive. The trust companies first began to obtain importance about a decade ago, and it is not surprising that they have gained ground rapidly during the recent period of industrial activity. The real measure of their progress is afforded by the fact that while the clearing-house banks of

New York, with their long-established reputations and great resources, have in five years increased their deposits about $363,000,000, the trust companies of the city have increased theirs by the still larger sum of $455,000,000. Throughout the United States the business of the trust companies, although their form of organization is limited to a small number of States, has shown a striking growth. The deposits of all National banks and trust companies appear in the following table:

Individual Deposits in Banks of the United States.

	June 30, 1897.	*June 30, 1901.*
National banks	$1,770,480,563	$2,941,837,428
State banks	723,640,795	1,610,502,246
Loan and trust companies	566,922,205	1,271,081,174

Mr. Conant explains the various functions of trust companies, and shows why they are superior to individuals as trustees, executors, etc. He also points out that the uniformity of methods imposed by law and by financial custom upon the trust companies leads them to exercise their functions with extreme care.

The matter of reserves for trust companies is thoroughly discussed, and the opinion is expressed that, while undoubtedly a proper reserve should be kept, yet to compel the trust companies to keep large reserves in their own vaults would not only be unnecessary but would withdraw a very considerable amount of money from the financial markets.

OF INTEREST TO BANK CLERKS.

Here are some queries propounded by a correspondent employed in a large and successful bank:

> Why is it that a chief clerk will hire his friends at $125 per month, and who cannot do any of the work required of a clerk, while first-class men do not get half of that salary?
>
> How is it possible for the son of a bank President to learn the business in a year from messenger to Cashier in a large institution, while better clerks than he do not even get living wages?
>
> These are questions which interest every bank clerk in the United States.

It would be easy to dismiss these queries by ascribing them to a feeling of discontent, of which bank clerks do not have a monopoly; but they seem to be specific enough to demand more careful consideration.

Where favoritism causes the promotion of a less competent clerk, there is undoubtedly just ground for resentment, although it is difficult to see how such discriminations are to be wholly prevented while human nature remains as it is. It is natural for a man to seek to reward his friends, though it is hardly good business policy to push them ahead of others better qualified to do the work required.

Not infrequently a bank clerk gains the friendship of his superiors by intelligent application to his duties and by loyal devotion to the bank's interests, first, last and all the time. He is more apt to get what is coming to him in the way of salary by pursuing this course than by spending any part of his time in nursing real or imaginary grievances.

The case of the son of the bank President who "learned the business in a year from messenger to Cashier in a large institution," recalls the story of the boy who went into the office of a country lawyer to study law. At the end of the first week the boy's father asked him how he liked the law, and the reply was, "I don't like it; I'm sorry I learned it." Perhaps, in the instance mentioned by our correspondent, the occasion for regret might be with the bank.

The undeserved advancement of a relative of an officer over the heads of faithful employees is a more serious thing for the bank than it is for the clerks who have been passed by, and therefore such a policy is not likely to become general. Self-interest demands that a bank must have an efficient working force, and the members of the staff who can produce the best results are reasonably sure, as a rule, of the highest pay and the best positions.

Our correspondent, and others like him, should be patient, hoping for the sure reward of persistent and properly directed effort. Meanwhile bank officers who have friends and relatives to provide for might consider whether it would not be better to find places for them elsewhere instead of saddling them upon the banks.

BANKING POWER OF THE WORLD.

[From the Annual Report of the Comptroller of the Currency.]

The banking power of the world in 1890, that is, capital, surplus profits, note issues and deposits, as stated by the late M. G. Mulhall, was £3,197,000,000 as follows:

United Kingdom, £910,000,000; continental Europe, £1,037,000,000; Australia, Canada, Cape Colony, Argentina and Uruguay, £220,000,000, and United States, £1,030,000,000. In 1894 Maurice L. Muhleman calculated the banking power of the world at £3,915,000,000.

From statistics published by the London "Chronicle," for June last, and incorporating therewith the most recent returns relating to the Savings banks of the United Kingdom, the banking power of that country is shown to be £1,206,000,000, an increase of 32½ per cent. since 1890. Assuming the same rate of increase in continental Europe, the English colonies, and Argentina and Uruguay, their power amounts to £1,374,000,000 and £292,000,000, respectively. The banking funds of Bulgaria, Greece, Roumania, Servia and Turkey were not included in the Mulhall statement, but are given at £50,000,000 for the current year.

The capital, surplus profits and circulation of all banks in the United States are definitely known, and from reports obtained by the Comptroller of the Currency from National banks, State officials, and from the banks direct the deposits of over seventy-seven per cent. of banks in operation. The deposits of twenty-three per cent. of the banks have been carefully estimated from data at command relative to the former and give the aggregate banking power of the United States as £2,487,000,000, making the aggregate power of the world £5,409,000,000, or, say, $27,045,000,000, an increase since 1890 of $11,060,000,000, or 69.19 per cent.

The comparative statement for the two dates is given herewith:

COUNTRIES.	*1890.*	*1902.*	*Increase.*
United Kingdom	£910	£1,206	
Continental Europe	1,037	1,374	32.52
Australia, Canada, Cape Colony, Argentina, Uruguay..	220	292	
Bulgaria, Greece, Roumania, Servia, Turkey	....	50	....
United States	1,030	2,487	141.45
Total	£3,197	£5,409	69.19

The composition of the banking power of the United States, as shown by reports to the Comtroller of the Currency, supplemented by internal revenue returns for the year 1902, appears in the following table:

BANKS.	*Capital.*	*Surplus, etc., and deposits.*	*Circulation.*	*Total.*
National banks	$701,990,554	$3,705,219,341	$309,336,599	$4,716,546,494
Mutual Savings banks	....	2,587,780,802	....	2,587,780,802
All other banks	638,169,862	4,492,224,050	....	5,130,393,882
Total	$1,340,160,416	$10,785,224,163	$309,336,599	$12,434,721,178

NOTICES OF NEW BOOKS.

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

MODERN BANKING METHODS AND PRACTICAL BANK BOOKKEEPING; illustrated with over 200 forms of bank book, records and blanks By ALBERT R. BARRETT, C.P.A., formerly bank expert for United States Treasury Department, and bank examiner. Price, $4. New York: Bradford Rhodes & Co., 87 Maiden Lane.

This is a useful book, and will be found especially helpful to bank managers, officers and clerks.

Mr. Barrett has had the advantage of a long and varied experience as a banker, bank examiner and expert in the employ of the Treasury department. He shows undoubted familiarity with all the details of bank work, and presents the results of his experience and observation in a singularly lucid style.

Starting with the organization of a bank—which is explained step by step—he takes up the respective officers and fully explains the qualifications and duties of each.

Perhaps the most important and valuable feature of the book is that relating to the books and records of a bank. Over 200 facsimile forms are given showing in detail the work of every department of a modern bank. The transactions are so clearly illustrated and so fully explained as to be readily comprehended by anyone. An especially valuable feature is the explanation of the analysis department of a bank, by means of which it is possible to learn, without delay, as to just what profit (or loss) arises from each account. This is certainly a great aid to intelligent bank management. There are numerous other new and exceedingly valuable ideas presented throughout the volume.

Mr. Barrett has made a most substantial addition to the list of text-books on practical banking, and his labors will be of enduring benefit to the banking fraternity of the United States.

THE BOY—HOW TO HELP HIM SUCCEED: A SYMPOSIUM OF SUCCESSFUL EXPERIENCES. By NATHANIEL C. FOWLER, JR., assisted by 319 American men of marked accomplishment. Boston: Oakwood Publishing Co.

In the first part of this book the author states very tersely the elements that are essential to the greatest success, and his suggestions will be found sensible and helpful. The second part of the book is devoted to replies to a series of twenty-five questions submitted to successful men in nearly all walks of life, the questions being designed to elicit information regarding the principles upon which success depends. The first question was as follows: "To what one thing, or to what two or more things, do you attribute your success?" There were 283 replies received; sixty-six attributed their success to perseverance; fifty-nine to application; fifty-four to hard work, and twenty-eight to industry. Only three gave good luck any credit for their success.

Undoubtedly perseverance and hard work are the prime elements in a successful career; but it is possible that those who have climbed high up on the ladder are altogether too proud of the feat to attribute any of its accomplishment to favoring circumstances; had the ladder slipped and thrown them to the earth so violently that they were unable to rise again, they might have been readier to ascribe their failure to ill luck. As Josh Billings said, "The self-made man is apt to be a little tew proud of the job."

Perseverance and properly directed industry are surely the best weapons to use in combating whatever ill luck may be stirring, and the cases are rare in which misfortune is not eventually put to flight with them.

The replies given at length to the various questions are very interesting and ought to be exceedingly valuable to every young man who is desirous of bettering his situation in life.

HISTORY OF THE FIRST NATIONAL BANK OF CHICAGO. By HENRY C. MORRIS. Chicago: R. R. Donnelley & Sons Co.

Mr. Morris has prepared a complete and interesting history of this great institution. The story of the bank's growth is strikingly illustrated by comparing its first published statement, that of October 1, 1863, with the condition at the present time. At the earlier date the total resources were $479,848, the capital $205,000, the undivided profits $1,759, and the deposits $273,089. On November 25, 1902, the total resources were $106,618,069; capital, $8,000,000; surplus and profits $6,339,000, and deposits about $90,000,000. These figures sufficiently show the progress of the bank, but the details of its history are none the less interesting, and it is fortunate that they have been put into this permanent form.

The names of Samuel M. Nickerson and Lyman J. Gage are most prominently associated with the past history and success of the First National Bank of Chicago. The sound and able management which they sustained for so long a time, and with such gratifying results, is worthily sustained by Mr. James B. Forgan, the President, and Mr. David R. Forgan, the Vice-President, who have been the chief executive officers of the bank for several years.

A substantial evidence of the bank's prosperity is soon to appear in a magnificent new building now under construction. An illustration of this building was shown in the October issue of the MAGAZINE.

INSURANCE AND CRIME. By ALEXANDER COLIN CAMPBELL. New York: G. P. Putnam's Sons.

This is a thorough consideration of the effects upon society of the abuses of insurance, together with certain historical instances of such abuses.

An incentive to the commission of crime as a means of realizing on life insurance policies was removed by the British statute requiring that such policies should be issued only to those having an "insurable interest" in the life of the person insured; and although this principle has been generally adopted, it is not strictly adhered to in all cases. The author states there is still a considerable loss of property and occasional murders for securing insurance that may be ascribed to bad methods countenanced by some of the insurance companies. It is not claimed that this result is intentional, but that it is the effect of unwise competition. The practice of paying commissions to agents is condemned, as it makes the amount of business and not the quality the basis of their remuneration.

Mr. Campbell says that a reform of insurance abuses must come from the public who are more concerned in getting the best insurance at a minimum cost than the companies are in providing such insurance, their aim being not infrequently to get as much business as possible at a maximum rate. The expense of this recklessness of management is, of course, shifted upon the policy holder, and the honest man who insures his property or his life, offering a sound risk, must pay the losses arising from the bad risks taken by the company merely to swell its business. Apparently, the managers of some of the insurance companies are too intent upon making a big showing in their balance-sheets.

The author has collected much interesting and valuable information bearing on the subject of insurance. He makes a strong and earnest plea for an intelligent reform of some of the existing evils in life, marine and fire insurance.

THE MANUAL OF STATISTICS, 1902. Price $5. New York: The Manual of Statistics Company.

With its 1902 edition, The Manual of Statistics, Stock Exchange Hand-Book, has attained its twenty-fourth annual issue. The publication has steadily improved with age, and is now broader in scope and more thorough in treatment of the subjects that come within its range than ever before. The arrangement of its contents makes it particularly convenient for ready reference.

As a Stock Exchange hand-book, The Manual of Statistics has long had a firmly established reputation as a compendium of information. For investors and traders in the stock markets it is valuable for its collation and presentation of facts and figures concerning securities, their worth and the market dealings in them. For the general reader or student interested in the corporation development of the United States during the last decade the volume is also of peculiar interest and value. It is a statistical history, accurate and reliable.

A new and notable feature of the 1901 Manual was a complete record of the banks and trust companies of the leading cities of the United States. This feature is continued in the 1902 Manual. The figures cover a period of five years and show capitalization, surplus and undivided profits, and quotations for the stocks.

FUNDS AND THEIR USES; A BOOK DESCRIBING THE METHODS, INSTRUMENTS AND INSTITUTIONS EMPLOYED IN MODERN FINANCIAL TRANSACTIONS. By FREDERICK A. CLEVELAND, PH.D.

A work such as Dr. Cleveland here gives us was greatly needed to enlighten those who have money to invest as well as those who handle the various forms of investment securities. Stocks, bonds, mortgages, notes, checks, drafts and all kinds of commercial paper are fully described and illustrated. Besides there are other chapters dealing with banks, trust companies, the Treasury, bill brokers, etc., etc. Bankers, investors and all who wish to become thoroughly acquainted with the numerous kinds of instruments and obligations representative of money and capital, will find this book of great practical value.

Dr. Cleveland is a professor in the Wharton School of Finance and Economy in the University of Pennsylvania, and his qualifications for treating of the subjects embraced in the volume are of a high order, as is evidenced by the result of his labors.

NEW COUNTERFEIT $20 GOLD CERTIFICATE.—Act of July 12, 1882; check letter C; J. W. Lyons, Register; Ellis H. Roberts, Treasurer; portrait of Garfield; No. 588,572.

It is a very poor photographic production, printed on two pieces of paper with heavy red and blue silk threads distributed between them. An attempt has been made to tint the note, but the red and yellow inks have been so unskillfully applied as to make its extensive circulation impossible.

BRANCHES OF STATE BANKS.

[From the Annual Report of the Comptroller of the Currency.]

With a view to ascertaining the extent to which branches are legally operative in the various States of the Union, a letter was addressed in August last to the proper State official in each State and Territory, in which information was requested as follows:

First. Whether or not branches or agencies are authorized by the banking laws of the State or the charter of the banks.

Second. If authorized, the regulations and provisions of law relative thereto.

Third. The names and location of banks operating branches and the number and location of the branches.

Replies have been very generally received to the request and hereinafter will be found a summary of the information submitted, arranged by States in their geographical order.

Maine.—There is no general provision of law authorizing State banks to establish branches. Trust companies created by special acts of the Legislature have authority in their charters to establish branches, but the Legislature of 1901 passed a general act which provides that no trust companies shall establish a branch or agency until the same be authorized by a special act. This later legislation does not apply to trust companies already established and operating branches. The State banking department exercises supervising power over branches in conjunction with the corporation.

Trust companies having branches: Augusta Trust Company, at Winthrop; Waterville Trust Company, at Corinna, Dexter, Hartland, and Newport; Eastern Trust and Banking Company of Bangor, at Machias and Oldtown.

New Hampshire.—Bank Commissioner Baker states that there is no law directly authorizing the establishment of branches or agencies, but that he is not aware of any law which would prohibit such a practice within certain limits. No branches are in operation.

Vermont.—Branches or agencies are not authorized by the banking laws, nor by the charter of any bank.

Massachusetts.—There are no commercial banks other than National banks and trust companies in operation in the State.

The statute relating to the organization of banks of discount and deposit provides that they shall do business only at their banking house. This prohibition applies to Savings banks.

By an act passed by the last Legislature, chapter 365, section 2, the Board of Commissioners of Savings Banks have power to authorize, in writing, any trust company to maintain a branch office in the city or town in which its main office is located, for the purpose of receiving deposits, paying checks, and transacting a safe-deposit business.

The Old Colony Company and the State Street Trust Company of Boston have branches in operation in that city.

Rhode Island.—The General Laws, chapter 171, section 11, prohibit the establishment of branches except by authority of the General Assembly.

The Industrial Trust Company of Providence has branches at Pawtucket, Newport, Woonsocket, Bristol, Pascoag, and Wickford; and the Manufacturers' Trust Company and the Union Trust Company at Providence, have, respectively, branches at East Greenwich and Olneyville.

Connecticut.—The law forbids the organization of any branch or agency, or the employing of any agent or person to make loans at any other place than the banking house.

New York.—Section 89 of chapter 689 of the laws of 1882, as amended by chapter 410 of the laws of 1898, permits a bank located in a city of over 1,000,000 inhabitants, with the approval, in writing, of the superintendent of banks, to open and keep one or more branch offices in such city for the receipt and payment of deposits and for making loans and discounts to the customers of such branch office, only providing that its certificate of incorporation shall so provide. No bank in this State has a charter which originally provided for branches; but a number of banks in the city of New York have amended their charters so as to include therein such provisions. Section 89 referred to provides in part that "before opening any branch office the approval, in writing, of the superintendent of banks shall be first obtained, and no discounts shall be made except such as may have been previously authorized by the board of directors." Penalty for violation of the act is $1,000 for every violation.

The Bank of Jamaica (Long Island) has branches at Elmhurst, College Point, and Richmond Hill. The Brooklyn Bank has made arrangements for an office, but has not yet opened.

The Corn Exchange Bank has twelve branches within the corporate limits of Greater New York. The Colonial Bank of New York has five branches. Far Rockaway Bank has a branch at Rockaway Beach. The Hamilton Bank, the Mechanics' Bank, the Mechanics and Traders' Bank, the Twelfth Ward Bank, the Twenty-third Ward Bank, the Union Bank, and the Coney Island and Bath Beach Bank have each a branch in Greater New York; and the New York Produce Exchange Bank has four branches.

From the foregoing it is shown that thirteen State banks located in New York are operating thirty-three branches.

New Jersey.—The laws of New Jersey are the most liberal, with respect to branches, of any State in the Union.

Section 7 of the general corporation act of 1896 provides that any corporation in this State may conduct branches in any other State or in foreign countries, and have one or more offices out of this State, and may hold, mortgage, and convey personal property out of such State, provided notice of such object is included in its certificate of incorporation. In 1889 an act was passed which provided that no corporation, bank, etc., should establish or maintain any branch or agency, nor have more than one place of business in the State without the approval of the Board of Bank Commissioners. This act, however, was repealed in 1889. Prior thereto, however, the Asbury Park and Ocean Grove Bank had established a branch at Ocean Grove, and the People's Bank of East Orange a branch at South Orange.

Pennsylvania.—Branches or agencies of banks are not authorized by the laws of this State. One Savings institution, in conformity with an amendment of its charter, obtained from the Legislature an amendment having the approval of the Court of Common Pleas of the county in which the institution is located, and is endeavoring to establish a branch, but the question is now pending before the State Attorney-General.

Delaware.—Banking privileges are not granted under general corporation law, nor are foreign corporations allowed to do banking business in the State. Banking powers in the State are only secured by special act of the Legislature, in consequence of which each State banking institution is governed by the special creative act. The Farmers' Bank of the State of Delaware has branches at Wilmington, Dover and Georgetown. The Sussex Trust and Safe Deposit Company is operating branches at Lewes, Georgetown and Milton.

Maryland.—No provision for the operation of branches by State banks. (Report Comptroller Currency, 1896.)

District of Columbia.—The organization of banking institutions is confined to National banks and to loan and trust companies, under the act of October 1, 1890. Branches of National banks and trust companies are not authorized. There are a number of private banks, banking firms and branches of Savings banks doing business in the District without any special grant of authority other than the payment of an annual license tax to the District government.

Virginia.—Branches permissible, but none in operation. (Report Comptroller Currency, 1896.)

West Virginia.—Each bank must be operated under special charter in an independent way. State banks may hold stock in other banking corporations.

North Carolina.—There is no general law authorizing the establishment of branch banks, Most of the banks operate under special charters granted by the Legislature, and in some instances the charters granted contain authority for the operation of branches.

South Carolina.—The Code of 1892 of the banking laws of State contains no authority for the establishment and operation of branches by State banking institutions.

Georgia.—Branches or agencies are not authorized except in the charters of three banks. The banks referred to are as follows (location of branches not given): Bank of Southwestern Georgia at Americus; Farmers and Merchants' Bank at Senoia, and Oglethorpe Savings and Trust Company of Savannah.

Florida.—Banks are permitted to conduct branch offices. (Report Comptroller Currency, 1895.)

Alabama.—Section 1089, of the Code of Alabama (1896), relating to corporate powers of banks of discount and deposit organized in the State, provides in part that they (banks) "may fix and locate offices, agents and agencies at pleasure in the State other than the principal place of business."

Mississippi.—Branches are authorized by the charters of the banks, not by any general banking law.

Banks having branches: Grenada Bank, Grenada, Miss.; branches at Eupora and Ackerman; Hancock County Bank, of Bay St. Louis, branch at McHenry; Tishomingo Savings Institution of Corinth, Miss., branch at Ripley; Oakland Bank, Oakland, Miss., branch at Charleston.

Louisiana.—Article 179, Act 1902, allows, on the approval of two-thirds of the stock, the establishment of two branches, which must be in the same parish as the parent bank.

The Commercial Trust Company of New Orleans has two branches, but the location is not given.

Texas.—No State banks in operation. Prohibited by constitution.

Arkansas.—Governor states that "we have no banking laws in this State other than general banking laws, which have been established by custom and the law merchant." Operation of branches discretionary with board of directors. (Report Comptroller Currency, 1895.)

Tennessee.—Under the law, branches of all corporations are permissible, the only requirement is that the charter be registered in the register's office of the county where the branches are located. The law governing branches is the same as for the parent bank, and the branches are operated in all respects as the parent banks. No information submitted as to the banks operating branches.

Kentucky.—An examination of the corporation laws of the State indicates that there is no law authorizing the establishment of branch banks. The law is not construed as prohibitive. Banks operate branches, no specific information being submitted, however.

Ohio.—Branches are not authorized by law.

Indiana.—The law does not permit the operation of branches.

Illinois.—Branches are not authorized by law.

Michigan.—There is no law authorizing the establishment of branches. Agencies are permitted, which are restricted in their operations to the receiving and paying out of deposits and issuing exchange. Branches: "The Home," "The Dime," and "The Peninsular" Savings banks of Detroit operate two branches each in that city. "The People's Savings Bank of Detroit" has a branch, and also "The Lansing Savings Bank."

Wisconsin.—Incorporated banks of Wisconsin can not, under the law, operate branches, except possibly in the large cities where the branches are located within the same municipality as the parent bank. The certificate of incorporation of a State bank must specify the particular city or town where the business of the bank is to be carried on. Branches: The Second Ward Savings Bank of Milwaukee operates two branches; the German-American Bank of Milwaukee also operates a branch.

Minnesota.—No branch banking or branches, or any other financial institutions organized under State laws, can be permitted; nor can the banks of any other State establish branches in this State.

Iowa.—Neither State nor Savings banks organized and transacting business under the present laws of the State are authorized to establish and maintain branches, either in the town or city where the banks are located or elsewhere. The law is construed as placing loan and trust companies, so far as their right to establish branches is concerned, upon the same footing as State and Savings banks.

Missouri.—Specifically prohibited by statutory enactment.

North Dakota.—Branches or agencies not provided for by law.

South Dakota.—Branches or agencies not provided for by law.

Nebraska.—Neither the law nor the charters provide for branches.

Kansas.—Neither branches nor agencies provided for by law.

Montana.—Neither branches nor agencies provided for by law.

Wyoming.—The laws do not contemplate the establishment of branches or agencies.

Colorado.—No law authorizing the establishment of branches or agencies.

New Mexico.—The law has been held to prohibit the establishment of branches or agencies.

Oaklahoma Territory.—No information submitted.

Indian Territory.—Section 8 of the act of Congress approved February 18, 1901, provides in part that any bank or trust company now or hereafter organized under the laws of Arkansas or any other State may transact such business in the Indian Territory as is authorized by its charter and is not inconsistent with the laws in force in the Indian Territory.

Washington.—The law neither authorizes nor prohibits branches.

Oregon.—There are no banking laws on the Oregon statute books, and there are, consequently, no parent or branch banks as recognized by the State in operation. The State issues no charters to banks nor has it on its statute books any laws pertaining to the operation of banks.

California.—Under special law, but covered by general agency law. The right of a bank to establish agencies has never been passed upon by the State Supreme Court. It is stated that "the law may permit agencies to be established within the county by the parent bank, but it certainly has no authority to conduct a general banking business." Foreign banking corporations have the right to establish agencies under the law, but have not greater corporate privileges than accorded State banks. Branches of foreign banks in operation in San Francisco: Anglo-Californian Bank, Comptoir National D'Escompte de Paris, London, Paris, and American Bank, Limited; Agency, Bank of British North America, Canadian Bank of Commerce, Wells, Fargo and Company's Bank, International Banking Corporation.*

Idaho.—There is no law of the State in force in regard to banks or banking institutions operating branches or agencies.

Utah.—Laws of the State do not authorize corporate banks to conduct branches or agencies in the State. One private bank (name not given) has a branch.

Nevada.—Agents of foreign corporations doing business within the State must comply with local requirements relating to State and county license. Branches: The Bank of California, San Francisco, Cal., has a branch at Virginia City, Nev.; the State Bank and Trust Company of Carson City has a branch at Butler.

Arizona.—Branches and agencies appear to be authorized by section 140, title 1, chapter 7, of the Revised Statutes, and also appear as one of the corporate powers. Foreign corporations must file certified copy of articles of association with the secretary of the State or Territory and county recorder of the county in which the principal office is located. The agent must be a bona fide resident of the county. Branches: The Bank of Arizona (Prescott), at Jerome; the Arizona Central Bank (Flagstaff), at Williams and Kingman; the Bank of Bisbee, at Naco; the Gila Valley Bank and Trust Company (Solomonville), at Morenci and Clifton.

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*Other branches of foreign banks at San Francisco are: Honkong and Shanghai Banking Corporation, London and San Francisco Bank, Swiss-American Bank and the Yokohoma Specie Bank.—Editor BANKERS' MAGAZINE.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

CONNECTICUT—BANK COMMISSIONERS' REPORT.

HARTFORD, December 31, 1902.

To His Excellency, GEORGE P. McLEAN, *Governor:*

The Bank Commissioners have the honor to submit their annual report, with the annual statements of the Savings banks, showing their condition as of October 1, 1902; also with the statements of the State banks and trust companies, showing their condition at the close of business, September 15, 1902. There are ninety Savings banks, the same number as last year, and the following statement gives an abstract of their assets and liabilities as compared with October 1, 1901 (cents omitted):

ASSETS.	*October 1, 1902.*	*October 1, 1901.*	*Increase.*	*Decrease.*
Loans on real estate	$70,204,429	$69,425,229	$779,200	....
Loans on collateral security	8,371,504	7,520,394	851,109	....
Loans on personal security only	3,730,471	3,621,869	108,602	....
Invested in United States bonds	339,700	311,700	28,000	....
Invested in State, town, city, school district and corporation bonds and obligations	42,699,138	43,621,429	....	$922,291
Invested in railroad stocks and bonds	69,461,280	60,808,606	8,652,674	....
Invested in bank stocks	7,242,675	7,411,247	....	168,572
Real estate owned, including banking houses.	3,934,274	3,612,334	321,944	....
Miscellaneous assets	2,367,509	2,045,188	322,320	....
Cash on hand and in banks	6,541,909	6,048,844	493,064	....
Total assets	$214,892,897	$204,426,844	$10,466,052	....
LIABILITIES.				
Deposits	$203,522,225	$193,248,909	$10,273,316	....
Surplus	7,554,298	7,294,169	260,128	....
Interest and profit and loss	3,791,747	3,841,727	....	$49,979
Other liabilities	24,625	42,039	....	17,413
Total liabilities	$214,892,897	$204,426,844	$10,466,052	....

The tendency to increase investments in railroad bonds, as pointed out in our last report still continues, as is shown by an increase of $8,652,674 in the holdings of these securities, and a decrease of $922,291 in municipal securities.

The increase of deposits for the year has been $10,273,316, making the total $203,522,225.

The whole number of depositors is 444,407, an increase of 18,819. The average amount due each depositor is $457.96, an increase of $3.89 for each depositor.

DIVIDENDS.

The rate per cent. of dividends paid the past year is shown in the following table

Number of banks.	*Rate per cent.*	*Amount of dividend.*	*Amount of deposits with dividends added.*
63	4	$5,250,894.38	$142,267,095.97
5	3¾	731,555.79	21,625,707.08
18	3½	1,298,990.75	38,546,115.87
1	3¼	203.66	16,506.93
1	1½	5,264.99	318 666.16
2	0	....	748,182.02
Totals, 90	....	$7,286,909.57	$203,522,225.98

Sixteen discriminate against large deposits.

Miscellaneous Items.

Items.	October 1, 1902.	October 1, 1901.	Increase.
Number of depositors having less than $1,000	384,872	369,055	15,817
Amount of such deposits	$80,998,648.82	$76,484,384.44	$4,514,264.38
Depositors having $1,000 and not over $2,000	40,281	38,323	1,958
Amount of such deposits	$53,838,726.56	$51,507,279.09	$2,331,447.47
Depositors having $2,000 and not over $10,000	18,935	17,896	1,039
Amount of such deposits	$64,135,287.98	$60,725,413.44	$3,409,874.54
Depositors having over $10,000	319	314	5
Amount of such deposits	$4,549,562.62	$4,531,832.26	$17,730.36
Total number of depositors	444,407	425,588	18,819
Total amount of deposits	$203,522,225.98	$193,248,909.23	$10,273,316.75
Largest amount due a single depositor	62,287.97	60,016.63	2,271.34
Average amount due depositors	457.96	454.07	3.89
Number accounts opened during the year	65,640	62,584	3,056
Number accounts closed during the year	47,022	47,438	*416
Income received during the year	$9,909,383.74	$9,634,836.01	$274,547.73
Dividends declared during the year	7,286,909.57	7,013,173.62	273,735.95
Amount deposited, including interest credited	48,139,291.68	44,475,382.67	3,663,909.01
Amount withdrawn during the year	37,863,643.54	35,020,770.22	2,842,873.32
Amount past-due paper	65,215.77	65,141.97	73.80
Amount of paper charged off during the year	126,347.30	116,917.37	9,429.93
Expenses, including salaries	519,369.78	498,215.85	21,153.93
Amount of assets yielding no income	854,989.42	698,478.43	156,510.99
Largest amount loaned to one individual, company, society, or corporation	400,000.00	300,000.00	100,000.00

* Decrease.

State Banks and Trust Companies.

The amount of capital of the State banks remains the same, but the capital of the trust companies has increased $107,500 by the increase of the capital of the Bridgeport Trust Company and the Stamford Trust Company.

Under the law passed by the General Assembly of 1901, requiring at least five reports during the year to the commissioners from each bank and trust company, reports were called for on December 10, 1901, February 25, 1902, April 30, 1902, July 16, 1902, and September 15, 1902.

Statements of the total assets and liabilities as compiled from the reports as of September 15, 1902, will be found below.

Assets.	State banks.	Trust companies.
Loans and discounts	$6,310,460	$7,891,580
Overdrafts	36,704	30,222
Stocks and securities	2,531,947	4,010,607
Real estate, furniture and fixtures	207,518	602,415
Due from approved reserve agents	910,761	1,201,390
Due from other banks and bankers	241,209	678,795
Specie and currency	484,843	572,718
Checks and cash items	134,505	120,046
Other assets	4,497	53,053
Total assets	$10,862,446	$15,160,824
Liabilities.		
Capital stock	$2,240,000	$2,059,600
Surplus	439,850	680,424
Undivided profits	547,250	618,944
Due to banks and bankers	143,455	173,156
Dividends unpaid	2,362	416
Deposits	7,484,578	11,372,165
Other liabilities	5,000	256,117
Total liabilities	$10,862,446	$15,160,824

Respectfully submitted,

Charles H. Noble,
George F. Kendall,
Bank Commissioners.

REFLECTIONS ON THE ANNUAL CURRENCY FAMINE.

Editor Bankers' Magazine:

SIR: The business world in general, and financial circles in particular, have once again been laboring recently to meet successfully the annual visit of that bugaboo—a currency famine. It appeared in the shape of the same threatening sword of Damocles, which hangs ever over us, descending periodically to a dangerous nearness, with the apparent intent of cutting what we like to consider the arteries of trade, arteries which we have been taught to consider vital to our commercial system, though perhaps they are merely veins, carrying impurities without which we would be better off, despite such a blood-letting may seem to us deathly.

That the yearly harvesting of our immense and constantly growing crops should so adversely affect economic conditions is altogether wrong, for crops are the mainstay of commerce; they lie at the foundation of all industry. Crops, their care and disposition, have rightfully a first lien on any nation's solicitude. Demands are theirs which overtower those of mercantile enterprise, manufacturing, finance and speculation. It is nature's call on civilization, which must be obeyed at all hazards.

To handle crops requires cash, not credits. Country banks need currency when harvesting time comes around, since they, being nearest the scene of action, are the distributing agents of whom is expected the necessary wherewithal. Since the cash reserve carried by them under average circumstances is entirely inadequate to meet the new requests now made by local customers, the first step taken is to draw on the reserve bank, not for credits, but for currency. The second step is to rediscount, the third to restrict loans. It is the first of these three resources which concerns us here, the call for currency shipments.

What, then, is the initial effect of this call? A contraction of bankers' deposits all around. In other words, the country bank calls on its reserve agent, the latter, in turn, makes its request on another money center, until finally the demand reaches one of the central reserve cities, New York, Chicago or St. Louis. In this manner the original deposit of the country bank is drawn from its final hiding place, causing a reduction of reserve deposits through their several stations. Incidentally, this system of redeposit accounts for a large percentage of the immense sums shown as in the custody of the country's banks, thus actually representing to that extent a fictitious pile of wealth, which crumbles away as quickly as its foundations are withdrawn.

The wonderful amounts accumulated by our system of redeposit of reserves are naturally loaned out to a great extent, otherwise the already small profits on two per cent., and often three per cent., bankers' balances would turn into a positive loss. If we may use a harsh word, perhaps the practice outlined amounts to no more than common, ordinary kiting. For in many instances the dollar originally deposited returns to its supposed guardian after going the rounds of a number of banks; *e. g.*, Galena, Kans., deposits in Kansas City, Kansas City in Chicago, Chicago in St. Louis, St. Louis again in Kansas City.

As a matter of comparison, if we take statements of banks with a large line of bankers' deposits, the item of deposits will be found largely to exceed that of loans and discounts. Whereas, the bank restricting its operations to local markets will be found to have loaned out more than its deposits amount to, the margin being accounted for by capital and surplus. The benefit to the stockholder of the latter institution is evident. It is a question, then, whether our extensive kiting system of reserves, carried, perhaps, through a half dozen points, is really profitable, unless it be that large totals in the balance-sheet serve to attract really paying business.

Redeposits in general represent an excess of currency supply over demand, and could probably be done away with by a truly elastic note issue, contracting and expanding according to conditions, and beyond reach of the speculative element.

When a bank finds its reserve ebbing away, due to the drain by country banks, and available balances due are reduced to a minimum, its logical recourse for further protection would be contraction of loans. This is a delicate and vulnerable point in the anatomy of our banking system. Does the financier remember at all times that he is but a trustee for others, or is he apt to suffer from the illusion that all the dollars in his care are his property? The average bank loan should be a liquid asset. Whereas, the commercial loan generally is such, the call loan, intended to provide for sudden and unexpected demands, in its supposed characteristics is principally a myth.

Call loans foster speculation. Demand payment within three days on thirty-three per cent. of such advances carried by financial institutions to-day, and speculation will receive a body blow that would send quotations to rock bottom. And not prices of securities alone, but likewise thousands of undertakings based on speculation; undertakings whose capital consists chiefly of borrowed money, represented by shares and bonds of industrial enterprises, railroads, banks and trust companies.

Current gossip recently placed the total amount of call loans in New York City $100,000,000 higher than last year. No doubt the minor centers harbor like conditions. To this state of affairs, in a large measure, can be attributed the excessively high prices of securities in general, prevailing throughout the country. New enterprises are launched, old ones enlarged, with a cash investment on behalf of shareholders of from ten to twenty per cent. of the capital involved; eighty per cent. and more is contributed by banks and trust companies. Are loans so secured liquid assets? Perhaps so long as confidence prevails. Let it happen that at the same time when the farmer deprives the city bank of its funds through the medium of his local institution, the city depositor decides to withdraw his account. The inevitable liquidation of loans, such as the above, would have a decidedly depreciative, not to say disastrous effect.

The aforesaid should explain why banks are fearful of calling loans, but preferably look to the Government for aid in their period of distress.

But so far as the annual currency famine is concerned, could it not be possible that the shoe pinches somewhere else, too? It is a matter of general knowledge that during ordinary times there is a plethora of bills of small denominations, while the large ones are very hard to get. During harvesting time exactly the opposite condition prevails. The fact is that at times bills of small denominations are in demand at twenty-five cents per thousand premium in exchange for large ones, equivalent about to the express charge on currency shipments. No doubt it would greatly ease the stress when conditions reach that point, if the large bills were readily interchangeable into those of small denominations. It would not be a heroic task for the authorities in Washington to prepare in this direction for the emergency, which we all know will come at its appointed time sure as death and taxes. Just now the banks are overloaded with one, five and ten thousand-dollar bills, and it is almost an impossibility to get the currency into the shape required by country banks.

The different sub-Treasuries carry a mere bagatelle of counter currency, considering the demands made on them, and to call on Washington not only means valuable time lost, but often produces decidedly unsatisfactory results.

If it is expedient to cut department red tape to help Wall Street, why not provide for a complete interchangeability of our heterogeneous forms of money, making it possible to obtain 10,000 silver certificates for one 10,000-dollar gold certificate, and vice versa, when the demand assumes a different direction and "the crops are moved." This proposition would not require legislation for a solution; a mere order from the Secretary of the Treasury, more powerful in his sphere than the Minister of Finance of any other civilized country, would set matters aright. And "Antonio is a good man." R. M. RICHTER.

ST. LOUIS, December 22, 1902.

Failures, Suspensions and Liquidations.

Colorado.—On January 3 the Bank of Silverton was closed and the President was reported absent. Liabilities are said to be about $300,000.

Florida.—The Sanford Loan and Trust Company suspended December 6. It is expected that about seventy-five per cent. of the liabilities will be paid in six months, and the balance ultimately.

Texas.—E. W. Hardin & Co., doing a private banking business at Rockwall, closed January 3 with $72,000 liabilities and assets of the nominal value of $100,000.

—A. Wettermark & Son, of Nacogdoches, one of the oldest private banks of Southwest Texas, failed January 5. Liabilities are $100,000, and it is said the resources are sufficient to make final settlement.

Both the above suspensions are attributed to local failures of crops, making it impossible for farmers to meet loans.

Wisconsin.—The Bank of Westby, owned by Carl O. Brye, was closed by the State Bank Examiner December 19. The capital was $6,000 and deposit liabilities about $138,000.

A Japanese Bank in China.—The Japanese Government, it is reported, will establish a China and Japan Bank for the purpose of financing Japanese enterprises in China. The capital of the bank is to be 20,000,000 yen ($9,960,000). The Government will furnish 6,000,000 yen of this amount. The charter is for fifty years. Branches abroad will accept deposits at compound interest and issue premium-bearing bonds.

CANADIAN BANKERS' ASSOCIATION.

The annual meeting of the Canadian Bankers' Association was held at Toronto, November 13. The following is the address of President E. S. Clouston, who was not present, however, his address being read by Secretary Knight:

Expansion of Trade.

"The year that has elapsed since our last meeting has witnessed a further remarkable expansion in all branches of Canadian trade and commerce, in which the business of banking has had its due share. It has been a year of no untoward incident in the domain of mercantile affairs. The prosperity enjoyed in bountiful measure since 1897 continues unabated, and no clouds are yet perceptible on the horizon, save perhaps an undue and speculative desire for financial expansion to anticipate the profits that still lie in the future. On the contrary, the signs from which encouragement and hope spring are abundant. A bountiful harvest has been safely gathered, particularly in our Northwest, and is rapidly being carried to market, thanks to the liberally increased facilities provided for its transportation. The last returns show that the amountof grain moved to date this year exceeds by nearly forty per cent. the total for a similar period of 1901. Labor is fully employed, manufacturing industries are working well up to their capital, immigration is increasing at a rate which prompts the hope that we are at last succeeding in solving the problem of populating the Northwest, new markets for our products are being exploited and old markets enlarged, means of transportation are being supplied and improved. Indeed, were one disposed to dwell on the possibilities of the future in the way of material development and prosperity, the field would afford a vast scope. Railway earnings, clearing-house returns, figures of foreign commerce, the failure list, bank statements—in a word, all the tests by which the material conditions of a country are judged, indicate that Canada is experiencing an exceptionally high degree of prosperity. Let me, however, briefly refer to some of the evidences of the progress already made.

Banking Statistics.

The assets of Canadian banks now total the large sum of $610,928,000. A year ago they were $553,900,000. Ten years ago they were only $291,600,000. We have more than doubled the volume of our business in a single decade. That the last twelve months have been profitable to us the fact that the surplus earnings, the rest account, has risen from $36,903,000 to $41,-180,000, bears convincing witness. Note circulation is a measure of the activity of a country's business. Ten years ago a bank circulation of $34,000,000 was found adequate for the requirements of Canadian trade; a year ago $56,000,000 sufficed, while to-day the margin available on the amount the banks are authorized to circulate must be exceedingly small. Two other items may be cited. The deposits of the public in the banks, which in 1892 were $161,000,000, are now $359,800,000, a ratio of increase truly marvellous when contrasted with the number and comparatively slow increase of our population. Commercial loans have risen to $303,500,000 from $286,000,000 a year ago. and are $110,000,000 larger than 1892. At the present time the Canadian people have on deposit in our banks and loan companies no less than $460,-000,000, or about $80 per head of population, a fairly substantial token of thrift and well-being.

Growth of Trade.

Our foreign trade amounted to $414,000,000, as compared with $377,000,000 the preceding year, and $230,000,000 ten years before. Agricultural and dairy products must ever constitute the largest part of our export trade, but it is significant of our growing industrial importance that in the year recently ended we sold to other countries manufactures to the extent of $18,-500,000, or about $2,500,000 more than in the preceding twelve months. If our great natural advantages in the shape of magnificent water-powers, situated within easy reach of ocean transportation, are utilized to their fullest capacity, these figures can be increased to an enormous extent, and there is little doubt that the future wealth and greatness of Canada may be enhanced largely by a judicious development of our manufacturing resources.

Need of Increased Circulation.

The question of providing adequate circulation has come up for solution earlier than was anticipated even three or four years ago, in consequence of the extraordinary expansion of trade that has taken place. During this autumn we have nearly reached the limit of our note circulation, as fixed by the Bank Act, namely, the amount of paid-up capital, and the question has been raised whether some modification of the present act should not be asked for. At the time it was passed, it was held that when a bank has exhausted its power of issue, it might be taken as showing that the business had grown to an extent rendering it desirable that the bank should furnish additional security to the public for both its deposits and circulation in the nature of increased capital. This, so far, has not been conformed to, but the time has come when the remedy indicated might reasonably be applied to meet this apprehended shortage of currency.

I am convinced that no radical change in the fundamental principles of our currency system should be undertaken. More than that, I believe any legislation looking to the provision of easy facilities for inflating the currency will weaken the stability of the banks and tend to impair the system which has been established. It has been suggested that banks be permitted to issue circulation to the extent of their paid-up capital and their reserve fund, or a portion of it. What guarantee is there that a reserve fund is a concrete asset? A weak management may exaggerate it, and we know assets have shrunk to a startling extent when subject to the appraisement of new management. There is also the loss of the double liability which attaches to capital stock. Banking legislation is not framed for the circumstances of the moment, but it is supposed to be founded on fixed and sound principles of finance, applicable to periods of stress and strain as well as prosperity.

To base circulation on a rest account would be a departure, and would weaken a currency system which we consider one of the safest and most elastic systems in the world. Viewing the fact that the banking capital during the past twenty-five years has practically remained stationary, the remedy seems simple. If we do not choose to adopt it, then it should always be possible in emergencies to obtain notes from the Government by deposits of gold or Dominion notes, but this does away with the elasticity of the system, and if indulged in to any great extent will inevitably lead to periods of aggravated financial stringency, such as are not uncommon with our neighbors across the line. The opening of branches in hitherto unoccupied districts in the North-West (by facilitating the deposits of currency), will relieve the tension to some degree, but if Canada advances, as we hope and expect she will, I am afraid it is only a question of time when we may be brought face to face with the same condition of affairs again.

To Increase Literary Work.

There is only one other matter I wish to refer to, and that briefly. The active condition of affairs makes it difficult for your executiveto attend to more than the purely business part of the association, which has increased considerably with its new duties, and there is a grave danger that one of the most valuable objects of the association, especially to the younger element, the literary side, may be neglected. It is, therefore, intended to appoint a committee to consider what steps should be taken to carry on that part as a separate branch."

Officers Elected:

The following officers were elected:

Honorary Presidents—Lord Strathcona and Mount Royal, George Hague, Montreal.

President—E. S. Clouston, General Manager Bank of Montreal, Montreal.

Vice-Presidents—D. Coulson, General Manager Bank of Toronto, Toronto; H. Stikeman, General Manager Bank of British North America, Montreal; J. A. Prendergast, General Manager Banque d'Hochelaga, Montreal; Geo. Burn, General Manager Bank of Ottawa, Ottawa.

Executive Council—B. E. Walker, General Manager Canadian Bank of Commerce, Toronto; Thomas Fysbe, General Manager Merchants' Bank of Canada, Montreal; D. R. Wilkie, General Manager Imperial Bank, Toronto; Thomas McDougal, General Manager Quebec Bank, Quebec; James Mackinnon, General Manager Eastern Townships Bank; W. E. Stavert, General Manager Bank of New Brunswick; James Eliot, General Manager Molsons Bank, Montreal; P. A. Lafrance, General Manager La Banque Nationale, Montreal; H. C. McLeod, General Manager Bank of Nova Scotia; T. G. Brough, General Manager Dominion Bank, Toronto; E. L. Pease, General Manager Royal Bank of Canada.

The report submitted from the Winnipeg Section of the Association contains facts and figures of great value. It speaks, too, of the scarcity of circulation, which is causing much inconvenience.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on July 16, Sept. 15, and Nov. 25, 1902. Total number of banks: July 16, 4,535; Sept. 15, 4,601; Nov. 25, 4,666.

RESOURCES.	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*
Loans and discounts	$3,221,859,631	$3,280,127,480	$3,303,148,091
Overdrafts	24,657,222	34,111,552	43,522,543
U. S. bonds to secure circulation	316,138,980	324,253,760	341,328,820
U. S. bonds to secure U. S. deposits	124,408,250	121,685,150	131,376,700
Other bonds to secure U. S. deposits	....	....	19,705,749
U. S. bonds on hand	7,896,350	8,008,100	5,364,030
Premiums on U. S. bonds	11,529,454	12,218,347	13,783,389
Stocks, securities, etc	484,956,796	493,109,726	491,921,929
Banking house, furniture and fixtures	91,364,938	92,652,268	95,093,525
Other real estate and mortgages owned	21,964,808	21,558,989	21,515,274
Due from National banks	266,665,842	264,616,195	275,897,193
Due from State banks and bankers	80,361,315	89,993,517	88,228,677
Due from approved reserve agents	471,696,390	465,640,578	436,820,873
Internal-revenue stamps	358,606	286,587	211,075
Checks and other cash items	22,305,546	24,501,107	21,332,144
Exchanges for clearing-house	247,113,366	327,762,581	236,990,495
Bills of other National banks	26,171,303	22,861,873	23,168,903
Fractional currency, nickels and cents	1,498,345	1,378,296	1,407,269
Specie	404,763,968	366,236,120	391,281,660
Legal-tender notes	164,854,292	141,757,618	142,310,109
Five per cent. redemption fund	15,375,536	15,799,678	16,661,574
Due from Treasurer U. S.	2,814,029	2,369,383	3,021,887
Total	$6,008,754,975	$6,113,928,912	$6,104,091,916
LIABILITIES.			
Capital stock paid in	$701,990,554	$705,535,417	$714,616,353
Surplus fund	325,524,915	326,393,953	335,763,730
Undivided profits, less expenses and taxes	156,852,527	169,216,512	181,723,772
National bank notes outstanding	309,336,599	317,991,809	336,505,993
State bank notes outstanding	42,781	42,781	42,781
Due to other National banks	626,954,587	648,885,530	607,044,194
Due to State banks and bankers	310,196,963	285,221,529	281,071,701
Due to trust companies and Savings banks	271,905,850	235,220,608	230,041,156
Due to approved reserve agents	33,842,229	31,013,564	36,735,916
Dividends unpaid	2,316,283	968,559	1,025,534
Individual deposits	3,098,875,772	3,209,273,893	3,152,878,796
U. S. deposits	118,238,798	117,097,769	138,464,809
Deposits of U. S. disbursing officers	5,727,327	6,846,033	8,353,604
Bonds borrowed	....	....	39,254,256
Notes and bills rediscounted	6,746,396	9,041,080	7,640,449
Bills payable	15,993,174	24,859,807	25,728,041
Liabilities other than those above	24,210,215	26,320,060	7,200,825
Total	$6,008,754,975	$6,113,928,912	$6,104,091,916

Changes in the principal items of resources and liabilities of National banks as shown by the returns on Nov. 25, 1902, as compared with the returns on Sept. 15, 1902, and Dec. 10, 1901:

ITEMS.	SINCE SEPT. 15, 1902.		SINCE DEC. 10, 1901.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$23,020,610	....	$264,892,644	....
U. S. bonds	21,122,540	....	35,350,940	....
Due from National banks, State banks and bankers and reserve agents	....	$19,303,547	16,471,473	....
Specie	25,045,540	....	21,629,162	....
Legal tenders	552,491	....	....	$8,808,249
Capital stock	9,080,936	....	49,275,689	....
Surplus and other profits	21,877,036	....	68,592,223	....
Circulation	18,514,184	....	17,068,681	....
Due to National and State banks and bankers	....	45,448,265	....	13,744,922
Individual deposits	....	56,395,097	188,460,830	....
United States Government deposits	22,874,610	....	37,069,555	....
Bills payable and rediscounts	....	532,397	11,290,922	....
Total resources	....	,836,996	381,361,280	....

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—An agreement has been made providing for the consolidation of the Atlantic Trust Company with the Metropolitan Trust Company. There will be issued $750,000 stock of the latter company in exchange for the $1,500,000 of the capital of the former. L. V. F. Randolph has resigned as President of the Atlantic Trust Company and has been succeeded by Brayton Ives, who is also President of the Metropolitan Trust Company.

During the eight years in which Mr. Randolph was President of the Atlantic Trust Company that institution never lost a dollar, and in recognition of this remarkable record the trustees voted him a handsome sum and unanimously passed resolutions expressing high appreciation of his character and abilities.

—Horace L. Hotchkiss, who has been a member of the Stock Exchange since 1874, and associated with banking and financial affairs in Wall Street for about forty-five years, has sold his seat in the Stock Exchange and will retire from active business.

—The Title Guarantee and Trust Company was recently granted the facilities of the clearing-house, its clearing agent being the Corn Exchange Bank.

This is the first trust company admitted to clearing-house facilities since the adoption by the clearing-house committee last April of resolutions providing that no trust company could be admitted to clearing facilities until it had been in existence for a year, and also until it maintained a designated cash reserve against its deposits. It is understood that in the present case a reserve of five per cent. will be required for the present.

—On December 30 the National Park Bank added three new officials to its staff. W. O. Jones, hitherto Assistant Cashier of the Chase National Bank; John C. Van Cleaf, for some time manager of the credit department of the National Park Bank, and William A. Main, hitherto loan clerk of the same, having been appointed Assistant Cashiers.

Mr. Jones is a graduate of Oberlin College and in banking circles his career is regarded as demonstrating what a young man may achieve. Mr. Jones, after having been secretary to the general manager of the Northern Pacific Railroad, was connected for some time with banking interests in the Southwest until twelve years ago, when he came to New York, secured a position as a clerk in the Chase National Bank at twelve dollars a week, and gradually worked his way up to the position of Assistant Cashier.

—H. C. Deming, who has been Vice-President of the Mercantile Trust Company since 1895, and Secretary and Treasurer since 1880, was elected President of the company on December 30, succeeding Gen. Louis Fitzgerald.

On the evening of December 29 the directors of the company gave a dinner to Gen. Fitzgerald at the University Club, and also presented to him a handsome silver service as a token of their appreciation of his long and faithful services.

Gen. Fitzgerald has been President of the trust company for twenty-seven years and has built it up from the smallest beginnings to be one of the leading financial institutions. He also went through the Civil War and has served the State of New York in a military capacity for forty years, during fifteen of which he commanded the troops in this city.

He expects to spend his winters in Florida and the rest of his time at his country seat on the Hudson.

— The United States Mortgage and Trust Company has moved into its new offices at 55 Cedar street.

— Wm. G. Park has been elected a director of the Lincoln Trust Company.

— The New York Post Office took in $12,425,795.53 last year, or thirteen per cent. more than in 1901, with a profit of $8,021,764.87, or fifteen per cent. more than in 1901.

— J. Rogers Maxwell and Daniel G. Reid were recently elected directors of the Liberty National Bank.

— The Oriental Bank at 122 Bowery has increased its capital from $300,000 to $600,000, the new stock being sold at $235 a share. This will bring the surplus up to $900,000, which with the enlarged capital will afford a satisfactory basis for a considerable extension of the bank's business, which is already large and prosperous.

— Presiding Justice Charles H. Van Brunt, of the Appellate Division of the Supreme Court, First Department, is President of the New Windsor Trust Company which opened for business December 29, at Fifth avenue and Forty-seventh street. Prior to his retirement from the bench at the close of 1905 Justice Van Brunt will not be active in the management of the company.

The new company has $1,000,000 capital and $500,000 surplus, and is managed by a notably strong board of directors.

— Geo. P. Butler, of the Universal Tobacco Company, has been elected a director of the Consolidated National Bank.

— The annual banquet of Group VIII of the New York State Bankers' Association, comprising the counties of New York and Richmond, was held at the Waldorf-Astoria on the evening of December 18. J. Edward Simmons, President of the Fourth National Bank, presided. About 500 members and their guests were present. The speakers were: Hon. Wm. B. Ridgely, Comptroller of the Currency; President Woodrow Wilson, of Princeton University; Major-General Adna R. Chaffee, Rev. Robert S. MacArthur and John S. Wise.

Comptroller Ridgely's address is printed in full in another part of this issue of the MAGAZINE.

After ex-Congressman Wise, who was the last speaker on the programme, had concluded, there was a loud cry for a few words from Dr. Adolf Lorenz, the noted Vienna surgeon, who had entered the dining-hall late in the evening and was received with cheers. He said in part:

"I have had some curious experiences in this country. Perhaps the most curious was in Chicago. The Board of Health there made me undergo an examination in medicine, although I think I know something of my branch of my profession. Curiously enough, some weeks later they made me a Doctor of Law, although I knew nothing of law. Taught by that experience, I shall not talk more to you gentlemen, because I fear if I stay here longer you will make me a banker, because I know nothing of banking."

— Wm. Halls, Jr., Vice-President of the Hanover National Bank, recently made a gift of $125,000 to Seney Hospital, Brooklyn, conditioned on the raising of $500,000 additional by June 1, 1903.

— On the evening of December 22 a dinner was given at the Hamilton Club, Brooklyn, by the directors of the Manufacturers' Trust Company in honor of the three active officers, William J. Coombs, the President; Frank L. Sniffen, third Vice-President and Secretary, and William C. Nesmith, Assistant Secretary. This company will be conducted hereafter as the Manufacturers' Branch of the Title Guarantee and Trust Company, with Mr. Sniffen as manager, Mr. Nesmith as assistant manager and Mr. Coombs as chairman of the advisory board.

— It is reported that the Mercantile National Bank, the Seventh National Bank and the National Broadway Bank are to be merged into a single institution, which will be known as the Mercantile National Bank and will have a combined capital and surplus of $10,000,000. The aggregate resources of the institutions which it is proposed to unite were about $40,000,000 on November 25 last, the figures being as follows: Mercantile, $19,498,067; Broadway, $10,414,285; Seventh, $9,268,176.

All are old institutions, the Seventh National having been established in 1833, the National Broadway in 1849 and the Mercantile in 1850—all being originally State banks, their organization ante-dating the National banking system.

—It is announced that the capital stock of the National Park Bank will be increased from $2,000,000 to $3,000,000, the new issue to be sold at $300 a share.

—On January 6 the stockholders of the Equitable Trust Company voted to increase the capital stock from $1,000,000 to $3,000,000, issuing the new stock at $500 a share, and thus turning $8,000,000 into the surplus of the company. This will make the total capital, surplus and undivided profits $11,619,000. The board of trustees was also increased from seventeen to thirty-five members.

The company's deposits now amount to $14,350,000, a gain of nearly $10,000,000 in the last year.

NEW ENGLAND STATES.

Providence, R. I.—The new building erected by the Rhode Island Hospital Trust Company is much praised for its massive and handsome appearance. It is the intention of the Trust Company to occupy the first two floors, and also the basement, using the latter for the safe deposit vaults. The three upper floors will be occupied as offices.

MIDDLE STATES.

Pittsburg.—The Fidelity Title and Trust Company will increase its capital from $1,000,000 to $2,000,000, the new stock being sold at $400 per share, $3,000,000 of the amount realized being added to the surplus account, the present surplus of about $1,050,000 to be hereafter carried as undivided profits.

—The Pittsburg "Gazette" in reviewing banking conditions in this city in 1902 says: "The year 1903 witnessed many remarkable advancements in the banking and trust company and savings fund business. The financial institutions of Pittsburg were never in a more prosperous condition. Many new institutions have been formed during the year, and in each instance the venture has been attended by remarkable success. The older institutions have grown even stronger than before, and 1903 opens with the brightest prospects ever experienced in Pittsburg's banking circles. In six months two new institutions have obtained millions of dollars in deposits and thousands of depositors representing nearly every State in the Union and many foreign countries."

—Pittsburg clearing-house exchanges broke all records for the year 1902, reaching an aggregate total of $2,147,969,763, which compared with $2,047,605,967 in 1901 and $1,615,641,592 in 1900. In 1892 the total exchanges were $759,530,746, so that the increase for 1902 over ten years ago was $1,388,439,017.

Rochester, N. Y.—The capital of the German-American Bank has been increased from $200,000 to $500,000, the new stock being sold at $250 per share, the premium being added to the surplus, increasing that item from $300,000 to $750,000. New and larger offices are also being constructed for the bank's use.

New Jersey Financial Institutions.—State Banking and Insurance Commissioner William Bettle recently issued a statement of the condition of the State banks, Savings banks and Trust companies in New Jersey on November 25. The aggregate resources of the institutions are $197,252,560, divided as follows: Trust companies, $108,940,652; Savings banks, $77,-147,124; State banks, $11,164,784. There are fifty-four trust companies, twenty-seven Savings banks and fourteen State banks.

Philadelphia.—The new building of the Philadelphia Stock Exchange at Third and Walnut streets was opened on December 27.

— The Girard National Bank has again taken possession of its building, which has been undergoing renovation and repairs for over a year past. This is the oldest bank building in the country, having been built for the first Bank of the United States in 1795. It is a very handsome structure, and with the improvements just made will compare most favorably with the best modern bank buildings.

SOUTHERN STATES.

Atlanta, Ga.—The report of the Atlanta Clearing-House Association shows that the clearings for the year ending December 31, 1901, were $111,755,849, and for the year ending December 31, 1902, $131,200,457, making the increase $19,444,607. The net earnings for the month of December, 1901, were $12,727,371, and for the month of December 1902, were $14,653,561, showing an increase during the last month of last year (1902) over the corresponding month of the previous year of $1,926,189.

Baton Rouge, La.—The "Daily Truth" of November 25, says:

"Five shares of $50 each of the Bank of Baton Rouge sold last week for one thousand dollars.

If the seller had been one of the original subscribers to the capital stock of this bank, at its organization, thirteen years ago, his profit on the investment would be nine hundred and fifty-three 75-100 dollars - $953.75.

ILLUSTRATION.

Selling price	$1,000 00
Dividends received	203 75
	$1,203 75
Par value of stock	250 00
Net profit	$953 75

This equals 381 per cent. for thirteen years, or nearly thirty per cent. per annum.

In this calculation is not considered the fact that the dividends have been paid semi-annually, which slightly increases the percentage.

The holders of the stock of the Bank of Baton Rouge have a good thing and most of them hold on to it."

Birmingham, Ala.—A contract has been let for the erection of a ten-story bank and office building to be put up by the First National Bank.

Winchester, Va.—An exceptionally fine bank and office building has just been completed by the Shenandoah Valley National Bank. The building is three stories high and is built of stone and pressed brick. In point of arrangement, construction and furnishings the banking rooms and safe-deposit vaults are in accordance with the latest and most approved models.

Richmond, Va.—The American National Bank has purchased the four-story building at the southeast corner of Tenth and Main streets, and will remodel the structure for a bank and office building.

Columbus, Ga.—Superstition is effectually combated in a Christmas Souvenir issued by the Third National Bank of this city, commemorating the bank's thirteenth anniversary. In a pamphlet, with an exceptionally handsomely lithographed cover, in colors, the bank shows quite conclusively that thirteen is really a lucky number. The Christmas card contains an illustration of a four-leafed clover, there being an indentation on each leaf in which was placed three bright new one-cent coins and in one a ten-cent piece. Underneath was this: "The luckiest thirteen of all."

The Third National Bank is a highly prosperous institution. Since starting in business it has increased its capital from $100,000 to $200,000, and has $135,000 surplus, besides having paid satisfactory dividends.

Charleston, S. C.—The Carolina Savings Bank sends out a New Year's greeting showing very favorable business conditions throughout the State. Geo. W. Williams, the President of this bank, and head of the banking firm of Geo. W. Williams & Co., is one of the best-known bankers of the South. Mr. Williams recently celebrated his eighty-second birthday. It is his habit to rise at six o'clock and report promptly at the bank at 8.30.

The banks over which Mr. Williams presides have met all demands, without notice, in times of war and panic, as well as in prosperous times. In the past year the Carolina Savings Bank collected $18,499,609.

[LATER.—Since the above was put in type, THE BANKERS' MAGAZINE has learned with great regret of the death of Mr. Williams, which occurred on January 6.]

A Prosperous Southern Bank.—At the recent annual meeting of the Commercial Bank, of Brookhaven, Miss., the statement of the past year's earnings showed the largest percentage of profits since the bank was organized. The bank started in 1887 with $20,000 capital, which has been increased until it now amounts to $82,000 with over $22,000 surplus and undivided profits. An addition of $18,000 was made to the surplus fund from the earnings for 1902. The gross deposits are more than $250,000. J. W. McGrath is President; Louis Cohn, Vice-President; F. F. Becker, Cashier, and L. H. Baggett, Assistant Cashier.

WESTERN STATES.

Chicago.—The Garden City Banking and Trust Company has changed its title and is now the Metropolitan Trust and Savings Bank.

—Bank profits in this city for the year just closed are reported to have been exceptionally good, the high rates for money prevailing in several recent months having materially added to the earnings.

— There has been a considerable advance in the stock of the First National Bank recently. It is reported that an interest in the bank has been secured by the Equitable Life Assurance Society. James B. Forgan, President of the bank, has been elected a director of the Equitable.

— President George F. Baker of the First National Bank of New York city is understood to have just purchased about 500 shares of the stock of the Chicago National Bank.

This affords some explanation of the recent rise in Chicago National stock from 382 to 400. There are not many shares on the market, and Mr. Baker, it appears, has been trying for some time to accumulate them. His purchases are in harmony with the course of other bankers in seeking to strengthen their connection with Chicago banking interests through ownership of stocks.

The Chicago National pays twelve per cent. regularly, and three per cent. extra at the end of the year.

—The Chicago "Evening Post" says of banking in Chicago during 1902:

"The total clearings of the Chicago Clearing-House banks show the excellent record of $8,394,872,351—the highest total ever made, and a gain over last year of $638,489,896. Last year the total was $7,756,372,455. The balances of end of the year were not so large as last year, the figures being $653,201,396, as compared with $690,404,179 in 1901.

So marked was the increase in the business of Chicago banks that new interests were attracted to the field and a number of new institutions were organized. Two great combinations took place—namely, the merger of the Metropolitan National Bank into the First National, and that of the Merchants' into the Corn Exchange. The trend in general, however, was toward expansion rather than consolidation. During the first half of the year six banks began business—namely, the Federal Trust and Savings, the National Bank of North America, the Drovers' Trust and Savings, the Stock Yards Savings, the Colonial Trust and Savings and the Chicago Savings banks. After these followed the Central Trust, the Drexel State and the South Chicago Savings. The Mercantile National and the Imperial National are all but organized, and probably will begin business within a short time. A number of reputable houses also have entered the private banking field. Two banks changed their names—the Drovers' National was supplanted by the Drovers' Deposit National and the Garden City took the name Metropolitan Trust and Savings Bank.

Capital has sought investment in the banking business to such an extent that the Chicago

National banks have increased their capitalization from $19,900,000 at the end of 1901 to $24,-900,000. The State banks increased their capital from $13,400,000 to $21,800,000. Business the first half of the year was very large, deposits running to nearly $465,000,000, as compared with $350,000,000 three years ago. The end of the year, however, finds deposits not greatly increased over a year ago.

Profits of the local banks have been excellent. Most conspicuous have been the earnings of the First National and the Illinois Trust and Savings banks. The former is well in the lead with an established profit of about twenty-one per cent. on its large capitalization and surplus, while the Illinois Trust figures its profits at about thirty-five per cent. Other banks, even the new ones, have prospered commensurately."

Des Moines, Iowa.—The Des Moines National Bank, of which Arthur Reynolds is President, issued an exceptionally attractive Christmas greeting to its friends and patrons. Mr. Reynolds understands the value of advertising in building up a bank's business, and displays great taste and judgment in the means employed in keeping the advantages of his bank before the public. The Des Moines National is experiencing a growth that is creditable to its management, its capital now amounting to $300,000, surplus and profits $91,218 and deposits (Nov. 25) $2,154,587.

Cleveland, Ohio.—It is announced that the Cleveland Trust Company and Western Reserve Trust Company will be consolidated, retaining the title of the former. After the merger is effected the capital will be $1,750,000 and surplus $1,050,000.

St. Louis, Mo.—Two new directors have been elected by the Mechanics' National Bank, to fill vacancies caused by the retirement of J. B. Desnoyers and Charles O. Austin, the latter having removed to Chicago to accept the office of Vice-President of the National Bank of North America. The new directors of the Mechanics' National are William Medart and H. H. Culver, both active and successful business men. J. A. Berninghaus was elected second Assistant Cashier. He entered the employ of the bank eleven years ago as office boy and messenger and has worked his way up through the various clerkships.

H. P. Hilliard, who was elected Cashier of the Mechanics' National some weeks ago, recently entered upon the duties of the office. He was formerly Cashier of the Austin (Tex.) National Bank.

—Speaking of business affairs in this city, the "Globe Democrat" of a recent date said:

"The year 1902 was the greatest one in a business way in the annals of St. Louis. The clearings of the city's banks in the year aggregated $2,506,804,320. Those of 1901 were $2,270,-680,216. There was a gain of $236,124,104 in the year, or about ten and one-third per cent. This expansion is rendered all the more striking from the fact that last year made a tremendous gain over its immediate predecessor. The gain, that is to say, in the city's bank clearances in 1901 over those of 1900, was $581,830,722."

—The Mississippi Valley Trust Company took especial care to supply its depositors with new bills and coins to meet the holiday demand. This custom of using only new money at this season of the year tends to improve the character of the currency in circulation at all times.

Kansas City, Mo.—The Fidelity Trust Company has bought the old post-office building at Ninth and Walnut Streets, paying $260,000 therefor. It will remodel the structure for banking purposes.

Duluth, Minn.—The American Exchange Bank has leased the portion of the first floor of the Exchange building not already occupied by it, and improvements will be made which, when completed, will give it a banking room that will be the equal of any in the State.

It is only about three years since the bank's quarters were considerably enlarged, but the growth of its business has been such as already to make it imperative to again increase its working space.

An important feature of the extension of the bank's facilities will be the putting in of a safety deposit vault. An entire room will be given over to this, and it will be arranged in handsome style. The vault will be eight by fifteen feet in size and will have a capacity of 2,000 boxes.

Marietta, Ohio.—An attractive booklet has been issued by the First National Bank as a souvenir of its new building, which has been completed and occupied during the past year. The illustrations show an imposing building and handsome and well-arranged banking rooms, all indicating the substantial prosperity which the bank enjoys. The First National Bank was organized in 1863 with $50,000 capital, which has been increased until it now amounts to $200,000 with $40,000 undivided profits. It is the policy of the present management to build up the surplus rather than to pay large dividends.

PACIFIC SLOPE.

San Francisco.—It is reported that the Bank of California is about to establish a chain of banks in this city, each to be capitalized at about $200,000. The banks will not be branches of the Bank of California, but separate institutions, although the stock of each will be owned by the first-named bank, which will dictate the policy by which they are to be conducted. Each bank will have its own board of directors and officers.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

NATIONAL BANKS ORGANIZED.

6513—Union National Bank, Indianapolis, Indiana. Capital, $200,000.
6514—First National Bank, Libertyville, Illinois. Capital, $25,000.
6515—First National Bank, Butler, Ohio. Capital, $25,000.
6516—Blair County National Bank, Tyrone, Pennsylvania. Capital, $100,000.
6517—First National Bank, Quinton, Indian Territory. Capital, $25,000.
6518—First National Bank, Milton, North Dakota. Capital, $25,000.
6519—National Bank of Commerce, Mankato, Minnesota. Capital, $100,000.
6520—City National Bank, Duluth, Minnesota. Capital, $500,000.
6521—First National Bank, Mountainhome, Idaho. Capital, $25,000.
6522—Runge National Bank, Runge, Texas. Capital, $25,000.
6523—First National Bank, Jasper, Minnesota. Capital, $25,000.
6524—First National Bank, Nashville, Illinois. Capital, $50,000.
6525—Georgia National Bank, Athens, Georgia. Capital, $100,000.
6526—First National Bank, Whiting, Indiana. Capital, $50,000.
6527—First National Bank, Virginia, Minnesota. Capital, $25,000.
6528—Masontown National Bank, Masontown, Pennsylvania. Capital, $25,000.
6529—Dresden National Bank, Dresden, Ohio. Capital, $25,000.
6530—Dosbaugh National Bank, Cedar Vale, Kansas. Capital, $50,000.
6531—Citizens' National Bank, Lehighton, Pennsylvania. Capital, $60,000.
6532—Farmers' National Bank, Minnesota Lake, Minnesota. Capital, $25,000.
6533—First National Bank, Cambridge Springs, Pennsylvania. Capital, $50,000.
6534—Mauch Chunk National Bank, Mauch Chunk, Pennsylvania. Capital, $250,000.
6535—Drovers' Deposit National Bank, Chicago, Illinois. Capital, $600,000.
6536—First National Bank, Spring Grove (P. O., Spring Forge), Pennsylvania. Capital, $50,000.
6537—First National Bank, Lakefield, Minnesota. Capital, $25,000.
6538—First National Bank, Marlinton, West Virginia. Capital, $25,000.
6539—First National Bank, Fort Gibson, Indian Territory. Capital, $25,000.
6540—National Bank of Commerce, Holdenville, Indian Territory. Capital, $25,000.
6541—National Bank of Pawnee City, Pawnee City, Nebraska. Capital, $50,000.
6542—First National Bank, Tifton, Georgia. Capital, $25,000.
6543—First National Bank, Steward, Illinois. Capital, $25,000.
6544—First National Bank, Waseca, Minnesota. Capital, $50,000.
6545—American National Bank, Los Angeles, California. Capital, $1,000,000.
6546—Citizens' National Bank, Russellville, Kentucky. Capital, $25,000.
6547—First National Bank, Sumpter, Oregon. Capital, $25,000.
6548—People's National Bank, Sistersville, West Virginia. Capital, $75,000.
6549—First National Bank, Ridgeway, Missouri. Capital, $30,000.
6550—First National Bank, Fonda, Iowa. Capital, $25,000.
6551—First National Bank, Royse, Texas. Capital, $30,000.
6552—Ossining National Bank, Ossining, New York. Capital, $100,000.
6553—Citizens' National Bank, Ferris, Texas. Capital, $30,000.
6554—First National Bank, Waynesville, North Carolina. Capital, $25,000.
6555—Kenmare National Bank, Kenmare, North Dakota. Capital, $25,000.
6556—First National Bank of Douglas County, Castle Rock, Colorado. Capital, $35,000.
6557—First National Bank, Tower City, North Dakota. Capital, $25,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

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

First National Bank, Buffalo, North Dakota; by S. G. More, *et al.*
Central National Bank, Kearney, Nebraska; by A. U. Dann, *et al.*

First National Bank, Bagley, Minnesota; by Sam Olson, *et al.*
First National Bank of St. Mary's, Leonardtown, Maryland; by Francis V. King, *et al.*
Bridgeport National Bank, Bridgeport, Ohio: by F. W. Henderson, *et al.*
First National Bank, Snyder, Oklahoma; by C. T. Erwin, *et al.*
First National Bank, Glen Ullin, North Dakota; by J. L. Mitchell, *et al.*
Old National Bank, Oshkosh, Wisconsin; by Charles Schriber, *et al.*
First National Bank, Grafton, Iowa; by O. H. Christians, *et al.*
First National Bank, Murray, Utah; by Lewis S. Hills, *et al.*
Rio Grande National Bank, Albuquerque, New Mexico; by H. B. Ferguson, *et al.*
First National Bank, Boswell, Pennsylvania; by W. H. Morris, *et al.*
Oklahoma City National Bank, Oklahoma, Oklahoma; by Wilhugh Wilkins, *et al.*
National Bank of Cambridge, Cambridge, Ohio; by S. J. McMahon, *et al.*
First National Bank, East Palestine, Ohio; by W. C. Wallace, *et al.*
City National Bank, Plattsburg, New York: by Henry A. Newton, *et al.*
First National Bank, Le Roy, Illinois; by Wm. H. Dooley, *et al.*
National City Bank, Waco, Texas; by W. D. Mayfield, *et al.*
Central National Bank, Alamosa, Colorado; by Wesley Staley, *et al.*
Sprague National Bank, Sprague, Washington, by Wm. M. Shaw, *et al.*
First National Bank, Shoshone, Idaho; by Fred W. Gooding, *et al.*
First National Bank, Nez Perce, Idaho; by O. N. Collins, *et al.*
First National Bank, Paonia, Colorado; by Charles L. Pike, *et al.*
National Bank of Commerce, Pauls Valley, Indian Territory; by Wm. A. Wilson, *et al.*
First National Bank, Belington, West Virginia; by H. R. Warfield, *et al.*
First National Bank, Mora, Minnesota; by F. H. Wellcome, *et al.*
First National Bank, Blooming Prairie, Minnesota; by O. A. Veblen, *et al.*
First National Bank, Stoneboro, Pennsylvania; by G. S. White, *et al.*
First National Bank, Sanford, North Carolina; by Richard M. Nelson, *et al.*
Hoblitzell National Bank, Hyndman, Pennsylvania; by J. J. Hoblitzell, *et al.*
Farmers and Merchants' National Bank, Los Angeles, California; by Isaias W. Hellman, *et al.*
First National Bank, Lone Oak, Texas; by W. C. Dowell, *et al.*
First National Bank, Elgin, Oregon; by J. A. Masterton, *et al.*
First National Bank, Coeur d'Alene, Idaho; by W. J. Seat, *et al.*
First National Bank, Wampum, Pennsylvania; by M. S. Marquis, *et al.*
First National Bank, Smithfield, Pennsylvania; by Wm. W. Parshall, *et al.*
Hannibal National Bank, Hannibal, Missouri; by James P. Hinton, *et al.*
First National Bank, East Peoria, Illinois; by Herbert R. Dennis, *et al.*
Germania National Bank, San Francisco, California; by H. Brunner, *et al.*
First National Bank, Rimersburg, Pennsylvania; by A. B. Collner, *et al.*
Farmers' National Bank, Kingfisher, Oklahoma; by Gross Longendyke, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Citizens' State Bank, Balaton, Minnesota; into First National Bank.
Citizens' Bank, Turtle Creek, Pennsylvania; into National Bank of Turtle Creek.
Bank of Douglas, Douglas, Arizona; into Douglas National Bank.
Bank of Pikeville, Pikeville, Kentucky; into First National Bank.
Augusta State Bank, Augusta, Kansas; into First National Bank.
State Bank, Alden, Minnesota; into First National Bank.
State Bank of Idaho, Ltd., Weiser, Idaho; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALASKA.

VALDEZ—Bank of Valdez; capital, $10,000.

ARKANSAS.

HEBER — Cleburne County Bank; capital, $10,000; Pres., J. R. Baker: Cas., H. F. Fix.

MARKED TREE—Bank of Marked Tree; Pres., W. C. Dewey.

NEWPORT—Arkansas Bank and Trust Co.; capital, $100,000; Pres., J. W. Grubles; Cas., Chas. G. Henry.

YELLVILLE—Miners' Bank: capital, $5,500; Pres., J. E. Wickersham; Cas., K. L. Estes.

CALIFORNIA.

LOS ANGELES — American National Bank; (successor to California Bank); capital, $1,-000,000; Pres., W. F. Botsford; Cas., T. W. Phelps.

COLORADO.

CASTLE ROCK — First National Bank of Douglas Co. (successor to Douglas County Bank); capital. $25,000; Vice-Pres., Upton T. Smith; Cas., E. P. Brown.

CONNECTICUT.

STAMFORD—Fidelity Title and Trust Co.; Pres., Robert A. Fosdick; Vice-Pres., Chas. O. Miller.

GEORGIA.

ATHENS—Georgia National Bank (successor to Bank of the University); capital, $100,-000; Pres. Jno. J. Wilkins; Cas., M. M.

Stephenson.—University Savings Bank; capital, $40,000; Pres., Jno. J. Wilkins; Cas., M. M. Stephenson.

TIFTON—First National Bank: capital, $25,-000; Pres., Asa G. Candler; Cas., O. D. Gorman; Asst. Cas., L. J. Pope.

IDAHO.

MOUNTAINHOME—First National Bank; capital, $25,000: Pres., G. W. Fletcher; Cas., W. A. Reynolds.

ILLINOIS.

ALTON—Alton Banking and Trust Co.; capital, $100,000; Pres., Samuel H. Wyss; Cas., David A. Wyckoff.

CHICAGO—Drovers' Deposit National Bank (successor to Drovers' National Bank); Capital, $600,000; Pres., Wm. H. Brintnall; Vice-Pres., John Brown; Cas., Wm. A. Tilden; Asst. Cas., Geo. M. Benedict.

JOY—Joy Bank; capital, $10,000; Pres., Wm. V. Love; Cas., S. R. Amlong.

LIBERTYVILLE—First National Bank; capital, $25,000: Pres., John Woolridge; Cas., H. G. Gardner.

NASHVILLE—First National Bank (successor to Washington County Bank); capital, $50,-000; Pres., T. B. Needles: Cas., L. Krughoff; Asst. Cas., A. G. Hartnagel.

STEWARD—First National Bank; capital, $25,-000; Pres., E. L. Titus; Cas., I. R. Titus; Asst. Cas., R. W. Hough.

STRASBURG—Strasburg Bank; Pres., John A. Tackett; Nice-Pres., T. F. Dove; Cas., Hy. Faster, Jr.

INDIANA.

BOONVILLE—Farmers and Merchants' Bank; Pres., S. W. Hart; Vice-Pres., John G. Shryock; Cas., W. J. Veeck.

BURLINGTON—Burlington Bank; Pres., Geo. E. Bruner; Cas., J. P. Haun.

COLUMBUS—People's Savings Bank and Trust Co.; Pres., M. O. Reemer; Cas., L. K. Ong.

FAIRMOUNT—Fairmount Banking Co.; Pres., Aaron Morris; Vice-Pres., John Flanagan; Cas., R. A. Morris: Asst. Cas., C. R. Small.

INDIANAPOLIS—Union National Bank; capital, $200,000; Pres., Wm. J. Richards; Vice-Pres. and Cas., Robert E. Morrison; Asst. Cas., Fred A. Smith; additional Asst. Cas., H. Morrison.

WASHINGTON—Washington Trust Co.; capital, $25,000; Pres., J. E. Thompson; Sec., M. S. Hastings; Treas., N. G. Read.—Citizens' Loan and Trust Co.; Pres., James W. Ogdon; Sec., H. H. Crooks; Asst. Sec., Wm. M. Aikman.

WHITING—First National Bank; capital, $50,-000; Pres., G. J. Bader; Cas., Geo. H. Wilson.

INDIAN TERRITORY.

BOSWELL—Bank of Boswell; Pres., W. D. Wilkins; Cas., F. M. Sterrett, Jr.; Asst. Cas., W. McReynolds.

FORT GIBSON—First National Bank (successor to Bank of Fort Gibson; capital, $25,000; Pres., Connell Rogers; Cas., P. L. Pyle; Asst. Cas., Geo. S. Gaines.

HOLDENVILLE—National Bank of Commerce (successor to Bank of Commerce); capital, $25,000; Pres., Evans Scott; Cas., W. T. McConnell.

QUINTON—First National Bank; capital, $25,-000; Pres., J. S. Todd; Cas., R. P. Brewer.

IOWA.

DAVENPORT—Davenport Trust Co.; capital, $50,000.

ELY—Ely Bank (J. H. Smith & Sons).

FONDA—First National Bank; capital, $25,-000; Pres., Jas. F. Toy; Cas., L. A. Rothe.

HARTLEY—German Savings Bank; capital, $20,000; Pres., G. R. Whitmer; Cas., G. W. McFarland; Asst. Cas., G. E. Knaask.

KANSAS.

CEDAR VALE—Dosbaugh National Bank; capital, $50,000; Pres., John Dosbaugh; Vice-Pres., A. J. Adam; Cas., J. M. Dosbaugh; Asst. Cas., C. R. Whartenby.

HUMBOLDT—Citizens' State Bank; capital, $5,000; Pres., E. Higginson; Cas., W. B. Glover.

WHITING—State Bank; capital, $10,000; Pres., W. M. Hedge; Cas., C. W. Snider.

KENTUCKY.

HARDINSBURG—Farmers' Bank: capital, $7,500; Pres., M. Miller; Cas., Jno. D. Shaw.

MILTON—Farmers' Bank; Pres., J. H. Calvan; Cas., Lon Rogers.

RUSSELLVILLE—Citizens' National Bank; capital, $25,000; Pres., T. D. Evans; Cas., H. L. Trimble.

LOUISIANA.

AMITE CITY—People's Bank; capital, $12,-000; Pres., B. Stern; Cas., Duncan F. Young.

PONCHATOULA—Merchants and Farmers' Bank; capital, $15,000; Pres., Frank J. Campbell; Cas., P. D. Parks.

ST. MARTINSVILLE—Commercial Bank; capital, $25,000; Pres., T. J. Labbe; Cas., O. J. Durand; Asst. Cas., F. S. Broussard.

MARYLAND.

SMITHSBURG—Smithsburg Bank; Pres., Reuben B. Brown; Cas., Walter D. Brennen.

MICHIGAN.

CLARKSTON—E. Jossman, State Bank; capital, $20,000; Pres., H. Walter; Vice-Pres., M. Bower; Cas., R. E. Jossman.

MINNESOTA.

CANTON—Bank of Canton; Pres., John Ernster; Cas., H. J. Ernster.

DENNISON—Bank of Dennison; capital, $125,-000; Pres., J. G. Schmidt; Cas., W. W. Westcott.

JASPER—First National Bank; capital, $25,-000; Pres., E. W. Davies; Cas., J. H. Taylor.

LAKEFIELD—First National Bank (successor to Citizens' State Bank); capital, $26,000; Pres., N. J. Scott; Cas., J. W. Daubney.

MANKATO—National Bank of Commerce

capital, $100,000; Pres., A. O. Oleson; Cas., C. L. Oleson.

MINNESOTA LAKE—Farmers' National Bank; capital, $25,000; Pres., Herman A. Zabel; Cas., Wm. H. Willson.

STAPLES—Citizens' Bank; capital, $25 000; Pres., Lewis Nelson; Cas., M. C. Tifft; Asst. Cas., C. R. Vollmer.

VIRGINIA—First National Bank; capital, $25,000; Pres., Orrin D. Kinney, Vice-Pres., E. Z. Griggs; Cas., Bruce F. Britts; Asst. Cas., F. W. Peet.

WASECA—First National Bank (successor to Citizens' State Bank); capital, $50,000; Pres., E. A. Everett; Cas., J. B. Sullivan.

MISSISSIPPI.

VICKSBURG—Knights of Honor Savings Bank; capital, $1,500; Pres., W. E. Mollison; Cas., T. G. Ewing, Jr.

MISSOURI.

EXETER—Bank of Exeter; capital, $10,000; Pres., C. N. Ellston; Cas., W. H. Martin.

RIDGEWAY—First National Bank; capital, $30,000; Pres., C. C. Fordyce; Cas., W. A. Miner.

ST. LOUIS—Hamilton Trust Co.; capital, $500,000; Pres., Edward Hidden; Vice-Pres., Albert N. Edwards; Sec. and Treas., J. W. Perry.

NEBRASKA.

PAWNEE CITY—National Bank of Pawnee City; capital, $50,000; Pres., W. J. Halderman; Cas., Jacob F. Halderman.

NEW JERSEY.

ORANGE—Mutual Trust Co.; capital, $100,000; Pres., Geo. B. Turrell; Sec. and Treas., E. C. Bataille.

NEW MEXICO.

LAS VEGAS—Plaza Trust and Savings Bank; capital, $20,000; Pres., Jefferson Raynolds; Cas., Hallett Raynolds.

NEW YORK.

JAMAICA—Bank of Long Island; capital, $500,000; Pres., S. R. Smith; Cas., W. D. Llewellyn; Asst. Cas., W. H. D. Nimmo and G. W. Craft.

NEW YORK—Windsor Trust Co.; capital, $1,000,000; Pres., Chas. H. Van Brunt; Vice-Pres., Robert H. McCurdy, James A. Burden, Jr., and John Alvin Young; Treas., Ford Huntington; Sec., A. Gordon Norrie.

OSSINING—Ossining National Bank; capital, $100,000; Pres., Geo. F. Secor; Cas., H. M. Carpenter.

NORTH CAROLINA.

RICH SQUARE—Bank of Rich Square; capital, $4,800; Pres., Wm. H.S. Burgwyn; Cas., E. Baugham.

WAYNESVILLE—First National Bank; capital, $25,000; Pres., G. W. Maslin.

NORTH DAKOTA.

CAYUGA—Cayuga State Bank; capital, $10,000; Pres., W. H. Withington; Cas., R. B. Withington.

KENMARE—Kenmare National Bank; (successor to Kenmare State Bank); capital, $25,000; Pres., J. N. Fox; Cas., P. M. Cole.

MILTON—First National Bank; capital, $25,000; Cas., Hans G. Halverson.

TOWER CITY—First National Bank; (successor to State Bank); capital, $25,000; Pres., R. P. Sherman; Cas., S. F. Sherman.

OHIO.

BUTLER—First National Bank (successor to Richland County Bank); capital, $25,000; Pres., Isaac Hess; Cas., I. Shaffer.

DRESDEN—Dresden National Bank; capital, $25,000; Pres., Wm. C. Copland; Cas., John Hornung.

EDGERTON—Edgerton State Bank Co. (successor to Farnham & Co.); capital; $25,000; Pres., E. A. Farnham; Cas., Irving L. Burke.

FOSTORIA—Commercial and Savings Bank; Pres., E. J. Cunningham; Cas., J. D. McDonel; Asst. Cas., C. A. Tribble.

FREDERICKSBURG—Citizens' Bank.

OKLAHOMA.

CARNEY—Carney State Bank; capital, $5,000; Pres., H. M. Johnson; Cas., M. A. Smith.

ENID—American State Bank; capital, $15,000; Pres., John Murphy; Cas., John P. Cook.

HINTON—Hinton State Bank; capital, $5,000; Pres., Geo. W. Bellamy; Cas., Harrison W. Miller.

SNYDER—Kiowa County Bank; capital, $5,000; Pres., S. D. Bailey; Cas., Otto J. Hellwig; Asst. Cas., J. B. Hines.

OREGON.

SUMPTER—First National Bank; (successor to First Bank); capital, $25,000; Pres., J. H. Robbins; Cas., R. H. Miller.

PENNSYLVANIA.

CAMBRIDGE SPRINGS—First National Bank (successor to Farmers' Savings Bank); capital, $50,000; Pres., J. Balord; Cas., L. G. Marcy; Asst. Cas., Nelson H. Bertram.

LEHIGHTON—Citizens' National Bank; capital, $60,000; Pres., C. H. Seidle; Cas., A. S. Beisel.

MASONTOWN—Masontown National Bank; capital, $25,000; Pres., E. W. Sterling; Cas., S. F. Hogue.

MAUCH CHUNK—Mauch Chunk National Bank; capital, $250,000; Pres., M. S. Kemmerer; Cas., Edgar Twining; Asst. Cashiers, S. S. Smith and Ira G. Ross.

PITTSBURG—German-American Savings and Trust Co.; capital, $1,000,000; Pres., William Zoller; Vice-Pres. and Treas., O. P. Cochran.——Potter Title and Trust Co.; capital, $200,000; Pres., John L. Potter; Sec., R. C. Weigel.

SPRING GROVE—(P. O. Spring Forge) First National Bank; capital, $50,000; Pres. W. L. Glatfelter; Cas., A. H. Strauffer.

TYRONE—Blair County National Bank (successor to Blair Co. Banking Co.); capital,

$100,000; Pres., A. G. Morris; Vice-Pres., F. K. Lukenbach; Cas., T. J. Gates.

SOUTH CAROLINA.

CHESTER—White Bros.; capital, $20,000; Cas., C. B. Betts, Jr.

GAFFNEY—Gaffney Savings Bank; capital, $30,000; Pres., F. G. Stacy; Vice-Pres., J. G. Wardlaw; Cas., D. C. Ross.

SOUTH DAKOTA.

CLAREMONT—First State Bank (successor to Scandia-American Bank); capital, $10,000; Pres., E. A. Amundson; Cas., W. E. Stevens; Asst. Cas., R. B. Stevens.

SENECA—State Bank; capital, $2,500; Pres., E. O. Hanson; Cas., Wm. J. Mundt.

TENNESSEE.

SHARON—Bank of Sharon; capital, $12,000; Pres., B. F. Jones; Vice-Pres., J. H. Parish; Cas., W. E. Tansil; Asst. Cas., B. T. Bondurant.

TEXAS.

FERRIS—Citizens' National Bank; (successor to Carpenter, Crum and Henry); capital, $30,000; Pres., A. P. Henry; Cas., J. A. Carpenter.

ROYSE -First National Bank; capital, $30,000; Pres., J. N. Miller; Cas., J. D. Miller.

RUNGE—Runge National Bank; capital, $25,000; Pres., J. S. Powell; Cas., J. G. Talk.

WASHINGTON.

KRUPP-Bank of Krupp; capital, $10,000; Pres., Chas. Peterson; Cas., A. J. Swanson; Mgr., A. R. Swanson.

PALOUSE—Palouse State Bank; capital, $25,000; Pres., C. H. Patten; Cas., George M. Swartwood; Asst. Cas., A. R. Patten.

SPRAGUE—J. F. Green & Co.; A. G. Mitchem, Mgr.; Cas., C. B. Charles.

WEST VIRGINIA.

LITTLETON—Exchange Bank.

MARLINTON—First National Bank (successor to Pocahontas Bank; capital, $25,000; Pres., George P. Moore; Cas., E. H. Smith.

SISTERVILLE—People's National Bank; capital, $75,000; Pres., G. B. West; Cas., T. C. Neal.

WISCONSIN.

FREDERIC—Bank of Frederic; capital, $5,000; Cas., Lewis A. Copeland.

HILLSBORO—Hillsboro State Bank (successor to Citizens' Bank); capital, $15,000; Pres., E. V. Wernick; Cas., Ed. Hammer.

LUXEMBURG—Bank of Luxemburg; capital, $5,000; Pres., Ed. Decker, Jr.; Cas., Nathan Decker.

CANADA.

BRITISH COLUMBIA.

CRANBROOK — Imperial Bank of Canada; Mgr., F. H. Marsh.

MANITOBA.

MIAMI—Bank of Hamilton.

ONTARIO.

OAKVILLE-Bank of Toronto.

PETROLIA—Metropolitan Bank.

SCHOMBERG—Traders' Bank of Canada; Mgr., A. R. Heller.

CHANGES IN OFFICERS, CAPITAL ETC.

DISTRICT OF COLUMBIA.

WASHINGTON — Riggs National Bank; no second Vice-Pres. in place of James M. Johnston; Henry H. Flather, Asst. Cas.

HAWAII.

WAILUKU—First National Bank; Charles M. Cooke, Pres., in place of W. J. Lowrie.

ILLINOIS.

CHICAGO—Garden City Banking and Trust Co.; titled changed to Metropolitan Trust and Savings Bank.

COLFAX—J. W. Arnold & Co.; John W. Arnold. deceased.

GRANITE CITY—First National Bank; E. W. Fiegenbaum, Pres., in place of E. P. Keshner.

INDIANA.

BLUFFTON—Wells County Bank; capital increased to $100,000.

INDIANAPOLIS — Indiana Trust Co., Frank Martin, Treas. in place of Henry Wetzel.

LAFONTAINE—Lafontaine Bank; James G. Harper, Cas., deceased.

RUSSIAVILLE — First National Bank; H. M. Brubaker, Cas. in place of Lowell W. Cox.

SHERIDAN—First National State Bank; F. G. Kassebaum, Cas. in place of O. A. Cox; L. W. Cox, Asst. Cas. in place of F. G. Kassebaum.

INDIAN TERRITORY.

OKMULGEE — Citizens' National Bank; J. S. Todd, Pres. in place of Samuel Rose; D. M. Smith, Vice-Pres. in place of Wm. O'Brien.

SULPHUR—First National Bank; J. M. Bayless, Pres. in place of N. C. Hilburn.

IOWA.

DECORAH—Winneshiek County State Bank; successor to Winneshiek Co. Bank.

FOREST CITY—Forest City National Bank; B. H. Thomas, Cas. in place of G. S. Gilbertson.

GOLDFIELD—Citizens' State Bank; capital reduced to $25,000.

JEWELL JUNCTION —First National Bank; Att. Alexander, Cas. in place of A. Alexander, deceased.

KANSAS.

OSBORNE—First National Bank; C. W. Landis, Cas. in place of P. G. Walker; C. D. Jones, Asst. Cas. in place of C. W. Landis.

LOUISIANA

HOMER—Homer National Bank; C. O. Ferguson, Pres. in place of Wm. P. Otts; John S. Young, Vice-Pres.

MARYLAND.

BALTIMORE—National Bank of Commerce; James R. Edmunds, Vice-Pres.; Magruder Powell, Asst. Cas.

MASSACHUSETTS.

BOSTON—Home Savings Bank; Chas. J. Hayden, Treas., deceased.

CAMBRIDGE—Cambridge Trust Co.; George Howland Cox, Vice-Pres. and Gen. Mgr.—— National City Bank; William A. James, Asst. Cas.

FALL RIVER—Metacomet National Bank; S. B. Chase, Pres. in place of Thomas J. Borden, deceased; Milton Reid, Vice-Pres. in place of Geo. H. Hawes, deceased.

GLOUCESTER—First National Bank; George Bradford, Pres., deceased.

MICHIGAN.

BESSEMER—First National Bank; William Q. Prince, Cas., resigned.

JACKSON—People's National Bank; B. M. De Lamater, Pres. in place of W. R. Reynolds; John O'Brien, Vice-Pres. in place of B. M. De Lamater; Wiley R. Reynolds, additional Vice-Pres.

MINNESOTA.

ALBERT LEA—First National Bank; C. B. Kellar, Pres., in place of Harry Jones; Alfred Christopherson, Cas.——Security National Bank; G. D. Freeman, Asst. Cas.

FERGUS FALLS—Scandia State Bank; E. J. Breen, Pres.; Geo. A. Woodhouse, Vice-Pres.; A. G. Anderson, Cas.; C. A. Boot, Asst. Cas.

WELLS—First National Bank; C. H. Draper, Cas. in place of A. O. Oleson.

WHEATON—First National Bank; Stephen Hopkins, Cas. in place of Rud Anderson.

MISSISSIPPI.

MACON—Bank of Macon; W. H. Schales, Vice-Pres., deceased.

MISSOURI.

BETHANY—Harrison County Bank; capital increased to $75,000.

CARROLLTON—First National Bank; E. E. Estle, Cas. in place of T. B. Goodson.

EDGERTON—Bank of Edgerton; capital increased to $20,000.

RICHLAND—Pulaski County Bank; capital increased to $20,000.

ST. LOUIS—St. Louis Union Trust Co.; A. H. Stille, Sec. in place of Geo. A. H. Mills; Frank V. Dubrouellett, Asst. Trust Officer; F. X. Ryan, Asst. Sec.——Mechanics' National Bank; Pope Sturgeon, Asst. Cas., resigned; Joseph L. Hanley, Asst. Cas., resigned; J. A. Berninghaus, 2d Asst. Cas.

TARKIO—First National Bank; E. N. Raines, and J. W. Hanna, Asst. Cas.

MONTANA.

KALISPELL—Conrad National Bank; W. G. Conrad, Pres. in place of C. E. Conrad, deceased.

NEBRASKA.

BLOOMFIELD—First National Bank; A. H. Banks, Vice-Pres.; Wm. Berridge, Asst. Cas.

CAMBRIDGE—First National Bank; C. M. Brown, Pres.; Chas. Monsel, Asst. Cas.

NEW JERSEY.

ORANGE—Orange National Bank; stock transferred to U. S. Mortgage and Trust.

NEW YORK.

BROOKLYN—Stuyvesant Heights Bank; Hy. A. Belden, Cas.

BUFFALO—Marine National Bank; Henry H. Persons, Vice-Pres., resigned.

ELMIRA—Chemung Canal Trust Co.; successor to Chemung Canal Bank and Elmira Trust Co.; capital, $1,000,000.

KINGSTON—State of New York National Bank; James Van Leuven, President, deceased.

LARCHMONT—Larchmont National Bank; G. E. Ide, Pres. in place of Joseph H. Sterling, deceased; no Vice-Pres. in place of Geo. E. Ide.

LE ROY—Bank of Le Roy and Citizens' Bank; consolidated under former title.

NEW YORK—Mercantile Trust Co.; Henry C. Deming, President in place Louis Fitzgerald, resigned. —— Gallatin National Bank; H. P. Monson, Asst. Cas. —— Morton Trust Co.; Eugene E. Varet, Asst. Sec., deceased. — National Bank of the U. S. and Western National Bank; merged under title of Western Bank of the United States; capital, $10,000,000. —— Broadway Savings Bank; Peter Cumming, Pres. in place of Francis A. Palmer, deceased.—— De Haven & Townsend; Henry Lester Townsend, deceased.——Edward C. Jones & Co.; title changed to E. Clarence Jones & Co. —— Horace L. Hotchkiss & Co.; Horace L. Hotchkiss, retired.——Equitable Trust Co.; capital increased to $3,000,000.——National Park Bank; capital increased to $3,000,000.——J. P. Morgan & Co.; Robert Bacon retired from firm.

NORTHPORT—First National Bank; Wm. A. Strawson, Cas. in place of Chas. F. Broach.

ROCHESTER—German-American Bank; capital increased to $500,000; surplus increased to $750,000.

WHITE PLAINS—Central Bank of Westchester Co.; Wm. H. Albro, Pres., deceased.

NORTH DAKOTA.

KENSAL—First State Bank; W. G. Tubbs, Pres. in place of P. W. Miller, deceased; Chris Bredahl, Vice-Pres.

STARKWEATHER—First National Bank; H. E. Baird, Vice-Pres.; T. J. Dougherty, Cas.

OHIO.

CLEVELAND—American Exchange National Bank; Geo. K. Ross, Pres. in place of Richard M. Parmly; W. H. Scriven, Vice-Pres. in place of Geo. K. Ross; E. C. Vermillion, Cas. in place of E. G. Gilbert.——Cleveland Trust Co. and Western Reserve Trust Co.; consolidated under former title.

ELMWOOD PLACE—First National Bank; W. Laidlaw, Pres. in place of Geo. E. Pfau; Alfred Hess, Vice-Pres. in place of C. F. Pratt.

PLYMOUTH—First National Bank; D. F. Irwin, Pres. in place of W. B. Cuykendall.

OKLAHOMA.

CUSHING—Farmers and Merchants' Bank; capital increased to $15,000.

GUTHRIE—Guthrie National Bank; Frank Dale, Pres. in place of J. W. McNeal; A. J. Seay, Vice-Pres.; Robert Sohlberg, Cas.

OKEENE First National Bank; G. W. Marquardt, Pres. in place of H. C. Boardman; no Vice-Pres. in place of Chris Hauser; C. D. Boardman, Cas. in place of J. C. Fisher.

PENNSYLVANIA.

BUTLER—Butler Savings Bank; succeeded by Butler Sav. & Trust Co.

ERIE Second National Bank; William M. Wallace, Cas., deceased.

HAWLEY—First National Bank; V. A. Decker, Cas.

JOHNSONBURG—Johnsonburg National Bank; M. M. Armstrong, Pres. in place of F. S. Johnson; R. Stutz, Vice-Pres. in place of M. M. Armstrong.

PHILADELPHIA—Equitable Trust Co.; Howard B. French, Pres. in place of Wm. F. Harrity.——Commercial Trust Co.; Horatio G. Lloyd, Pres.; Thomas De Witt Cuyler and James M. Hyde, Vice-Pres.—Morris & Whitehead; succeeded by Morris Bros. & Christensen.—De Haven & Townsend; Henry Lester Townsend, deceased.

PHILIPSBURG—First National Bank; J. E. Fryberger, Cas. in place of F. K. Lukenbach.

PITTSBURG—Marine National Bank; William W. O'Neil, Pres., deceased.——Fidelity Title and Trust Co.; capital increased to $2,000,000.——First National Bank; Thos. C. Griggs, Asst. Cas. in place of Robert D. Book; F. H. Richard, additional Asst. Cas. ——Monongahela National Bank; capital increased to $1,000,000.

ROCHESTER—Rochester National Bank; Jno. A. Miller, Pres. in place of James G. Mitchell; Curtis C. Ross, Vice-Pres. in place of Wm. J. Mellon.

WAYNESBURG—American National Bank; capital increased to $200,000; surplus, $130,000.

RHODE ISLAND.

NEWPORT—Union National Bank; no Pres. in place of Robert S. Barker, deceased; John H. Crosby, Vice-Pres.——Commercial National Bank; Isaac M. Potter, Pres., deceased.

SOUTH CAROLINA.

CHARLESTON—Carolina Savings Bank and G. W. Williams & Co.; Geo. W. Williams, Pres., deceased.

SOUTH DAKOTA.

BRIDGEWATER—Farmers and Merchants' State Bank; J. H. Anderson Cas.

IROQUOIS—Farmers and Merchants' Bank; L. L. Lostutter, Pres., resigned.

REDFIELD—Redfield National Bank; C. M. Henry, Cas. in place of H. C. Meier.

WEBSTER—First National Bank; D. B. Compton, Vice-Pres.; John Lienlokken, Asst. Cas.

TEXAS.

AMARILLO—First National Bank; Ray Wheatley and R. H. Collier, Asst. Cas.—Amarillo National Bank; J. T. Sneed, Jr., Cas. in place of W. S. Maddrey.

AUSTIN—Austin National Bank; William H. Folts, Cas. in place of H. P. Hilliard.

CARTHAGE—Merchants and Farmers' National Bank; C. H. Pollard, Asst. Cas.

ITASCA—Itasca National Bank; Charles E. Martin, Pres. in place of Rufus Martin, deceased.

MESQUITE—First National Bank; capital increased to $50,000.

ROCKPORT—First National Bank of Aransas Pass; Charles G. Johnson, Pres. in place of E. A. Stevens; A. L. Bruhl, Vice-Pres. in place of Chas. G. Johnson.

VIRGINIA.

BERKLEY—Merchants and Planters' Bank; capital increased to $50,000.

CULPEPER—Second National Bank; J. B. Stringfellow, Cas. in place of E. Rixey.

WEST VIRGINIA.

WHEELING—Dollar Bank and Wheeling Title and Trust Co.; consolidated.

SEYMOUR—State Bank; capital increased to $60,000.

WAUPACA—National Bank of Waupaca; H. E. Miles, Vice-Pres. in place of John F. Jardine; no Asst. Cas.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

SILVERTON—Bank of Silverton.

FLORIDA.

SANFORD—Sanford Loan and Trust Co.

NEW YORK.

DEPOSIT—Deposit National Bank.

PENNSYLVANIA.

HYNDMAN—National Bank of South Pennsylvania; in hands of Receiver, December 16.

TEXAS.

GRAND SALINE—First National Bank; in voluntary liquidation December 15.

NACOGDOCHES—A. Wettermark & Son.

ROCKWALL—E. W. Hardin & Co.

WISCONSIN.

WESTBY—Bank of Westby.

CANADA.

ONTARIO.

OAKVILLE—C. W. Anderson & Son.

NEW BRUNSWICK.

CARAQUET—Royal Bank of Canada.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the Bankers' Magazine has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on November 25, 1902. These are published below in conjunction with the two preceding statements of July 16, 1902, and September 15, 1902. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the Bankers' Magazine exclusively.

NEW YORK CITY.

Resources.	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*
Loans and discounts	$619,975,434	$607,058,485	$607,300,045
Overdrafts	354,427	213,583	677,170
U. S. bonds to secure circulation	33,635,000	35,835,000	46,596,500
U. S. bonds to secure U. S. deposits	39,783,000	39,783,000	33,850,500
U. S. bonds on hand	871,710	541,350	356,570
Premiums on U. S. bonds	3,132,693	3,254,480	3,462,018
Stocks, securities, etc	90,778,980	91,879,050	102,858,781
Banking house, furniture and fixtures	17,396,065	17,848,316	18,580,848
Other real estate and mortgages owned	2,351,972	2,351,840	2,282,693
Due from National banks (not reserve agents)	45,691,704	45,729,682	52,374,676
Due from State banks and bankers	5,926,638	5,062,215	6,433,939
Due from approved reserve agents	......	......	......
Checks and other cash items	4,660,028	5,097,596	3,585,905
Exchanges for clearing-house	177,188,471	251,269,187	167,926,503
Bills of other National banks	1,180,317	736,944	1,088,589
Fractional paper currency, nickels and cents	76,748	68,569	86,097
*Lawful money reserve in bank, viz.:			
Gold coin	4,474,720	4,765,847	3,876,574
Gold Treasury certificates	61,290,590	36,508,910	69,028,780
Gold clearing-house certificates	69,160,000	78,825,000	65,245,000
Silver dollars	81,863	85,988	91,787
Silver Treasury certificates	20,993,004	16,076,494	15,636,531
Silver fractional coin	807,369	668,111	732,275
Legal-tender notes	52,478,693	47,372,532	46,103,069
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	1,653,307	1,772,663	2,311,072
Due from U. S. Treasurer	221,161	930,502	1,262,696
Total	$1,255,163,901	$1,293,735,350	$1,251,698,624

Liabilities.	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*
Capital stock paid in	$90,600,000	$90,600,000	$92,010,000
Surplus fund	63,520,000	63,520,000	65,180,000
Undivided profits, less expenses and taxes paid	35,158,471	36,800,628	40,126,143
National bank notes issued, less amount on hand	31,947,787	34,679,177	45,855,855
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	265,914,766	248,383,288	243,024,455
Due to State banks and bankers	180,191,811	165,301,743	157,744,759
Dividends unpaid	125,286	66,519	70,842
Individual deposits	537,304,138	603,565,374	542,397,413
U. S. deposits	39,343,320	39,355,862	41,708,637
Deposits of U. S. disbursing officers	362,540	403,849	391,755
Notes and bills rediscounted	....	....	....
Bills payable	....	100,000	....
Liabilities other than those above stated	10,679,237	10,852,415	23,172,219
Total	$1,255,163,901	$1,293,735,350	$1,251,698,624
Average reserve held	26.63 p. c.	24.70 p. c.	28.41 p. c.
*** Total lawful money reserve in bank**	$907,080,192	$184,302,882	$200,714,016

RESOURCES.	ALBANY, N. Y. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	BALTIMORE, MD. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	BOSTON, MASS. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$12,107,590	$14,059,922	$13,706,216	$44,360,673	$46,637,728	$46,811,209	$166,443,826	$165,895,017	$168,797,664
Overdrafts	2,274	3,434	1,857	8,533	14,634	15,953	49,537	64,449	48,140
U. S. bonds to secure circulation	600,000	600,000	800,000	3,224,000	3,525,000	4,137,000	5,355,500	6,170,500	7,199,700
U. S. bonds to secure U. S. deposits	422,100	422,100	222,100	2,496,000	1,816,000	2,080,000	4,412,000	4,662,000	4,456,250
U. S. bonds on hand	......	......	......	780	5,780	......	......	100,000	1,118,000
Premiums on U. S. bonds	25,000	25,000	40,074	149,500	177,662	267,328	255,281	354,062	510,553
Stocks, securities, etc	1,686,013	1,546,580	1,788,023	5,171,725	5,226,883	6,210,118	12,424,679	11,351,320	10,395,613
Banking house, furniture and fixtures	205,000	205,000	215,431	2,715,970	2,714,003	2,614,485	1,703,923	1,703,848	1,703,778
Other real estate and mortgages owned	34,979	98,478	133,261	136,075	136,734	232,850	73,476	78,476	43,780
Due from National banks (not reserve agents)	4,109,550	4,056,486	4,104,942	5,445,803	5,472,286	5,076,531	15,311,080	14,620,091	14,340,388
Due from State banks and bankers	1,254,195	1,646,716	1,134,464	1,014,961	942,770	1,148,893	1,990,777	1,377,334	1,565,041
Due from approved reserve agents	3,482,606	3,956,234	3,055,570	6,130,431	6,025,857	5,139,533	29,744,970	31,938,769	31,296,486
Checks and other cash items	39,566	74,605	37,063	274,309	317,140	196,453	409,650	857,228	564,337
Exchanges for clearing-house	125,638	123,430	91,633	2,312,164	3,717,826	2,841,829	13,384,495	16,588,632	12,700,247
Bills of other National banks	62,162	46,896	45,355	252,752	191,653	205,506	1,372,840	1,126,467	1,510,886
Fractional paper currency, nickels and cents	4,298	4,635	2,968	21,704	17,661	20,198	23,208	21,548	21,365
*Lawful money reserve in bank, viz.:									
Gold coin	368,410	366,227	384,631	584,796	576,051	524,139	1,649,956	2,881,990	1,504,464
Gold Treasury certificates	418,000	254,000	368,000	2,641,610	1,607,370	1,467,500	9,201,540	4,112,820	9,278,818
Gold clearing-house certificates	......	150,000	......	330,000	835,000	190,000	3,450,000	5,500,000	3,437,000
Silver dollars	20,597	34,207	20,118	62,465	46,273	72,004	40,498	80,705	30,824
Silver Treasury certificates	78,000	65,000	60,000	1,647,638	1,154,407	1,482,116	3,226,761	1,849,689	3,206,462
Silver fractional coin	35,706	23,946	27,944	84,202	55,960	86,886	166,086	23,287	211,860
Legal-tender notes	868,945	1,024,581	804,762	1,350,648	1,085,778	934,159	5,884,386	5,336,835	5,452,209
U. S. certificates of deposit for legal-tenders	......	......	......	......	176,245	......	......	......	......
Five per cent. redemption fund with Treas.	30,000	30,000	40,000	151,195	42,455	206,850	267,775	296,325	359,984
Due from U. S. Treasurer	......	950	......	20,300	......	16,050	172,799	289,350	228,076
Total	$25,980,631	$28,818,441	$27,084,482	$80,588,238	$82,019,162	$81,057,596	$277,014,011	$278,662,280	$279,978,428
LIABILITIES.									
Capital stock paid in	$1,050,000	$1,250,000	$1,250,000	$12,403,260	$12,403,260	$12,403,260	$33,850,000	$33,850,000	$33,600,000
Surplus fund	1,150,000	1,420,000	1,420,000	5,840,594	6,240,594	6,240,594	13,113,000	13,113,000	13,872,700
Undiv. profits, less expenses and taxes paid	323,820	223,476	268,369	2,011,035	1,772,455	2,126,899	7,998,504	8,588,037	7,291,279
National bank notes issued, less am't on hand	575,597	570,647	787,747	3,187,997	3,490,847	4,115,547	5,308,190	5,918,282	6,990,464
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	11,194,173	12,736,075	11,766,936	12,050,605	12,987,300	12,738,077	44,287,013	41,029,237	37,363,419
Due to State banks and bankers	3,824,554	3,644,231	3,819,480	7,078,594	7,850,021	6,720,232	35,109,908	36,273,596	33,841,695
Dividends unpaid	408	856	556	124,013	71,925	56,055	11,046	8,349	15,196
Individual deposits	7,439,968	8,544,535	7,223,849	34,075,613	34,396,461	31,862,679	129,408,227	131,260,402	135,496,422
U. S. deposits	421,641	427,272	414,075	2,506,383	1,836,801	2,740,491	4,255,910	4,277,539	5,525,426
Deposits of U. S. disbursing officers	458	1,347	6,416	......	......	......	98,524	126,295	135,553
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	127,000	1,255,000	913,000	1,339,000	1,481,000	1,731,000	2,186,199
Liabilities other than those above stated	......	......	......	54,648	56,000	774,265	2,097,636	2,486,488	3,660,075
Total	$25,980,631	$28,818,441	$27,084,482	$80,588,238	$82,019,162	$81,057,596	$277,014,011	$278,662,280	$279,978,428
Average reserve held	22.91 p. c.	22.42 p. c.	27.80 p. c.	26.98 p. c.	23.08 p. c.	23.76 p. c.	25.63 p. c.	24.41 p. c.	31.04 p. c.
*Total lawful money reserve in bank	$1,789,658	$1,917,962	$1,665,451	$6,701,359	$4,860,839	$4,756,804	$23,619,227	$21,174,807	$23,123,637

RESOURCES.	BROOKLYN, N. Y. July 16, 1902.	BROOKLYN, N. Y. Sept. 15, 1902.	BROOKLYN, N. Y. Nov. 25, 1902.	CHICAGO, ILL. July 16, 1902.	CHICAGO, ILL. Sept. 15, 1902.	CHICAGO, ILL. Nov. 25, 1902.	CINCINNATI, OHIO. July 16, 1902.	CINCINNATI, OHIO. Sept. 15, 1902.	CINCINNATI, OHIO. Nov. 25, 1902.
Loans and discounts	$11,746,560	$12,968,712	$12,841,630	$180,871,184	$186,982,318	$171,850,544	$35,492,728	$37,186,181	$37,292,781
Overdrafts	7,752	4,818	2,744	87,701	108,961	65,947	14,806	82,789	15,060
U. S. bonds to secure circulation	642,000	642,000	642,000	2,800,000	2,800,000	3,228,000	4,480,000	4,680,000	4,895,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	1,550,000	1,550,000	1,170,000	3,877,500	3,877,500	3,490,000
U. S. bonds on hand	......	......	......	94,740	60,730	85,970	288,860	175,820	94,470
Premiums on U. S. bonds	7,900	7,900	7,900	11,925	11,925	11,925	52,856	52,401	37,655
Stocks, securities, etc	2,742,512	2,778,214	2,691,083	15,594,885	16,166,118	16,387,272	10,396,370	10,097,668	10,544,250
Banking house, furniture and fixtures	483,550	483,550	483,[illegible]50	308,511	304,136	304,136	483,728	483,728	483,[illegible]88
Other real estate and mortgages owned	43,206	43,296	44,140	166,926	158,152	152,815	247,884	316,886	515,023
Due from National banks (not reserve agents)	92,799	70,182	76,070	43,891,609	38,416,457	45,607,976	4,670,926	4,660,383	4,938,798
Due from State banks and bankers	128,552	141,221	104,168	11,063,297	15,085,267	12,465,247	626,497	715,472	716,120
Due from approved reserve agents	2,500,015	1,708,585	1,615,822	......	......	......	6,208,297	5,676,704	5,049,409
Checks and other cash items	104,458	88,711	49,185	517,282	349,257	220,899	81,549	89,826	62,768
Exchanges for clearing-house	1,301,179	1,438,807	1,723,123	10,759,170	11,879,245	10,476,567	655,178	312,103	248,935
Bills of other National Banks	115,862	92,509	83,199	1,677,260	1,259,786	488,934	331,407	189,235	166,665
Fractional paper currency, nickels and cents	13,883	13,597	16,396	32,793	20,527	66,505	5,348	7,070	5,851
*Lawful money reserve in bank, viz.:									
Gold coin	426,053	347,067	437,293	11,716,105	10,954,810	11,412,680	790,986	460,444	812,561
Gold Treasury certificates	470,050	636,950	484,350	14,126,950	7,104,270	18,078,990	2,209,700	1,418,950	1,883,010
Gold clearing-house certificates	......	......	......	......	5,705,000	......	......	600,000	......
Silver dollars	19,674	12,500	9,000	194,447	165,124	141,218	104,030	94,105	61,977
Silver Treasury certificates	582,103	428,156	505,767	7,303,149	5,879,525	3,248,475	474,616	601,373	417,062
Silver fractional coin	80,842	70,064	80,671	278,898	254,754	218,451	49,473	40,050	43,929
Legal-tender notes	863,220	516,723	691,048	22,950,703	15,673,198	13,692,207	3,768,833	2,943,016	3,058,785
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	32,100	138,600	140,000	161,150	223,050	226,038	244,750
Due from U. S. Treasurer	7,450	17,900	5,000	361,500	191,700	297,114	10,800	......	10,750
Total	$22,608,724	$22,743,014	$22,276,194	$325,987,142	$321,161,252	$309,768,067	$75,494,428	$74,887,098	$74,534,474
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$23,750,000	$24,750,000	$24,750,000	$7,700,000	$7,700,000	$9,500,000
Surplus fund	1,900,000	1,900,000	1,900,000	11,100,000	11,600,000	11,600,000	3,240,000	3,290,000	3,700,000
Undiv. profits, less expenses and taxes paid	566,465	617,462	651,677	4,514,030	5,085,250	5,315,269	1,649,773	1,797,521	1,928,940
National bank notes issued, less am't on hand	634,000	630,400	640,900	2,522,337	2,696,187	3,186,297	4,287,647	4,523,267	4,845,347
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	323,860	237,184	218,938	61,686,176	92,705,429	85,886,197	12,581,131	12,386,572	11,866,727
Due to State banks and bankers	4,697,262	3,661,813	3,802,268	90,019,935	51,075,049	48,070,779	7,000,255	8,017,057	7,199,246
Dividends unpaid	2,670	912	794	14,462	5,284	5,762	4,162	1,262	6,669
Individual deposits	12,934,124	14,119,812	13,489,640	130,394,198	131,095,193	128,425,390	33,265,970	31,236,908	28,950,797
U. S. deposits	162,876	189,588	180,944	1,400,452	1,400,678	1,492,991	3,830,928	3,834,810	3,788,819
Deposits of U. S. disbursing officers	19,192	17,569	23,330	134,502	145,981	34,888	......	......	......
Notes and bills rediscounted	......	......	......	......	......	1,109,000	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	14,425	14,425	13,852	451,017	652,196	391,490	1,934,559	2,099,698	2,747,925
Total	$22,608,724	$22,743,014	$22,276,194	$325,987,142	$321,161,252	$309,768,067	$75,494,428	$74,887,098	$74,534,474
Average reserve held	27.40 p. c.	22.79 p. c.	24.49 p. c.	26.20 p. c.	21.89 p. c.	24.38 p. c.	27.40 p. c.	24.32 p. c.	24.09 p. c.
*** Total lawful money reserve in bank**	$2,441,942	$2,011,460	$2,158,129	$56,570,252	$45,736,681	$46,787,021	$7,397,638	$6,157,938	$5,722,314

	CLEVELAND, OHIO.			COLUMBUS, OHIO.			DALLAS, TEXAS.		
RESOURCES.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$46,808,071	$48,212,058	$46,622,686	$10,150,935	$10,671,655	$11,183,087	$5,791,401	$6,006,868	$6,813,022
Overdrafts	72,124	77,055	47,009	10,547	8,871	15,658	189,105	376,111	346,560
U. S. bonds to secure circulation	4,625,000	4,625,000	4,575,000	535,000	585,000	566,000	587,500	587,500	587,500
U. S. bonds to secure U. S. deposits	900,000	900,000	1,500,000	400,000	400,000	575,000	625,000	625,000	625,000
U. S. bonds on hand	......	......	......	110,170	97,760	27,960	......	......	......
Premiums on U. S. bonds	167,713	175,032	171,790	14,694	14,616	21,470	29,000	29,000	29,000
Stocks, securities, etc	3,319,371	3,457,521	4,131,688	2,577,176	2,685,721	2,635,850	17,069	16,961	16,961
Banking house, furniture and fixtures	565,107	577,668	582,919	288,763	291,830	292,311	130,499	130,499	127,999
Other real estate and mortgages owned	124,796	121,646	121,496	88,969	88,937	87,071	58,381	88,381	88,381
Due from National banks (not reserve agents)	5,004,039	4,195,193	4,413,545	1,500,399	1,852,020	1,363,430	1,449,519	1,189,843	1,276,804
Due from State banks and bankers	1,818,460	1,777,419	1,592,058	161,218	143,597	164,719	167,919	230,152	257,408
Due from approved reserve agents	5,911,470	4,555,006	3,960,563	2,266,207	1,915,576	1,449,522	1,310,352	822,835	1,182,628
Checks and other cash items	257,260	214,000	179,992	56,003	124,943	67,998	18,900	46,912	36,196
Exchanges for clearing-house	732,689	747,813	819,530	148,697	266,613	202,136	115,466	93,928	264,685
Bills of other National banks	214,154	170,786	169,598	116,119	202,089	130,038	67,804	62,074	98,832
Fractional paper currency, nickels and cents	9,255	9,084	9,610	2,629	2,888	1,795	10,987	7,164	6,636
*Lawful money reserve in bank, viz.:									
Gold coin	1,934,505	1,834,360	1,254,872	413,507	342,192	381,738	226,700	210,745	299,780
Gold Treasury certificates	1,022,000	1,073,000	680,000	302,500	544,750	521,250	75,000	62,220	134,300
Gold clearing-house certificates	......	......	1,120,000	......	......	......	......	10,000	......
Silver dollars	228,319	218,937	154,093	42,575	34,218	56,419	31,571	26,072	32,155
Silver Treasury certificates	147,400	225,360	175,100	293,783	207,017	281,981	97,504	88,314	62,087
Silver fractional coin	69,061	58,605	59,840	16,810	14,453	14,420	11,032	10,305	11,327
Legal-tender notes	2,379,992	1,915,294	1,706,387	849,617	670,290	939,243	410,282	404,815	445,940
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	225,550	231,250	217,147	26,750	26,750	28,300	29,875	28,975	29,875
Due from U. S. Treasurer	44,803	40,009	51,205	1,700	38,600	8,600	100	......	5,900
Total	$76,581,146	$75,412,101	$74,316,135	$20,374,773	$21,180,393	$21,016,002	$11,450,470	$11,154,679	$12,808,431
LIABILITIES.									
Capital stock paid in	$12,400,000	$12,400,000	$12,400,000	$2,300,000	$2,300,000	$2,300,000	$1,050,000	$1,050,000	$1,050,000
Surplus fund	3,705,000	3,705,000	3,706,000	720,000	720,000	755,000	1,061,000	1,061,000	1,061,000
Undiv. profits, less expenses and taxes paid	1,071,588	1,182,568	1,022,953	256,282	281,139	302,688	177,528	191,108	263,964
National bank notes issued, less am't on hand	4,565,650	4,602,250	4,571,000	533,000	535,000	566,000	587,500	587,500	587,500
Due to other National banks	10,589,118	10,340,224	9,005,418	1,612,742	1,510,097	1,434,464	1,751,877	1,373,458	2,161,634
Due to State banks and bankers	14,520,476	13,139,221	10,753,664	2,388,754	2,703,197	2,115,067	240,655	326,350	340,018
Dividends unpaid	950	628	4,728	4,298	2,111	3,967	2,747	11	6
Individual deposits	26,660,858	27,495,807	25,640,747	12,134,102	12,704,049	12,904,951	5,953,895	5,939,582	6,718,037
U. S. deposits	861,789	861,979	1,787,851	382,081	380,482	560,224	592,314	584,923	584,570
Deposits of U. S. disbursing officers	48,029	39,193	72,225	16,512	17,316	15,638	30,972	38,669	39,573
Notes and bills rediscounted	......	......	71,329	......	......	......	......	......	......
Bills payable	600,000	100,000	2,825,000	......	......	......	......	......	......
Liabilities other than those above stated	1,558,184	1,545,228	2,505,216	27,000	27,000	58,000	1,980	2,126	2,126
Total	$76,581,146	$75,412,101	$74,316,135	$20,374,773	$21,180,393	$21,016,002	$11,450,470	$11,154,679	$12,808,431
Average reserve held	25.64 p. c.	22.50 p. c.	24.27 p. c.	25.72 p. c.	24.83 p. c.	25.15 p. c.	25.30 p. c.	24.87 p. c.	30.00 p. c.
* Total lawful money reserve in bank	$5,781,277	$5,325,556	$5,150,292	$1,918,792	$1,812,921	$2,195,051	$852,089	$812,471	$985,539

Resources.	Denver, Colorado. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	Des Moines, Iowa. July 16, 1902.	Sept 15, 1902.	Nov. 25, 1902.	Detroit, Mich. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$16,361,165	$17,169,746	$17,287,470	$6,258,173	$5,612,391	$4,992,845	$14,964,262	$15,967,048	$16,587,524
Overdrafts	115,389	119,748	125,196	15,739	21,124	46,948	2,208	5,228	24,947
U. S. bonds to secure circulation	1,700,000	1,750,000	1,750,000	480,600	489,000	450,000	550,000	1,250,000	1,250,000
U. S. bonds to secure U. S. deposits	1,050,000	1,050,000	1,050,000	460,000	460,000	800,000	750,000	750,000	900,000
U. S. bonds on hand	......	......	......	8,000	1,000	4,820	251,150	151,150	......
Premiums on U. S. bonds	54,750	58,687	58,437	22,500	22,608	22,966	166,120	211,763	242,420
Stocks, securities, etc	7,981,003	8,055,347	8,777,322	282,885	273,016	270,189	2,012,825	2,102,212	2,008,649
Banking house, furniture and fixtures	66,250	66,198	66,180	109,036	107,036	107,036	38,288	38,288	38,288
Other real estate and mortgages owned	334,945	331,769	313,488	48,340	48,338	46,932	44,176	74,176	63,805
Due from National banks (not reserve agents)	2,472,532	3,216,817	3,027,747	456,615	345,292	494,855	1,996,637	1,950,087	1,719,908
Due from State banks and bankers	886,657	1,201,947	926,561	81,999	92,760	91,466	577,594	554,546	439,608
Due from approved reserve agents	10,223,143	10,117,144	9,489,502	927,949	639,483	936,229	3,618,213	3,157,626	2,612,073
Checks and other cash items	54,704	35,816	50,062	11,842	14,158	25,595	31,476	37,059	33,058
Exchanges for clearing-house	708,294	810,040	585,657	80,766	73,458	69,368	404,908	562,163	476,804
Bills of other National banks	409,558	525,067	415,815	47,525	62,814	65,816	339,014	142,359	193,197
Fractional paper currency, nickels and cents	2,905	1,987	2,769	1,749	1,870	1,299	6,897	6,618	7,411
*Lawful money reserve in bank, viz.:									
Gold coin	2,174,410	2,199,600	2,176,745	161,410	141,762	146,417	1,160,707	1,049,840	813,627
Gold Treasury certificates	340,000	345,000	349,500	154,000	150,000	166,020	141,990	151,990	141,990
Gold clearing-house certificates	......	......	......	25,000	......	......	10,000	140,000	195,000
Silver dollars	100,535	100,577	106,325	86,348	48,950	37,686	98,092	55,539	39,434
Silver Treasury certificates	340,000	181,184	269,163	113,472	56,567	72,947	52,150	17,567	27,413
Silver fractional coin	43,714	38,620	40,560	16,294	24,444	12,615	26,617	20,994	22,263
Legal-tender notes	1,625,000	2,137,168	1,813,987	284,962	186,106	233,416	1,379,409	843,747	903,002
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	85,000	87,500	87,500	24,030	24,100	22,500	27,500	62,500	60,000
Due from U. S. Treasurer	36,134	3,634	29,534	3,000	2,000	......	21,500	37,000	28,500
Total	$47,166,077	$49,636,633	$48,802,550	$10,115,236	$8,901,283	$8,636,970	$28,673,238	$29,339,805	$28,828,927
Liabilities.									
Capital stock paid in	$2,200,000	$2,370,000	$2,500,000	$800,000	$800,000	$800,000	$3,100,000	$3,100,000	$3,100,000
Surplus fund	675,000	675,000	675,000	260,000	260,000	260,000	813,000	813,000	813,000
Undiv. profits, less expenses and taxes paid	963,050	988,033	1,037,771	57,913	60,447	103,911	225,794	247,037	283,132
National bank notes issued, less am't on hand	1,700,000	1,750,000	1,750,000	468,597	488,927	444,797	506,750	1,082,000	1,179,850
Due to other National banks	7,111,985	8,623,816	7,908,274	2,213,344	1,665,367	1,551,290	2,948,810	2,922,734	3,461,710
Due to State banks and bankers	4,065,561	4,137,905	4,961,196	2,787,391	2,140,808	2,184,170	7,006,258	6,401,439	5,840,850
Dividends unpaid	330	......	......	16,102	624	534	4,768	291	160
Individual deposits	29,495,075	30,340,319	28,939,070	3,051,242	2,867,806	2,975,468	13,023,594	14,068,713	13,055,443
U. S. deposits	430,712	269,499	264,431	451,741	406,364	203,351	719,962	691,082	837,627
Deposits of U. S. disbursing officers	524,362	482,059	766,805	8,456	48,090	91,699	52,300	63,507	74,542
Notes and bills rediscounted	......	......	......	......	160,900	21,000	......	......	......
Bills payable	......	......	......	......	......	......	225,000	......	30,000
Liabilities other than those above stated	......	......	......	446	446	746	......	......	152,610
Total	$47,166,077	$49,636,633	$48,802,550	$10,115,236	$8,901,283	$8,636,970	$28,673,238	$29,339,805	$28,828,927
Average reserve held	25.07 p. c.	25.76 p. c.	38.13 p. c.	22.19 p. c.	19.40 p. c.	27.09 p. c.	26.59 p. c.	23.56 p. c.	24.60 p. c.
* Total lawful money reserve in bank	$4,623,659	$5,002,149	$4,756,280	$791,482	$607,829	$669,102	$2,868,965	$2,279,677	$2,142,729

Resources.	Houston, Texas.			Indianapolis, Ind.			Kansas City, Kans.		
	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$5,546,296	$5,792,831	$6,119,479	$15,031,662	$16,550,885	$16,376,825	$4,564,390	$3,972,560	$4,391,642
Overdrafts	346,163	925,680	1,200,542	992	1,317	855	18,302	26,766	17,398
U. S. bonds to secure circulation	580,000	580,000	530,000	530,000	830,000	980,000	750,000	750,000	800,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	2,716,000	2,966,000	3,439,000	......	......	50,000
U. S. bonds on hand	......	......	......	240,510	139,990	20,580	......	......	......
Premiums on U. S. bonds	44,652	44,518	44,518	94,750	145,853	188,877	34,642	34,392	41,802
Stocks, securities, etc	58,774	58,462	58,395	2,261,511	1,967,296	2,355,389	132,023	307,678	261,321
Banking house, furniture and fixtures	226,429	226,429	226,429	273,145	272,698	269,747	1,400	4,300	4,300
Other real estate and mortgages owned	75,594	75,849	76,135	61,125	58,724	58,688	47,418	40,884	41,035
Due from National banks (not reserve agents)	1,795,458	1,646,826	971,497	4,198,589	4,020,412	4,271,698	202,608	290,483	210,729
Due from State banks and bankers	84,763	219,764	253,233	1,807,553	1,750,764	1,912,444	68,425	28,706	82,890
Due from approved reserve agents	1,112,611	868,590	1,215,814	4,141,074	3,967,951	3,569,900	821,053	1,574,845	585,979
Checks and other cash items	7,769	4,126	3,318	26,996	32,360	34,103	151,575	73,212	116,697
Exchanges for clearing-house	43,271	82,057	150,661	365,741	600,445	755,276	286,856	239,135	162,390
Bills of other National banks	106,812	237,804	136,048	645,712	998,062	680,125	5,795	7,223	31,060
Fractional paper currency, nickels and cents	4,017	3,486	4,276	6,316	4,583	5,463	739	538	661
*Lawful money reserve in bank, viz.:									
Gold coin	289,831	296,681	336,078	864,790	859,095	903,070	126,475	133,435	45,190
Gold Treasury certificates	431,510	405,510	379,690	1,475,000	1,455,000	1,460,000	3,000	10,000	10,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	153,515	105,482	117,404	74,578	48,176	76,751	9,160	10,210	6,219
Silver Treasury certificates	278,904	218,142	181,285	171,443	111,128	116,582	5,000	5,000	8,255
Silver fractional coin	46,076	39,929	36,481	25,462	15,458	19,031	3,270	6,037	2,716
Legal-tender notes	648,644	729,331	648,896	1,001,000	822,457	1,166,215	436,964	1,154,723	475,835
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	28,875	28,875	28,875	24,000	39,000	46,500	35,000	37,500	40,000
Due from U. S. Treasurer	......	......	......	1,100	5,456	9,878	5	5	5
Total	$12,009,969	$12,640,380	$12,869,055	$36,039,055	$37,663,117	$38,715,998	$7,704,121	$8,707,637	$7,385,668
Liabilities.									
Capital stock paid in	$1,350,000	$1,350,000	$1,450,000	$3,450,000	$3,450,000	$4,100,000	$1,100,000	$1,140,000	$1,180,000
Surplus fund	750,000	750,000	850,000	1,195,000	1,207,500	1,370,000	260,000	260,000	260,000
Undiv. profits, less expenses and taxes paid	228,003	271,720	411,031	316,052	390,665	470,645	332,984	362,832	446,119
National bank notes issued, less am't on hand	538,950	555,000	548,300	480,000	780,000	930,000	700,000	750,000	800,000
Due to other National banks	1,885,790	2,213,834	2,070,812	6,428,164	7,175,670	5,949,567	1,396,828	2,225,698	1,176,173
Due to State banks and bankers	514,368	749,154	704,039	5,871,501	6,485,321	5,972,241	1,061,290	1,140,334	989,663
Dividends unpaid	18,803	1,286	749	4,129	138	30	960	510	360
Individual deposits	6,428,696	6,459,063	6,538,666	15,578,628	14,963,296	16,506,007	2,607,523	2,822,906	2,474,015
U. S. deposits	100,000	100,000	100,000	2,513,248	2,787,768	3,100,771	......	......	50,000
Deposits of U. S. disbursing officers	......	......	......	202,335	176,639	287,547	......	......	......
Notes and bills rediscounted	195,355	191,340	145,455	......	......	......	242,504	......	......
Bills payable	......	......	50,000	......	......	......	......	......	......
Liabilities other than those above stated	......	......	......	......	706,116	29,187	2,030	4,760	9,380
Total	$12,009,969	$12,640,380	$12,869,055	$36,039,055	$37,663,117	$38,715,998	$7,704,121	$8,707,637	$7,385,668
Average reserve held	39.43 p. c.	36.46 p. c.	37.74 p. c.	27.87 p. c.	26.52 p. c.	34.89 p. c.	25.86 p. c.	36.29 p. c.	28.27 p. c.
*** Total lawful money reserve in bank**	$1,848,480	$1,795,075	$1,699,834	$3,612,278	$3,311,314	$3,741,649	$583,889	$1,319,405	$548,215

	KANSAS CITY, MO.			LINCOLN, NEB.			LOS ANGELES, CAL.		
RESOURCES.	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*
Loans and discounts	$34,366,856	$33,816,888	$33,534,224	$2,861,999	$2,857,496	$2,716,641	$8,255,351	$9,045,608	$9,722,754
Overdrafts	342,547	485,704	230,117	41,041	21,674	26,969	87,910	110,894	111,291
U. S. bonds to secure circulation	1,845,600	1,845,600	1,845,600	160,000	160,000	160,000	1,365,000	1,365,000	1,365,000
U. S. bonds to secure U. S. deposits	1,512,000	1,512,000	1,764,000	110,000	110,000	110,000	250,000	250,000	400,000
U. S. bonds on hand	72,500	77,540	59,040	1,000	1,000	8,460	59,500	61,000	17,000
Premiums on U. S. bonds	29,487	28,237	28,237	12,286	11,966	10,828	82,276	82,246	82,618
Stocks, securities, etc	6,566,925	6,492,844	6,828,347	187,515	164,578	176,001	730,412	854,129	882,431
Banking house, furniture and fixture	383,361	383,361	383,361	77,023	77,186	77,531	232,848	240,282	243,696
Other real estate and mortgages owned	96,795	99,795	98,008	10,710	10,710	10,675	80,926	84,555	41,234
Due from National banks (not reserve agents)	2,629,746	3,132,226	3,959,859	599,282	677,175	825,152	1,018,063	897,151	701,345
Due from State banks and bankers	3,622,594	4,181,109	4,811,816	270,973	244,142	187,752	550,966	395,267	361,168
Due from approved reserve agents	10,951,225	12,843,560	9,857,911	514,521	416,789	380,820	2,102,492	1,444,857	1,647,181
Checks and other cash items	53,139	25,922	38,810	24,726	21,766	19,064	34,114	33,554	51,310
Exchanges for clearing-house	1,354,028	1,955,701	1,718,455	30,313	57,007	46,576	350,312	227,013	255,271
Bills of other National banks	179,486	108,620	104,477	16,170	12,868	9,265	41,663	31,489	21,992
Fractional paper currency, nickels and cents	8,681	8,257	8,180	1,647	1,683	1,771	2,783	1,883	1,845
*Lawful money reserve in bank, viz.:									
Gold coin	1,299,119	1,511,303	1,454,725	161,040	97,505	88,425	1,329,050	1,323,615	1,112,070
Gold Treasury certificates	1,610,240	779,320	1,428,920	......	......	1,000	87,820	53,460	159,460
Gold clearing-house certificates	......	300,000	......	......	......	......	334,000	157,000	152,000
Silver dollars	144,192	145,251	158,647	10,526	8,366	14,686	40,448	36,653	40,137
Silver Treasury certificates	686,237	638,519	562,670	752	838	732	91,879	144,978	71,195
Silver fractional coin	55,501	38,221	64,128	11,484	10,348	7,637	79,498	67,464	68,251
Legal-tender notes	1,035,824	525,000	672,530	99,434	85,319	203,692	112,531	132,652	103,387
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	92,280	92,280	92,280	8,000	8,000	8,000	68,250	68,250	68,250
Due from U. S. Treasurer	46,000	30,500	50,000	......	......	......	......	......	......
Total	$68,984,370	$71,057,259	$69,249,348	$5,210,896	$5,056,441	$4,586,703	$17,338,097	$17,048,502	$17,630,892
LIABILITIES.									
Capital stock paid in	$2,650,000	$2,650,000	$2,650,000	$400,000	$400,000	$400,000	$1,800,000	$1,800,000	$1,800,000
Surplus fund	838,000	838,000	863,000	126,000	139,000	139,000	295,000	295,000	295,000
Undiv. profits less expenses and taxes paid	1,815,017	1,945,160	2,033,742	38,917	34,250	52,620	572,568	617,278	662,730
National bank notes issued, less am't on hand	1,795,300	1,797,600	1,797,600	160,000	160,000	160,000	1,340,785	1,318,485	1,355,795
Due to other National banks	19,966,082	21,504,933	8,221,446	689,053	610,270	480,360	243,734	218,278	294,146
Due to State banks and bankers	13,685,976	14,214,346	25,327,548	1,215,760	1,140,549	902,013	741,879	673,454	844,465
Dividends unpaid	42,111	1,086	990	132	183	60	2,443	643	455
Individual deposits	26,204,392	26,453,386	26,511,770	2,470,543	2,462,269	2,342,688	12,086,114	11,870,753	11,678,416
U. S. deposits	1,485,508	1,434,286	1,701,256	109,823	109,293	109,245	197,805	181,732	292,949
Deposits of U. S. disbursing officers	21,690	79,542	34,359	166	624	715	52,089	67,951	106,933
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	350,000	50,000	......	......	......	......	......	......	......
Liabilities other than those above stated	130,291	88,916	107,634	......	......	......	5,677	4,929	100,000
Total	$68,984,370	$71,057,259	$69,249,348	$5,210,896	$5,056,441	$4,586,703	$17,338,097	$17,048,502	$17,630,892
Average reserve held	29.63 p. c.	19.84 p. c.	28.90 p. c.	20.55 p. c.	18.69 p. c.	22.33 p. c.	30.16 p. c.	28.33 p. c.	29.04 p. c.
*** Total lawful money reserve in bank**	$4,831,113	$3,937,615	$4,341,620	$283,186	$202,37	$316,172	$2,075,226	$1,915,822	$1,706,500

Resources.	Louisville, Ky. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	Milwaukee, Wis. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	Minneapolis, Minn. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$15,290,238	$15,138,805	$15,880,419	$24,873,136	$24,663,558	$24,828,114	$18,530,024	$18,843,204	$19,948,869
Overdrafts	32,303	30,342	27,931	476,980	458,505	573,811	13,034	10,695	9,487
U. S. bonds to secure circulation	4,161,000	4,229,600	4,600,000	750,000	750,000	662,500	1,100,000	1,100,000	1,150,000
U. S. bonds to secure U. S. deposits	2,646,800	2,578,200	2,807,800	1,160,000	1,160,000	1,210,000	350,000	350,000	450,000
U. S. bonds on hand	400	900	1,300	100	......	......	3,800	1,800	1,800
Premiums on U. S. bonds	67,971	68,001	107,937	58,757	57,750	57,750	......	......	4,940
Stocks, securities, etc	2,528,203	2,604,[illegible]94	2,904,948	2,487,478	2,482,886	2,646,042	1,277,145	1,091,405	1,114,104
Banking house, furniture and fixtures	230,407	230,407	230,407	125,455	125,455	120,455	277,000	277,000	277,217
Other real estate and mortgages owned	120,490	118,640	117,046	112,095	91,272	82,239	30,000	30,000	30,000
Due from National banks (not reserve agents)	1,889,310	1,990,197	2,178,128	1,679,024	1,925,967	2,072,123	1,517,681	1,696,090	1,887,359
Due from State banks and bankers	663,023	803,882	886,235	895,614	906,033	1,333,107	659,063	913,094	1,002,069
Due from approved reserve agents	3,739,316	2,970,512	2,857,306	4,012,820	5,029,983	5,430,734	2,773,758	3,047,307	2,783,531
Checks and other cash items	16,681	47,638	19,380	61,224	56,210	17,734	39,347	78,798	70,905
Exchanges for clearing-house	171,131	248,658	200,566	665,437	744,381	596,300	725,208	1,184,680	1,342,692
Bills of other National banks	139,487	91,248	97,319	62,035	74,484	73,175	138,673	78,877	91,926
Fractional paper currency, nickels and cents	3,721	1,815	3,307	5,100	7,175	5,745	8,664	6,335	8,051
*Lawful money reserve in bank, viz.:									
Gold coin	737,257	687,937	619,958	1,861,770	1,830,055	1,625,245	786,935	771,680	711,447
Gold Treasury certificates	252,000	307,000	270,000	650,000	650,000	550,000	505,000	305,000	466,200
Gold clearing-house certificates	......	......	......	......	......	......	......	200,000	......
Silver dollars	61,090	54,717	55,992	70,925	102,715	51,922	32,469	65,894	38,570
Silver Treasury certificates	38,350	23,679	27,242	81,000	85,083	90,231	30,000	84,000	35,000
Silver fractional coin	37,736	27,097	32,047	37,850	64,592	38,746	31,204	55,597	31,828
Legal-tender notes	1,103,130	1,103,332	953,236	1,607,909	880,168	1,315,596	719,000	730,000	595,580
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	208,050	208,050	230,000	32,765	37,500	33,125	55,000	55,000	57,[illegible]00
Due from U. S. Treasurer	14,500	13	26,380	14,000	7,500	6,200	15,804	24,905	18,150
Total	$34,152,600	$33,577,956	$35,084,871	$41,781,480	$42,191,277	$43,420,898	$29,618,798	$30,901,316	$32,122,224
Liabilities.									
Capital stock paid in	$4,645,000	$4,645,000	$4,645,000	$3,750,000	$3,750,000	$4,250,000	$3,250,000	$3,250,000	$3,350,000
Surplus fund	1,785,500	1,785,500	1,785,500	1,185,000	1,185,000	1,285,000	805,000	805,000	805,000
Undiv. profits, less expenses and taxes paid	396,965	422,736	486,840	390,411	541,308	802,499	270,100	422,392	520,180
National bank notes issued, less am't on hand	4,155,150	4,161,000	4,600,000	653,300	750,000	662,500	1,068,950	1,098,650	1,0[illegible]8,300
Due to other National banks	5,063,812	5,656,760	5,085,893	3,925,189	4,051,554	4,352,453	5,931,205	5,256,725	5,798,166
Due to State banks and bankers	6,199,152	4,614,607	4,084,273	3,180,751	3,3[illegible]7,910	3,352,386	4,725,736	5,295,171	5,357,602
Dividends unpaid	18,319	6,593	6,573	3,002	1,842	167	5,640	1,357	1,[illegible]31
Individual deposits	10,083,685	9,482,255	10,417,669	27,513,349	27,410,878	27,110,626	12,798,796	14,102,483	14,405,059
U. S. deposits	2,416,025	2,474,004	2,958,578	1,024,146	1,055,625	1,073,425	332,250	319,943	417,028
Deposits of U. S. disbursing officers	199,384	146,429	259,458	151,830	103,896	173,767	16,116	24,592	35,131
Notes and bills rediscounted	55,000	50,000	82,150	......	......	......	......	......	......
Bills payable	......	......	150,000	......	......	......	200,000	125,000	50,000
Liabilities other than those above stated	134,604	133,068	522,934	5,000	33,261	358,070	215,000	200,000	304,275
Total	$34,152,600	$33,577,956	$35,084,871	$41,781,480	$42,191,277	$43,420,898	$29,618,798	$30,901,316	$32,122,224
Average reserve held	24.11 p. c.	18.69 p. c.	30.65 p. c.	25.72 p. c.	23.75 p. c.	29.56 p. c.	22.77 p. c.	22.86 p. c.	22.20 p. c.
* Total lawful money reserve in bank	$2,229,563	$2,208,762	$1,958,475	$4,309,454	$3,612,613	$3,671,740	$2,104,628	$2,162,171	$1,878,621

RESOURCES.	NEW ORLEANS, LA. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	OMAHA, NEB. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	PHILADELPHIA, PA. July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$17,068,337	$18,984,728	$16,041,366	$17,542,314	$16,770,692	$15,638,874	$149,552,480	$153,066,371	$147,888,457
Overdrafts	498,480	638,450	1,048,817	127,179	129,456	108,145	7,442	8,980	23,818
U. S. bonds to secure circulation	1,160,000	1,060,000	1,000,000	1,250,000	1,250,000	1,250,000	9,389,500	9,819,500	9,909,500
U. S. bonds to secure U. S. deposits	550,000	450,000	550,000	1,000,000	1,000,000	1,100,000	4,504,000	4,504,000	4,214,000
U. S. bonds on hand	147,090	133,340	9,760	9,500	10,800	9,600	9,700	9,700	9,700
Premiums on U. S. bonds	37,647	17,538	15,189	129,463	126,661	126,579	408,822	407,128	443,240
Stocks, securities, etc	2,282,036	2,068,166	2,121,615	1,429,971	1,350,413	1,285,308	26,948,891	27,918,969	26,724,092
Banking house, furniture and fixtures	516,332	486,717	466,785	795,560	795,160	777,160	3,839,220	3,842,107	3,826,836
Other real estate and mortgages owned	64,170	37,441	37,441	175,661	178,150	172,444	665,811	615,121	600,143
Due from National banks (not reserve agents)	1,198,998	701,874	744,051	1,964,977	2,105,842	1,648,262	20,071,668	21,445,421	21,886,414
Due from State banks and bankers	1,397,604	1,014,320	958,524	651,811	951,537	634,062	4,074,446	5,309,660	4,171,493
Due from approved reserve agents	3,030,956	2,136,220	2,210,224	3,201,022	3,341,441	2,632,990	31,243,570	32,504,406	31,044,459
Checks and other cash items	26,276	37,768	40,662	112,299	119,818	92,941	1,808,863	1,811,009	1,464,150
Exchanges for clearing-house	1,139,548	1,871,942	1,418,787	608,882	781,848	671,580	14,834,148	18,938,105	16,782,808
Bills of other National banks	169,679	136,352	150,720	181,880	165,576	161,980	378,122	321,066	338,837
Fractional paper currency, nickels and cents	18,260	8,712	3,970	4,212	5,184	3,128	52,398	56,949	55,051
*Lawful money reserve in bank, viz.:									
Gold coin	244,173	139,891	117,643	870,712	728,192	885,292	1,864,009	1,663,217	2,006,296
Gold Treasury certificates	474,820	234,490	798,900	240,000	224,520	125,460	6,129,100	4,642,540	4,072,860
Gold clearing-house certificates	286,000	390,000	330,000	......	......	......	8,185,000	7,755,000	5,595,000
Silver dollars	58,428	36,080	59,147	133,109	121,143	117,044	316,634	268,348	277,257
Silver Treasury certificates	613,419	406,167	556,581	332,980	333,482	440,366	4,425,509	3,088,963	4,207,492
Silver fractional coin	60,357	29,909	33,026	85,931	89,059	74,138	389,495	343,262	479,745
Legal-tender notes	983,705	567,441	497,116	1,330,750	1,029,742	1,225,342	3,800,641	3,106,072	3,142,758
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	58,000	53,000	53,000	62,500	62,500	62,500	469,475	456,750	495,475
Due from U. S. Treasurer	4,400	2,300	1,500	139	14,608	8,749	83,218	53,383	222,372
Total	$32,058,721	$26,622,731	$29,324,860	$32,235,809	$31,685,832	$29,091,449	$293,446,958	$296,491,025	$289,381,272
LIABILITIES.									
Capital stock paid in	$2,300,000	$2,000,000	$2,000,000	$3,450,000	$3,450,000	$3,250,000	$21,405,000	$21,405,000	$21,405,000
Surplus fund	3,400,000	2,800,000	2,800,000	498,000	518,000	545,000	21,215,000	21,215,000	21,655,000
Undiv. profits, less expenses and taxes paid	425,822	375,626	467,768	167,029	187,860	315,519	3,707,833	4,368,541	4,345,526
National bank notes issued, less am't on hand	1,095,595	1,037,995	1,056,095	1,250,000	1,250,000	1,250,000	9,212,135	9,245,582	9,794,885
Due to other National banks	2,496,262	2,049,493	2,560,123	6,916,119	6,781,708	5,504,976	66,616,557	65,754,959	65,682,124
Due to State banks and bankers	3,249,484	1,458,941	1,642,787	5,236,103	5,422,597	4,248,629	38,224,256	34,341,015	32,528,474
Dividends unpaid	25,422	6,351	3,001	40	......	......	51,994	31,507	45,466
Individual deposits	18,656,813	15,791,289	15,571,730	13,719,023	13,074,529	12,978,502	128,242,168	135,382,661	127,941,880
U. S. deposits	400,000	400,000	500,000	767,289	668,476	757,935	4,319,034	4,310,312	4,782,670
Deposits of U. S. disbursing officers	9,820	9,438	9,553	232,203	332,665	245,885	240,078	240,999	238,246
Notes and bills rediscounted	......	100,000	150,000	......	......	......	......	......	......
Bills payable	......	100,000	1,274,500	......	......	......	60,000	25,000	155,000
Liabilities other than those above stated	......	493,600	1,289,300	......	......	......	152,905	170,445	857,500
Total	$32,058,721	$26,622,731	$29,324,860	$32,235,809	$31,685,832	$29,091,449	$293,446,958	$296,491,025	$289,381,272
Average reserve held	25.54 p. c.	23.95 p. c.	28.19 p. c.	25.39 p. c.	23.99 p. c.	28.02 p. c.	25.28 p. c.	25.62 p. c.	27.96 p. c.
* Total lawful money reserve in bank	$2,700,902	$1,803,878	$2,392,414	$2,993,483	$2,526,188	$2,867,643	$25,110,388	$2,887,402	$19,781,408

	PITTSBURG, PA.			PORTLAND, ORE.			ST. JOSEPH, MO.		
RESOURCES.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$107,518,186	$109,958,829	$108,422,780	$3,887,360	$4,098,804	$4,854,487	$5,532,087	$6,320,350	$6,076,918
Overdrafts	55,547	193,958	55,221	256,114	286,878	317,255	20,014	37,648	34,678
U. S. bonds to secure circulation	6,535,000	7,035,000	6,585,000	625,000	625,000	800,000	215,000	215,000	265,000
U. S. bonds to secure U. S. deposits	2,704,000	2,704,000	3,504,000	1,000,000	1,000,000	1,000,000	100,000	100,000	185,680
U. S. bonds on hand	3,650	503,650	54,000	11,340	11,300	1,800	26,180	35,680	2,000
Premiums on U. S. bonds	311,596	408,955	416,251	18,906	18,906	38,250	10,100	9,850	12,897
Stocks, securities, etc	15,234,039	14,882,855	15,358,005	3,211,314	3,295,043	3,317,775	188,692	182,692	182,692
Banking house, furniture and fixtures	5,366,042	5,310,086	5,906,439	230,231	231,920	243,201	88,875	88,911	88,911
Other real estate and mortgages owned	626,212	522,601	517,606	112,706	110,135	109,391	......	......	......
Due from National banks (not reserve agents)	5,612,909	5,411,522	5,529,647	825,270	604,855	545,250	981,986	767,471	814,081
Due from State banks and bankers	1,511,189	1,473,608	1,515,467	107,360	164,447	171,280	218,036	345,802	230,182
Due from approved reserve agents	15,878,078	10,469,483	10,980,185	1,951,955	1,532,009	1,213,860	2,222,823	1,795,652	1,300,752
Checks and other cash items	491,117	408,123	356,564	65,234	53,382	35,911	45,434	46,312	50,056
Exchanges for clearing-house	6,880,792	5,166,224	4,145,829	80,696	225,560	123,715	238,371	240,037	241,258
Bills of other National banks	465,779	382,863	359,246	14,075	7,335	5,625	29,365	24,916	31,725
Fractional paper currency, nickels and cents	26,746	25,026	24,195	2,288	4,905	4,312	3,035	2,155	1,162
*Lawful money reserve in bank, viz.:									
Gold coin	4,233,282	3,583,732	3,440,170	1,555,420	1,613,275	1,557,730	324,327	317,420	352,470
Gold Treasury certificates	3,849,970	3,994,520	3,945,740	5,000	......	......	112,500	48,640	44,760
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	353,637	226,863	200,950	6,810	12,340	18,626	77,673	46,048	48,818
Silver Treasury certificates	2,258,635	2,274,028	2,245,040	18,768	11,467	11,222	228,718	199,363	218,292
Silver fractional coin	147,336	146,779	159,469	26,695	24,506	30,968	30,317	13,887	25,640
Legal-tender notes	4,767,800	3,456,596	3,775,195	32,709	28,829	26,784	325,354	350,457	261,655
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	324,250	329,125	329,250	31,250	31,250	30,982	10,750	10,750	13,250
Due from U. S. Treasurer	90,050	51,358	72,684	......	......	......	5,000	5,000	6,300
Total	$185,245,848	$178,919,788	$177,898,940	$14,076,508	$13,971,652	$14,458,429	$11,034,635	$11,199,047	$10,489,861
LIABILITIES.									
Capital stock paid in	$19,970,000	$18,722,520	$19,000,000	$1,100,000	$1,100,000	$1,050,000	$550,000	$550,000	$550,000
Surplus fund	19,117,980	18,627,930	19,780,000	190,000	190,000	170,000	116,750	116,000	120,000
Undiv. profits, less expenses and taxes paid	5,698,357	5,739,570	6,199,133	746,171	779,011	781,253	147,379	172,959	203,816
National bank notes issued, less am't on hand	6,464,097	6,743,097	6,576,847	596,860	625,000	607,300	173,000	215,000	258,000
Due to other National banks	19,165,323	20,981,447	17,798,064	1,607,634	1,453,497	1,698,506	1,585,523	1,484,567	1,154,379
Due to State banks and bankers	18,005,448	15,407,579	15,666,309	1,138,181	1,066,996	1,229,711	3,518,050	3,612,047	3,093,581
Dividends unpaid	65,731	31,451	42,484	3,361	362	134	......	......	......
Individual deposits	93,199,544	89,272,501	86,814,813	7,718,953	7,812,958	7,922,224	4,843,944	4,947,760	4,859,478
U. S. deposits	2,559,819	2,581,341	2,843,063	475,333	873,839	382,098	95,592	95,820	181,217
Deposits of U. S. disbursing officers	145,290	123,628	660,802	500,013	569,987	617,200	4,396	4,141	4,407
Notes and bills rediscounted	......	......	791,123	......	......	......	......	......	......
Bills payable	324,000	170,000	720,000	......	......	......	......	......	......
Liabilities other than those above stated	530,255	518,720	1,506,300	......	......	......	......	......	70,000
Total	$185,245,848	$178,919,788	$177,898,940	$14,076,508	$13,971,652	$14,458,429	$11,034,635	$11,199,047	$10,489,881
Average reserve held	25.80 p. c.	21.12 p. c.	22.93 p. c.	p. c.	29.10 p. c.	27.21 p. c.	25.38 p. c.	23.64 p. c.	29.09 p. c.
* Total lawful money reserve in bank	$15,610,660	$13,682,520	$13,766,564	$1,645,402	$1,690,417	$1,645,330	$1,098,885	$970,815	$951,635

RESOURCES.	ST. LOUIS, MO.			ST. PAUL, MINN.			SAN FRANCISCO, CAL.		
	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.	July 16, 1902.	Sept. 15, 1902.	Nov. 25, 1902.
Loans and discounts	$79,324,773	$83,944,138	$82,358,818	$14,447,000	$14,514,000	$15,538,590	$20,961,067	$20,947,531	$23,518,198
Overdrafts	137,022	112,047	155,046	2,965	14,019	2,027	107,276	129,930	247,557
U. S. bonds to secure circulation	11,000,000	11,950,000	12,420,640	696,035	696,000	696,000	4,800,000	4,800,000	4,655,000
U. S. bonds to secure U. S. deposits	2,582,500	2,879,000	2,856,860	1,458,000	1,458,000	1,458,000	874,000	874,000	1,424,000
U. S. bonds on hand	18,290	16,940	500	640	600	......	73,940	84,100	121,080
Premiums on U. S. bonds	217,710	261,252	235,700	......	21	......	191,865	192,369	282,662
Stocks, securities, etc	6,531,968	5,649,289	5,884,912	3,397,197	3,298,441	2,978,477	2,188,371	2,334,302	2,491,522
Banking house, furniture and fixtures	200,000	200,000	200,000	585,218	585,218	535,218	341,688	310,818	341,121
Other real estate and mortgages owned	134,597	135,005	117,910	145,688	145,089	131,694	......	30,962	......
Due from National banks (not reserve agents)	14,295,981	14,334,938	13,139,076	1,359,890	1,357,525	1,285,942	1,842,936	2,368,624	2,667,978
Due from State banks and bankers	4,425,655	4,883,692	4,915,619	404,337	404,372	543,606	3,031,435	3,511,379	3,708,459
Due from approved reserve agents	......	......	......	4,112,097	4,077,950	4,552,195	2,161,216	2,399,890	3,266,356
Checks and other cash items	493,274	345,245	371,915	157,600	159,756	284,743	44,676	58,780	84,043
Exchanges for clearing-house	3,099,622	2,453,835	2,006,973	633,153	884,309	640,758	981,711	1,681,671	944,211
Bills of other National banks	809,560	394,967	131,643	205,276	128,357	140,978	34,659	105,831	303,881
Fractional paper currency, nickels and cents	8,903	5,693	4,756	4,323	4,139	4,272	4,647	5,089	2,991
*Lawful money reserve in bank, viz.:									
Gold coin	2,812,960	2,881,990	2,757,457	1,584,410	1,522,463	1,483,708	4,509,140	4,583,647	3,532,952
Gold Treasury certificates	8,867,410	9,612,890	10,180,950	875,000	90,480	489,200	940,160	300,650	1,126,770
Gold clearing-house certificates	......	......	......	......	300,000	......	5,000	960,000	315,000
Silver dollars	70,166	80,705	55,379	86,150	100,900	57,690	50,545	54,384	58,654
Silver Treasury certificates	2,246,451	1,849,689	1,875,103	184,500	159,004	116,125	15,133	19,905	85,846
Silver fractional coin	26,877	23,287	19,414	56,352	23,199	52,345	145,504	130,487	87,748
Legal-tender notes	4,337,169	3,701,427	3,829,530	350,816	309,587	426,998	38,190	48,597	43,282
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	502,500	582,500	582,580	34,800	34,800	34,800	215,000	215,000	232,750
Due from U. S. Treasurer	18,350	9,000	59,000	21,850	40,120	38,285	......	3,850	......
Total	$141,656,743	$146,307,528	$144,158,782	$30,303,303	$29,808,355	$31,486,656	$43,058,115	$45,647,897	$49,487,066
LIABILITIES.									
Capital stock paid in	$14,400,000	$14,400,000	$15,400,000	$3,800,000	$3,800,000	$3,800,000	$6,200,000	$6,200,000	$6,700,000
Surplus fund	8,400,000	8,400,000	10,250,000	830,000	830,000	880,000	3,150,000	3,150,000	3,150,000
Undiv. profits, less expenses and taxes paid	3,891,542	4,210,393	4,129,383	573,725	635,724	667,715	748,991	911,558	1,170,519
National bank notes issued, less am't on hand	10,927,797	11,710,390	12,349,740	650,220	649,220	649,720	4,193,440	4,199,800	4,472,700
Due to other National banks	26,871,185	27,892,808	25,725,465	3,691,457	4,124,217	4,728,631	1,649,740	1,713,583	1,824,767
Due to State banks and bankers	22,337,486	24,277,696	23,768,126	3,323,043	3,080,052	3,540,654	6,817,786	7,151,126	7,807,964
Dividends unpaid	10,460	8,823	5,075	4,284	1,207	471	41,930	3,115	1,252
Individual deposits	50,597,555	44,548,121	48,228,153	16,005,258	15,258,516	15,777,909	19,829,597	21,405,987	22,908,240
U. S. deposits	2,575,064	2,180,252	3,044,165	1,167,595	1,023,966	944,698	908,988	890,090	1,438,745
Deposits of U. S. disbursing officers	33,632	23,389	31,220	257,739	405,451	496,855	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	5,887,928	......	......	......	......	......	......	......
Liabilities other than those above stated	1,611,999	2,067,725	1,227,502	......	......	......	22,691	22,691	22,876
Total	$141,656,743	$146,307,528	$144,158,782	$30,303,303	$29,808,355	$31,486,656	$43,058,115	$45,647,897	$49,487,066
Average reserve held	23.50 p. c.	24.15 p. c.	24.90 p. c.	24.66 p. c.	24.19 p. c.	32.94 p. c.	35.36 p. c.	37.06 p. c.	34.92 p. c.
* Total lawful money reserve in bank	$18,361,033	$18,149,968	$18,717,833	$2,637,228	$2,505,634	$2,626,066	$5,703,672	$6,097,670	$5,200,252

	SAVANNAH, GA.			WASHINGTON, D. C.		
RESOURCES.	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*July 16, 1902.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*
Loans and discounts	$1,698,871	$1,841,421	$1,995,031	$13,119,338	$13,266,419	$13,772,481
Overdrafts	208	7,700	153	9,860	20,224	14,632
U. S. bonds to secure circulation	200,000	200,000	200,000	1,219,000	1,219,000	1,219,000
U. S. bonds to secure U. S. deposits	127,000	127,000	127,000	451,000	451,000	451,000
U. S. bonds on hand	......	......	......	154,430	150,470	148,730
Premiums on U. S. bonds	1,500	1,500	1,500	67,645	67,124	67,208
Stocks, securities, etc.	25,799	25,849	25,924	1,485,766	1,544,102	1,581,520
Banking house, furniture and fixtures	54,131	54,131	54,131	1,284,714	1,284,769	1,284,769
Other real estate and mortgages owned	......	......	29,496	106,078	115,103	106,105
Due from National banks (not reserve agents)	38,833	72,033	33,422	2,871,129	2,333,183	2,895,771
Due from State banks and bankers	6,833	15,139	9,374	439,317	437,765	464,919
Due from approved reserve agents	119,097	318,076	91,698	3,922,585	3,736,816	3,449,643
Checks and other cash items	5	5	......	168,233	193,895	133,899
Exchanges for clearing-house	64,323	......	......	309,472	346,192	307,246
Bills of other National banks	22,000	21,500	20,000	5,975	11,695	7,180
Fractional paper currency, nickels and cents	2,947	2,684	2,649	7,419	6,646	7,504
*Lawful money reserve in bank, viz.:						
Gold coin	48,000	23,000	14,000	82,605	72,063	72,533
Gold Treasury certificates	55,000	45,000	75,000	1,642,040	1,026,250	1,192,990
Gold clearing-house certificates	......	......	......	......	230,000	......
Silver dollars	9,000	7,500	29,500	10,269	5,156	11,331
Silver Treasury certificates	47,000	30,729	61,900	703,533	627,227	706,143
Silver fractional coin	22,500	6,100	11,500	68,010	43,966	66,104
Legal-tender notes	55,467	16,000	87,796	454,554	412,859	448,540
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......
Five per cent. redemption fund with Treasurer	10,000	10,000	10,000	55,950	55,950	55,950
Due from U. S. Treasurer	2	2	2	4,750	8,350	4,300
Total	$2,608,021	$2,825,374	$2,880,078	$28,143,679	$27,661,230	$27,968,449
LIABILITIES.						
Capital stock paid in	$750,000	$750,000	$750,000	$2,775,000	$2,775,000	$2,775,000
Surplus fund	225,000	225,000	225,000	1,740,000	1,770,000	1,905,000
Undivided profits, less expenses and taxes paid	126,570	138,234	152,532	568,246	565,858	490,060
State bank notes outstanding	188,145	199,995	197,395	1,099,875	1,112,175	1,134,275
Due to other National banks	67,399	146,322	122,920	482,452	354,029	319,833
Due to State banks and bankers	174,290	276,163	332,309	946,839	850,830	1,069,809
Dividends unpaid	1,256	475	460	10,760	5,157	4,567
Individual deposits	944,057	828,664	817,005	20,065,877	19,771,604	19,850,419
U. S. deposits	66,493	55,497	63,334	482,641	380,804	396,694
Deposits of U. S. disbursing officers	58,808	72,021	69,119	21,985	75,770	62,089
Notes and bills rediscounted	......	......	......	......	......	......
Bills payable	6,000	133,000	150,000	......	......	......
Liabilities other than those above stated	......	......	......	......	......	1,200
Total	$2,608,021	$2,825,374	$2,880,078	$28,143,679	$27,661,230	$27,968,449
Average reserve held	31.02 p. c.	22.99 p. c.	29.82 p. c.	27.29 p. c.	24.81 p. c.	30.63 p. c.
*Total lawful money reserve in bank	$236,967	$128,329	$279,696	$2,506,457	$2,417,521	$2,496,641

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, January 3, 1903.

MONEY STRINGENCY, A BREAK IN THE STOCK MARKET, and a subsequent recovery made the month just closed an important one in financial circles. For several weeks the money market had been more or less stringent, and considerable apprehension had been excited over the possibility of a money panic occasioned by the accumulating of funds in financial institutions in preparation for the usual heavy disbursements for January interest and dividends. It is estimated that the payments on this account in the current month will exceed $132,000,000, and surpass all previous records.

It is very well understood that preparation for the payment of so large a sum must be made some time ahead, and this means a temporary locking up of funds. The money market reflected the fears of financial circles and call money advanced while liquidation in the stock market set in. On the 12th there was a very serious slump in the prices of securities and on that date and on the 15th very many stocks recorded the lowest prices of the year.

On December 15, when call money was ruling at ten per cent., a number of banks and bankers in New York city, among them J. P. Morgan & Co., the National City Bank, the National Bank of Commerce, the Hanover National, the Western National, the Chase National, the First National, the National Park, the Corn Exchange, the Chemical and the Bank of New York, formed an emergency pool of $50,000,000, and announced that this sum would be loaned should the necessity for it arise. No portion of the money was actually loaned, but the creation of the pool served to check a money panic. On the last days of the month call money reached fifteen per cent., but it had no effect upon the stock market, which was both strong and active.

There were no other special features during the month, and as the year came to a close there was practical unanimity of opinion that the year had been a prosperous one, and that the future held bright prospects of a continuance of good times. The dealings in stocks in December were nearly as large as in the corresponding month of 1901, aggregating 15,700,000 shares. This compares with 16,700,000 shares in 1901 and 28,400,000 shares in 1900. Sales of bonds aggregated $61,000,000 as compared with $75,000,000 in 1901.

Next to 1901 the transactions at the New York Stock Exchange in the year 1902 were the largest ever recorded. The sales of stocks amounted to 188,500,000 shares against 266,000,000 shares in 1901 and 138,000,000 shares in 1900. The sales of bonds were $890,000,000 against $999,000,000 in 1901 and $578,000,000 in 1900. A few years ago the total business of the Stock Exchange was only about 50,000,000 shares and $300,000,000 bonds in a year, so it is evident enough that there has been a very remarkable growth in the business of Wall Street in recent years.

At the present time no question is more seriously considered or more widely discussed in financial circles than that which relates to the maintenance of a sufficient supply of money. It is not improbable that a review of the changes in our monetary supply in the last few years would be of as much general interest as the consideration of any other possible phase of this question. In the last seven years there has been a most extraordinary increase in the stock of money in the country, as indicated by the following table :

STOCK OF MONEY IN THE UNITED STATES.

JANUARY 1.	*Gold.*	*Silver.*	*United States notes.*	*National bank notes.*	*Total.*
1896	$597,927,254	$625,084,167	$346,681,016	$213,716,973	$1,783,409,410
1897	692,947,212	630,299,390	346,681,016	235,663,118	1,905,590,736
1898	745,037,596	634,503,065	346,681,016	229,014,641	1,955,236,318
1899	949,528,013	639,024,225	346,681,016	243,817,876	2,179,049,124
1900	1,016,009,857	644,165,342	346,681,016	246,277,223	2,253,133,438
1901	1,108,541,829	653,656,981	346,681,016	340,141,175	2,449,021,001
1902	1,176,172,153	661,303,998	346,681,016	360,289,726	2,544,446,893
1903	1,246,876,715	672,921,043	346,681,016	384,929,784	2,651,408,558

Since 1896 the increase in the money supply has been $868,000,000 of which $649,000,000 was gold, $48,000,000 silver and $171,000,000 National bank notes. Except in the year 1901. when the increase in National bank notes was $94,000,000, our main source of increase has been gold. Yet in the last four years we have imported less than $25,000,000 gold net, while in that time our gold supply has increased nearly $300,000,000. Merely keeping our domestic production has served to increase our stock of gold very substantially.

The greater portion of the increased stock of money has gone into use. The United States Treasury has absorbed nearly $100,000,000 of the total $868 000,000 increase since 1896, leaving $768,000,000 gone into the hands of the people and the banks. But the Treasury holds nearly $400,000,000 more money than it did seven years ago, and of this increase $300,000,000 is represented by an increase in coin held against certificates outstanding.

MONEY IN THE UNITED STATES TREASURY.

JANUARY 1.	*Total.*	*Certificates outstanding.*	*Cash owned.*
1896	$737,547,542	$533,344,856	$204,202,686
1897	784,411,796	529,044,460	255,367,336
1898	794,147,895	560,012,217	234,135,678
1899	824,687,707	542,939,995	281,747,712
1900	927,813,232	655,077,964	272,735,268
1901	993,746,618	717,977,491	275,769,122
1902	1,059,748,601	765,929,698	293,818,903
1903	1,136,617,534	833,909,877	302,707,657

That there is now stored in the vaults of the Treasury so large a sum of money, principally coin, as $1,136,000,000 is of itself of no little moment. The further fact that nearly $834,000,000 of it is stored to protect the holders of paper currency is also significant of the preference the American people have for paper over coin when it comes to the actual use of money. Our next table shows the character of the notes or certificates against which this $834,000,000 of cash is held in the Treasury :

CERTIFICATES IN CIRCULATION.

JANUARY 1.	*Gold certificates.*	*Silver certificates.*	*Treasury notes of 1890.*	*Currency certificates.*	*Total.*
1896	$49,936,439	$336,076,648	$115,726,769	$31,605,000	$533,344,856
1897	37,887,439	356,655,800	84,171, 21	50,330,000	529,044,460
1898	36,557,689	376 695,592	103,443,936	43,315,000	560,012,217
1899	35,200,259	392,331,995	94,942,741	20,465,000	542,939,995
1900	161,122,797	395,040,816	86,934,351	11,980,000	655,077,964
1901	232,787,929	422,399,403	61,230,159	1,560,000	717,977,491
1902	277,997,069	449,492,892	38,439,737	....	765,929,698
1903	346,418,819	463,570,632	23,920,426	....	833,909,877

It will be observed that gold certificates have increased far out of proportion to the increase in the other forms of paper representatives of money in the Treasury. The increase of silver certificates has largely been merely an offset to the decrease in Treasury notes of 1890. The issue of currency certificates has ceased and the Treasury notes are being extinguished. From less than ten per cent. of the total certificates outstanding in 1896 gold certificates have increased to more than forty per cent. of the total now in use.

The main sources of our increased money supply in recent years have been gold and National bank notes. As already noted the increase in bank-note currency since 1896 has been $171,000,000, while nearly $140,000,000 of this increase has been in the last three years. During the latter period the growth of the National banking system has been greatly stimulated by the act of March, 1900. In three years the number of National banks has increased nearly 1,000. The development of the system since 1896 is shown in the following table:

NATIONAL BANKS OF THE UNITED STATES.

DECEMBER.	*Number.*	*Capital.*	*Surplus and undivided profits.*	*Individual deposits.*	*Total resources.*
1896	3,661	$647,186,395	$343,131,904	$1,639,688,394	$3,367,115,778
1897	3,607	629,655,365	341,710,352	1,916,630,252	3,829,213,776
1898	3,590	620,516,245	341,099,384	2,225,269,813	4,313,394,519
1899	3,602	606,725,265	364,326,549	2,380,610,361	4,475,343,924
1900	3,942	632,353,405	403,893,261	2,623,997,522	5,142,089,693
1901	4,291	665,310,664	448,895,279	2,964,417,966	5,722,730,635
1902*	4,601	705,535,417	495,610,466	3,209,273,894	6,113,928,913

*September 15.

The expansion of the National banking system is only one evidence of the prosperous conditions which have prevailed throughout the country for several years past. It is not possible here to refer to all the evidences of these conditions. They are to be gleaned in innumerable fields. All railroad, as well as banking statistics confirm the view that the past year has been exceptionally favorable. The estimates of the "Railroad Gazette" make the new mileage built by railroads in the United States in 1902 larger than any previous year since 1888, the total being 6,026 miles, agaist 5,368 miles in 1901, and only 1,428 miles in 1895. There were 164,547 cars built during the year, the largest ever constructed in a single year, and an increase of 25,542 over the output of 1901. The locomotives built numbered 4,070, as against 3,384 in 1901, and the cost of those built last year is estimated at $48,000,000.

The iron trade has experienced a year of unparalleled activity and orders for iron are sufficient to exhaust the supply for months to come. The Bureau of Statistics reports that the imports of iron and steel manufactures in 1902 probably amounted to more than $40,000,000. In 1899 they were only $12,000,000. Such an increase in the face of a domestic production of pig iron last year probably exceeding 17,500,000 tons as against 15,878,000 tons in 1901, is a sufficient commentary on the situation so far as the iron trade is concerned, but the following table, prepared by the Bureau of Statistics, will be found of exceptional interest:

YEAR.	*Production of—* *Pig Iron.* Tons.	*Production of—* *Steel.* Tons.	*Importation of pig iron.* Tons.
1871	1,706,793	73,214	178,140
1876	1,868,961	533,191	79,455
1881	4,144,254	1,588,314	417,849
1886	5,683,329	2,562,503	261,674
1891	8,279,870	3,904,240	81,916
1896	8,623,127	5,281,127	88,125
1901	15,878,354	13,473,595	39,325
1902	*17,500,000	*15,000,000	†575,000

* Estimated. † December imports estimated.

In our foreign trade there has been a falling off in exports as compared with 1901, while imports have increased. The shortage in our crops last year is largely responsible for the loss in exports, while exports of manufactures show an increase. The figures for the last month of the year have not been compiled, but for the eleven months of each of the past two years the showing is as follows:

IMPORTS.	—11 months ending Nov.— 1901.	1902.
Food and animals	$208,448,487	$193,133,017
Crude manufacturer's materials	274,356,147	318,110,083
Manufacturers' materials, partly manuf'd	79,061,141	89,493,516
Manufactured articles	126,055,692	149,611,848
Luxuries and articles of voluntary use	117,504,764	124,617,093
Total imports	$800,426,231	$874,965,557
DOMESTIC EXPORTS.		
Agricultural products	$845,678,850	$715,771,314
Manufactures	362,892,181	377,635,961
Products of the mines	37,614,960	33,207,024
Products of the forest	46,761,217	48,261,040
Products of the fisheries	6,314,222	7,863,430
Miscellaneous articles	3,999,105	4,638,695
Total domestic	$1,302,760,535	$1,187,377,464
Foreign exports	25,425,596	25,332,599
Total exports	$1,328,186,131	$1,212,710,063

While the crops of 1901 were short no complaint is to be heard of the results of last year. Corn, oats, rye and barley are all the largest crops ever harvested, while the wheat yield has been exceeded only twice, in 1898 and 1901. The acreage, production and value of the principal farm crops in 1902 have been reported by the Department of agriculture, as follows:

CROPS.	Acres.	Bushels.	Production farm value Dec. 1, 1902.
Corn	94,043,613	2,523,648,312	$1.017,017,349
Winter wheat	28,581,426	411,788,666	206,727,475
Spring wheat	17,620,998	258,274,342	155,496,642
Oats	28,653,144	987,842,712	303,584,852
Barley	4,661,063	134,954,023	61.898,634
Rye	1,978,548	33,630,592	17,080,793
Buckwheat	804,889	14,529,770	8,654,703
Potatoes	2,965,587	284,632,787	134,111,436
Hay	39,825,227	*59,857,576	542,036,364
Tobacco	1,030,734	†821,823,963	80,472,506
Flaxseed	3,739,700	29,284,880	30,814,661

* Tons. † Pounds.

As compared with 1901 the value of the corn crop of 1902 shows an increase of $95,000,000; oats, of $10,000,000, and barley of $12,000,000, while wheat shows a decrease of $45,000,000.

The record of commercial failures in 1902 is one favorable to the view that business in general has been prosperous. "Dun's Review" reports the commercial failures in the United States during 1902 at 11,615, involving $117,476,769 of liabilities. This compares with 11,002 in number and $113,092,376 in liabilities. The number of failures is smaller than in any year since 1892, excepting in the three years, 1899, 1900 and 1901. The liabilities were the smallest since 1886, excepting in 1892, 1899 and 1901. The results may be considered very satisfactory.

The changes in the condition of the New York Clearing-House banks call for a more extended notice than can be accorded the subject here.

The following comparisons will show the principal items of their statements at the beginning of each of the last eight years:

NEW YORK CITY BANKS.

JANUARY 1.	*Loans.*	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus reserve.*	*Circulation.*
1896	$478,463,500	$67,114,200	$74,097,800	$501,089,300	$15,939,675	$13,926,700
1897	491,875,900	76 342,300	89,640,900	530,785,000	33,286 950	19,600,100
1898	607,781,600	104,730,700	79,824,100	675,064,200	15,788,750	15,507,200
1899	718,308,700	169,756,300	55,184,100	823,037,700	19,180,975	16,270,600
1900	673,689,400	143,496,900	52,682,900	740,016,900	11,168,075	16,042,700
1901	796,457,200	161,719,700	68,353,500	854,189,200	11,525,900	31,040,800
1902	857,960,200	163,618,200	71,990,600	910,860,800	7 891,350	31,856,100
1903	875,352,100	154,996,700	73,473,900	878,115,000	10,193,850	45,706,200

The figures all point out a very extraordinary growth of the banking interests of New York since 1896.

The improved financial conditions of the Government is also a proper theme for congratulation. A few years ago expenditures were outrunning income, but the conditions have been reversed, and after a considerable reduction in taxation the revenues are still in excess of disbursements. The record since July 1, 1893, is shown in the following table:

THE GOVERNMENT'S INCOME ACCOUNT.

YEAR ENDED JUNE 30.	*Receipts.*	*Expenditures.*	*Surplus or deficit.*	
1894	$297,722,019	$367,525,280	Deficit,	$69,803,261
1895	313,390,075	356,195,298	"	42,805,223
1896	326,976,200	352,179,446	"	25,203,246
1897	347,721,905	365,774 160	"	18,052,254
1898	405,321,335	443,368,582	"	38,047,247
1899	515,960,620	605,072,179	"	89,111,559
1900	567,240,851	487,713,791	Surplus,	79,527,060
1901	587,685,337	509,967,353	"	77,717,984
1902	562,478,233	471,190,857	"	91,287,376
1903*	288,633,448	263,899,971	"	24,733,477

* First six months.

Nearly $25,000,000 surplus in the six months ended December 31, 1902, is suggestive of an annual surplus of $50,000,000, or more than one-half the surplus of the previous fiscal year. It looks as if the Government would have no deficit on its hands during the current fiscal year. The Government has also been paying off its debt during the last three years, and in this particular shows an improvement in the record of the preceding half dozen years.

UNITED STATES PUBLIC DEBT.

JANUARY 1.	*Bonded debt.*	*Total debt.*	*Cash balance.*	*Debt less cash in the Treasury.*
1896	$747,361,960	$1,125,325,462	$178,027,200	$947,298,262
1897	847,364,690	1,221,249,961	228,320,379	992,929,582
1898	847,365,620	1,234,586,337	235,474,769	999,111,568
1899	1,040,215,980	1,423,940,982	294,764 695	1,129,176,286
1900	1,026,772,320	1,417,895,460	283,595,453	1,134,300,007
1901	1,001,499,770	1,389,298,646	290,107,336	1,099,191,310
1902	943,279,210	1,333,231,564	321,603,278	1,011,628,286
1903	914,541,240	1,311,574,060	364,409,380	947,164,680

THE MONEY MARKET.—Rates for money were high during the entire month. Early in the month the market showed evidence of a panicky condition caused by a feeling of apprehension regarding the usual increased demand for money in December. Call money had begun to advance, when a number of leading bankers announced on December 15 that a pool had been formed to loan $50,000,000 cash if necessary. This checked the advance in rates. At the close of the month call money ruled at 8 @ 12 per cent., the average rate being about 11 per cent. Banks and trust companies have generally loaned at the market rate. Time money on Stock Exchange collateral is quoted at 6 per cent. for 60 days and 5½ per cent. for 6 months on good mixed collateral. For commercial paper the rates are 6 per cent. for 60 to 90 days' endorsed bills receivable, 6 per cent. for first-class 4 to 6 months' single names, and 6 @ 6½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	2½–3	4 –5½	4 –19	5 –7	4 –6	8 –12
Call loans, banks and trust companies	3 –	3½–	6 –	4 –	4½–	8 –12
Brokers' loans on collateral, 30 to 60 days	4½–	5 –	6 @ 1%	6 –	6 –	6 –
Brokers' loans on collateral, 90 days to 4 months	4½– ¾	5 – ½	6 @ 1%	6 –	6 –	6 –
Brokers' loans on collateral, 5 to 7 months	4¾–5	5 – ½	6 –	6 –	5 –5½	5½–
Commercial paper, endorsed bills receivable, 60 to 90 days	4½– ¾	5 –	6 –	5½–6	5½– ¾	6 –
Commercial paper prime single names, 4 to 6 months	4½–5	5 – ½	6 –	5½–6	5½–6	6 –
Commercial paper, good single names, 4 to 6 months	5½–6	5½–6	6½–	6½–7	6 –6½	6½–

NEW YORK CITY BANKS.—Until the close of the year the deposits and reserves of the New York Clearing-House banks declined, but the first statement of the new year, January 3, shows that a most favorable change has taken place. The deposits declined $18,000,000 during the four weeks of November, but gained $7,000,000 during the week ended January 3. Specie reserves decreased $15,000,000 in the four weeks, but increased $1,000,000 in the fifth week. Legal tenders increased $1,000,000 in the four weeks and more than $4,000,000 in the fifth week. The surplus reserve, while $5,500,000 less than at the close of November, is $3,600,000 more than on December 27. Loans showed slighter fluctuations and are only about $4,000,000 less than a month ago.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Dec. 6...	$881,437,000	$162,620,800	$67,273,600	$879,762,600	$9,973,750	$45,506,600	$1,471,616,500
" 13...	879,371,500	158,859,300	67,960,400	873,731,200	8,386,900	45,560,700	1,371,026,300
" 20...	875,861,300	156,978,600	68,079,000	865,856,000	8,093,600	45,615,700	1,495,318,400
" 27...	875,321,500	153,744,300	69,293,300	865,953,600	6,549,200	45,656,400	1,184,950,000
Jan. 3....	875,352,100	154,998,700	73,473,900	873,115,000	10,198,850	45,705,200	1,465,599,200

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1901.		1902.		1903.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,198,850
February	969,917,500	24,838,825	975,997,000	26,623,350	....	....
March	1,012,514,000	14,801,100	1,017,488,800	9,975,925	....	....
April	1,004,283,200	7,870,500	965,853,300	6,965,575	....	....
May	970,790,500	16,759,775	968,189,600	7,484,000	....	....
June	952,398,200	21,258,050	948,826,400	11,929,000	....	....
July	971,382,000	8,484,200	955,829,400	12,978,350	....	....
August	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September	968,121,900	11,919,925	935,996,500	9,742,775	....	....
October	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $938,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus.
Nov. 29....	$77,819,300	$82,531,300	$3,581,900	$4,512,800	$8,015,200	$2,307,300	* $2,216,125
Dec. 6....	77,881,700	84,393,400	3,740,100	4,764,800	8,798,700	2,526,000	* 1,268,150
" 13....	78,623,300	83,362,600	3,792,000	4,623,200	7,615,500	2,167,000	* 2,642,950
" 20....	78,608,100	82,844,400	3,649,100	4,473,400	8,011,000	1,904,700	* 2,672,900
" 27....	78,467,800	83,653,500	3,750,500	4,795,900	8,297,100	2,000,900	* 2,068,975

* Deficit.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Nov. 29.......	$190,494,000	$208,873,000	$16,874,000	$6,368,000	$6,739,000	$109,150,000
Dec. 6.......	190,912,000	209,991,000	16,338,000	6,286,000	6,815,000	140,609,100
" 13.......	189,638,000	206,614,000	16,650,000	6,369,000	6,798,000	138,807,000
" 20.......	186,982,000	202,740,000	17,472,000	6,174,000	6,802,000	133,701,800
" 27.......	186,247,000	200,624,000	17,235,000	6,528,000	6,798,000	102,909,800

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Nov. 29..................	$182,682,000	$206,997,000	$50,014,000	$9,480,000	$103,734,700
Dec. 6..................	181,622,000	204,901,000	49,646,000	9,480,000	125,569,300
" 13..................	180,471,000	202,607,000	48,187,000	9,456,000	108,009,600
" 20..................	177,661,000	202,084,000	48,859,000	9,467,000	123,526,700
" 27..................	176,938,000	202,058,000	50,732,000	9,500,000	123,080,900

European Banks.—The most important changes in the gold holdings of the principal European banks in December were: Decrease, Bank of England $15,000,000, France $5,000,000 and Germany $7,500,000; increase, Russia $6,500,000. In the year 1902 the Bank of England lost $14,000,000 while France gained $14,000,000 and Russia $34,000,000.

Gold and Silver in the European Banks.

	November 1, 1902.		December 1, 1902.		January 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£34,090,614	....	£32,954,871	....	£29,776,817	....
France............	101,408,750	£44,351,738	101,734,094	£44,297,737	100,768,407	£43,986,962
Germany..........	32,902,000	12,169,000	33,254,000	12,800,000	31,712,000	11,743,000
Russia............	71,999,000	6,687,000	74,887,000	6,521,000	76,168,000	6,630,000
Austria-Hungary..	45,810,000	12,225,000	46,333,000	12,218,000	46,539,000	12,336,000
Spain............	14,302,000	19,449,000	14,330,000	19,700,000	14,385,000	19,695,000
Italy............	16,298,000	2,040,400	16,747,000	2,083,200	16,869,000	2,082,200
Netherlands.......	4,691,200	6,452,200	4,697,900	6,494,400	4,699,600	6,594,600
Nat. Belgium......	3,108,667	1,554,333	3,092,667	1,546,333	2,988,667	1,494,333
Totals..........	£324,605,231	£104,928,671	£327,980,532	£105,160,670	£323,905,891	£104,562,095

Money Rates Abroad.—There was no change made in the posted rate of discount by any of the foreign banks. and open market rates are a fraction lower than they were a month ago. Discounts of 60 to 90 days' bills in London at the close of the month were 3⅝ per cent. against 4 per cent. a month ago. The open market at Paris was 2⅞ @ 3 per cent., against 3 per cent. a month ago, and at Berlin and Frankfort 2⅞ @ 3 per cent., against 3½ per cent. a month ago.

Money Rates in Foreign Markets.

	Aug. 9.	Aug. 22.	Sept. 26.	Oct. 17.	Nov. 14.	Dec. 5.
London—Bank rate of discount	3	3	3	4	4	4
Market rates of discount:						
60 days bankers' drafts	2 9/16	2¾	3⅛—¼	3 5/16—⅜	3 5/16—	3⅞
6 months bankers' drafts	2⅞	3 1-16	3¼	3⅜	3 3/16—	3¾—⅞
Loans—Day to day	2	2	2	2½	2⅛	2½
Paris, open market rates	1⅞	1⅞	2⅝	2½	3	2¾
Berlin, "	1⅝	1¾	2⅛	3	3	3¼
Hamburg, "	1⅝	1¾	2½	3	3	3¼
Frankfort, "	1⅝	1¾	2½	3	3	3¼
Amsterdam, "	2½	2⅝	2½	2¾	2⅞	2⅞
Brussels, "	2¼	2¼	2⅛	2¼	2⅛	2⅛
Vienna, "	2⅝	2¼	3⅜	3⅜	3	3⅛
Madrid, "	4	4	4	4	4	4
Copenhagen, "	4	4	4	4	4	4

Bank of England Statement and London Markets.

	Sept. 10, 1902.	Oct. 15, 1902.	Nov. 12, 1902.	Dec. 10, 1902.
Circulation (exc. b'k post bills)	£29,573,795	£29,649,950	£29,061,035	£28,765,280
Public deposits	9,086,151	7,291,466	8,637,637	9,464,550
Other deposits	39,281,110	42,021,172	39,264,304	37,563,459
Government securities	14,494,260	16,343,540	16,416,132	16,012,838
Other securities	26,178,244	28,199,911	26,890,956	27,873,428
Reserve of notes and coin	26,147,078	22,644,085	22,461,892	21,607,147
Coin and bullion	37,545,873	34,119,035	33,347,917	31,597,407
Reserve to liabilities	53 13-16%	45¾%	46¾%	44⅛%
Bank rate of discount	3%	4%	4%	4%
Price of Consols (2¾ per cents.)	93⅝	93 1-16	93⅛	92 9/16
Price of silver per ounce	24d.	23⅝d.	22 15-16d.	22⅛d.
Average price of wheat	29s. 9d.	25s. 5d.	25s. 1d.	25s. 1d.

Foreign Exchange.—Rates for sterling after the first week in the month declined, and closed about the lowest figures touched during the month. There were liberal offerings of 60 and 90 days' bills against sterling loans, while bills against London purchases of American securities also came upon the market.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Dec. 6	4.8360 @ 4.8370	4.8720 @ 4.8725	4.8770 @ 4.8780	4.83⅛ @ 4.83¼	4.82¾ @ 4.84
" 13	4.8350 @ 4.8360	4.8710 @ 4.8720	4.8775 @ 4.8785	4.83⅛ @ 4.83¼	4.82¾ @ 4.83¾
" 20	4.8300 @ 4.8320	4.8655 @ 4.8665	4.8730 @ 4.8735	4.82⅝ @ 4.82¾	4.82⅛ @ 4.83⅛
" 27	4.8320 @ 4.8325	4.8675 @ 4.8685	4.8765 @ 4.8775	4.82⅞ @ 4.83	4.82¼ @ 4.83⅛
Jan. 3	4.8320 @ 4.8330	4.8650 @ 4.8660	4.8725 @ 4.8735	4.82¾ @ 4.82⅞	4.82⅝ @ 4.83¼

Foreign Exchange—Actual Rates on or about the First of each Month.

	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.
Sterling Bankers—60 days	4.83⅞— 4	4.82⅛— ¾	4.83¼— ½	4.83⅛— ¾	4.83⅛— ¼
" " Sight	4.86⅛— ¾	4.85⅝— ¾	4.86⅝— ⅞	4.87⅛— ⅜	4.86⅛— ⅝
" " Cables	4.87 — ¼	4.86⅛— ¼	4.87 — ¼	4.87⅝— ⅞	4.87⅛— ⅝
" Commercial long	4.83⅛— ¾	4.81¾— 2¼	4.83 — ⅛	4.83⅛— ¼	4.82¾— ⅞
" Docu'tary for paym't.	4.83 — 4¼	4.81⅛— 3	4.82¾— ⅝	4.82¾— 4	4.82⅛— 3⅜
Paris—Cable transfers	5.16⅞— ¼	5.17⅛—	5.15⅝— 3/32	5.15 3/32—16 1/16	5.15⅝—
" Bankers' 60 days	5.18¾—	5.20⅝— 1/16	5.18¾—	5.18¾— ⅛	5.18¾—
" Bankers' sight	5.17⅛—16⅞	5.18⅛—17½	5.16¼— ⅝	5.15⅝—	5.16¼—
Swiss—Bankers' sight	5.18⅛—17⅛	5.18¾—	5.16⅞— ¼	5.16¼—	5.16¼—
Berlin—Bankers' 60 days	94¾— 13/16	94½— 9/16	94 11/16— ¾	94 11/16— ¾	94 11/16— ¾
" Bankers' sight	95 — 1/16	94 15/16—95	95⅛— 3/16	95¼— 5/16	95 1/16— ¼
Belgium—Bankers' sight	5.17⅛—16⅞	5.18¾— ⅛	5.16⅞—	5.16⅞—	5.16⅞— ¼
Amsterdam—Bankers' sight	40⅛— 3/16	40 1/16—	40⅛— 3/16	40⅛— 3/16	40⅛—
Kronors—Bankers' sight	26.82 —84	26.75—78	26.82— .85	26.86— 89	26.82—85
Italian lire—sight	5.20 —19⅝	5.18¾— ⅛	5.15⅝—15	5.15⅝—	5.15⅝—

SILVER.—The price of silver in London was higher last month. After dropping to 21 13-16 pence on December 8, it advanced to 22⅛d. on December 16 and closed at 22¼d. at the end of the month. The net gain for the month was 5-16d.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1900.		1901.		1902.		MONTH.	1900.		1901.		1902.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	27¾	27	29 5/16	27⅞	26 1/16	25⅝	July......	27¾	27⅝	28 3/16	27¾	24 9/16	24 3/16
February	27¾	27 5/16	28 1/16	27⅞	25⅝	25 5/16	August ..	27¾	27⅛	28 7/16	27 15/16	24 7/16	24⅛
March....	27 11/16	27 1/16	28 13/16	27 15/16	25 7/16	24 13/16	Septemb'r	27⅝	26 15/16	28 1/16	29¼	24⅛	23 9/16
April.....	27½	27 5/16	27 13/16	26 13/16	24⅝	23 5/16	October..	26 15/16	26⅝	30 3/16	29⅛	23 13/16	23¼
May......	27⅝	27½	27⅝	27 5/16	24⅛	23 5/16	Novemb'r	27 3/16	26 11/16	29 13/16	29 7/16	23¼	21¾
June.....	28 3/16	27 3/16	27⅝	27¼	24 7/16	23 15/16	Decemb'r	27 5/16	26 13/16	29 15/16	29⅛	22⅛	21 13/16

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns & Bk. of Eng. notes.	$4.85	$4.88
Twenty francs	3.86	3.89
Twenty marks	4.73	4.76
Twenty-five pesetas	4.78	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.55	15.65
Mexican 20 pesos	$19.55	$19.65
Ten guilders	3.95	4.00
Mexican dollars	.38¼	.39¾
Peruvian soles	.37	.39
Chilian pesos	.37	.39

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 22 5-16d. per ounce. New York market for large commercial silver bars, 48¾ @ 49¼c. Fine silver (Government assay), 48⅝ @ 50c. The official price was 48⅛c.

GOLD AND SILVER COINAGE.—The mints coined $6,277,925 gold, $1,932,216 silver and $101,370 minor coin in December, a total of $8,311,491. The total gold coinage last year was $47,000,000 or less than one-half the total for 1901.

COINAGE OF THE UNITED STATES.

	1900.		1901.		1902.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$11,515,000	$2,864,161	$12,657,200	$2,713,000	$7,660,000	$2,908,637
February	13,401,900	1,940,000	9,230,800	2,242,166	6,643,850	2,489,000
March	12,596,240	4,341,376	6,182,152	3,120,580	1,558	2,965,577
April	12,922,000	3,930,000	18,958,000	2,633,000	3,480,315	3,388,278
May	8,252,000	3,171,000	9,325,000	3,266,000	426,000	1,873,000
June	3,820,770	2,094,217	5,948,030	2,836,185	500,845	2,464,353
July	6,540,000	1,827,827	4,225,000	1,312,000	2,120,000	2,254,000
August	5,050,000	2,536,000	6,780,000	3,141,000	8,040,000	2,236,000
September	2,293,335	3,932,185	4,100,178	3,899,524	3,560,860	2,331,165
October	5,120,000	4,148,000	5,750,000	2,791,489	1,890,000	2,287,000
November	13,185,000	3,130,000	6,270,000	917,000	2,675,000	2,399,000
December	4,576,697	2,880,555	12,309,338	1,966,514	6,277,925	1,932,216
Year	$99,272,942	$36,295,321	$101,735,187	$30,838,461	$47,109,852	$29,928,167

GOVERNMENT REVENUES AND DISBURSEMENTS.—While the internal revenue receipts in December were smaller than in the corresponding month of 1901 the receipts from customs were enough larger to offset the decrease in the former, and

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*December, 1902.*	*Since July 1, 1902.*
Customs	$23,670,095	$150,139,833
Internal revenue	20,979,318	119,237,014
Miscellaneous	2,501,866	19,256,601
Total	$47,151,279	$288,633,448
Excess of receipts	10,617,555	24,733,477

EXPENDITURES.

Source.	*December, 1902.*	*Since July 1, 1902.*
Civil and mis	$9,481,207	$61,849,288
War	8,278,031	66,220,772
Navy	6,407,002	39,909,293
Indians	1,145,601	7,396,460
Pensions	10,958,445	71,669,920
Interest	263,457	16,854,238
Total	$36,533,744	$263,899,971

the total revenues were about $100,000 more than a year ago. With a decrease of nearly $800,000 in expenditures the surplus exceeds $10,600,000 as compared with a surplus of about $9,700,000 in December, 1901. The surplus for the last six months of 1902 was about $25,000,000 as compared with $42,000,000 in the previous year.

UNITED STATES PUBLIC DEBT.—There was no change in the interest-bearing debt last month, and the only changes of importance in the principal of the debt were a decrease of $1,000,000 in the bank-note redemption fund, and increase of $7,000,000 in gold certificates and of $1,000,000 in silver certificates and a decrease of $1,000,000 in Treasury notes. The cash assets increased $17,000,000 and the net cash balance $10,000,000. The total debt, less cash in the Treasury, was reduced nearly $11,000,000 in December, and is now $947,000,000 as compared with $958,000,000 on December 1 and with $1,011,000,000 a year ago.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*Nov. 1, 1902.*	*Dec. 1, 1902.*	*Jan. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,178,450	233,178,650	233,178,650
Refunding certificates, 4 per cent	32,250	31,370	31,230	31,230
Loan of 1904, 5 per cent	20,060,150	19,385,050	19,385,050	19,385,050
" 1925, 4 "	139,618,600	119,318,950	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt	$943,279,210	$915,370,230	$914,541,240	$914,541,240
Debt on which interest has ceased	1,339,790	1,256,820	1,255,810	1,255,710
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	364,734,863	364,734,863	364,734,863
National bank note redemption acct.	35,003,208	44,695,092	43,268,362	42,169,652
Fractional currency	6,874,492	6,872,594	6,872,594	6,872,594
Total non-interest bearing debt	$388,612,563	$398,302,549	$396,875,819	$395,774,109
Total interest and non-interest debt	1,333,231,564	1,314,929,599	1,312,672,869	1,311,574,059
Certificates and notes offset by cash in the Treasury:				
Gold certificates	316,785,089	367,078,569	376,858,569	383,564,069
Silver "	456,087,000	467,442,000	467,824,000	468,957,000
Treasury notes of 1890	38,596,000	25,796,000	25,054,000	24,053,000
Total certificates and notes	$811,468,089	$860,316,569	$869,236,569	$876,574,069
Aggregate debt	2,144,699,653	2,175,246,168	2,181,909,438	2,188,148,128
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,302,695,753	1,313,606,717	1,331,081,200
Demand liabilities	898,028,443	946,273,875	959,031,129	966,671,820
Balance	$321,603,278	$356,421,878	$354,575,588	$364,409,380
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	171,603,278	206,421,878	204,575,588	214,409,380
Total	$321,603,278	$356,421,878	$354,575,588	$364,409,380
Total debt, less cash in the Treasury	1,011,628,286	958,507,721	958,097,281	947,164,679

FOREIGN TRADE.—The exports of merchandise in November were valued at $125,000,000 and the imports at nearly $85,500,000, making the net balance of exports about $39,500,000. The exports were the smallest for November in any year since 1897, excepting 1899, and the net exports the smallest in six years. On the other hand the imports were larger than in any previous November. When the complete returns for December are in, it will be shown that the volume of exports was considerably smaller in 1902 than in either of the previous two years, the decrease in eleven months being about $120,000,000. Imports, however, in eleven months have increased $75,000,000 over 1901 and $115,000,000 over 1900, making the net exports $190,000,000 less than in 1901 and $234,000,000 less than in 1900. The net gold movement has been small, about $3,000,000 having been imported in November and $7,000,000 in eleven months.

NATIONAL BANK CIRCULATION.—There was an increase of only about $75,000 in the volume of bank notes outstanding last month, the smallest increase in some time. The total is nearly $385,000,000 or $24,640,000 more than the amount a year ago. There was an increase of $1,200,000 in Government bonds deposited to secure circulation and an increase of $1,000,000 in circulation so secured. An additional $1,300,000 of Government bonds were deposited last month to secure public deposits.

NATIONAL BANK CIRCULATION.

	Sept. 30, 1902.	*Oct. 31, 1902.*	*Nov 30, 1902.*	*Dec. 31, 1902.*
Total amount outstanding	$366,993,598	$380,476,334	$384,854,514	$384,929,784
Circulation based on U. S. bonds	323,843,144	335,783,189	341,100,411	342,127,844
Circulation secured by lawful money	43,150,454	44,693,145	43,754,103	42,801,940
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	7,408,450	8,248,450	8,670,450	8,799,850
Five per cents. of 1894	810,900	1,100,900	1,100,900	1,151,900
Four per cents. of 1895	2,569,600	2,298,600	2,259,600	2,239,600
Three per cents. of 1898	4,437,720	6,056,720	5,881,220	5,899,020
Two per cents. of 1900	310,826,100	320,748,000	325,105,850	326,161,750
Total	$326,052,770	$338,452,670	$343,018,020	$344,252,120

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $21,065,650; 5 per cents. of 1894, $2,286,950; 4 per cents. of 1895, $9,713,250; 3 per cents. of 1898, $12,111,120; 2 per cents. of 1900, $86,294,600; District of Columbia 3.65's, 1924, $1,521,000; State and city bonds, $20,391,500; a total of $153,384,070.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF NOVEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1897	$116,672,325	$52,354,651	Exp., $64,317,674	Imp., $2,354,576	Exp., $1,829,815
1898	127,797,965	52,096,828	" 77,701,137	" 4,411,134	" 1,753,820
1899	123,755,911	70,098,931	" 53,656,980	" 2,639,733	" 1,567,246
1900	136,702,324	65,354,040	" 71,348,284	" 11,964,781	" 1,577,828
1901	136,455,639	72,566,307	" 63,889,332	Exp., 8,860,[illegible]	" 1,892,769
1902	125,043,189	85,478,765	" 39,564,416	Imp., 8,121,392	" 1,565,321
ELEVEN MONTHS.					
1897	974,655,084	691,089,266	Exp., 283,565,318	Exp., 2,257,998	Exp., 22,497,246
1898	1,117,695,672	579,825,309	" 537,870,363	Imp., 134,431,454	" 22,047,479
1899	1,152,199,938	728,233,567	" 423,966,371	" 12,192,818	" 19,943,113
1900	1,332,056,242	760,452,507	" 571,603,735	" 9,638,383	" 21,880,839
1901	1,328,434,321	800,490,639	" 527,943,682	Exp., 1,069,458	" 22,556,727
1902	1,212,532,093	875,047,546	" 337,484,547	Imp., 6,689,182	" 20,025,846

MONEY IN THE UNITED STATES TREASURY.—The United States Treasury accumulated nearly $10,000,000 cash, net, during the month of December. The amount is now $302,000,000 as compared with $292,000,000 on December 1, and $321,000,000 on October 1. The gain in net gold last month was nearly $6,000,000.

MONEY IN THE UNITED STATES TREASURY.

	Oct. 1, 1902.	*Nov. 1, 1902.*	*Dec. 1, 1902.*	*Jan. 1, 1903.*
Gold coin and bullion	$590,506,825	$606,299,127	$610,919,798	$617,196,083
Silver Dollars	470,713,502	469,250,063	469,812,309	470,783,167
Silver bullion	24,439,639	24,556,601	23,667,801	23,057,667
Subsidiary silver	8,082,371	6,909,608	6,428,213	6,419,206
United States notes	3,750,930	3,041,934	2,897,475	2,910,158
National bank notes	14,610,339	13,468,852	13,302,019	16,251,253
Total	$1,112,103,606	$1,123,526,185	$1,127,027,615	$1,136,617,534
Certificates and Treasury notes, 1890, outstanding	790,695,322	831,674,910	834,179,379	833,909,877
Net cash in Treasury	$321,408,284	$291,851,275	$292,848,236	$302,707,657

Money in Circulation in the United States.—There was a decrease in the volume of money in circulation last month owing to the Treasury absorptions, the loss being about $4,000,000. Compared with January 1, 1902, however, there is an increase of $98,000,000, two-thirds of which is in gold.

Money in Circulation in the United States.

	Oct. 1, 1902.	*Nov. 1, 1902.*	*Dec. 1, 1902.*	*Jan. 1, 1903.*
Gold coin	$624,728,060	$624,873,645	$631,410,968	$629,680,632
Silver dollars	75,043,719	77,517,158	78,700,912	78,810,834
Subsidiary silver	89,906,205	91,899,715	93,082,863	94,350,669
Gold certificates	304,882,054	342,756,194	345,952,024	346,418,819
Silver certificates	459,571,478	463,170,438	463,304,840	463,570,632
Treasury notes, Act July 14, 1890	26,741,790	25,748,278	24,922,515	23,920,426
United States notes	342,930,086	343,639,082	343,783,541	343,770,858
National bank notes	352,383,259	367,007,482	371,552,495	368,678,531
Total	$2,275,686,651	$2,336,111,992	$2,352,710,158	$2,348,700,901
Population of United States	79,458,000	79,572,000	79,686,000	79,799,000
Circulation per capita	$28.64	$29.36	$29.52	$29.43

Supply of Money in the United States.—Nearly $6,000,000 was added to the total stock of money in the country last month, of which gain $4,500,000 was gold, $500,000 silver dollars and $1,000,000 fractional silver. For the first time the amount of fractional silver now exceeds $100,000,000.

Supply of Money in the United States.

	Oct. 1, 1902.	*Nov. 1, 1902.*	*Dec. 1, 1902.*	*Jan. 1, 1903.*
Gold coin and bullion	$1,215,234,885	$1,230,672,772	$1,242,330,766	$1,246,876,715
Silver dollars	545,757,221	546,767,221	548,518,221	549,093,501
Silver bullion	24,439,639	24,556,601	23,667,801	23,057,667
Subsidiary silver	97,988,576	98,809,323	99,511,076	100,769,875
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	366,993,598	380,476,334	384,854,514	384,929,784
Total	$2,597,094,935	$2,627,963,267	$2,645,558,394	$2,651,408,558

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

New York State Banks.—Report of condition at the close of business on Thursday, December 4, 1902.

Resources.	
Loans and discounts, less due from directors	$208,878,363
Liability of directors as makers	7,227,445
Overdrafts	150,581
Due from trust companies, banks, bankers and brokers	30,637,829
Real estate	10,406,153
Mortgages owned	4,106,509
Stocks and bonds	24,792,036
Specie	24,608,905
U. S. legal tenders and circulating notes of National banks	17,842,707
Cash items	37,529,235
Assets not included under any of the above heads	1,251,973
Add for cents	611
	$366,932,347

Liabilities.	
Capital	$26,420,700
Surplus fund	19,491,214
Undivided profits	11,022,724
Due depositors on demand	262,153,919
Due to trust companies, banks, bankers and brokers	30,084,881
Due savings banks	15,739,951
Due the Treasurer of the State of New York	1,582,915
Amount not included under any of the above heads	435,753
Add for cents	290
	$366,932,347

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of December, and the highest and lowest during the year 1902, by dates, and also, for comparison, the range of prices in 1901:

	Year 1901.		Highest and Lowest in 1902.		December, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	91	42¼	96⅝-Sept. 9	74¼—Jan. 27	84⅞	77	84⅛
" preferred	108	70	106⅛—Sept. 2	95½—Jan. 27	100¾	95¾	100⅛
Baltimore & Ohio	114⅛	81¾	118½—Sept. 10	92⅝—Dec. 12	101	92⅝	99⅞
Baltimore & Ohio, pref.	97	83⅜	99 —Sept. 19	92 —Dec. 15	94½	92	94
Brooklyn Rapid Transit	88⅞	55⅞	72⅜—July 21	54¾—Nov. 14	69⅝	59¾	67⅛
Canadian Pacific	117½	87	145¼—Sept. 3	112¼—Jan. 28	133⅛	123⅛	132½
Canada Southern	89	54⅛	97 —May 22	71 —Dec. 24	82½	71	78
Central of New Jersey	196⅝	145¾	198 —Jan. 6	165 —Nov. 20	175	167½	178
Ches. & Ohio vtg. ctfs	52⅝	29	57⅛—Sept. 3	42⅝—Dec. 12	48⅞	42⅝	48⅝
Chicago & Alton	50⅛	27	45⅜—July 16	29⅛—Dec. 15	34¾	29⅛	34¾
" preferred	82¼	72½	79 —July 17	68 —Nov. 12	72	69¼	71⅞
Chicago & E. Illinois	140	91	220¾—July 30	134¾—Jan. 6	....	....	....
" preferred	136	120⅛	151 —July 1	136⅛—Sept. 13	....	....	....
Chicago, Great Western	27	16	35 —Aug. 20	22 —Dec. 12	29	22	28
Chic., Indianapolis & Lou'ville	52⅞	23	80 —May 7	49¼—Jan. 14	....	....	....
" preferred	77¾	58¾	91¼—Aug. 19	75 —Jan. 16	....	....	....
Chic., Milwaukee & St. Paul	188	134	198¾—Sept. 20	160⅛—Jan. 27	179¼	166¼	178⅝
" preferred	200	175	200¾—Sept. 20	186 —Jan. 14	194	189	192
Chicago & Northwestern	215	168⅛	271 —Apr. 29	204⅛—Jan. 14	223	210	219¼
" preferred	248	207	274½—Apr. 29	230 —Jan. 18	230	230	230
Chicago, Rock I. & Pacific	175¼	117½	206 —Sept. 22	152 —Jan. 15	180	180	180
Chic., St. Paul, Minn. & Om.	146¾	125	170½—Apr. 30	140 —Feb. 6	....	....	....
" preferred	201	180	210 —Apr. 15	194⅞—Nov. 28	....	....	....
Chicago Terminal Transfer	31	10⅛	24⅞—Aug. 19	15 —Dec. 11	18¼	15	18¼
" preferred	57½	33	44 —Sept. 10	29 —Dec. 12	32½	29	33⅜
Clev., Cin., Chic. & St. Louis	101	72½	108⅝-Aug. 8	93 —Nov. 10	98¼	93	96⅜
Col. Fuel & Iron Co.	136⅛	41¾	110½—Apr. 24	73¾—Aug. 22	89	75	81¼
Colorado Southern	18	6⅝	35¾—July 17	14⅛—Jan. 15	30	24½	28½
" 1st preferred	60	40	79½—Aug. 11	59¼—Jan. 15	70	66	69½
" 2d preferred	28¾	16½	53⅞—Sept. 2	28 —Jan. 14	45½	40	44½
Consolidated Gas Co.	238	187	230¾—Apr. 25	205 —Dec. 11	217½	205	216½
Delaware & Hud. Canal Co.	185½	105	184½—Jan. 7	153½—Nov. 14	174	153⅛	172½
Delaware, Lack. & Western	258	188¼	297 —Feb. 4	231 —Nov. 8	262	240½	262
Denver & Rio Grande	53½	29½	51¾—Aug. 21	35⅛—Dec. 15	41	35⅛	41
" preferred	103¼	80	96¾—Aug. 21	86½—Dec. 15	91¾	86½	89
Erie	45⅛	24⅛	44⅝—Jan. 2	28⅝—Dec. 12	39½	28⅝	38⅝
" 1st pref	75	59¾	75¾—Jan. 2	60½—Dec. 12	69	60½	68¼
" 2d pref	62¾	39¼	63¾—Jan. 2	41½—Dec. 12	52¼	41½	51½
Evansville & Terre Haute	68	41	74⅜—Mar. 7	50 —Mar. 26	71½	59	68¼
Express Adams	202	145	240 —Oct. 2	198 —July 11	205	200	205
" American	219	170	265 —Aug. 28	210 —Jan. 6	230	214¾	230
" United States	100	53	160 —Aug. 28	97 —Jan. 2	140	120	140
" Wells, Fargo	199¾	130	251 —Aug. 29	185 —Jan. 24	....	....	....
Great Northern, preferred	208	167½	203 —Dec. 31	181½—Mar. 5	203	186	203
Hocking Valley	75½	40½	106 —Aug. 8	66 —Jan. 15	102	95	97
" preferred	88½	69¾	98⅝—Dec. 20	81⅛—Jan. 14	98⅝	94	96
Illinois Central	154¾	124	173½—Aug. 27	137 —Jan. 14	147⅝	138	146⅝
Iowa Central	43¾	21	51¾—Aug. 21	37½—Jan. 15	41¼	35⅛	41¼
" preferred	87½	48	90⅜—Apr. 28	65 —Nov. 14	73¼	65	73¼
Kansas City Southern	25	18⅛	39 —Aug. 25	19 —Jan. 15	34½	28	34⅜
" preferred	49	35	62¾—Apr. 21	44 —Jan. 14	57¾	52	57⅜
Kans. City Ft. S. & Mem. pref.	81¼	77½	88 —Aug. 1	75 —Dec. 15	80	75	79¼
Lake Erie & Western	76½	39¾	71½—Jan. 3	40 —Dec. 12	52¾	40	51
" preferred	135½	108⅛	138 —Feb. 6	120 —Oct. 8	122	122	122
Long Island	90	67	91⅞—May 2	72⅛—Nov. 18	83	73	80¼
Louisville & Nashville	111¾	76	159½—Aug. 20	102⅛—Jan. 27	133¼	116⅛	128
Manhattan consol	145	83	158 —Nov. 24	128 —Mar. 12	157⅛	141½	149
Metropolitan Street	177	150	174 - Feb. 5	135 —Oct. 13	145¼	135	140¾
Mexican Central	30	12¾	31½—Mar. 31	20⅝—Dec. 12	25¾	20⅝	25¼
Mexican National	15¼	3⅝	20¾—Mar. 10	14⅛—Jan. 15	....	....	....
Minneapolis & St. Louis	111¼	67¾	115 —Apr. 19	105 —Jan. 27	110¼	106	108
" preferred	124	101¾	127¾—Apr. 28	118½—Jan. 22	123⅛	120	120
Missouri, Kan. & Tex.	35½	15	35¾—Sept. 10	22⅛—Dec. 12	28	22⅛	27¼
" preferred	68⅝	37	69¾—Sept. 10	51 —Jan. 13	59	51	58

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1901.		Highest and Lowest in 1902.		December, 1902.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Missouri Pacific	124½	69	125½—Sept. 10	96¾—Mar. 11	110½	99½	110⅝
N. Y. Cent. & Hudson River	174½	139⅝	168⅞—Jan. 2	147 —Nov. 14	157¼	148	151
N. Y., Chicago & St. Louis	57⅞	16	57⅝—Aug. 8	40 —Nov. 14	44½	40	43¾
" 2d preferred	95	47	100 —Aug. 7	80 —Nov. 15	87	80½	85
N. Y., Ontario & Western	40½	24	37⅝—Sept. 8	25¼—Dec. 12	32⅝	25¼	32
Norfolk & Western	61⅜	42	78½—Sept. 8	55 —Jan. 14	74	67	73⅝
" preferred	92¼	82	98 —July 23	90 —Feb. 21	92	90	91⅝
North American Co	109	73½	134 —Sept. 3	88 —Jan. 28	119	106	119
Pacific Mail	49½	30½	49⅝ - Mar. 10	37 —Nov. 15	40½	37	39⅞
Pennsylvania R. R.	161½	137½	170 —Sept. 4	147 —Jan. 14	158¾	149⅞	155⅞
People's Gas & Coke of Chic.	120½	95¾	109½—Sept. 5	98¼—Jan. 9	104¼	98½	103¾
Pullman Palace Car Co	225	195½	250 —Apr. 29	215 —Jan. 13	230	222	229
Reading	58	24½	78½—Sept. 3	52¼—Mar. 10	67⅞	53⅞	67⅞
" 1st prefered	82⅞	65	90¼—Sept. 10	79⅞—Mar. 10	87½	83½	87¼
" 2d preferred	64½	38	80⅞—Sept. 11	60 —Jan. 14	78½	72	78½
St. Louis & San Francisco	56½	21½	85½—July 31	53¾—Jan. 2	75¼	63¾	74⅞
" 1st preferred	88	75	90 —July 30	77 —Dec. 12	83	77	82
" 2d preferred	76¼	53⅛	80⅝—July 30	65½—Dec. 12	71½	65½	71½
St. Louis & Southwestern	39½	16	39 —Aug. 13	24½—Dec. 12	28	24½	27¾
" preferred	71	41½	80 —Sept. 9	55¼—Mar. 5	64	56¾	63
Southern Pacific Co	63⅝	29	81¼—Sept. 10	56 —Dec. 12	66¼	56	65⅛
Southern Railway	35¾	18	41⅜—Aug. 21	28 —Dec. 12	34¾	28	34⅛
" preferred	94⅝	67¼	98½—Apr. 15	89¾—Dec. 15	92¾	89¾	92½
Tennessee Coal & Iron Co	76⅝	49⅝	74⅝—Apr. 24	49½—Dec. 12	61	49½	60
Texas & Pacific	52¼	23¼	54¾—Sept. 3	37 —Dec. 15	43	37	40⅝
Toledo, St. Louis & Western	25½	10¾	33¼—Oct. 24	18½—Jan. 21	29⅞	25	28⅞
" preferred	39½	28	49¾—Sept. 2	35 —Jan. 15	48	43	46¼
Union Pacific	133	76	113¼—Aug. 26	93½—Dec. 12	101⅛	93½	100⅛
" preferred	99½	81⅝	95 —Aug. 29	86⅝—Mar. 6	93	89½	93
Wabash R. R.	26	11⅛	38¾—Sept. 10	21¾—Jan. 14	30⅞	23½	30⅜
" preferred	46⅛	23¾	54½—Sept. 10	37 —Dec. 12	45½	37	44½
Western Union	100¼	81	97¼—Aug. 26	84¾—July 10	89	87	88½
Wheeling & Lake Erie	22	11⅜	30¼—Sept. 9	17 —Jan. 27	26	20⅜	26
" second preferred	38	24	42⅜—Sept. 10	28 —Jan. 14	34⅝	30½	34⅝
Wisconsin Central	26	14½	31 —Aug. 20	19½—Jan. 30	27¼	23	26⅞
" preferred	48¾	38½	57⅜—Aug. 29	39½ Jan. 24	54¼	47¼	53¼
"Industrial"							
Amalgamated Copper	130	60½	79 —Feb. 1	53 —Nov. 14	64⅝	53¾	63⅞
American Car & Foundry	35	19	37⅝—Oct. 3	28¼—Apr. 11	36	32	36
" pref.	89	67	93⅜—Oct. 31	85¼—Jan. 14	91½	86	91½
American Co. Oil Co	35½	24	57¾—Apr. 28	30½—Jan. 10	47½	39	45
American Ice	41⅜	25¾	31⅞—Jan. 2	9½—July 11	12⅜	9½	11⅞
American Locomotive	37⅞	22½	36⅞—Apr. 29	23½—Dec. 12	29½	23½	29½
" preferred	91¼	83⅜	100¼—Apr. 29	89 —Jan. 3	95¾	90½	95¾
Am. Smelting & Refining Co.	69	38½	49⅜—May 26	36⅞—Nov. 28	43½	37	43
" preferred	104⅞	88	100⅛—June 23	87½—Nov. 28	94½	89¾	94½
American Sugar Ref. Co.	153	103⅛	135⅛—Mar. 31	113 —Nov. 11	130⅝	117¼	128½
Anaconda Copper Mining	54¼	28¼	146 —Feb. 1	80 —Dec. 12	97	80	96
Continental Tobacco Co. pref.	124	93¼	126½—June 3	114 —Dec. 11	118¼	114	117
Distilling Co. of America	10½	6⅞	10 —Feb. 3	4 —Aug. 16	5⅛	4⅞	5
" preferred	34½	23¼	42¾—Apr. 4	31¾—Aug. 19	36½	34	34½
General Electric Co	289¾	183½	334 —Apr. 9	170 · Oct. 30	183¾	171	183½
Glucose Sugar Refinding Co.	65	37	51½—Jan. 20	39⅜—Jan. 3	....	....	....
International Paper Co	28	18½	23⅝—Mar. 20	16½—Dec. 12	18⅜	16½	17¼
" preferred	81½	69	77½—Jan. 6	70 —Dec. 15	72¾	70	72
International Power	100½	54⅞	199 —Apr. 29	49 —Dec. 2	64½	49	64¼
National Biscuit	46	37	53¼—Mar. 20	40 —Nov. 12	46	43¾	45⅞
National Lead Co	25½	15	32 —Sept. 26	15⅜—Jan. 13	28¾	24	28⅜
Pressed Steel Car Co	52	30	63½—Oct. 3	39 —Jan. 14	62½	55	62⅜
Republic Iron & Steel Co.	24	11¾	24¾—Sept. 8	15⅝—Jan. 2	21	16⅞	20¾
" preferred	82	55¼	83⅝—Sept. 10	68 —Jan. 16	78⅛	74¼	77¾
U. S. Leather Co	16⅝	7¾	15¼—Sept. 22	10½—Dec. 15	12⅞	10½	12⅝
" preferred	83¾	69½	91¼—Sept. 22	79⅞—Jan. 21	89⅜	86½	89½
U. S. Rubber Co.	34	12½	19⅝—Oct. 1	14 —Jan. 2	17½	14⅜	17⅞
" preferred	85	47	64 —Mar. 24	49½—Dec. 12	58	49½	58
U. S. Steel	55	24	46¾—Jan. 7	29¾—Dec. 12	37⅛	29¾	36¼
" pref.	101⅞	69	97¾—Jan. 7	79 —Dec. 12	86	79	85⅞

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	97	Dec. 29,'02	98⅛	97	52,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	102⅛	Dec. 31,'02	102¼	101	867,000
" registered		....	A & O	102¼	Dec. 30,'02	102¼	102¼	10,000
" adjustment, g. 4's	1995	31,055,000	NOV	92	Dec. 31,'02	92	89,	197,500
" registered		....	NOV	94½	Apr. 15,'02	....	....	....
" stamped	1995	20,673,000	M & N	91	Dec. 30,'02	91¼	89½	97,000
" serial debenture 4's—								
" series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" series B	1904	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series C	1905	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series D	1906	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	95	Dec. 31,'02	95¾	94	251,500
" registered			J & J	97	Apr. 26,'02	....	....	....
" g. 4s	1948	65,963,000	A & O	102	Dec. 31,'02	102½	100½	389,000
" g. 4s. registered			A & O	104	Sept. 16,'02	....	....	....
" ten year c. deb. g. 4's	1911	592,000	M & S	111	Oct. 18,'02	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	89½	Nov. 20,'02	....	....	....
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	96	Dec. 29,'02	96	94	282,000
" Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	90	Dec. 31,'02	90	88⅝	214,000
" registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov. 14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	116	Dec. 30,'02	116⅜	116	12,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	130	May 20,'02	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	126	Dec. 30,'02	126	126	1,000
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02	....	....	....
" registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	102½	Dec. 11,'02	103	102½	7,500
" con. 1st & col. tst 5's	1934	7,803,000	A & O	123	Dec. 6,'02	123	122½	25,000
" registered			A & O	124⅝	Feb. 28,'02	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	107	Dec. 31,'02	107	105⅝	65,000
• 2d mortg. 5's,	1913	6,000,000	M & S	109	Dec. 29,'02	109	107⅝	29,000
• registered			M & S	106⅝	Dec. 29,'01	106⅝	106⅝	15,000
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	94⅝	Sept. 6,'02	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	107½	Dec. 29,'02	107½	107½	2,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122⅛	Dec. 2,'02	122⅛	122⅛	1,000
• registered $1,000 & $5,000			F & A	....		....	....	....
• con. g. 5's	1945	16,700,600	M & N	106¼	Dec. 31,'02	107	104⅛	362,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105⅛	Sept. 18,'01	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	76⅛	Dec. 26,'02	76⅛	72	19,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	36¼	Dec. 31,'02	36¼	34	265,500
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	26¼	Dec. 31,'02	26¼	24	106,000
• Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¾	Sept. 3,'02	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June 29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	135⅛	Dec. 29,'02	136⅛	135⅛	24,000
• registered			Q J	133	Dec. 19,'02	135¼	133	49,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	114⅛	Dec. 4,'02	114⅛	114⅛	2,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	106	Mar. 27,'02	....	....	....
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	100	Dec. 26,'02	102	100	6,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	109⅝	Nov. 29,'02	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	113	Dec. 9,'02	113	113	5,000
• 1st con. g. 5's	1939	25,858,000	M & N	118½	Dec. 31,'02	118½	116¾	32,000
• registered			M & N	116	July 16,'01	....	....	....
• Gen. m. g. 4½'s	1992	33,833,000	M & S	103¾	Dec. 31,'02	105	102	303,000
• registered			M & S	103	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	112	Nov. 3,'02	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	103½	Dec. 24,'02	103½	102½	35,000
• 2d con. g. 4's	1989	1,000,000	J & J	99	Oct. 30,'02	....	....	....
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. s. fund g. 6's.	1903	1,671,000	M & N	101	Dec. 29,'02	101	101	5,000
• refunding g. 3's	1949	29,696,000	A & O	82⅝	Dec. 26,'02	83¼	82½	97,000
• • registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	81	Dec. 31,'02	81	78	182,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	104½	Dec. 30,'02	104½	104¼	15,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
• Denver div. 4's	1922	5,272,000	F & A	101	Nov. 8,'02	....	....	....
• Illinois div. 3½s	1949	37,096,000	J & J	97⅞	Dec. 20,'02	98¼	97⅞	6,000
• registered			J & J	....		....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,566,000	A & O	114⅝	Aug. 6,'02	....	....	....
• 4's	1919	8,890,000	A & O	103	Oct. 28,'02	....	....	....
• Nebraska extensi'n 4's,	1927	25,900,000	M & N	107½	Dec. 31,'02	107½	107	52,000
• registered			M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's.	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
• 4's joint bonds	1921	215,153,000	J & J	96	Dec. 31,'02	96½	94½	1,962,000
• • registered			Q JAN	94½	Dec. 29,'02	95½	93	33,000
• 5's, debentures	1913	9,000,000	M & N	106½	Dec. 10,'02	106½	106¼	6,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	117	Dec. 23,'02	117	117	2,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	109½	Dec. 18,'02	109½	109½	9,000
• small bonds			J & D	112	Apr. 2,'96	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	136	Dec. 23,'02	137¼	136	7,000
• gen. con. 1st 5's	1937	13,643,000	M & N	120¾	Dec. 27,'02	121	120½	60,000
• registered			M & N	120	Dec. 4,'02	120	120	1,000
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	121½	Dec. 11,'02	121½	121½	5,000
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	132	Nov. 17,'02	....	....	....
• ref. g. 5's	1947	3,842,000	J & J	117½	Nov. 20,'02	....	....	....
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	115	May 9,'02	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	2,136,000	J & J	194¼	Oct. 21,'02	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	113⅛	Dec. 4,'02	113⅛	113⅛	9,000
" gen. g. 4's, series A	1989	23,676,000	J & J	113⅛	Dec. 30,'02	113⅛	113	9,000
" registered		....	Q J	111	Dec. 8,'02	111	111	10,000
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	121½	Oct. 31,'02	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	115⅝	Dec. 17,'02	115⅝	115⅝	4,000
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	120	Dec. 30,'02	120	118½	21,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	113¼	Oct. 21,'02	....	....	....
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	122	Oct. 1,'02	....	....	....
" 1st 5's	1910	990,000	J & J	107⅝	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,132,000	J & J	191½	Oct. 7,'02	....	....	....
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	116	Sept. 30,'02	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's.	1910	7,432,000	J & J	116	Dec. 30,'02	116	115⅝	30,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	115	Dec. 3,'02	115	115	3,000
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	119¼	Nov. 21,'02	....	....	....
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	134¼	Dec. 4,'02	134¼	134¼	1,000
" extension 4's	1886–1926	18,632,000	F A 15	105	Dec. 30,'02	107⅜	105	2,000
" registered			F A 15	106⅝	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	13,205,000	M & N	104½	Dec. 18,'02	104½	104½	2,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's.	1879–1929	5,808,000	A & O	115½	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879–1929	6,917,000	A & O	107	Dec. 3,'02	107	107	5,000
" registered			A & O	107⅜	May 24,19'	....	....	....
" deben. 5's	1909	5,900,000	M & N	108	Dec. 4,'02	108	108	6,000
" registered			M & N	105½	Dec. 23,'01	105½	105½	1,000
" deben. 5's	1921	10,000,000	A & O	112½	Nov. 1,'02	....	....	....
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	117½	Nov. 25,'02	....	....	....
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's.	1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116½	June 10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	131½	Nov. 26,'02	....	....	....
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	124	Dec. 2,'02	124	124	7,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142¼	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	129	Dec. 4,'02	129	128⅝	24,000
" registered	1917		J & J	128¼	Nov. 22,'02	....	....	....
" gen. g. 4's	1988	59,581,000	J & J	108½	Dec. 29,'02	108¾	108½	109,000
" registered			J & J	112	Apr. 8,'02	....	....	....
" coll. trust serial 4's								
" series A	1903	1,472,000	M & N	....		....	....	....
" B	1904	1,472,000	M & N	99	Dec. 6,'02	99	99	12,000
" C	1905	1,472,000	M & N	100⅝	July 2,'02	....	....	....
" D	1906	1,472,000	M & N	....		....	....	....
" E	1907	1,472,000	M & N	....		....	....	....
" F	1908	1,472,000	M & N	....		....	....	....
" G	1909	1,472,000	M & N	....		....	....	....
" H	1910	1,472,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,472,000	M & N	....		....	....	....
" J	1912	1,472,000	M & N	....		....	....	....
" K	1913	1,472,000	M & N	....		....	....	....
" L	1914	1,472,000	M & N	....		....	....	....
" M	1915	1,472,000	M & N	99¼	July 10,'02	....	....	....
" N	1916	1,472,000	M & N	99⅝	June 28,'02	....	....	....
" O	1917	1,472,000	M & N	....		....	....	....
" P	1918	1,472,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	68,728,000	M & N	87½	Dec. 31,'02	87½	83⅞	6,088,000
" registered			M & N	86⅝	Dec. 30,'02	86⅝	86⅝	10,000
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	97½	Dec. 1,'01	97½	97½	12,000
" 1st 2½'s	1905	1,200,000	J & J	93	Nov. 28,'02	....	....	....
" extension 4 s		672,000	J & J	96	Dec. 19,19'	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	108½	Dec. 8,'02	108½	108½	500
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	December Sales. High.	December Sales. Low.	December Sales. Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,534,000	J & D	135⅛	Dec. 26,'02	135⅛	134½	30,000
Chic., St. Paul & Minn. 1st 6's	1918	9,917,000	M & N	135	Dec. 30,'02	135	135	4,000
North Wisconsin 1st mort. 6's	1930	762,000	J & J	137½	Sept.23,'02			
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	125⅝	Dec. 17,'02	125⅝	125⅝	3,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	86¼	Dec. 30,'02	86¼	85	38,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	116¾	Nov.21,'02			
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr.28,'02			
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	114½	May 14,'02			
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01			
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'			
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	113½	Dec. 13,'02	114	113½	3,000
Clev.,Cin.,Chic.& St.L. gen.g.4's	1993	15,650,000	J & D	99½	Dec. 31,'02	99½	98	207,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101⅛	Oct. 8,'02			
Cin.,Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	101½	Nov. 3,'02			
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	102½	Dec. 29,'02	102¾	101½	53,000
" registered				103	Oct. 10,'02			
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	102	101	6,000
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov.22,'99			
Cin.,Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	99½	Dec. 11,'02	99½	99½	5,000
" registered				95	Nov.15,'94			
" con. 6's	1920	668,000	M & N	107½	June30,'93			
Cin.,S'dusky&Clev.con.1st g.5's	1928	2,571,000	J & J	115	Nov. 3,'01			
Clev., C., C. & Ind. con.7's	1914	3,991,000	J & D	134⅛	Jan. 7,'02			
" sink. fund 7's	1914		J & D	119⅜	Nov.19,'89			
" gen. consol 6's	1934	3,205,000	J & J	138	May 9,'02			
" registered			J & J					
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01			
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J					
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	98½	Dec. 19,'02	99½	98½	78,000
" income 4's	1990	4,000,000	A	80½	Dec. 27,'02	80½	75	199,000
Clev.,Lorain & Wheel'g con.1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	115	114	3,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02			
" registered			Q J					
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	82	Dec. 31,'02	82	79½	113,000
Colorado & Southern 1st g. 4's	1929	18,350,000	F & A	93	Dec. 31,'02	93	90	149,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93			
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	115	Nov. 7,'02			
Morris & Essex 1st m 7's	1914	5,000,000	M & N	132¼	Dec. 4,'02	132¼	132¼	3,000
" 1st c. gtd 7's	1915	12,151,000	J & D	137	Sept.26,'02			
" registered			J & D	140	Oct. 26,'98			
" 1st refund.gtd.g.3½'s	2000	7,030,000	J & D					
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	132⅜	Dec. 24,'02	132½	132⅜	6,000
" const. 5's	1923	5,000,000	F & A	115⅛	Aug. 4,'02			
" terml. imp. 4's	1923	5,000,000	M & N	103	Dec. 13,'02	103	102	10,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	112	Nov.20,'02			
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	103½	Oct. 28,'02			
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	140¼	Dec. 4,'02	140¼	140¼	10,000
" reg	1917		M & S	149	Aug. 5,'01			
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	113	Aug.18,'02			
" registered			A & O	122	June 6,'99			
" 6's	1906	7,000,000	A & O	106	Oct. 7,'02			
" registered			A & O	109½	Nov.16,'01			
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov.10,'02			
" 1st r 7's	1921		M & N	147½	June18,'01			
Denver & Rio G. 1st con. g. 4's	1936	32,050,000	J & J	101	Dec. 30,'02	101¼	100⅛	169,000
" con. g. 4½'s	1936	6,382,000	J & J	106	Dec. 27,'02	106	106	10,000
" impt. m. g. 5's	1928	8,103,500	J & D	105	Dec. 17,'02	106	105	6,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	89	Aug.28,'02			
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01			
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01			
" g. 4s	1995	1,250,000	J & D	93½	Aug. 5,'02			
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	86	Oct. 30,'02			
" Ohio South. div.1st g.4's	1941	4,231,000	M & S	91¼	Dec. 29,'02	91¼	91¼	2,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	114	Dec. 3,'02	114	114	9,000
" registered			A & O	101½	July 23,'89			
" 2d l m 6s	1916	2,000,000	J & J					
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	115	Sept.20,'02			
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	112	Dec. 13,'02	112	112	5,000

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	DECEMBER SALES. *High.*	*Low.*	*Total.*
Erie 1st ext. g. 4's....1947	2,482,000	M & N	116⅛	Dec. 23,'02	116⅛	116⅛	1,000
" 2d extended g. 5's.....1919	2,149,000	M & S	119¾	June 6,'02	....	....	....
" 3d extended g. 4½'s...1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's....1920	2,926,000	A & O	117	Dec. 19,'02	117	117	2,000
" 5th extended g. 4's....1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's.......1920	16,890,000	M & S	138	Dec. 30,'02	138	137¾	13,000
" 1st cons. fund g. 7's....1920	3,699,500	M & S	136	Sept.16,'02	....	....	....
Erie R.R. 1st con.g-4s prior bds.1996	34,000,000	J&J	100	Dec. 30,'02	100	97¼	155,000
" registered..........		J&J	98½	July 29,'02	....	....	....
" 1st con. gen. lien g. 4s.1996	34,885,000	J&J	87¼	Dec. 31,'02	87½	83	380,000
" registered..........		J&J	....		....	....	....
" Penn. col. trust g. 4's.1951	32,000,000	F & A	92¼	Dec. 30,'02	92½	91	351,000
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	127¼	Dec. 22,'02	128	127¼	11,000
Buffalo & Southwestern g. 6's..1908	1,500,000	J&J	....		....	....	....
" small..........		J&J	....		....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	120	Dec. 19,'02	120	118½	34,000
Jefferson R. R. 1st gtd g. 5's....1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.......1935	7,500,000	A & O	134	Dec. 27,'02	134	134	5,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's..........1922	1,100,000	M&N	113¾	Dec. 17,'02	113¾	113¾	4,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's.........1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's..1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small..........							
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	112⅛	Dec. 31,'02	112⅛	112⅛	10,000
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	114	Dec. 18,'02	114	114	28,000
" 2d g. 4½'s.............1937	453,000	F & A	103	Apr. 1,'02	....	....	....
" gen. g. 5's.............1940	2,546,000	F & A	105	Dec. 15,'02	106	105	5,000
" term. 1st g. 5's.........1943	2,000,000	M & N	110	Oct. 14,02'	....	....	....
" registered......$5,000 each		M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	111	Dec. 31,'02	111	110½	7,000
Evans. & Terre Haute 1st con. 6's.1921	3,000,000	J & J	121	Nov.24,'02	....	....	....
" 1st General g 5's.........1942	2,223,000	A & O	110	Aug.20,'02	....	....	....
" Mount Vernon 1st 6's...1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's...1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's...1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's..1930	423,000	J & J	....		....	....	....
" 1st con. g 5's.............1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's..1921	8,176,000	......	110½	Dec. 31,'02	111	108½	71,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	86¼	Dec. 4,'02	86¼	86¼	2,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	103	Dec. 19,'02	103	103	10,000
Geo. & Ala. 1st con. g 5s.........1945	2,922,000	J & J	111	Nov.25,'02	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	112	Sept.19,'02	....	....	....
Gulf & Ship Isl. 1st refg.&ter.5's..1952	2,931,000	J & J	....		....	....	....
" registered..........		J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s...1999	11,237,000	J & J	110	Dec. 29,'02	110	107⅝	74,000
" registered..........		J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's.1848	1,401,000	A & O	105½	Dec. 18,'02	105½	105½	5,000
Illinois Central, 1st g. 4's.........1951	1,500,000	J&J	113¼	Oct. 10,'02	....	....	....
" registered..........		J&J	113½	Mar.12,19'	....	....	....
" 1st gold 3½'s..........1951	2,499,000	J&J	104	Dec. 13,'02	104	104	1,000
" registered..........		J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered..........		M & S	....		....	....	....
" total outstg....$13,950,000							
" collat. trust gold 4's..1952	15,000,000	A & O	104⅝	Aug.19,'02	....	....	....
" regist'd..........		A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	M & N	102½	Dec. 24,'02	103	102½	26,000
" registered..........		M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's.....1950	3,000,000	J & D	....		....	....	....
" registered..........		J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.1953	14,320,000	J & J	98½	Nov. 6,'02	....	....	....
" registered..........		J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's...1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	87⅛	May 24,'02	....	....	....
" registered..........		J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s..............1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered..........		J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1stg 3½'s,1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered..........		J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	110	Oct. 23,'02	....	....	....
" registered..........		F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's......1923	470,000	J & D	124	May 16,'01	....	....	....

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Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	127	Dec. 9,'02	127	127	24,000
" gold 5's, registered			J D 15	126¼	Nov. 18,'01	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered			J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	105	Dec. 30,'02	105	105	10,000
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	110	Dec. 19,'02	110	107½	12,000
" 1st gtd. g. 5's	1935	933,000	J & J	107½	Dec. 18,'01	107⅛	107½	1,000
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	102¾	Mar. 22,'02	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	10,235,000	M & N	119¼	Dec. 23,'02	121⅛	119¼	7,000
" 2d g. 5's	1909	9,335,000	M & S	97½	Dec. 30,'02	98	97	12,000
" 3d g. 4's	1921	2,729,000	M & S	71	Oct. 28,'02	....	....	....
Iowa Central 1st gold 5's	1938	7,650,000	J & D	115⅛	Dec. 26,'02	115⅛	115	9,000
" refunding g. 4's	1951	2,000,000	M & S	91	Dec. 23,'02	95	91	15,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	69	Dec. 31,'02	69⅛	68¾	296,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	119½	Dec. 22,'02	120	119½	19,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	117½	Dec. 23,'02	117½	117½	5,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	112⅛	Dec. 23,'02	112⅛	112⅛	4,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	108⅛	Dec. 6,'02	108⅛	108⅛	2,000
" registered		....	J&J	109⅛	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	117½	Dec. 1,'02	117½	117½	5,000
" registered			A & O	109⅛	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	96⅛	Dec. 10,'02	96⅛	96⅛	1,000
" registered			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	118⅛	Nov. 14,'02	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103	Nov. 26,'02	....	....	....
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's	1932	325,000	J & D	102⅛	May 5,'97	....	....	....
" unified g. 4's	1949	6,360,000	M & S	100⅛	Dec. 19,'02	100⅛	100⅛	6,000
" deb. g. 5's	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....		....	....	....
" 1st 5's	1911	750,000	M & S	109⅛	June 17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	Q JAN	112⅛	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's	1930	8,911,000	J & D	115⅛	Dec. 23,'02	117	115⅛	32,000
" gold 5's	1937	1,764,000	M & N	111	Nov. 19,'02	....	....	....
" Unified gold 4's	1940	29,276,000	J & J	101¾	Dec. 30,'02	101¾	101	110,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	111	Dec. 22,'02	111	110¾	6,000
" coll. tr 5-20 g 4's	1903-1918	7,500,000	A & O	99⅛	Dec. 18,'02	99⅛	99¼	27,000
" E., Hend. & N. 1st 6's	1919	1,785,000	J & D	112	Dec. 29,'02	113½	112	3,000
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	109⅛	Oct. 27,'98	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130½	Feb. 28,'02	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	125⅛	Aug. 12,'02	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,621,000	M & S	....		....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100	Sept. 18,'02	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110⅛	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	112	Dec. 23,'02	113	113	3,000
" Pen. & At. 1st g. g. 6's	1921	2,659,000	F & A	114	Sept. 22,'02	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. s'fd. g. 6s	1910	1,942,000	A & O	112	Sept. 29,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	103¾	Dec. 30,'02	104¼	103	267,000
" registered			A & O	103⅞	Dec. 17,'02	103⅞	103⅞	10,000

B)ND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	112⅝	Dec. 27,'02	112¾	112⅛	81,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D					
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	78	Dec. 31,'02	79	74	241,000
" 1st con. inc. 3's	1939	20,511,000	JULY	26	Dec. 31,'02	26	21	1,078,000
" 2d 3's	1939	11,724,000	JULY	18	Dec. 30,'02	18	14¼	115,000
" equip. & collat. g. 5's	1917	700,000	A & O					
" 2d series g. 5's	1919	765,000	A & O					
" col. trust g. 4½'s 1st se of	1907	10,000,000	F & A	97½	Sept. 17,'02			
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01			
" stamped gtd		3,631,000						
Mexican Northern 1st g. 6's	1910	1,102,000	J & D					
" registered			J & D	105	May 2,19'			
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	144¼	Dec. 4,'02	144¼	144¼	5,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	119¼	Nov. 12,'02			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug. 21,'02			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
" 1st con. g. 5's	1934	5,000,000	M & N	120	Dec. 26,'02	120	120	6,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	103	Dec. 31,'02	103	102	81,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,280,000	J & J	103	Nov. 11,'01			
" stamped pay. of int. gtd.				89¾	June 18,'91			
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	21,949,000	J & J	98	Apr. 3,'01			
" stamped pay. of int. gtd.								
Missouri, K. & T. 1st mtge g. 4's	1990	39,718,000	J & D	98	Dec. 31,'02	98⅝	97½	194,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	83	Dec. 31,'02	83	80	202,500
" 1st ext gold 5's	1944	2,548,000	M & N	103	Dec. 22,'02	103	102½	4,000
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02			
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept. 20,'02			
Mo. K. & T. of Tex 1st gtd. g. 5's	1942	8,597,000	M & S	102	Dec. 23,'02	104	100	13,000
Sher. Shrevept & So 1st gtd. g. 5's	1943	1,689,000	J & D	105½	July 28,'02			
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	88	Dec. 23,'02	90	88	7,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D					
Mo. Kan. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	109	Dec. 23,'02	110	109	66,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121	Dec. 18,'02	121⅛	120¼	18,000
" 3d mortgage 7's	1906	3,828,000	M & N	110	Nov. 25,'02			
" trusts gold 5's stamp'd	1917	14,376,000	M & S	104⅞	Dec. 30,'02	105⅛	103	142,000
" registered			M & S					
" 1st collateral gold 5's	1920	9,636,000	F & A	104⅛	Dec. 31,'02	105⅛	103⅛	227,000
" registered			F & A					
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	93	Dec. 8,'02	93	92½	6,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	100	May 1,'01			
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	104⅛	Dec. 31,'02	104⅛	104	17,000
" 2d extended g. 5's	1938	2,573,000	F & A	114	Dec. 22,'02	114	114	3,000
St. L. & I. g. con. R.R. & l. gr. 5's	1931	36,418,000	A & O	113¾	Dec. 31,'02	114	112	249,000
" stamped gtd gold 5's	1931	6,945,000	A & O	112½	Dec. 18,'02	112½	112½	5,000
" unify'g & rfd'g g. 4's	1929	25,726,000	J & J	92	Dec. 31,'02	92⅞	91	168,000
" registered			J & J					
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug. 31,19'			
" small		226,000	J & J					
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02			
" small		500,000						
Mob. Jackson & Kan. City 1st g. 5's	1946	1,000,000	J & D	102	July 25,'02			
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	128	Dec. 23,'02	128	128	9,000
" 1st extension 6's	1927	974,000	J & D	127	Sept. 4,'02			
" gen. g. 4's	1938	9,472,000	Q J	97	Oct. 6,'02			
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	114	Dec. 10,'02	115	114	5,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	91	Oct. 8,'02			
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	126½	Dec. 2,'02	126½	126½	1,000
" 1st cons. g. 5's	1928	7,412,000	A & O	114	Dec. 30,'02	114	112¼	6,000
" 1st g. 6's Jasper Branch	1923	371,000	J & J	123	Mar. 28,'01			
" 1st 6's McM. M. W. & Al.	1917	750,000	J & J	116	July 31,'02			
" 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99			
Nat. R.R. of Mex. prior lien g. 4½'s	1926	20,000,000	J & J	102½	Dec. 26,'02	102½	101	32,000
" 1st con. g. 4's	1951	22,000,000	A & O	75	Dec. 31,'02	75	73	182,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94			

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	December Sales. High.	December Sales. Low.	December Sales. Total.
N. Y. Cent. & Hud. R. 1st c. 7's	1903	18,827,000	J & J	103	Dec. 19,'02	103	103	16,000
• 1st registered	1903		J & J	102⅛	Nov.14,'02	....	....	....
• g. mortgage 3½s	1997	40,426,000	J & J	105½	Dec. 31,'02	106½	104	5,000
• • registered			J & J	106	Nov. 7,'02	....	....	....
• debenture 5's	1884-1904	4,499,000	M & S	102⅞	Dec. 13,'02	103	102⅞	15,000
debenture 5's reg			M & S	102⅝	Nov.28,'02	....	....	....
• reg. deben. 5's	1889-1904	649,000	M & S	103⅛	Apr. 30,'01	....	....	....
• debenture g. 4's	1890-1905	5,097,000	J & D	100¾	Oct. 4,'02	....	....	....
• registered			J & D	99	Dec. 12,'02	99	99	4,000
• deb. cert. ext. g. 4's	1905	3,609,000	M & N	100	Dec. 16,'02	100⅛	100	10,000
• registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	94	Dec. 30,'02	94	92	135,000
• registered			F & A	93	Dec. 31,'02	93	91	42,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	92	Dec. 24,'02	93	92	8,000
• registered			F & A	93½	Sept.22,'02	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
• registered			J & J	106	June 17,'98	....	....	....
• 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
• registered		....	J & J	....	....	....	....	....
• ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O	....	....	....	....	....
• registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
• small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
• inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1966	1,650,000	F & A	105	Oct. 10,'02	....	....	....
• reg. certificates			F & A	....	....	....	....	....
N. Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	112¼	Dec. 31,'02	113½	112	76,000
• registered			J & J	110	Dec. 31,'02	112½	109	42,500
Lake Shore con. 2d 7's	1903	6,312,000	J & D	102⅜	Dec. 29,'02	102⅜	102⅜	3,000
• con. 2d registered	1903		J & D	105	Oct. 28,'02	....	....	....
• g 3½s	1997	43,820,000	J & D	105	Dec. 22,'02	105¼	101¼	33,000
• registered			J & D	111	May 2,19'	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	127½	Feb. 6,'01	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	146⅝	Apr. 12,'01	....	....	....
• 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	118⅝	Dec. 4,'01	....	....	....
• 5's	1931	3,576,000	M & S	128	June 21,'02	....	....	....
• 5's reg	1931		Q M	127	June 19,'02	....	....	....
• 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
• 4's reg			J & J	106½	Nov. 26,19'	....	....	....
• g. 3½'s sec. by 1st mge. on J. L. & S		2,000,000	M & S	....	....	....	....	....
• 1st g. 3½'s	1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
• 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Dec. 3,'02	119½	119½	9,000
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	121½	Dec. 10,'02	121½	121½	7,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	109⅞	Dec. 11,'02	109⅞	109⅞	1,000
N. Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104⅝	Dec. 30,'02	105½	104	67,000
• registered			A & O	105	Dec. 8,'02	105	105	3,000
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
• con. deb. receipts	$1,000	15,007,500	A & O	229½	Sept. 12,'02	....	....	....
• small certifs	$100	1,430,000	......	220	Nov. 25,'02	....	....	....
Housatonic R. con. g. 5's	1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
• 1st 6's	1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N. Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	102	Dec. 29,'02	103¼	100½	87,000
• registered......$5,000 only.		....	M & S	101½	Nov. 30,'98	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	116½	Mar. 25,'02	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133	Aug. 11,'02	....	....	....
• imp'ment and ext. 6's	1934	5,000,000	F & A	132	Dec. 31,'02	132	129	11,000
• New River 1st 6's	1932	2,000,000	A & O	131¾	Nov. 13,'02	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.1996		A & O	100¼	Dec. 31,'02	100½	99½	200,500
" registered..................	33,210,500	A & O	100½	Jan. 13,'02	....	....	....
" small bonds..................		A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's.1941	20,000,000	J & D	91	Dec. 31,'02	93	90	291,000
" C.C. & T. 1st g. t. g g 5's1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,1989	5,000,000	J & N	101½	Dec. 23,'02	101½	101	40,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	100,209,500	Q J	103¾	Dec. 31,'02	103¾	103	401,000
" registered..................		Q J	103¼	Dec. 22,'02	103½	103¼	41,000
" gen. lien g. 3's..........2047	56,000,000	Q F	72	Dec. 31,'02	73	71⅝	263,000
" registered..................		Q F	72½	Dec. 8,'02	72½	72½	2,000
St. Paul & Duluth div. g. 4's...1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered........		J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.1923	7,985,000	F & A	128¼	Dec. 9,'02	128¼	128	6,000
" registered certificates....		Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's.......1931	1,000,000	F & A	118	Nov. 6, 02	....	....	....
" 2d 5's..................1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's..........1968	1,000,000	J & D	100	Aug.21,'02	....	....	....
Washington Cen. Ry 1st g. 4's..1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,717,000	J & J	118	Dec. 3,'02	118	118	10,000
Ohio River Railroad 1st 5's.......1936	2,000,000	J & D	114	Dec. 30,'02	114	113	2,000
" gen. mortg. g 6's........1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's........1946	4,446,000	J & D	108¼	Dec. 4,'02	108½	108	7,000
Panama 1st sink fund g. 4½'s....1917	2,386,000	A & O	101	Oct. 7,'02	....	....	....
" s. f. subsidy g 6's........1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.							
Penn. Co.'s gtd. 4½'s, 1st.......1921	19,467,000	J & J	111	Dec. 30,'02	111	111	3,000
" reg 1921		J & J	109½	Nov.19,'02	....	....	....
" gtd.3½ coi.tr.reg. cts..1937	5,000,000	M & S	96½	Dec. 11,'02	96½	96	5,000
" gtd.3½ col.tr.cts.serB 1941	10,000,000	F & A	98	Oct. 16,'02	....	....	....
" Trust Co. ctfs. g. 3½'s.1916	18,666,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..1932	1,506,000	A & O	123	July 2,'02	....	....	....
" registered..................	....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.1942	1,063,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B..............1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.	439,000	......	....	....	....	....	....
" Series C 3½s 1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s..........1950	1,933,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B..1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..							
" Series A 1940	10,000,000	A & O	115⅛	June17,'02	....	....	....
" Series B gtd..........1942	8,786,000	A & O	113	Dec. 9,'02	113	113	1,000
" Series C gtd..........1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's......1945	4,983,000	M & N	106¼	Nov.19,'02	....	....	....
" Series E gtd. g. 3½s...1949	10,840,000	F & A	97½	June13,'02	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's..................1912	2,047,500	J & J	127¾	Oct. 17,'02	....	....	....
" 3d 7's..................1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Tol Walhonding Vy.&O.1st gtd.bds							
4½'s series A..........1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B..........1933	978,000	J & J	....	....	....	....	....
" 4's series C..........1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...1923	1,675,000	M & N	106	Dec. 8,'02	106	106	8,000
con. sterling gold 6 per cent...1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered...1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent 1919	4,998,000	M & S	....	....	....	....	....
" registered..................		Q M	....	....	....	....	....
con. gold 4 per cent 1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's...1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s.....1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s 1941	4,455,000	J & J	111	Dec. 8,'02	111	111	5,000
Sunbury & Lewistown 1stg.4's.1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's...1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....1921	1,495,000	Q F	130¼	Feb. 10,'02	....	....	....
" 2d m 4½'s................1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.							
Flint & Pere Marquette g. 6's..1920	3,999,000	A & O	121	Dec. 1,'02	121	121	1,000
" 1st con. gold 5's........1939	2,850,000	M & N	112½	Aug.28,'02	....	....	....
" Port Huron d 1st g 5's.1939	3,325,000	A & O	112¼	Dec. 30,'02	112¼	111½	6,000
Sag'w Tusc. & Hur.1st gtd.g.4's.1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's 1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 18,'93	112½	112½	1,000
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	119	Nov.25,'02	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	101½	Nov.26,'02	....	....	....
" J. P. M. & Co., ctfs., ...	8,111,000	......	101	Nov.26,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	120½	120½	2,000
Reading Co. gen. g. 4's...........1997	64,762,000	J & J	97½	Dec. 31,'02	97½	95½	1,631,000
" registered...................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	93	Dec. 30,'02	93½	92	29,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	100	Dec. 29,'02	100	99	141,000
" mge & col. tr. g. 4's ser. A.1949	10,000,000	A & O	91¼	Nov.11,'02	....	....	....
" Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	114	May 13,'02	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80½	July 3,'02	....	....	....
" guaranteed...............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	97	Nov.24,'02	....	....	....
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	999,000	M & N	106	Dec. 1,'02	106	106	1,000
" 2d g. 6's, Class C 1906	830,000	M & N	108¼	Aug.14,'02	....	....	....
" gen. g. 6's.............1931	3,715,000	J & J	130	Nov.14,'02	....	....	....
" gen. g. 5's 1931	5,817,000	J & J	115	Dec. 11,'02	115	115	5,000
St. L & San F. R. R. con. g. 4's.1996	1,595,000	J & D	97	Dec. 15,'02	97	97	7,000
" S. W. div. g. 5's........1947	880,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	40,514,000	J & J	94	Dec. 30,'02	94½	94	17,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft. S. & Mem RR cong 6's 1928	13,736,000	M & N	125½	June16,'01	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g4s.1936	12,355,000	A & O	86	Dec. 31,'02	86½	85¾	121,000
" registered.........		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	94½	Dec. 31,'02	96½	94	178,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	85½	Dec. 31,'02	85	81	18,000
" Trust Co. certifs............	6,727,500	......	81⅝	June30,'02	....	....	....
" con. g. 4's.... 1932	12,054,000	J & D	85	Dec. 31,'02	86	80	64,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,428,000	A & O	112½	Dec. 23,'02	112½	112½	8,000
" 1st con. 6's............1933	13,344,000	J & J	137½	Dec. 10,'02	137½	137	30,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	20,108,000	J & J	112¾	Dec. 2,'02	112¾	112¾	15,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,573,000	M & N	113⅜	Nov.11,'02	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103½	Dec. 27,'02	104	102½	11,000
" registered.................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's..1908	4,700,000	A & O	107½	Sept.26,'02	....	....	....
" registered.................		A & O	....		....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
" registered.................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	133½	Sept.27,'02	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered.................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered.................		J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's...............1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	112¼	Nov.19,'02	....	....	....
Brunsw. & West. 1st gtd. g. 4's ..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.1918	1,107,000	J & J	97	Dec. 22,'02	97	97	2,000
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	84	Dec. 30,'02	84	82½	32,000
" registered.................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	9,968,000	M & N	101⅝	Dec. 26,'02	101⅝	100½	40,000

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			Price.	*Date.*	*High.*	*Low.*	*Total.*
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	97	Oct. 10,'02	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	100	Dec. 4,'01	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	98¾	Dec. 31,'02	98¾	97¾	95,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	90½	Dec. 30,'02	91½	89	502,000
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	111	June26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..1949	58,041,000	F & A	101⅛	Dec. 31,'02	101⅞	101¼	243,000
" registered................		F & A	99⅞	June 1,19'	....	....	....
" mtge. gtd. g. 3½'s...1929	18,254,500	J & D	85	Dec. 30,'02	85½	85	106,000
" " registered		J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	110	Dec. 29,'02	110	110	5,000
" 2d g 7's................1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	110¼	Apr. 28,'02	....	....	....
Gila Val. G. & N'n 1st gtd g 5's.1924	1,514,000	M & N	112	Oct. 20,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	103	Aug.18,'02	....	....	....
" 1st gtd. g. 5's.........1933	2,199,000	M & N	102½	Dec. 1,'02	102½	102½	10,000
Houst. & T.C. 1st g 5's int. gtd..1937	5,960,000	J & J	111	Dec. 18,'02	111¼	111	25,000
" con. g 6's int. gtd......1912	2,911,000	A & O	112	Dec. 30,'02	112	112	10,000
" gen. g 4's int. gtd......1921	4,287,000	A & O	92½	Dec. 31,'02	92½	91½	25,000
" W&Nwn. div. 1st. g. 6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	122	Sept.15,'02	....	....	....
" 1st 7's.................1918	5,000,000	A & O	130	Nov.19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,357,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	87¾	Dec. 31,'02	87¾	85	94,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	112¾	Apr. 18,'02	....	....	....
" " 1910	4,000,000	J & J	112½	Aug. 7,'02	....	....	....
" of Cal. 1st g 6's ser. A.1905	29,192,500	A & O	105¼	Dec. 23,'02	105⅜	105¼	4,000
" " " ser. B.1905		A & O	108	Dec. 23,'01	....	....	....
" " " C. & D.1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.1902		A & O	114½	Nov. 3,'99	....	....	....
" " " 1912	....	A & O	119½	June13,'01	....	....	....
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107	Nov.27,19'	....	....	....
" stamped........1905-1937	20,420,000	......	108½	Dec. 16,'02	108½	108½	2,000
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	112	Dec. 31,'02	112	112	10,000
Tex. & New Orleans 1st 7's......1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's..............1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's.1994	35,304,000	J & J	119	Dec. 31,'02	120	118	124,000
" registered....................		J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	94	Dec. 31,'02	95	94	25,000
" registered................		M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's.1996	5,083,000	J & J	115	Mar. 18,'02	....	....	....
" registered....................		J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	99½	Dec. 31,'02	100½	99½	2,000
" " registered.........		J & J	....	....	....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	95	Dec. 4,'02	95	95	20,000
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	120	Sept.10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.1930	3,106,000	J & J	117½	Dec. 23,'02	118	117½	4,000
" con. 1st g 5's...........1956	12,770,000	M & N	119¼	Dec. 24,'02	119½	118	25,000
" reorg. lien g 4's.......1938	4,500,000	M & S	116¼	Dec. 5,'02	116¼	116¼	4,000
" registered................		M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	126	Nov.26,'02	....	....	....
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	126¾	Oct. 28,'02	....	....	....
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	120½	Dec. 16,'02	121½	120½	4,000
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	111	Dec. 23,'02	111¾	111	15,000
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	107	Dec. 31,'02	107	106⅝	20,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....	....	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. B 6's.............1911	1,900,000	M & S	....	....	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. C 6's.............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. D 4-5's............1921	950,000	M & S	113½	Nov.10,'02	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. E 5's..............1926	1,775,000	M & S	114	Sept.10,'01	....	....	....
" small......................		M & S	....	....	....	....	....
" ser. F 5's.............1931	1,310,000	M & S	114	Dec. 18,'02	114	114	1,000

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Virginia Midland gen. 5's	1936	2,392,000	M & N	114	Dec. 11,'02	115	114	49,000
" gen.5's. gtd. stamped	1926	2,466,000	M & N	116½	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	119	Dec. 29,'02	119	119	5,000
Spokane Falls & North.1st g.6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111	Oct. 24,'02	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	119	Dec. 18,'02	119	119	2,000
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115½	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,941,000	M & S	101¾	Sept.25,19'	....	....	....
" 1st gold 5's	2000	22,059,000	J & D	116½	Dec. 31,'02	118	116	161,000
" 2d gold income, 5's	2000	963,000	MAR.	98	Dec. 19,'02	98	98	1,000
" La. Div.B.L. 1st g.5's	1931	2,661,000	J & J	111	June18,'01	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114	Dec. 1,'02	114	114	1,000
" 1st M. g 5's West. div	1935	2,500,000	A & O	113⅞	Nov.17,'02	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	109	Sept.29,'02	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	98½	Sept.27,'02	....	....	....
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	91	Dec. 11,'02	91	91	1,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	85	Dec. 30,'02	89	82¼	93,000
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	75¾	Dec. 31,'02	80	75	378,000
" registered			A & O	....	....	....	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98½	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	109	Dec. 29,'02	109	109	3,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	104⅞	Dec. 31,'02	105	103¾	812,000
" registered			J & J	104¼	Dec. 17,'02	105	103	42,000
" 1st lien con. g. 4's	1911	87,259,000	M & N	105¾	Dec. 31,'02	106⅛	103	10,916,000
" registered			M & N	105¼	Dec. 6,'02	105¼	105¼	1,000
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	100⅝	Dec. 31,'02	101	100	138,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	125	Dec. 29,'02	126	125	13,000
" 1st con. g. 5's	1946	12,328,000	J & J	115½	Dec. 29,'02	115½	115	65,000
" 4's&participat'g g.bds	1927	31,000,000	F & A	96⅛	Dec. 31,'02	96⅛	91¾	4,532,000
" registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
" g. 5's	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's	1939	31,988,000	M & N	116⅛	Dec. 31,'02	116¼	115	161,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	108	Dec. 30,'02	108	107	82,000
" deben. mtg series A	1939	3,500,000	J & J	104	Dec. 20,'02	104	104	1,000
" series B	1939	26,500,000	J & J	77¼	Dec. 31,'02	77½	70⅝	3,916,000
" first lien eqpt. fd.g. 5's	1921	3,000,000	M & S	104½	Dec. 11,'02	104½	104½	4,000
" 1st g.5's Det.& Chi.ex	1940	3,411,000	J & J	111	Dec. 31,'02	111	110½	30,000
" Des Moines div.1st g.4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s	1941	3,500,000	A & O	83	Dec. 23,'02	83	83	2,000
" Tol. & Chic.div.1stg.4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L., K.C.& N.St.Chas.B.1st6's	1908	799,000	A & O	109	Dec. 17,'02	109	109	3,000
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	119¼	Dec. 10,'02	119½	119	10,000
" gen g. 3-4's	1943	9,789,000	A & O	99	Dec. 29,'02	99⅝	99	12,000
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	113	Nov.13,'02	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's	1930	843,000	F & A	111⅝	Oct. 23,'02	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	91	Dec. 30,'02	92	91	116,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,897,000	J & J	93	Dec. 31,'02	93¼	90¾	552,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	103½	Dec. 15,'02	103¼	103	36,000
" Atl. av.Bkn .imp. g.5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	114	May 28,'02	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	103	Sept.17,'02	....	....	....
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	102	Dec. 20,'02	102	100	227,000
" stamped guaranteed			......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	89	Dec. 24,'02	89	87	77,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	....	....	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105¾	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	DECEMBER SALES. *High.*	*Low*	*Total.*
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	118¼	Dec. 31,'02	119	116¼	29,000
• refunding 4's..........2002	12,780,000	A & O	96½	Dec. 30,'02	96½	96	50,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	117	Dec. 27,'02	117	116⅝	19,000
• registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	8,000,000	M & S	121	Nov.28,'02	....	....	....
• registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	121	Dec. 30,'02	121	120¼	8,000
• registered..................		M & S					....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	99¼	Dec. 30,'02	99¾	97½	318,000
• registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	122	Dec. 29,'02	122	121½	2,000
Met. West Side Elev.Chic.1stg.4's.1938	10,000,000	F & A	101	Nov.26,'02	....	....	....
• registered..................		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.......................1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
• gtd. gold 5's............1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
• 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28, '97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104	Dec. 29,'02	104⅛	103½	76,000
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	75½	Dec. 30,'02	77	75½	24,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	89¾	Dec. 31,'02	91	80	454,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	95	Dec. 29,'02	95	94½	37,000
• registered..................		F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....	....	....	....	....
• E 4's..................1907-1917	1,000,000	J & D	....	....	....	....	....
• F 4's..................1908-1918	1,000,000	M & S	....	....	....	....	....
• G 4's..................1903-1918	1,000,000	F & A	100	Mar.15,19'	....	....	....
• H 4's..................1903-1918	1,000,000	M & N	....	....	....	....	....
• I 4's..................1904-1919	1,000,000	F & A	....	....	....	....	....
• J 4's..................1904-1919	1,000,000	M & N	....	....	....	....	....
• K 4's..................1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds..........................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	40	Dec. 31,'02	45½	38	226,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	100	Dec. 31,'02	100	99	17,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	95	Dec. 31,'02	95	94	77,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	86	Dec. 11,'02	86½	86	11,000
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	82	June25,'02	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,518,400	F & A	66½	Dec. 31,'02	66¼	60	4,841,000
• registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	98	Dec. 16,'02	98	98	13,000
Gramercy Sugar Co.. 1st g. 6's....1923	1,400,000	A & O	99⅞	Apr. 30,'02	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
• non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	108	Dec. 31,'02	108½	108	36,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1926	2,000,000	A & O	93	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,002,000	J & J	96	Oct. 29,'02	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	80	Nov.11,'02	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	66¾	Dec. 31,'02	66¾	62	43,000
" " inc. g. 5's.1946	7,500,000	......	12	Dec. 31,'02	12	9⅛	235,000
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	112	Dec. 29,'02	112	111	9,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	85	Dec. 6,'02	85	85	1,000
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	110⅛	Aug.22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	103	Dec. 20,'02	103	102¼	1,086,000
" conv. deb. g. 5's.........1911	12,069,000	F & A	95½	Dec. 31,'02	95½	90½	1,250,000
" registered..................		F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's.................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,192,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	107⅛	Nov.19,'02	....	....	....
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	109	Dec. 31,'02	110	108⅛	8,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	102⅛	Nov.19,'02	....	....	....
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
Bost. Un.Gas tst ctfs s'k f'dg.5's..1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	116½	Dec. 29,'02	117	115⅛	14,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,606,000	J & J	99	Dec. 27,'02	99	98⅝	6,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y. 1st con. g. 5's...........1932	3,500,000	M & S	117	Dec. 16,'02	117	117	7,000
Gas. & Elec.of Bergen Co, c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,010,000	J & J	120	Dec. 31,'02	120	120	1,000
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	97½	Sept.19,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	108	Dec. 31,'02	108½	107⅛	31,000
" small bonds................			97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,500,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g 5's.1948	11,500,000	J & D	111	Dec. 31,'02	111⅛	110¾	47,000
" registered..................		J & D					
" purchase mny col tr g 4's.1949	20,389,000	F & A	95	Dec. 31,'02	95	94	208,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105¾	Dec. 17,'02	105¾	105⅛	15,000
" 1st con. g. 5's...........1995	2,156,000	J & J	120	Dec. 15,'02	120	120	1,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	107⅛	Dec. 29,'02	107⅛	107⅛	10,000
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	104	June 7,'02	....	....	....
" 2d gtd. g. 6's............1904	2,500,000	J & D	104⅛	Nov.14,'02	....	....	....
" 1st con. g 6's............1943	4,900,000	A & O	120	Dec. 3,'02	120	120	4,000
" refunding g. 5's........1947	2,500,000	M & S	104	Nov.12,'02	....	....	....
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	109	Dec. 3,'02	109	109	1,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108⅛	Dec. 29,'02	108⅛	108⅛	5,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	104¾	Nov.20,'02	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105	Oct. 23,'02	....	....	....
" registered..................	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	DECEMBER SALES. *High*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	10,928,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered	....		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's.	1926	3,906,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's.......	1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...	1938	8,504,000	J & J	111	Dec. 26,'02	111	110	40,000
" fundg & real estate g. 4½'s.	1950	13,000,000	M & N	104½	Dec 31,'02	104½	103⅝	174,000
Mutual Union Tel. s. fd. 6's....	1911	1,957,000	M & N	111	June17,'02	....	....	....
Northwestern Telegraph 7's...	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1902. *High.*	YEAR 1902. *Low.*	DECEMBER SALES. *High.*	DECEMBER SALES. *Low.*	DECEMBER SALES. *Total.*
United States con. 2's registered...	1930	445,940,750	Q J	109⅞	108¼	....	....	......
" con. 2's coupon............	1930		Q J	109⅝	107¾	....	....	......
" con. 2's reg. small bonds..	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered...........	1908-18	97,515,660	Q F	109⅛	105½	107¾	107¾	20,000
" 3's coupon..............	1908-18		Q F	110	106½	108	108	26,500
" 3's small bonds reg.....	1908-18		Q F	107	107	....	....	......
" 3's small bonds coupon.	1908-18		Q F	109½	106⅜	107¾	107¾	2,600
" 4's registered..............	1907	233,177,400	J A J&O	112½	108¼	109½	108½	25,550
" 4's coupon..................	1907		J A J&O	113	108¾	....	....	......
" 4's registered..............	1925	118,489,900	Q F	139½	132	135½	135½	6,000
" 4's coupon..................	1925		Q F	139¾	136½	136½	136½	18,000
" 5's registered..............	1904	19,885,050	Q F	106½	103¾	103¾	103¾	2,000
" 5's coupon..................	1904		Q F	106¼	103⅞	....	....	......
District of Columbia 3-65's...........	1924	14,224,100	F & A	....	....	....	....	......
" small bonds......................			F & A	....	....	....	....	......
" registered.......................			F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5..............	1906	6,859,900	J & J	107	102½	....	....	......
" " small............		....	....	....	....	....	....	......
" Class B 5's....................	1906	575,000	J & J	102½	102½	....	....	......
" Class C 4's....................	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......	1920	954,000	J & J	111	111	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's................	1914	10,752,800	J & J	107	106	....	....	......
" " small bonds..........			....	....	....	....	....	......
Missouri fdg. bonds due..........	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............	1910	3,397,350	J & J	104½	104	....	....	......
" small.........................			J & J					
" 6's...........................	1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40..........	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........	1913	6,681,000	J & J	96⅝	95½	95¾	95¾	1,000
" registered......................		6,079,000	J & J	95½	95½	....	....	......
" small bond......................		362,200	J & J	95	94	....	....	......
Virginia fund debt 2-3's of...........	1991	18,039,896	J & J	99¾	95¼	....	....	......
" registered......................			J & J			....	....	......
" 6's deferred cts. Issue of 1871		4,724,966	....	7¼	7¼	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		7,966,565	....	15⅝	8	12½	11	150,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......	1901	14,776,000 (Marks.)	M & S	95½	94¾	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's.............................	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................		....	Q J	100	96	....	....	......
Regular delivery in denominations of £100 and £200........................		222,407,660	......	....	....	....	....	......
Small bonds denominations of £20		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Abernathy.—Col. James L. Abernathy, a millionaire furniture manufacturer of Kansas City, Mo., and Leavenworth, Kans., died December 16. He assisted in organizing the First National Bank, of Kansas City, Mo., being a director from the start, and later was elected Vice-President. From 1896 to 1900 he was President, resigning in the latter year. For three years he was mayor of Leavenworth, Kas., and held other important offices. He served in the Union army in the late Civil War.

Arnold.—John W. Arnold, of the banking firm of J. W. Arnold & Co., Colfax, Ill., died December 22, aged seventy-four years.

Barker.—Robert S. Barker, President of the Union National Bank, Newport, R. I., died December 6. He was a native of Newport and was for many years engaged in business there. He had been a director of the Union National Bank for about thirty-three years and President since 1888.

Bradford.—George R. Bradford, President of the First National Bank and the Gloucester Safe Deposit and Trust Co., Gloucester, Mass., and also identified with many other business enterprises, died December 31, aged seventy-four years.

George.—Isaac S. George, financier and banker, died January 2, at his home in Baltimore, aged eighty-four years. Until a few years ago Mr. George was prominent in financial circles, having been for twenty years President of the Traders' National Bank of Baltimore. After the absorption of that institution by another local bank, three years ago, Mr. George retired to private life.

Harper.—James G. Harper, Cashier of the Lafontaine (Ind.) Bank, and a prominent and popular business man, died December 16, aged about fifty-eight years. He had been connected with the bank since its organization about eight years ago.

Hayden.—Charles J. Hayden, for many years Treasurer of the Home Savings Bank, Boston, Mass., died December 1. He was sixty-one years of age, and was a native of Boston.

Johnson.—John Johnson, formerly President of the First National Bank, Woburn, Mass., died December 7, in his eighty-ninth year. He had been a director of the State bank which the First National Bank succeeded since 1853, and from 1874 to 1889 was Vice-President of the National bank. In October, 1891, he was elected President, and held this office till January, 1900.

O'Neil.—Wm. O'Neil, President of the Marine National Bank, Pittsburg, Pa., died December 26.

Potter.—Col. I. M. Potter, President of the Commercial National Bank, Providence, R. I., died December 26, aged sixty-nine years. He served in the Union army in the late Civil War, and was promoted successively to be captain, major, and lieutenant colonel. He was a member of the General Assembly in 1875 and 1876, Presidential elector and frequently a delegate to the National conventions of the Republican party. His business affiliations were extensive.

Townsend.—Henry Lester Townsend, senior member of the banking firm of DeHaven & Townsend, Philadelphia and New York, died January 4 at Camden, S. C.

Van Leuven.—James Van Leuven, President of the State of New York National Bank, Kingston, N. Y., died December 26, aged seventy-one years.

Varet.—Eugene Emile Varet, Assistant Secretary of the Morton Trust Company, New York city, died December 30.

Wallace.—Wm. M. Wallace, Cashier of the Second National Bank, Erie, Pa., died December 18, aged fifty-five years. He had been connected with the bank since 1874.

Williams.—George W. Williams, President of the Carolina Savings Bank of Charleston, head of the firm of G. W. Williams & Co., and the oldest banker in South Carolina, died at his home in Charleston January 6, aged eighty-three years. With $10 in his pocket he became a clerk in Augusta, Ga., in 1838, and in two years was taken into copartnership. In 1852 he began business in Charleston. During his long business career he divided with his partners $21,000,000 in profits. His banks always met all obligations promptly.

THE

BANKERS' MAGAZINE

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

FIFTY-SEVENTH YEAR. FEBRUARY, 1903. VOLUME LXVI, NO. 2.

THE PAYMENT FOR THE PANAMA CANAL, amounting to $40,000,000, to be made to the French company heretofore in charge of the enterprise, may cause some disturbance of the money market or the undue exportation of gold. These great international transfers are of much interest to business men when any serious alteration of rates for money may interfere with innumerable private transactions, both at home and abroad.

In the ordinary course of commercial exchange, going on all the time, the goods and commodities dealt in generally nearly offset each other. The year's business may aggregate billions, and there may be no great disturbance, but a comparatively insignificant sum like ten or twenty or even forty millions, that has to be transferred for an indemnity representing something out of the ordinary line of property, or for a purchase of a right of way like the Panama Canal, often causes great perplexity. France is not likely to want our products to the extent of forty millions just at this time.

The simplest way would seem to be to send the forty millions in gold direct, but to take forty millions from the carefully piled up and adjusted reserve stock, each part of which supports or is likely to be supporting some superstructure of credit, is too much like tearing up the foundation of things. Of course the way to do it is to buy up exchange on Paris, if such exchange can be found; but Paris exchange is not so easily procured that an attempt to buy so great a sum might not cause prohibitive rates. Other European exchange acceptable to Paris may be obtainable. The difficulty in procuring suitable exchange lies in the fact that it is known that this payment will be made, although there is much latitude as to the exact time. Of course in regard to the exact time the Government will have the advantage of the first knowledge.

In transmitting the Spanish indemnity of twenty millions it was considered a great financial feat that there was no immediate disturbance of the money market. It would seem from the fact that a short time after the payment to Spain there were gold exportations, that the exchange used was created by foreign loans. So in the case of the Panama purchase money, it is probable that exchange against foreign loans could be obtained. Still, the best way to avoid difficulty would seem to be to meet the situation by an issue of United States bonds as was done in the case of the Louisiana Purchase. Of course these bonds might be returned to this country, but more time could be gained for their gradual absorption here, and during this period the necessary exchange could be gradually obtained, not by the Government but by the private investors who would obtain it in small sums to remit for the bonds as they took them. The Government, bidding for forty millions in exchange within what must necessarily be a short period, would be at a much greater disadvantage than private buyers with more time at their disposal. The interest on the bonds might be as costly as the exchange rates to be paid, or even more so, but this would be compensated for by the advantage of this method to the general money market. Moreover, when the French company receives this forty millions, being in liquidation, it will distribute it among the stockholders. Many of these stockholders may be willing to hold United States bonds as an investment.

THE CANADIAN SYSTEM OF BRANCH BANKS was made the subject of some comparison with our own system of independent banks in the December issue of the MAGAZINE. This comparison was suggested by an apparently authentic communication emanating from the Manitoba Department of Agriculture, complaining of the inadequacy of banking facilities encountered in moving last fall's extraordinary wheat crop in the Northwest. The specific charge made in this communication was that bank bills, that is the notes furnished for currency by the Canadian banks, were difficult to procure. Other data furnished in this article as to the number of branch banks organized in the Northwest Territory are said to be incorrect. Instead of the forty branch banks stated in that article, there are, it seems, one hundred and twenty-eight. But this error does not affect the charge made by a public department representing agricultural interests, that there was a dearth of bank money. The greater the number of banks the greater the accommodation, and it is a more serious sign of defect in the system when this greater number of branches failed to furnish the needed facilities.

If, however, the whole article supposed to be authoritative was not so, and bank money was not difficult to procure, but on the contrary abundant, even then it does not follow that the comparisons made between the Canadian banking system and the banking system of the United States were unfair. There was no wish to depreciate the Canadian system as such, but merely to demur to its constant employment as a shining example by those who advocate the introduction of branch banking as a part of our system. When assuming the role of reformer and prophet, we are apt to point out the excellencies of foreign institutions and to dwell with much minuteness and pertinacity on the defects of our own. On the other hand, the foreign prophet and reformer sees the good points of our system and the bad features of the one under which he has personal and practical experience. It is the person who wears the shoe who is best informed as to where it pinches.

The system of banking in the United States has grown up with the growth of the people, and like some of the ancient cities of the world, rests on foundations made up of the wrecks of predecessors. The Scotch system of banking, like the American, was a growth weaving itself into the laws, customs and peculiar national ideas of Scotland and adapting itself to the intricacies of Scotch mind and character. The Canadian system is an imitation of the Scotch system, and like a knock-down house, set down where it was to be used all finished and complete, painted and well bordered. This is no reflection on this excellent system. It no doubt does the work for which it is intended as well as new and perfect machinery usually does. It is not to criticize the system that this is adverted to, but to explain why it is so admired and praised by the average political economist. It is easier to understand and explain how one timber is spiked to another than to unravel and display the manner in which a branch grows from the parent trunk. The complete, trim, delightful Canadian system is the very joy of the doctrinaire. He can explain it all to the class in an hour, just as our friend Coin used to do about silver in Chicago, in 1896. The real ins and outs of a banking system which has grown with the people who use it, are more difficult to place in regular order and elucidate within the limits of a professor's lecture.

There is no wish to depreciate the admirable safety and general efficiency of the Canadian branch banking system. Banking in the United States has developed on different lines. Both systems alike gather at certain centres the surplus money of the country so that it may be redistributed and used to encourage enterprise. The Canadian system deprives the local capitalist to a greater extent of his power to recall his capital than does the American system. Under the one there is too little, under the other too much, central control. It was chiefly to emphasize this difference that the remarks in the December MAGAZINE were intended.

The promoters of banking reform are a very useful generation; long may they live! but they are a thin-skinned and irascible race. Those who advocate the substitution of branch banking in the place of the existing independent banks regard, as well they may, the Canadian banking system as the most perfect and complete and practical elucidation of the theory of branch banking the world has yet seen. But why should this very excellent system be looked upon as sacrosanct, and tabooed from criticism?

BANKING REFORM IN THE UNITED STATES is made the subject of a very interesting article by Mr. W. R. LAWSON in the January issue of the London "Bankers' Magazine." It is a fair and temperate criticism of some of the defects of our banking and currency system as well as of the proposals put forth for curing these defects. Mr. LAWSON does not think that this country is suffering from any lack of currency, but that the amount of money in circulation at present is unquestionably redundant. But even if this be conceded, it does not follow that reform is not desirable. It is coming to be the view of many of the most thoughtful observers in this country that so long as National bank notes may be issued only on the security of the Government debt, and while they are not subject to rapid commercial redemption, there is no sufficient motive either for the redemption or issue of the notes. In short, there is practically no profit in issuing circulation. It is believed that by permitting the issue on a basis that will yield a fair profit, and also by requiring redemption in gold, a greater degree of elasticity will be assured.

In criticizing the American banking system Mr. LAWSON seems to have laid undue stress on the locking up of money as reserves for National banks. This lock-up of money is much more apparent than real. Mr. LAWSON writes as if every National bank in the United States were required to keep a reserve of twenty-five per cent. of its deposits. This is far from being the case. Only banks in the central reserve cities—New York, Chicago and St. Louis—are required to keep a twenty-five per cent. reserve in their own vaults; banks in thirty other reserve cities are required to have a twenty-five per cent. reserve, but may deposit one-half this amount in central reserve cities; country banks—those outside either the reserve or central reserve cities—must have a reserve of fifteen per cent., but they may keep nine per cent. of it on deposit with banks in the reserve cities. Of course, by this system of deposit and redeposit of reserves a very much larger part of the banking reserve of the country is made available for loaning purposes than appears on the surface. But whether too great an amount of money is still tied up as bank reserves, is a debatable question.

Mr. LAWSON'S article is published entire in another part of this issue of the MAGAZINE. It is worthy of a careful reading.

A BANK TRUST IN THE UNITED STATES is not thought by Mr. LAWSON to be imminent. Some time since it was pointed out in this MAGAZINE, when speaking of branch banking, that if this were authorized by law, that it would prove the commencement of the same process of consolidation as has been so marked in many other lines of business. The writer in the London "Bankers' Magazine" thinks that if the National banks were permitted to establish branches, even the largest of them could not expand themselves over the whole continent. "It would be impossible under present conditions, and, if possible, it would be highly undesirable." As to the undesirability, there can be no difference of opinion; but as to the impossibility, that is another matter. The very argument further used to prove the impossibility seems to prove the opposite. It is added, "the Americans having lost control of their coal, their beef and nearly every other staple product of their soil, have still one anchor of individual liberty to hold on to, and that is their local banks." If it were strictly true that the public have lost control of nearly every staple production, by means of the devilish arts of the combining magnates, this would seem to prove that there would be no great difficulty in consolidating the local banks also, if there were no law to prevent. If some such provision as that against branch banking, confining firms and corporations to doing business in their own localities only had been in existence before combinations in the handling of staple productions had been thought of, such a provision of Federal law would have gone far to have prevented these combinations. Many of these combinations have proved so beneficent for the country at large, and have been so serviceable in placing the productions of specially favored localities at the service of the whole population, that if a law enforcing local business had existed it ought to have been repealed.

In regard to banking, however, the temptation to concentrate artificially would be assisted by the existing natural laws of money. Even under a system of banking very sternly localized by law and traditional habit, the surplus of the local banks flows to the money centres. The magnates at these centres have always sought to secure every advantage from the use of this money. The only thing that has stood in their way, and caused periodical disorder at the money centres, has been the power of the local banks to call for their money whenever they wanted it. These calls, although usually made at certain seasons of the year which might have been foreseen, have often found the central banks not exactly prepared to meet them. These central banks have, perhaps, become interested in local speculations and financial deals, and they have miscalculated the drafts that would be made upon them. Still, on the whole, the local banks have generally been able to get their money when they needed it even if it has caused stringency in the central money markets. If, however, the local banks had all been branches of a few great central institutions, the effect would have been different. The exigencies of the centers would probably have been regarded as of more importance than those of the outlying localities, and the work of production and transportation might have been interfered with to the detriment of the petty capitalists who count up so largely in the total wealth of the country. If great railroads and corporations, the capital of which nearly equals, or in some cases exceeds, that of all the banks of the country, can be made the sport of speculators when there is no controlling law, how would it be more difficult to get a controlling interest of the stock of the local banks, and combine them as the branches of some one charter, if there were no law to prevent. The temptation to do this might not be insignificant. There certainly is no limit in these days to the ambition of a great financier. If CÆSAR, ALEXANDER or NAPOLEON, much as the latter is alleged to have despised the authorities of the stock market, had lived in these days, they would probably have followed the career of a financial magnate and, instead of marshalling phalanxes, legions or battalions, they would probably have managed trusts, corporations, banks and railroads.

The whole wide world is open to the modern financier, and as far as any spirit of nationality exists among them he might seek to ruin the trade and manufactures and production of foreign countries to enhance his own glory, and incidentally to place the country he happened to belong to on top. A combination of the banks of such a country as the United States would prove a magnificent weapon for the purposes of such a warfare. If the whole banking power of the United States were used for any one object, failure could hardly be predicated. But there is little use in speculating on this line, inasmuch as there is already in existence a law which prohibits any very extensive consolidation of banking power which would prove dangerous to local banks. Under the system as it exists such consolidations of capital for banking purposes as are necessary to meet the growing necessities of business can be made. They take place under the law as it exists and are not calculated to injure the system of local banks.

FOREIGN LOANS TO AMERICAN BANKERS were said to amount to between $200,000,000 and $300,000,000 at the beginning of the year. The information relative to this debt is supposed to be derived from the international bankers. It is said that these loans are made by foreign banks in our market, through their American correspondents, in about the same manner as loans on collateral are made by the home banks. The business is looked upon as a safe and profitable one, as the foreign banks frequently find the rates here better than at home.

The introduction of this cosmopolitan use of capital is a new element that has constantly to be reckoned with in studying the symptoms of the money market. It has heretofore been the custom to attach the blame for the continuous speculation that goes on in the financial centres of the United States to the reserve provisions of the National banking laws, by which the idle money of all the banks is attracted to these favored spots. But it is now better understood that the money goes there not in consequence of the reserve law, but because of natural law too strong for any statute. In passing the law of reserves the lawgivers merely recognized a condition and a tendency.

Since 1863 the country has developed prodigiously in regard to the safety of local investments, and in this respect it is still developing with rapid strides. As this development progresses new financial centres grow up. In 1863 all of the chief money markets were in the East, now there are important centres of finance in the interior as well. While the preponderance of New York has been more than maintained, it has not been altogether derived from the banks of the interior; that is, the interior banks have greater interests which call for the constant use of their money at home than they formerly had, and the central bank must look for a shorter use of interior money than was formerly enjoyed.

This falling off in the support of interior banks has been supplemented by the influx of foreign capital. The great credit now enjoyed by New York as an international money market enables her bankers to depend upon almost unlimited resources in time of necessity. It is not doubtful that under the realization of the power this foreign credit seemed to grant that there has been a great temptation to more than ordinary bursts of speculation. But it is evident that reaction has set in and that the leading minds in control of the heavier transactions of the money market are in favor of greater conservatism. Nevertheless, it is in the nature of things that at times too buoyant views will prevail and that as long as human nature remains the same speculation will range over safe limits. But this cannot be prevented by any law. When the National Currency Act was passed in 1863, it would have been impossible to have made the system a success unless the right to keep resources at the natural money centres had been recognized. Probably, with the growth of the country and the greater opportunity for the local use of money, a law forbidding reserves to be kept at the money centres would not be so great a hardship to-day as in 1863, but any law restricting the flow of capital, whether the restriction be slight or heavy, is sure to prove a dead letter.

THE AMENDED FOWLER BILL is receiving considerable support, and it is thought possible that it may pass the House and go to the Senate.

If this bill becomes a law it will form the entering wedge which will in the end abolish the system of using United States bonds as security for bank notes. While an asset currency is very desirable, and will result in the abolishment of many of the defects in our monetary system, yet the effect on the prices of United States bonds of depriving them of their function as security for bank notes is one that should be very thoroughly considered and discussed. In no country in the world do the bonds of the government bear such prices as in the United States. Two per cents at 108 are the surprise of all the world, and yet it is well understood that this wonderful price is due in great measure to the use of the bonds as banking security.

If the principle of a free credit circulation advocated in the amended Fowler bill shall supersede the present system, it is well to consider what the consequences will be, especially at a time when the Government may soon be called on to issue some hundreds of millions more for the purposes of an inter-oceanic canal. The giving up of the principle of bonded security for circulation would throw on the market nearly the whole of the two per cents. It is possible, if this should be gradually done, that the two per cents might not go below par, but the probability is that they would do so.

There is, however, one consideration that would go to prevent the bonds from falling as low as they otherwise might. As long as the independent Treasury system lasts, and the surplus only of the Treasury is deposited with the National banks, the requirement of bonded security would not be much greater than it is now. It is possible, however, that if Congress sees fit to abolish bonded security for circulation, it might, at the same time, to sustain the price of the bonds thus deprived of one important function, give them a wider field of utility as security for deposits. This might be done by abolishing the independent Treasury system and requiring all Government moneys to be kept in the National banks, bonded security for such deposits of public money being required as now. If, however, something of this kind is not done, and the asset currency bill becomes a law, a decline in the price of United States bonds may be expected. Precisely as silver was affected by demonetization it may be expected that United States bonds will be affected by the change of the law making them security for circulation, unless they are given some additional compensatory importance as security for Government deposits. This effect of an asset currency law is a phase of the question that has not been very much examined into or discussed. When the bill comes before the House this aspect of it will undoubtedly receive the attention it deserves.

SECRETARY SHAW HAS CALLED upon the National banks which were permitted to deposit State and municipal bonds as security for public moneys deposited with them, to withdraw this security and substitute United States bonds.

When the precedent always before followed of accepting United States bonds only as security from National bank depositaries was set aside by the Secretary, and he used the discretion with which he construed the law to invest him to accept State and municipal bonds as security for public deposits, the idea was that the United States bonds displaced would be used by the banks as a basis for the issue of more circulation which was needed at the time to relieve the stringency of the money market.

There are two courses open to the banks in complying with the Secretary's request. They may refuse to substitute United States bonds for the State and municipal bonds, and in that case the Secretary can withdraw the public moneys and return the other securities, or the banks can retire their circulation and withdraw the United States bonds necessary to make substitution for the State and municipal bonds.

The State and city bonds held as securities for public moneys amount to $20,391,500. If the public deposits protected equal this amount, and United States bonds to the same amount are to be obtained for substitution by the retirement of circulation, the process must extend over a period of about seven months, as under the law not more than $3,000,000 of circulation may be retired in any one month. This ought not to cause any great alarm as to the withdrawal of money from the market. If, however, the banks should not see fit to retire their circulation to effect the substitution which the Secretary desires, the recall of public moneys from such banks as refuse might be made more rapidly.

While the Secretary's action was, perhaps, warranted at the time it was taken by the pressing necessity which then seemed to exist, it seems, to say the least, a very artificial way to secure a certain degree of elastiticity of the National bank-note circulation.

The responsibility assumed by the Secretary of the Treasury, when he uses his discretion to dispense with the usual requirements of law, is one that, if any thing should go wrong, might expose him to unpleasant criticism, whether such criticism be just or not. Knowing this risk he naturally desires to restore things to the old status as rapidly as possible. There is even a greater risk run in taking the steps to call in the money and restore the normal condition of security than that taken in the first instance. These securities were taken from a number of banks, and they may find it convenient in different degrees to take the steps necessary to restore the securities as they were. Those that find it inconvenient will be prone to think the time for the retirement of circulation ill chosen, as to deposit the necessary legal-tender notes or gold may reduce reserves and contract loans. But the danger of being blamed by the bank is slight against the complaints that may arise from the speculative public. It is always a more popular matter to enlarge than contract the currency. It was easy enough for Secretary RICHARDSON in former days to issue the greenback reserves—in doing which he used his discretion very much as Secretary SHAW has recently done in receiving State and city bonds as security for public moneys—but it was found a very difficult matter to call in the reserves again.

In fact the expansion or the contraction of the currency ought not to be in the discretion of any one man, although as our banking and monetary system lacks any means for bringing these changes about automatically, there have been times when the financial world has been very glad that a man has been found to exercise the discretion at least as regards expansion of the currency. It is probable that Secretary RICHARDSON'S action saved the business world from serious disaster, and Secretary SHAW seems to have had much stronger grounds for his action in regard to security for public moneys than Secretary RICHARDSON did for the issue of the greenback reserves. Nevertheless both these precedents are of a dangerous sort. A Secretary of the Treasury of a reckless type could find in them warrant for most any tampering with the monetary laws of the country.

These precedents, however, show that there are times when the financial machinery of the country requires a push from outside to start it, and that the sooner it is repaired in this particular by Congress the better. It is, however, believed that State and city bonds of a good character should be specifically permitted by law to be received as securities for public money as long as the requirements of such security are maintained. But a far better system would be to deposit public moneys with qualified bank depositaries without security, except a specified reserve, and that interest on such deposits should be required, a certain part of the interest being set aside as a guarantee against losses. All these points should, however, be definitely settled by law and not left to the discretion of any executive officer.

THE DECLINE IN THE PRICE OF SILVER, in addition to making Mexico and Spain think seriously of adopting the gold standard, has very greatly complicated the payment of the Chinese indemnity. This indemnity was fixed at 450,000,000 of taels, the very largest sum that the Chinese Empire was supposed to be able to pay. To have insisted on more than this, it was thought by many, would have involved the Chinese Empire in serious financial difficulty. It was apparently also understood by all the powers involved that the payments should be made in silver. Since the decline in silver and the consequent loss to those who are to receive the indemnity, claims are making that China ought to pay on a gold basis. There seems to be no justice in these new demands.

The decline in silver is said to be due, in part at least, to the bringing into the world's markets of the sums in silver heretofore practically locked up as reserve wealth in China. The payment of the indemnity in silver has had the same effect as would be produced by the United States selling the silver dollars now locked up in the Treasury by weight at its bullion price.

But the prospect of the output from China of 450,000,000 of taels was not the only cause of the depression of the market price of silver.

The opening, not only of China but of all the eastern trading grounds where silver has heretofore been regarded as the most secure investment for surplus wealth, to western ideas of investment, has no doubt given an impulse to the holders of wealth in those countries. The rich men of the East, like rich men everywhere in the present age, are doubtless becoming more cosmopolitan. They will no longer confine themselves to home investments, if they can find investments abroad which are more productive, more secure, and of which the capital may be quickly mobilized. Under the more or less despotic governments of Asia, the very rich man had to place his surplus wealth in a form which could be securely concealed and preserved. he precious metals were therefore in great demand. It has always been asserted that the greatest private fortunes in the world could be found in China. But these great fortunes were not equal in the power of producing income. A large portion consisted of unproductive treasure. Since, however, China and the East are becoming accessible to the world, all the world is, on the other hand, becoming accessible to China and the East. If the rich men of the South American republics, whether made wealthy by trade or political opportunity, uncertain as to the permanency of their fortunes at home, can invest in American, English or French securities and deposit with the banks of countries with settled governments, why cannot the holders of Chinese wealth do the same?

The probability is that the precious metals which have been used as means of investment and stored up for centuries in China will, with her opening to other modern ideas, be exchanged as far as possible for interest-bearing securities. If this process has begun the amount of silver which will be thrown upon the market must greatly exceed the Chinese indemnity.

Nor is it to be supposed that this resurrection of silver long buried will go on openly so that it may be chronicled like the exportation of tea or wheat and corn and cotton. The business men of China are not wanting in shrewdness or in quickness of apprehension of the ways of the western money markets.

If the payment of the Chinese indemnity had been arranged by business men, and not as it was by generals and diplomats, it might have been foreseen that it would have been better for China in the long run to have paid the indemnity on a gold basis.

If it is true that China has absorbed the silver output of the world for centuries, the insistence upon paying the indemnity in silver and thus placing upon the already burdened silver market so large a quantity of the metal, with the natural consequence of a depression in the price of the metal, has proved an injury to the general stock held in the country perhaps greater than the loss that might have been incurred by settling the claims on a gold basis. Probably if all these contingencies had been foreseen the nominal amount of the indemnity on a gold basis would have been less. Nor will the loss through the fall in the price of silver to the claimants be an insignificant item. The situation was one where the services of skillful financiers, if there were such to be had, versed in the peculiar conditions existing in the Chinese Empire, might have adjusted the payments as to amount, time and character so as to have effected great saving to all the parties concerned. The truth is there seems to have been no common ground between Chinese and western financial methods upon which a suitable adjustment could be made. The opening of these Asiatic silver countries to the world will probably lead to a greater unification of financial ideas.

Although the advantages of a definite standard of value of one precious metal are so apparent in introducing precision into operations of commerce and production, and also in the matter of investments, yet the condition of silver as an auxiliary precious metal will probably improve, after the whole available stock which has been held in abeyance by hoarding of the metal has once more appeared in the market. The price may continue to fall for some time, but at length some limit will be reached. When this occurs it will be known whether silver will still remain enough of a precious metal to be used in any form as money.

THE RELATIONS OF THE TREASURY TO THE MONEY MARKET in this country are often the cause of great anxiety. The independent Treasury system has been severely criticized, because when the revenues of the Government exceed the expenditures the money locked up is not immediately available for business. It is to be expected that the great payments into and out of the Treasury should have their effect on the whole financial situation, but there seems to be no reason why the financial operations of the Government should have any greater effect than any other financial operations of equal magnitude. During the last year or two, in handling the affairs of great corporations, there have been transactions which fairly rivalled those of the Government. These have been carried through successfully without any serious disturbance, with the ordinary banking facilities. The Government itself has shown a disposition to return surplus money to the banks and to avail itself of them as depositaries to a greater extent than ever before.

Of course this all goes to show that whatever the defects in our financial laws there have been up to the present time available methods of obviating these defects. Nor can it be denied that there are great differences of opinion as to the necessity of changing the present monetary laws of the country. The more intimately the laws and financial methods of foreign countries become known through the study and observation that has been incited from the desire of improving the monetary laws of the United States, the more clearly it is seen that foreign money markets have difficulties and anxieties equal to those that have been endured here.

It has often been insisted that if there were in the United States a great central bank, intimately connected with the Government, analogous to the Bank of England or the Bank of France, that our money markets would not be exposed to the sudden spasms of stringency, ascribed to the operations of the independent Treasury. But when the French Government recently had to make heavy payments to meet interest and to pay the premiums on refunding operations, it had to accumulate large sums to its credit in the Bank of France. These sums were drawn from other banks and credit establishments, and it was difficult for the public to procure funds until the Government began to make payment. The rates charged by the Bank of France are usually higher than those charged by the outside market. The outside bankers and credit establishments in times of stringency go to the Bank of France and discount their assets at the bank rate. These discounts are made in notes of the bank, and the rate for money to outside customers rises above the bank rate. As soon as the Government makes its payments the money comes back to the outside bankers and financial institutions and the latter can return the loans received from the bank, and the outside rate again sinks below the official rate fixed by the Bank of France. The operations of the Government are thus the cause of more or less fluctuation.

The monopoly of the issue of bank notes by a great central bank like the Bank of France thus enables it to fix any rate for money that it may deem best. This privilege may be used with the utmost wisdom, but there is still the possibility of serious error. The bank itself must look to its own safety, and this safety lies in its reserves of coin. The question still remains whether the fluctuations in the French money market under the stress of extraordinary financial transactions, excessive speculation or great disasters, have been as disastrous to the public as those which have been experienced under the less concentrated system in the United States.

Perhaps the greater steadiness of European money markets and the greater rarity of serious spasms of stringency are due to the fact that these are the financial marts of countries much older than the United States. They perhaps passed through the stage in which this country now finds itself a century or two ago. It is not perhaps so much the system of banking machinery which conduces to steadiness as the habits and thoughts of the business men, gained by long experience. Business habits and traditions are a growth. The centralized financial systems of European countries are the reflection of the tendency to centralization of Government. The banking and financial system of the United States is the reflection of the balance between the Federal and local ideas of government.

THE VENEZUELAN AFFAIR may afford a hint to bankers who have loaned money that they can't get back. According to this precedent, if the debtor does not pay the creditor may insist at the point of a shotgun. If such persuasive arguments were employed, the number of bad debts would be greatly reduced.

Perhaps, instead of adopting the example set by Great Britain and Germany, it might be better to punish the bank manager who lends the bank's funds to a bankrupt.

THE FOWLER CURRENCY BILL.

The House Committee on Rules has consented that the amended Fowler bill for the reform of the currency shall have a day set for its consideration. This amended measure seems to be a wise experiment with what is known as asset currency. The term asset currency has been invented to describe the issue of promissory notes by banks, upon their general credit, instead of upon specific security of bonds, segregated from the other assets of the bank and placed in the hands of the Government. Before the State undertook to stand as guardian of the public in its relations with the banks and their note issues, banks issued promissory notes with the same freedom as individuals. The promissory notes of banks received a wider circulation than those of individuals, because of the greater credit of the banks. There was no restriction on the amount of their notes, except such as was imposed by the exigencies of the business. An individual wishing to secure business success will not issue more notes than he expects to meet. The same consideration was the only check originally imposed on bank issues. The experienced banker, unrestricted by statute law, understands that the amount of promissory notes he may safely have outstanding varies with the fluctuations of his business, and has necessarily no relation to his immediate capital. When the State began to interfere with the free use of promissory notes by banks, according to their credit and necessities of their business, it was compelled to adopt some easily understood and unvarying measure, and capital was found the most convenient for this purpose. The issue of promissory notes was thus limited to some percentage of capital. A further step was to require a special security. The amended Fowler bill departs from the principle of special security but still adheres to a limit to be determined by capital. This measure does not ostensibly interfere with the present laws requiring and permitting the issue of notes based on bonds as now issued by the National banks. The banks may still retain the bonds they have on deposit and the circulation based thereon, viz., one hundred per cent. of the par value of the bonds.

The amended bill provides that each National bank may issue notes to the amount of twenty-five per cent. of their capital, to be secured by their general assets held in their own vaults, or more exactly against their general credit. Each bank so issuing notes is required to pay five per cent. of such notes in cash, into the Treasury to form a guarantee or safety fund, out of which the notes of failed banks may be redeemed. Thus a bank of $100,000 capital may issue $25,000 in notes not specially secured, and will pay $1,250 into the guaranty or safety fund. This is a first step toward greater freedom in bank issues, and its effect can only be experimental. The small limit of issue of these free notes is not of itself calculated to add very greatly to the elasticity of the paper money of the country, and there is some danger, although the principle of the measure is sound, that practically it may produce results which may seem to be adverse to the claim that an asset currency will afford the desired relief.

There are two ways of judging of the probable results of this bill. Considered merely as an addition to the present bank notes based on bonds, it in effect permits each National bank to issue a larger percentage of notes on the bonds it has already deposited. But this privilege varies greatly in value according to the capital of the bank, as the following table will indicate:

CAPITAL.	*Minimum bonds and circulation on bonds.*	*Circulation twenty-five per cent. of capital.*	*Total circulation.*	*Per cent. of circulation to bonds.*
$25,000	$6,250	$6,250	$12,500	200
50,000	12,500	12,500	25,000	200
100,000	25,000	25,000	50,000	200
200,000	50,000	50,000	100,000	200
500,000	50,000	125,000	175,000	350
1,000,000	50,000	250,000	300,000	600
10,000,000	50,000	2,500,000	2,550,000	5,100

The profits on the free circulation will be greater than those on the circulation based on bonded security, and the tendency will consequently be to reduce the bonds deposited to secure circulation to the minimum required by law. This loss in bonded circulation may be greater than the gain in the asset circulation, and it is possible that the bill, if it becomes a law, may appear to be responsible for some contraction of the bank currency. This, however, is only a possibility.

The total capital of the National banks in December last was about $700,-000,000. Twenty-five per cent. of this is $175,000,000, representing the total increase of circulation under the amended Fowler bill. The present bonded circulation of the National banks is probably within $200,000,000 of what it would be if all the banks should reduce their bonds to the minimum amount required to be held. On the other hand, the reduction, if effected at all, would be a gradual one, and there would be time, if there seemed to be danger of contraction from this cause, to increase the percentage of free circulation.

It may be also gathered from the above table that the issue of asset currency would be largest in the money centers, where the issues are perhaps the most needed. The banks having the largest capital are those to whom the privilege will be of the greatest value as a resource in emergencies. The small banks, with a capital of $100,000 or less, will not find the twenty-five per cent. increase of notes allowed them of any great importance. There will be every temptation to issue it at once and it will not prove of any more service to them in an emergency than the circulation based on bonds. But the banks of large capital in the great money centres will be more likely to treat this privilege of issue as a reserve. When the money market is easy they will not need the notes—and can thus hold the privilege unused until there is an extraordinary demand for money.

On the whole it is believed that the amended Fowler bill will, if it becomes a law, introduce gradually into the currency system the elasticity that it should have. The tendency to retirement of bonded circulation, in the face of a more profitable note issue, while it cannot produce any dangerous contraction, will certainly prevent the extravagant expansion which so many seem to fear as a consequence of free asset bank currency. The greatest expansion will be in the money centers where it is most needed, because there are to be found the banks of the largest capital. Eventually the making of capital the standard measure of note issue will tend to cause increase in the capital of the banks generally either by consolidation or otherwise. It may be regarded, as a rule, that the larger the capital and business of a bank the less inducement there is to issue its promissory notes, except in emergencies. In other words, the small banks are apt to use for immediate profit this resource, which large banks hold back as a reserve.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

PROMISSORY NOTE—ADDITION OF WORD "TRUSTEE" TO SIGNATURE—CONSTRUCTION OF NEGOTIABLE INSTRUMENTS LAW.

Court of Appeals of New York, December 9, 1902.

JAMES MCGOWAN, *et al.* VS. CHARLES S. PETERSON.

The maker of a promissory note who adds to his signature the word "trustee" is liable personally thereon to the payee, unless the name of his principal appears in the body of the note, or was disclosed to the payee at the time of its delivery. (Negotiable Instruments Law, Sec. 39, New York Act.)

But the statute was not intended to change the common-law rule that as between original parties and those having notice of the addition, the conditions upon which the note was delivered may be shown.

This action was brought to recover of the defendant personally the amount of a promissory note, of which the following is a copy:

"$693.19. BROOKLYN, December 28, 1899.

Three months after date I promise to pay to the order of C. Stevens Co. six hundred and ninety-three 19-100 dollars, at Kings County Bank of Brooklyn, value received. Due March 28, 1900. CHARLES G. PETERSON, *Trustee*."

The plaintiffs were co-partners doing business under the firm name of C. Stevens Co., and upon the trial, to establish their cause of action, introduced the note in question in evidence, the signature being admitted, and then rested.

The defendant, in order to establish his defense, then introduced in evidence testimony tending to show that on December 4, 1899, the surviving member of the firm of Johnson & Peterson called a meeting of the creditors of the firm, and at such meeting the creditors assembled executed a paper by which "we, the undersigned creditors of Johnson & Peterson, hereby agree to and with each other and for the purpose of liquidating the business of Johnson & Peterson and the completion of the contracts of said firm, do hereby appoint Charles G. Peterson as sole agent and trustee for the benefit of all creditors to assume control and management of said business, hereby ratifying each and every act said agent in the premises by him done or to be done. And we severally agree to forbear the prosecution and collection of our respective claims against said firm." Then followed the signatures of the creditors, among which is that of the plaintiffs' firm, "C. Stevens Co."

This was followed by another paper of the same character, upon which appear the signatures of other creditors who were not present at the meeting. Thereupon and at the same meeting another paper was drawn and executed by Johnson, the surviving member of the firm, by which, in consideration of one dollar, the receipt of which he admitted, he bargained and sold, granted and conveyed unto Charles G. Peterson, as trustee for the creditors of Johnson & Peterson, his successors and assigns, all the stock in trade, goods, merchandise, effects and property of every description belonging to or owned by the said partnership of Johnson & Peterson wherever the same may be, together with all debts, choses in action and sums of money due and owing to said firm. He then produced oral testimony tending to show that he entered upon the discharge of his duties as such trustee and undertook the completion of certain buildings which Johnson & Peterson had contracted to construct, and for that purpose purchased lumber of these plaintiffs under the express agreement that they would accept in payment therefor his promissory note as such trustee and that the note in suit was given in payment for such lumber.

This latter testimony was controverted by the plaintiffs, who testified that they did not know the purpose for which the lumber was purchased, and did not agree with him to accept his note as trustee for the benefit of the creditors in payment therefor.

At the conclusion of the evidence the court, upon application of the defendant's counsel, dismissed the complaint upon the ground that no cause of action had been established against the defendant, the plaintiffs asking for leave to go to the jury upon the controverted fact as to whether the plaintiffs gave credits to the defendant in his representative capacity or as an individual. An exception was taken by the plaintiffs to the direction of a verdict by the court.

HAIGHT, *J.*: The Negotiable Instruments Law (L. 1897, ch. 612 Sec. 39) provides as follows: "Where the instrument contains, or a person adds to his signature words indicating that he signs for or on behalf of a principal, or in a representative capacity, he is not liable on the instrument if he was duly authorized; but the mere addition of words describing him as an agent, or as filling a representative character, without disclosing his principal, does not exempt him from personal liability."

In this case, as we have seen, the defendant signed the note and then added to his signature the word "trustee." He did not, in the instrument itself, disclose the fact that he was trustee for the creditors of Johnson & Peterson, so that, under the provisions of this statute, he would become personally liable upon the note unless he could show that at the time of the delivery of the note to the plaintiffs he disclosed the fact that the consideration for which the note was given was for the benefit of the creditors of Johnson & Peterson, and that he gave the note as the trustee for such creditors.

It is contended on behalf of the plaintiffs that his representative character must be disclosed upon the face of the note. This may be so in so far as innocent purchasers for value are concerned, but as to the payees named in the note we think a different rule prevails.

In the case of First Nat. Bank vs. Wallis (150 N. Y. 455) the action was upon a promissory note signed by Wallis, who added to his signature "president," and by Smith, who added to his signature "treasurer." They were in fact president and treasurer of the Wallis Iron Works, a corporation, and the note was issued as an obligation for the corporation, and was discounted by the plaintiff bank. It was held that the plaintiff was entitled to recover upon the ground that the representative characters of the defendants were not disclosed to the bank at the time that it discounted the paper.

Andrews, Chief Judge, in delivering the opinion of the court, said with reference thereto:

"It may be admitted that if the bank, when it discounted the paper, was informed or knew that the note was issued by the corporation, and was intended to create only a corporate liability, it could not be enforced against the defendants as individuals, who, by mistake, had executed it in such form as to make it on its face their own note, and not that of the corporation. But according to the rules governing commercial paper nothing short of notice, express or implied, brought home to the bank at the time of the discount, that the note was issued as the note of the corporation, and was not intended to bind the defendants, could defeat its remedy against the parties actually liable thereon as promisors."

We do not understand that the statute to which we have alluded was designed to change the common-law rule in this regard, which is to the effect that, as between the original parties and those having notice of the facts relied upon as constituting a defense, the consideration and the conditions under which the note was delivered may be shown (Benton vs. Martin, 52 N. Y. 570, 574; Bookstaver vs. Jayne, 60 N. Y. 146; Juilliard vs. Chaffee, 92 N. Y. 529, 534; Reynolds vs. Robinson, 110 N. Y. 654; Baird vs. Baird, 145 N. Y. 659, 664; Blewitt vs. Boorum, 142 N. Y. 357; Schmittler vs. Simon, 114 N. Y. 176; Higgins vs. Ridgway, 153 N. Y. 130).

PROMISSORY NOTE—PROVISION FOR PAYMENT OF EXCHANGE.

Supreme Court of Nebraska, December 3, 1902.

HASLACK vs. WOLF, *et al.*

A promissory note is not rendered non-negotiable by an agreement to pay the sum named "with exchange" on a point other than that at which it is payable.

(Syllabus by the Court.)

POUND, *C.:* In Garnett vs. Myers, 91 N. W. Rep. 400, this court expressly left open the much-vexed question whether a note or bill for the payment of a certain sum "with exchange" is rendered non-negotiable by the agreement to pay exchange. The subject has been discussed exhaustively in a number of recent cases, and, now that the question is squarely presented, we have only to range ourselves upon the one side or the other, and indicate our reasons briefly. Most of the text-writers have held that such a stipulation has no effect upon the negotiability of the instrument. (1 Daniel, Neg. Inst. Sec. 54; 1 Rand. Com. Paper, Sec. 200; Tied. Com. Paper, Sec. 280; Norton, Bills and Notes, Sec. 26.)

But it may be observed that these authors wrote, for the most part, before certain recent decisions, in which the opposite view has been asserted with much force and ability. The adjudicated cases are in conflict, and almost evenly balanced. The view that such a provision is without effect upon the negotiability of the instrument is supported by Clark vs. Skeen, 61 Kan. 526; Hastings vs. Thompson, 54 Minn. 184; Smith vs. Kendall, 9 Mich. 241, and subsequent decisions in Michigan; Whittle vs. Bank (Tex. Civ. App.) 26 S. W. Rep. 1106; Morgan vs. Edwards, 53 Wis. 599; Bradley vs. Lill, 4 Biss. 473, Fed. Cas. No. 1,783.) The contrary position is maintained in Culbertson vs.

Nelson, 93 Iowa, 187; Flagg vs. School Dist. No. 70, 4 N. D. 30; Nicely vs. Bank, 15 Ind. App. 563, and subsequent cases in Indiana; Fitzharris vs. Leggatt, 10 Mo. App. 527; Bank vs. Bynum, 84 N. C. 24; Read vs. McNulty, 12 Rich. Law, 445, and subsequent cases in South Carolina; Hughitt vs. Johnson (C. C.) 28 Fed. 865, and several subsequent decisions in the Federal courts.

Some of the cases on each side are open to obvious criticism. Morgan vs. Edwards is a dictum as to this point, and Bradley vs. Lill goes so far as to hold that an instrument payable "in exchange" on a certain point is negotiable. (See Chandler vs. Calvert, 87 Mo. App. 368.) On the other hand, some of the decisions taking the opposite view are based on special provisions of statutes. The whole matter turns upon the question whether such a stipulation renders the amount uncertain, so as to destroy one of the essential elements of negotiability. While it is true that in a sense an uncertain element is imported into the instrument by the agreement to pay exchange, the difficulty is more specious than real. Business is carried on more or less in subordination to certain financial centers, to which and from which money is constantly flowing. When a note is made payable in Lincoln with Chicago exchange, the practical business effect is the same as if it had been payable in Chicago, but, for convenience, the parties had agreed that it might be paid at Lincoln, with the cost of transmission. (Clark vs. Skeen, 61 Kan. 526; Morgan vs. Edwards, 53 Wis. 599.)

Looked at in this way, the exchange becomes a mere incident, not affecting the amount of the debt itself, and analogous to such matters as attorneys' fees and costs of collection, which do not affect negotiability. As Mr. Daniel puts it: "The spirit of the rule requiring precision in the amount of negotiable instruments applies rather to the principal amount than to the ancillary and incidental additions of interest and exchange." (1 Daniel, Neg. Inst. Sec. 54.)

These questions are primarily questions of business and business usage, and, so far as not foreclosed by any established course of decision, ought to be resolved in a liberal spirit, to promote the interests of business, rather than by a strict adherence to the letter of the rules. The policy of the rule as to negotiability is in no way infringed by the provision as to exchange. The custom and convenience of business men have introduced it in such instruments, and would, perhaps, afford sound reason, in view of the general approval of standard text-writers, for a modification of or exception to the general rule, if necessary. But there is sufficient ground to hold that the reason of the rule is unaffected, and the infringement of its letter, if any, is of trivial consequence.

It is argued that the provisions of the note in suit for payment of "attorneys' fees" generally, without specifying for what purpose, destroys negotiability. But we must give the instrument a reasonable construction. It is self-evident that fees for collecting the note, if not paid at maturity, were referred to. As our law now stands, the clause was mere surplusage, and may be wholly disregarded.

Objection is made also to the petition. The allegations of that pleading are not as precise as they might be. But the defendant pleaded that the note was taken after maturity, and without consideration, and plaintiff denied these allegations generally. The parties went to trial upon the theory that those questions were in issue, and decisive of plaintiff's rights, and the trial court expressly based its decision upon the question whether the instrument was negotiable. The theory which the parties held below ought to bind them here, and the cause will be treated as all parties as well as the trial court there treated it.

We recommend that the judgment of the district court be reversed, and the cause remanded.

USURY BY NATIONAL BANK—JURISDICTION OF STATE COURT—INTEREST ON RECOVERY.

Supreme Court of Tennessee, November 8, 1902.

MCCREARY vs. FIRST NATIONAL BANK OF MORRISTOWN.

A State court has jurisdiction of an action to recover the penalty prescribed by the National Bank Act for the takings of usurious interest.

In a suit to recover such penalty the plaintiff cannot be allowed interest on the amount.

MCALISTER, *J.*: This bill was preferred by complainant in the chancery court of Hamblen county to recover the penalty prescribed by the act of Congress against National banks for knowingly collecting usurious interest. The facts of the case are that the defendant is a National bank doing business in Morristown, Tenn. The complainant, on March 9, 1900, filed this bill, alleging that within the preceding two years he had divers transactions with the defendant, in which it had knowingly, illegally, and wrongfully charged him a greater rate of interest than that allowed by the laws of the State of Tennessee and of the United States, aggregating $225.36, and the bill prayed for a decree against the defendant for double this sum. The Revised Statutes of the United States provide (Sec. 5197, U. S. Comp. St. 1901, p. 3493) that a National bank doing business in a State is entitled to charge the rate of interest prescribed by the law of the State of its domicile. Sec. 5198: "The taking, receiving, reserving or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, will be deemed a forfeiture of the entire interest, which the note, bill or other evidence of debt carried with it, or which has been agreed to be paid. The person by whom it has been paid, or his legal representative, may recover back in an action in the nature of an action of debt, twice the amount of the interest thus paid from the association taking or receiving the same, provided such action is commenced within two years from the time the usurious action occurred; and that suit, action and proceeding against any association under this title, may be had in any circuit, district or territorial court of the United States held within the district in which such association may be established, or in any State, county or municipal court in the county or city in which said association is located having jurisdiction in similar cases."

The defendant filed its demurrer to the jurisdiction of the court, setting up several grounds, the second being as follows: "This being a suit for penalty against a National bank, the chancery court in Tennessee has no jurisdiction to try such cases originating solely in a Federal statute, and in no case has it jurisdiction in a suit to enforce a penalty."

The fourth ground of demurrer was as follows: "The defendant demurs to so much of complainant's bill as seeks to charge defendant with interest on the penalty, for the reason that complainant's suit is a suit for a penalty, and arises only by virtue of a penal statute. Not giving interest, the same cannot be recovered in this action." The demurrer was overruled by the chancellor, and defendant answered the bill. The cause went to proof, and on the final hearing the chancellor pronounced a decree in favor of complainant, McCreary, for the sum of $490.17, the amount being double the usury charged, with interest from date of the filing of the bill. The court of chancery appeals affirmed the decree of the chancellor, excepting the interest, and the cause is before this court on the appeal of the bank.

The questions presented for the determination of the court on the appeal are: (1) Whether any State court has jurisdiction to enforce a penalty created alone by Federal statute; (2) whether the chancery court has jurisdiction to enforce the National Banking Act penalty; and (3) whether interest is allowable on such penalty. On the first proposition it is argued on behalf of appellant that the State courts will not enforce a penalty created by Congress, for the reason that Federal courts do not undertake to enforce penalties created by State statutes. It may be conceded, as argued by counsel for appellant, that this is a penal action under the decisions of the United States Supreme Court. The Supreme Court of the United States, through Mr. Justice Swayne, in considering the Federal statute which is now invoked, said: "The remedy given by the statute for the usury is a penal suit. To that the party aggrieved, or his legal representative, must resort. He can have redress in no other mode or form of procedure. The statute which gives the right permits the redress. The suit must be brought especially to recover the penalty where the sole question is the guilt or innocence of the accused." (Barnet vs. Bank, 98 U. S. 555; Blaine vs. Curtis, 59 Vt. 120.)

It being settled that this is a penal statute, the next question presented is whether the State courts will enforce a Federal statute denouncing a penalty. Counsel admits there have been diverse holdings on this question by the courts of other States, but insists that the correct rule is that laid down in Blaine vs. Curtis, 59 Vt. 120, viz.: "It is well-known law, settled in this State as well as elsewhere, that no State will enforce penalties imposed by the laws of another State. Such laws are universally considered as having no extra-territorial operation or effect, whether the penalty be to the public or to persons." (Blaine vs. Curtis, 59 Vt. 120; Story Confl. Laws, Secs. 620, 621; Rorer, Int. St. Law, 148–165; and a large number of cases cited from various States of the Union in the first-cited case.)

It is argued that the Federal Congress occupies the same relation to the States as the States do to themselves so far as this question is concerned. In the case of Newell vs. Bank, 12 Bush, 57—a Kentucky case—the Supreme Court of Kentucky, speaking through Judge Lindsay, in regard to the statute in question, wrote, viz.: "We need not inquire as to the rights of the parties under the provisions of the act of Congress. The forfeitures claimed under said act are wholly penal in their nature. The courts of this State have not, up to this time, undertaken to enforce penalties arising under the laws of the Government of the United States, and these cases present no sufficient reason to authorize the inauguration of a new judicial policy upon that subject."

In the case Missouri River Tel. Co. vs. First Nat. Bank of Sioux City, 74 Ill. 217, it is said: "It is equally true that both the Government of the United States and Iowa are wholly independent of this State. They severally have all the attributes of sovereignty essential to the enactment and enforcement of laws for the government of their citizens within the limits of their constitution, and in accordance with long-settled rules of law this State cannot enforce their criminal or penal laws." (1 Thomp. Nat. Bank Cas. pp. 402, 502.)

It is admitted by counsel that this is a question which every State must determine for itself, and, since this court has not heretofore decided the question, it should hold that penal statutes of Congress and of the various States must be enforced within their own jurisdiction, and by their own courts. Whatever may have been the holdings on this question at one time, the jurisdiction of the State courts is now definitely fixed by the amendment to the statute enacted by Congress February 18, 1875. The last sentence of this section, it appears, was not in the original act, and is as follows, to wit: "That suit, action and proceeding against any association, under this title, may be had in any circuit, district or territorial court of the United States held within the district in which such association may be established, or in any State, county or municipal court in the county or city in which said association is located having jurisdiction in similar cases." In 21 Am. & Eng. Enc. Law (2d Ed.) p. 396, it is said, viz.: "Whatever doubts may have existed as to the jurisdiction of State courts to entertain a suit for the penalty given by the National Bank Act have been resolved in favor of such jurisdiction by the amendment to the section of the statute giving the remedy;" citing Bank vs. Morgan, 132 U. S. 141, 144. As early as 1816 it was decided by this court that the State court had jurisdiction and would entertain a suit to enforce a penalty prescribed by an act of Congress. (Hartley vs. U. S. 3 Hayw. 44.)

[The court here discussed the question of the jurisdiction of the State court of chancery.]

The act of Congress makes no provision for the allowance of interest, but fixes the amount of recovery at twice the amount of the usury charged. Laws prescribing penalties and forfeitures are strictly construed, and, in the absence of any authority in the act for interest on the penalty, we cannot superadd it. (Duncan vs. Maxey, 5 Sneed, 115.)

The decree of the court of chancery appeals is therefore affirmed.

LIEN OF BANK UPON STOCK OF STOCKHOLDER—RIGHTS OF PLEDGEE.

United States Circuit Court of Appeals, Eighth Circuit, October 27, 1902.

CURTICE vs. CRAWFORD COUNTY BANK, *et al.*

The lien of a bank upon its stock, given by statute, for any indebtedness to it from the stockholder, is subject to the lien of a pledgee of such stock, where the indebtedness to the bank was contracted subsequent to the pledge and after the bank had notice of it.

The President of a bank, to whom a pledgee of stock exhibited the certificate held by him to ascertain with certainty that it had been regularly issued, stating the fact of the pledge, received such information while acting in his official capacity, and the bank was thereby charged with notice of the pledge, so as to render its statutory lien on the stock for a loan subsequently made to the pledgor, although some two or three years afterwards, subject to the rights of the pledgee, whose debt had not been paid.

Appeal from the Circuit Court of the United States for the Western District of Arkansas.

Before Sanborn and Thayer, Circuit Judges, and Lochren, District Judge.

THAYER, *Circuit Judge*, delivered the opinion of the court.

On the trial in the circuit court there was no substantial controversy over the fact that Curtice, the complainant, loaned a considerable sum of money to Robert S. Hynes, he being at that time the Cashier of the defendant bank, as far back as the year 1888, 1889, or 1890, and that this indebtedness had never been fully discharged. For the purposes of the trial it was admitted that, when Hynes died (an event which seems to have occurred during the summer of 1896), he owed the complainant, Curtice, and the defendant bank, the sums which they respectively claimed; and by its decree the lower court found that the amount due to Curtice, when the decree was entered, was $5,791.26, and that the amount due to the bank was the sum of $17,608.92, most of which latter sum consisted of advances made by the bank to a firm of which Hynes was a member, subsequent to September 23, 1893. Nor was there any controversy over the fact that Curtice had in his possession two certificates of stock, namely, certificate No. 108, for 200 shares, issued by the defendant bank on July 16, 1891, and certificate No. 133, for forty shares, issued by it on March 15, 1894, and that these certificates had been pledged by Hynes, at least as early as March 15, 1894, to secure his indebtedness to Curtice, which at that date amounted to $8,400. The note for $8,400 executed on March 15, 1894, was produced, and it contained a pledge of the two certificates in question, as well as a pledge of certificate No. 106, which was surrendered to Hynes on July 17, 1895; a part of the indebtedness having at that time been paid. The real controversy in the case arose over certain issues of fact, namely, whether either of the aforesaid certificates, Nos. 108 and 133, was given in pledge to Curtice prior to September 23, 1893, and whether the bank had notice of the pledge when it began to make large advances to the firm of which Hynes was a member, subsequent to the last-mentioned date.

Before considering these issues of fact it should be stated that the laws of the State of Arkansas, under which the defendant bank was organized (Sand. & H. Dig. Ark. Sec. 1342), gave the bank a lien upon the stock in controversy for all of Hynes' indebtedness to it; but the lower court held, and we think correctly, that, notwithstanding this statute, the lien of a pledgee of its stock would prevail over the lien of the bank, so far as those debts of the shareholder to the bank were concerned that were contracted by the stockholder subsequent to the pledge and after the bank had notice thereof. It followed from this ruling, which is not seriously challenged, that if Curtice acquired either of the certificates aforesaid from Hynes as security for his claim prior to September 23, 1893, and the bank had knowledge of the fact, its lien for such advances would have to be postponed in favor of the superior lien of the pledgee.

It is proper to observe, further, in this connection, that Curtice admitted that he did not acquire certificate No. 133 until March 15, 1894; and as Hynes was at that time indebted to the bank for an overdraft to the amount of $28,213, of which amount something over $17,000 is still unpaid, the complainant cannot, as a matter of course, assert a superior lien as respects that certificate. The controversy, therefore, is confined substantially to the questions of fact above mentioned, namely: Did Curtice hold certificate No. 108 in pledge prior to September 23, 1893, after which date the bulk of the advances to Hynes were made? And, secondly, had the bank been notified, prior to that time, that Curtice held the stock represented by that certificate in pledge?

The plaintiff testified, in substance, that stock certificate No. 108 was in his possession as pledgee prior to March 15, 1894, when the note of that date was executed by Hynes. He claimed that he had always held certificates of stock in the defendant bank, in pledge, since Hynes first became indebted to him in the year 1888 or 1889. He admitted that there had been some changes in the certificates thus pledged to him, owing to the fact that the bank had, on one or two occasions, increased its stock, and on that account had called in its old certificates, and issued others in lieu thereof; but he insisted that, notwithstanding such exchange of certificates, he had always held stock of the bank in pledge to secure his loan to Hynes, since the latter became his debtor, and had never been without such security. And, as respects the particular certificate now in controversy (No. 108), he stated that his impression was that this particular certificate was delivered to him in the year 1891, when he took a renewal note for the loan, and that it had been in his possession continuously since that date. Curtice further testified that on one occasion he advised Jesse Turner, Sr., who was the President of the defendant bank, that he held certain of the bank's stock in pledge to secure an indebtedness of Hynes, and at the same time exhibited to Turner the certificates which he so held. His statement was, in substance, that having been requested by Hynes, on one occasion, to send in the certificate or certificates which he held in pledge, and to take new ones in their place, owing to an increase of the bank's capital, he called at the bank to make such exchange, Hynes being at the time Cashier of the bank; that when he called at the bank the stock book was opened in his presence, and that he discovered that Turner, as President, had signed certain stock certificates in blank; that, as this seemed an unusual proceeding, he took the new certificate or certificates, which Hynes attested and delivered to him, to the President, to be sure that the stock was issued under proper authority; and that on this occasion he exhibited the certificates to Turner, told him that they had been issued by Hynes as collateral security for a debt which he owed Curtice, and that he also inquired concerning the value of the stock at that time. The complainant was unable to state definitely when this latter incident occurred; but he located it, as nearly as he was able to do, in the year 1890 or 1891—the latter year being the one in which certificate No. 108 was issued.

The learned trial judge seems to have disregarded all of the aforesaid testimony as being unworthy of belief, holding, apparently, that there was no evidence worthy of credence showing that Curtice held any stock of the bank in pledge until March 15, 1894, after Hynes had become heavily indebted to the bank. As the issue to be determined is purely one of fact, it would subserve no useful purpose to go over the testimony in detail, and we shall not undertake to do so. Curtice, undoubtedly made some mistake in stating the details of some of his transactions, with Hynes, which had been quite numerous, and the dates when particular interviews occurred and when certain certificates of stock were pledged to him; but such mistakes as he made in these respects are no greater than might have been expected of a witness who was testifying wholly from his recollection of transactions which had occurred seven or eight years previously. Considering his testimony as a whole, he appears to have testified fairly and with an evident intent to state the facts as they were. We have read his testimony carefully, and are unable to discover therein any instances of intentional prevarication which would authorize us to reject all of his evidence as being entirely untrustworthy, as the lower court appears to have done. The circumstance of his interview with Turner, in which he exhibited his certificates to ascertain if they were lawfully issued, was one of those incidents that would naturally remain fixed in the memory, although the precise date of the occurrence could not be remembered. After reading all of the evidence, which is preserved in the record, attentively, in the light of admitted facts and in the light of surrounding circumstances concerning which there is no dispute, we have reached the conclusion that Curtice continuously held stock of the defendant bank in pledge in greater or less amounts, as collateral security for the loan which he made to Hynes, from and after the year 1889 until the commencement of this action; that certificate No. 108, being the one now particularly in controversy, was turned over to Curtice as soon as it was issued—that is to say, on July 16, 1891, or shortly thereafter; that this certificate, or possibly an earlier one, in lieu of which it was issued, was in fact exhibited to Jesse Turner, Sr., the President of the bank, in the year 1890 or 1891, most likely in the latter year, immediately after it was issued; and that he was notified at the time that the stock had been assigned to him by Hynes as collateral security for an indebtedness and was then held by him as such security. We are of opinion that the evidence is ample to sustain these conclusions of fact, and that the case should be decided accordingly.

It is strenuously urged, however, that even if it be true that Turner, the President of the defendant bank, was notified, in the year 1891, that Curtice was holding a part of Hynes' stock in the bank as security for a debt, yet that such notice did not affect the bank with knowledge of the fact communicated, because such knowledge was not acquired by Turner while he was acting for the bank and in the discharge of his duties as President. It is further said that because Turner did not take part in making the loans to Hynes subsequent to September 23, 1893, and as it was not shown that he ever communicated the knowledge which he possessed to the other officers of the bank, who did make such loans, the bank's lien, therefore, is not impaired by his knowledge acquired in the manner aforesaid. It is no doubt true that a corporation is not affected generally by knowledge which is obtained by one of its executive officers or agents when he is not engaged in the transaction of its business, although it is held that if such officer subsequently engages in a transaction for and in behalf of his company, in which the knowledge so acquired outside of the line of his duties becomes material and important, the corporation may be affected therein by the knowledge of its agent. (Bank vs. Cushman, 121 Mass. 490; Innerarity vs. Bank, 139 Mass. 332, 334.) The converse of the first branch of the foregoing proposition is equally true—that a corporation is bound, generally, by knowledge which is acquired by one of its executive officers when that officer is engaged in the legitimate transaction of the company's business. (Holden vs. Bank, 72 N. Y. 286, 292; Bank vs. Campbell, 4 Humph. 394; Bank vs. Irons [C. C.] 8 Fed. 1; Birmingham Trust and Savings Co. vs. Louisiana Nat. Bank, 99 Ala. 379.) In the present case it appeared that Curtice's sole object in exhibiting his certificates of stock to Turner, they having been signed by the latter in blank, was to ascertain if Hynes, the Cashier, had authority to issue them to himself as he had done. This information he sought from the proper officer, by exhibiting the certificates, without making any direct inquiry; and in explanation of his action he informed him that the certificates had been assigned to himself as collateral security for a loan. Under these circumstances we are of opinion that Turner must be regarded as having been acting for the bank when he received notice that the stock was held in pledge by Curtice, and that the knowledge which was acquired in the course of that interview affected the bank generally, even if it was not communicated to the other executive officers. It was at least knowledge of a fact which ought to have been communicated to the other officers of the corporation to govern their future action. When one acquires or is about to acquire a certificate of stock in a corporation, he is clearly entitled to seek information from the President, who has signed the certificate, if he entertains any doubt of its regularity or whether it was lawfully issued, and information which is given in response to such an inquiry is communicated by the officer in an official capacity while acting within the scope of his duty.

We conclude, therefore, that the advances which were made to Hynes by the defendant bank, subsequent to September 23, 1893, must be regarded as having been made with knowledge that the shares of stock represented by certificate No. 108, dated July 16, 1891, were pledged to Curtice as security for a debt. It is true that these advances were not made until some time after the knowledge in question had been acquired; but it cannot be said to have been the duty of the pledgee of the stock to have given other notices from time to time that it had not been redeemed and that he still held it. It was rather the duty of the bank, before it made advances to Hynes (if the loans were made in reliance on its statutory lien), to have ascertained if Curtice still held the stock in pledge, inasmuch as it had once been advised that such was the fact, and it had received no notice that a different state of affairs existed or that the stock had been redeemed.

The result is that the decree of the circuit court was erroneous in the respect heretofore indicated, and the same should be modified to the extent of ordering that the proceeds of the sale of stock certificate No. 108, after deducting its *pro rata* of the costs of the action in the circuit court, be applied first to the payment of the indebtedness due from the estate of Robert S. Hynes, deceased, to the appellant, and that any sum which may remain after such indebtedness and accrued interest is discharged be applied on the claim of the Crawford County Bank. It is so ordered, and that the costs in this court be taxed against the appellees.

NOTES GIVEN TO NATIONAL BANKS TO MISLEAD COMPTROLLER AND BANK EXAMINER.

Court of Appeals of Colorado, November 10, 1902.

MURPHY *vs.* GUMAER.

Where notes are given to a National bank to be used by its officers to mislead the Comptroller of the Currency and the bank examiner as to its condition and the character of its loans, the parties to such notes, when sued thereon by the Receiver of the bank, are estopped to deny that the notes were given for a valuable consideration

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In the latter part of 1892 or early part of 1893 the Needles National Bank of Needles, Cal., was organized pursuant to the National Banking Act with a capitalization of $50,000, and was opened for business in March, 1893.

On May 15, 1893, A. R. Gumaer made his two negotiable promissory notes for $2,500, due sixty days after date, and payable one to the order of the

Gladiator Mining Company, and the other to the order of the Needles National Bank; and on the twentieth day of the same month he made his three additionable negotiable promissory notes for $2,500 each, due sixty days after date, and payable, respectively, to the Nevada Southern Railway Company, the Needles Reduction Company, and Isaac E. Blake. The note to the bank was delivered to it, and before their maturity the others were indorsed by the payees, and delivered to it.

When these notes matured, they were replaced by new notes given by Gumaer for the same amount to the same payees, all payable on demand; those to the Gladiator Mining Company and the Needles Reduction Company on July 15, 1893, and those to the Needles National Bank, Isaac E. Blake, and the Nevada Southern Railway Company on July 20, 1893. All of these notes were immediately delivered to the bank, and, except the one payable to it, were indorsed by the respective payees. The original notes were surrendered to the maker.

In December, 1894, the bank suspended payment, and Daniel Murphy, having been appointed its Receiver by the Comptroller of the Currency, duly qualified as such, and entered upon the discharge of the duties of his office. On November 18, 1895, this action was brought by the Receiver against Gumaer to recover the amount due on the notes. The defense was that each of the notes was accommodation paper, given without consideration, and that neither the bank, nor the plaintiff, nor any one else ever acquired title to the notes, or any of them, as a *bona fide* holder for value. The verdict and judgment were for the defendant, and the plaintiff appealed.

The evidence disclosed the following facts: The stockholders of the Nevada Southern Railway Company, the Gladiator Mining Company, the Needles Reduction Company, and the Needles National Bank were nearly identical, and a majority of the stock in all of them was owned by Isaac E. Blake, who was also a director of the bank. The bank loaned to each of the corporations $5,000, which amount equalled one-tenth of its paid-up capital. The managers of the companies, and also Mr. Blake, made large overdrafts on their accounts, the exact amounts of which do not appear. The loans were not paid, and the officers of the bank wrote to Blake, asking him to put some other paper in their possession, so that they would not appear to have extended credits beyond the limits of the National Banking Act. Mr. Blake then requested the execution by the defendant of the notes in question, acquainting him fully with the situation, and informing him that the companies had made overdrafts on the bank, and secured discounts beyond the limits fixed by the National Banking Act, and that these notes were wanted for the purpose of reducing the overdrafts; also saying to him that he (Blake) was the bank; that he owned ninety-five per cent. of the stock; that everything was run by himself, or as he might dictate; that the notes would be an accommodation to the bank, and therefore to him, as the principal stockholder; that he (the defendant) would not be expected to pay them; and that, when the bank did not require the notes longer for the purpose of representing the overdrafts, they would be returned.

Upon the foregoing statements the defendant signed the notes as requested. After the back accepted the notes, it treated them as all its loan and discount paper was treated. They were entered the same as if cash had been paid. The overdrafts were extinguished to the extent of the face of the notes, and the notes were included in the reports to the Comptroller of the Currency, and laid before the National bank examiner when he investigated the condition of the bank. Some payments of interest were indorsed on the notes. The testimony was, however, that no money was paid, but that the Cashier simply charged the amounts so indorsed to the accounts of the payees of the notes.

THOMSON, *J.:* The position taken for the defendant is that Blake was the agent of the bank; that what he did in the way of procuring the notes was, in effect, done by the bank itself; and that the bank was, therefore, not an innocent purchaser for value, but was merely the temporary holder of notes given without consideration, under an agreement, by which it was bound, that their collection would never be enforced. This theory is, in a considerable degree, deduced from the evidence to which we have just alluded, and which we have not otherwise noticed. But we may concede without restriction or qualifiation the existence of all the conditions which counsel find in the evidence, and still a judgment for the defendant does not result.

Whatever relations Mr. Blake may have sustained to the bank, how completely soever it may have been subject to his control and bound by his acts, the concern was a National banking corporation, the management of which was regulated by the act of Congress in pursuance of which it was organized. That act is title sixty-two of the Revised Statutes of the United States [U. S. Comp. St. 1901, p. 3453]. It provides that the total liabilities to the bank of any person, firm or corporation for money borrowed shall at no time exceed one-tenth of its capital stock actually paid in, but that the discount of commercial or business paper owned by the person negotiating the same shall not be considered as money loaned. It imposes upon the bank the duty of making and transmitting to the Comptroller of the Currency five reports during each year, verified by the oath or affirmation of its President or Cashier, and attested by the signatures of at least three of its directors, each of such reports to exhibit the resources and liabilities of the bank on any past day by him specified; and exacts the publication of each report, as made to the Comptroller, in some newspaper in the place where the bank is located, or, if none be there, then in the newspaper that is nearest. It provides for the appointment by the Comptroller of a suitable person or persons to inspect the business of each bank, with power to make a thorough examination into all its affairs, and requires him to make to the Comptroller a full and detailed report of its condition; and it provides that, if the directors of any National banking association shall violate, or knowingly permit any of its officers, agents or servants to violate, any of the provisions of the act, all of its rights and privileges shall be forfeited; the violation to be determined and adjudged in the proper court at the suit of the Comptroller.

At the time the notes of which those before us were renewals were made, indorsed and delivered to the bank, the provision forbidding a loan to one person or corporation of an amount greater than one-tenth of the capital stock had been violated. The next report to the Comptroller by the bank, or the bank examiner, of its condition, would infallibly show that it had become liable to a forfeiture of its rights and privileges; and these notes were obtained and delivered to the bank for the express purpose of making it appear that the requirements of the provision had been observed. Accordingly, the overdrafts were extinguished to the extent of the face of the notes, and the notes were entered on the books as discount paper. To all appearances they were commercial paper, owned by the person negotiating them, and therefore not subject to the inhibition as to the amount which might be loaned to one person. To the bank examiner, when he should make his examination; to the Comptroller, when he should receive the reports of the bank and of the examiner; and to the public, when the bank's reports should be published—these notes would appear as *bona fide* assets of the bank.

Now, the defendant knew the exact purpose for which the notes were taken. He was advised that the payees of the notes had—to use his own language—"obtained overdrafts and had obtained a line of discount which was in excess of what the bank was able to loan to them, and keep within the requirements of the banking law." According to his testimony, he was also advised that his notes were wanted for the purpose of reducing the overdrafts; and, according to Mr. Blake, when he was requested to sign the notes, he received full information of the situation. The notes were used to give the bank an appearance of soundness, to prevent a suspicion to the contrary on the part of the bank examiner and the Comptroller, and, through the published reports of the bank to the Comptroller, to acquire the confidence of the public. It is true that no consideration moved to the defendant, but the overdrafts were extinguished on the books of the bank to the extent of the face of the notes, and the release of the bank's claim on account of the overdrafts was a sufficient consideration for the defendant's promise.

But it is said that there was no intention to release any claim of the bank on account of the overdrafts; that the entries by which they were apparently paid were made merely to give a better appearance to the bank's statements; but that, when the overdrafts were paid, as they were expected to be, the notes were to be returned to the defendant. In other words, the contention is that the apparent release of the debts evidenced by the overdrafts was fictitious; that, while they appeared to be released, they were not in fact released; and that, therefore the supposed release did not constitute a consideration for the notes. Conceding that the facts were as counsel states them, we are unable to see wherein they are of any avail to the defendant. We do not think he is in a position to say that the books did not speak the truth. This controversy is not between the bank and the defendant. The suit was brought by the Receiver, and he is a representative of the creditors of the bank. Its assets constitute a trust fund in his hands for their benefit. (See Riddle vs. Bank [C. C.] 27 Fed. 503; Case vs. Terrell, 11 Wall. 199.)

In accordance with the provisions of the National Banking Act, it is his duty to cause debts due to the bank to be collected, and its property to be sold, and, if necessary for the payment of the debts due from it, to enforce the individual liability of the shareholders. He pays over the money he receives to the Treasurer of the United States, subject to the order of the Comptroller; and the latter, after full provision has been made for refunding any deficiency in redeeming the notes of the bank, makes, from time to time, ratable dividends on the claims of creditors which have been proven; and what is left, if anything, is paid over to the shareholders. That the bank had creditors—that it received deposits, and did a general banking business—the evidence abundantly shows. The defendant was instrumental in clothing the bank with such an appearance of genuine assets as induced the Comptroller to regard it as sound, and to suffer it to continue in business. In the reports which were transmitted to him these notes figured as resources, and the public had a right to rely on the reports when they were published. If the defendant was not liable on the notes, the Comptroller was deceived, and the persons who dealt with the bank, and intrusted it with their money, were also deceived.

However valid the defense might be if the bank were plaintiff, the defendant, who, when he gave the notes, knew exactly the purpose for which they were to be used, is estopped to say, as against the creditors, that they were other than what, on their face, they purported to be, or that the appearance which was given to the books was not genuine.

The plaintiff requested an instruction that under the law and evidence the jury should return a verdict in favor of the plaintiff for the amount due on the notes; and, this request being refused, asked an instruction that, if the jury found from the evidence that the notes were given with the intention of having them appear on the books of the bank and be included in the published statements of the bank as valid assets, and that the notes were so used, the defendant was estopped to say that the notes were not valid, and were not intended to be paid; which was also refused. The latter request, in our opinion, correctly stated the law applicable to the case, but the proposed instruction was faulty in submitting to the jury a question upon which there was no conflict in the evidence. The only question which the case presented was one of law, and the instruction to find for the plaintiff the amount due upon the notes should have been given.

The judgment will be reversed, with instruction to the trial court to enter judgment in the plaintiff's favor for the face of the notes, with accrued interest, less any credits to which they may appear to be entitled. Reversed.

REFUSAL OF BANK TO PAY CHECK—DAMAGES.

Supreme Court of Kansas, December 6, 1902.

KLEOPFER VS. FIRST NATIONAL BANK OF HERINGTON.

A bank is liable in damages resulting from a non-fulfillment of its contract to pay the money of its depositor on demand, to the same extent and for the same reason that other persons are liable for the non fulfillment of contracts. The measure of its liability depends upon the circumstances of each individual case. A petition, therefore, which states that a bank in which the plaintiff had money on deposit neglected or refused to honor his check or pay it on demand, states a cause of action.

(Syllabus by the Court.)

GREENE, *J.:* The plaintiff in error sued the defendant in error in the court below. In the petition he alleged that it was a banking corporation engaged in loaning money and receiving deposits; that on September 25, 1900, he secured from it a loan of $892, and executed his promissory note and chattel mortgage securing its payment; thereupon the bank delivered to him a deposit slip showing that he had deposited with said bank $892. The petition also alleged that the plaintiff had purchased certain cattle at an agreed price of $900, and had informed the bank that the money which he had caused to be placed to his credit was to be used in payment therefor, and the bank agreed to remit said sum of $892 to the bank at Abilene, to be deposited to the credit of George Kleopfer in payment of said cattle; that thereafter the bank refused to make such remittance, and refused, upon demand of plaintiff, to pay to him the amount of money so deposited; that by reason of such neglect he was unable to retain the possession of the cattle so purchased, and was compelled to redeliver them to said George Kleopfer, and was thereby damaged in the difference between the agreed purchase price and the actual value of the cattle. To this petition the defendant below demurred, which demurrer was sustained. From this ruling the plaintiff prosecutes error.

It is argued that the demurrer was properly sustained, because the money so deposited was for the benefit of George Kleopfer, and the refusal of the defendant to remit to George Kleopfer, or to pay the money to Henry Kleopfer, did not result in any damage to Henry Kleopfer. The second reason assigned for sustaining the demurrer is that there are no allegations in the petition showing that plaintiff sustained any damage for which he could recover. The petition fairly shows that Henry Kleopfer had on deposit in the bank $892, subject to check or order. It was the duty of the bank to pay it out upon the check or order of the depositor. This it refused to do. It violated its contract, and is liable at least for nominal damages. The law implies nominal damages for every tort and the breach of every contract.

A third reason assigned is that if the plaintiff gave his note and mortgage to the defendant, and the defendant expressly or impliedly agreed to pay the plaintiff the amount of money evidenced by the note and mortgage, but refused to do so upon demand, a cause of action would have at once accrued for the breach, and the plaintiff could have maintained an action for his damages, which would be the amount due, with interest.

To avoid this admitted liability, however, it is contended that the petition shows a settlement between the plaintiff and the bank, and that the promissory note and chattel mortgage were by the bank released, canceled and surrendered; therefore there was nothing upon which plaintiff could recover. This is not a fair interpretation of the petition. The allegation is "that the promissory note and chattel mortgage referred to in paragraph four of this amended petition were by the defendant surrendered, released and canceled on October 17, A. D. 1900."

There is no allegation that this was accepted as a settlement of plaintiff's damage. Whether the payment of interest is the measure of the liability of a bank for the nonpayment of money to its depositor depends entirely upon the circumstances of each particular case.

In Johnson vs. Mathews, 5 Kan. 118, 122, the Court said: "A party is always entitled to recover, on a breach of contract, such damages as are the natural, direct and proximate result of such breach; and he is also entitled to recover such other damages as may reasonably be supposed to have been in the contemplation of both parties, at the time they made the contract, as the probable result of the breach of it." It is said in Sutherland on Damages (section 77) that: "Where the obligation to pay money is special, and has reference to other objects than the mere discharge of a debt, as where it is agreed to be done to facilitate trade and to maintain the credit of the promisee in a foreign country; to take up commercial paper, pay taxes, discharge liens, relieve sureties, or for any other possible ulterior object—damages beyond interest for delay of payment, according to the actual injury, may be recovered. A banker may be liable for damages not measured by interest for refusing to pay the check of his customer, who has provided funds subject thereto." (Bank vs. Morey [Ky.] 69 S. W. 759.)

Since the petition does not state facts from which it can be determined that the defendant knew that, if it failed to keep its contract, plaintiff would be unable to retain the possession of the cattle so purchased, and thereby deprived of the profits of his purchase, the loss of profits cannot be an item of damage, not having been in the contemplation of both parties at the time they made the contract as the probable result of a breach of it.

The judgment of the court below is therefore reversed, and the cause remanded, with instructions to overrule the demurrer to the petition. All the justices concurring.

PAYMENT OF CHECK—CONFLICT OF STATE LAWS.

United States Circuit Court of Appeals, Seventh Circuit, October, 1902.

FIRST NATIONAL BANK OF CHICAGO vs. JOSEPH W. SELDEN, AS RECEIVER, ETC.

While an Illinois National bank in which a Michigan National bank had kept an account as a depositor, as to the payment of check and draft holders might act under the Illinois law as against the law prevailing in Federal courts, when such Michigan bank became insolvent and went into the hands of a Receiver appointed by the Comptroller, the Federal law became the law of the distribution of the assets, and the payment of checks by the Illinois bank under the Illinois law is no excuse in an action by the Receiver against the Illinois bank for the balance in its hands at the time of the appointment of the Receiver.

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Before Jenkins, Grosscup and Baker, Circuit Judges.

The facts are stated in the opinion of the court.

Grosscup, *J.:* The bill in the circuit court was to enjoin the prosecution by appellee of a certain action at law, against the appellant, pending in the United States Circuit Court for the Northern District of Illinois. The cause came on for hearing, upon demurrer to the bill, and upon a motion for a preliminary injunction; whereupon a decree was entered, refusing the motion, sustaining the demurrer, and dismissing the bill for want of equity. From this decree this appeal is prosecuted.

The bill in substance alleges: That the complainant and the First National Bank of Niles were both National banking associations, the former located at Chicago, in the State of Illinois, and the latter at Niles, in the State of Michigan; that the latter had long kept an account as a depositor with the former on which it had been accustomed to draw and issue checks; that on March 9, 1901, the Niles bank was insolvent, and on about that date it failed to redeem its circulating notes; whereupon it was on that date closed under the authority of the Comptroller of the Currency, and the defendant herein, Joseph W. Selden, was by the Comptroller, appointed as its Receiver and took charge of its affairs and entered upon the discharge of his duties as such Receiver; that of these facts the Chicago bank had notice on March 9, 1901, but not before; that on that date also the Receiver notified the Chicago bank not to pay any drafts or checks theretofore issued by the Niles bank.

The amended bill further alleges that at the close of business on March 9, 1901, the Niles bank had a balance of account standing to its credit on the books of the Chicago bank of $9,179.39. Thereafter the Chicago bank credited certain items, and incurred certain expenses, and made certain remittances, on account of the Niles bank or its Receiver, none of which is questioned, which reduced the balance to $5,792.21; that prior to March 9, 1901, twenty-seven checks, amounting in the aggregate to $5,792.21 had been drawn and issued by the Niles bank on the Chicago bank in the regular course of business, all of which were outstanding when the Receiver was appointed, as aforesaid. After that date and before April 4, 1901, all of said checks, at times respectively when the balance aforesaid was sufficient in amount for their payment, were presented for payment to, and payment was refused by, the Chicago bank, pending an inquiry into the rights of the various parties interested. All of said twenty-seven checks or drafts were issued to, and held by, *bona fide* holders thereof for value. Afterward eighteen of them, to a total amount of $4,910, were again presented, and on such second presentation were paid by the Chicago bank and charged, when paid, against the Niles bank, thus further reducing the balance standing to the credit of the Niles bank as aforesaid; that the remaining nine checks, being those only once presented as aforesaid, and not paid, amount to $882.21; and eight of these, amounting to $878.30, have, since the Chicago bank refused to pay them as aforesaid, been presented by the holders to and allowed by the Receiver as claims against the Niles bank; and these eight the Chicago bank, prior to April 4, 1901, offered to pay to the Receiver if he would present them for payment as the holder and owner thereof.

On April 4, 1901, the Receiver demanded of the Chicago bank payment of $5,792.21, being the amount which would be the balance to which the Receiver as such would be entitled, if none of the twenty-seven drafts had been presented for payment as aforesaid. The Chicago bank refused to comply with this demand, and thereupon the Receiver brought the action in the United States Circuit Court for the Northern District of Illinois, Northern Division, the prosecution of which this bill was brought to restrain. In that action the Receiver sought to recover the amount of said twenty-seven drafts, being $5,792.21, notwithstanding the payment by said Chicago bank, as aforesaid, of eighteen of said checks, and the presentation of the remaining nine thereof for payment, at times, respectively, when the Chicago bank had funds sufficient for the payment thereof standing to the credit of said Niles bank in its account as depositor.

The bill further alleges that, under the law of Illinois, a *bona fide* holder of a check or draft on a bank may, if payment thereof be refused when the bank has funds of the drawer subject to check sufficient in amount to pay it, bring an action at law on such check immediately against such bank; the check, as between drawer and *bona fide* holder, being regarded as an assignment in law, *pro tanto*, of the balance which the bank owes to its depositor, the drawer of the check. And such seems to be the settled law of Illinois. (Munn vs. Birch, 25 Ill. 35; Metropolitan Bank vs. Jones, 137 Ill. 634; Bank of Antico vs. Union Trust Co. 149 Ill. 343.)

The bill further alleges that the law as declared and administered in the Federal courts is opposed to, and irreconcilable with, the Illinois law as stated above; that in the Federal courts a check holder, as such, can not maintain either an action at law or a suit in equity against the bank on which the check is drawn; the check being held, as between maker and payee, not to be an assignment *pro tanto*, even in equity, of the indebtedness owing by the bank upon which the check has been drawn. This averment of the law, under the Federal rule, is supported in the cases of Laclede Bank vs. Schuler, 120 U. S. 511; Fourth Street Bank vs. Yardley, 165 U. S. 634, and other cases.

The bill then avers that the Chicago bank as a citizen of Illinois, doing business there, was subject to the processes of both the State and Federal courts; that it could not have successfully defended in the State courts against actions by the check holders, and that the pendency of such actions or judgments therein would have given it no defense in the Federal court against the Receiver; that it would have been a serious injury to appellant in its business of banking, and would in no way have benefited the Niles bank or its Receiver, to allow such actions to be brought and prosecuted in the State courts; wherefore the appellant was justified in preventing such actions by paying the checks presented for payment as aforesaid, and asking the Federal court, as in the bill presented, to restrain a suit by the Receiver that would in substance compel the bank to pay the same debt a second time, and to virtually the same party who got the benefit of the first payment.

In Fourth Street Bank vs. Yardley, 165 U. S. 634, it was decided that, as between the right of general creditors in a fund received from a bank by an assignee under a general assignment for the benefit of creditors and the payee of an outstanding check or draft, there was no such equitable assignment *pro tanto* of the funds in the drawee's possession as gave to such payee a priority over the general creditors. This, unquestionably, is the law, also, respecting funds in the hands of a Receiver of a National bank, appointed by the Comptroller. In each case the purpose is to obtain a ratable distribution of the insolvent bank's assets. In neither case, in the absence of an assignment more effective than the drawing of a check, will the Federal law allow one set of creditors to obtain an advantage over another set.

The Niles bank, as an insolvent, in the hands of the Receiver appointed by the Comptroller, in the interest of creditors stands toward the Chicago bank in a relation different from the relation between the Niles bank, solvent, and the Chicago bank. In the latter the creditors of the Niles bank would have no immediate interest in any ratable distribution of the funds; in the former the interest is immediate and urgent.

Now, while it may be questioned whether as against the Niles bank, solvent, the Illinois bank might not, as to the payment of check and draft holders, act under the Illinois law as against the law prevailing in the Federal courts; and, thus acting, defend even in the Federal court against an effort to compel a second payment; it is clear that as against the Receiver executing his trust, the Federal law alone is applicable. In such a case the Federal trust must be administered according to the mandate of Federal law. The moment the Niles bank went into the hands of the Receiver, the Federal law became the law of the distribution of its assets. In no other way could there be unity of administration, and a carrying out of the Federal mandate of equality. All this the Chicago bank is bound to have known and, the rule for distribution prescribed, the Chicago bank was bound to observe. That the Illinois law on the subject of checks and drafts and their effect as assignments at law was different is no excuse; for, in the winding up of National banks by the Federal authorities the Illinois law can not be allowed to displace the Federal law looking to a suitable distribution among the creditors.

Nor was the situation of the Chicago bank, upon presentation of the checks by the check holders, an intolerable one. It could have defended, even in the State courts, by pleading the insolvency of the Niles bank and the Federal law that controls the administration of such affairs. The State courts, as well as the Federal courts, enforce Federal law and are bound thereby;

and from any decision adverse to the Federal law an appeal could have been taken to the Supreme Court of the United States. Of course this meant lawsuits—or possibly, by bill of interpleader, a lawsuit—but inconveniences thus occasioned are not defenses against the substantial rights of the creditors of the insolvent Michigan bank.

The decree of the circuit court dismissing the bill is affirmed.

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

ACTION ON LOST INSTRUMENT—BOND—NEGOTIABLE INSTRUMENT—CERTIFICATE OF DEPOSIT—PAYMENT.

Code Civ. Proc. Sec. 1917, providing for a bond in an action on a lost instrument for not less than twice the amount thereof, does not apply to an action brought by a person against a security company where he lost a certificate or receipt by which such company promised to pay him or his assigns a sum of money, and who seeks to require the issuance of a new certificate.

A certificate of deposit issued by a trust company, payable to the person named therein or his assigns, is not a negotiable instrument, within Laws 1897, c. 612, Sec. 20, declaring that an instrument, to be nogotiable, must be payable to order or to bearer.

A trust company would be protected in paying a certificate of deposit, though it had been assigned, if the company had no knowledge thereof, by Code Civ. Proc. Sec. 1909, authorizing transferee of claim on demand to sue thereon, subject to any defense existing against the transferrer before notice of transfer, as payment would thereunder be a complete defense.

Zander vs. New York Security and Trust Co. 78 N. Y. Supp. 900.

DEPOSITS—ADVERSE CLAIMS—INTERPLEADER.

Banking Law, Sec. 115 (Laws 1882, c. 409, Sec. 259, and c. 689, Laws 1892), provides that in all actions against any Savings bank to recover deposits, if there be any person not a party who claims the fund, the court may on petition of such bank make an order amending the proceedings by making such claimant a party defendant, when the court shall determine the rights of the several parties. *Held*, that where an administrator claimed a deposit sued for by an alleged donee of the deceased, and had ordered his attorneys to sue to collect the same, the court had power to order that such administrator be made a party to the action by the donee on the bank's application, without requiring the bank to show that the administrator's claim was well founded.

McGuire vs. Auburn Sav. Bank, 79 N. Y. Supp. 91.

INSOLVENCY—STOCKHOLDER'S LIABILITY—SET-OFF—PAYMENT TO RECEIVER—LIMITATIONS—PLEADING—CONCLUSIONS OF LAW—DEMURRER.

Where, in an action to recover a statutory liability against a stockholder of an insolvent bank, the stockholder pleaded the payment of a liability as indorser for the bank, under an order of court, replications asserting what the legal effect of the payment under such decree was, and denying that the payment discharged defendant's liability, were demurrable, as allegations of conclusions of law.

Where defendant indorsed the note of a bank in which he was a stockholder, and on the insolvency of the bank was required by order of court to pay a sum greater than his statutory liability as a stockholder, he thereby became a creditor of the bank, and as such was entitled to plead such payment as an equitable set-off to an action by a creditor of the bank to enforce his liability as a stockholder.

The fact that a Receiver of an insolvent corporation has no power to enforce a stockholder's statutory liability, but that such liability must be enforced by creditors, does not preclude a stockholder from discharging such liability by a payment to the Receiver.

Where a stockholder of a bank indorsed a note for the bank's accommodation, he did not become a creditor of the bank until he was required to perform his obligation as indorser, and limitations did not begin to run against his right to set off the amount so paid against his statutory liability as a stockholder until such payment was made.

Strauss, *et ux.* vs. Denny, 53 At. Rep. (Md.) 571.

NOTE PAYABLE AT BANK—DEPOSIT BY MAKER—EFFECT AS PAYMENT.

Burns' Rev. St. 1901, Sec. 371, provides that, in an action on a note payable at a particular place it shall not be necessary to aver or prove a demand at the place, but the opposite party may prove a readiness to pay at the proper place. A purchaser of mortgaged realty, having assumed the debt, negotiated a loan from the bank at which the note secured was payable, under agreement that a new mortgage should be given, and the proceeds of the loan held by the bank to meet the original note when due. The purchaser also deposited with the bank the unpaid interest. The bank, at the purchaser's direction, notified the holder of the note, who presented it for payment, at the same time notifying the bank that the purchaser's title would be attacked as fraudulent by himself and other creditors of the original mortgagor. The bank failed to turn over the deposit to the holder, and no tender thereof was ever made him. *Held*, that as the bank was the agent of the purchaser of the land, and not of the holder of the note, the transaction did not amount to a payment.

Dillingham, *et al.* vs. Parks, 65 N. E. Rep. (Ind.) 300.

OFFICERS AND DIRECTORS—DEPRECIATION OF STOCK—LIABILITY—CASHIER—DUTIES—INSOLVENCY.

The directors and officers of a bank can only be held for the depreciation in value of its stock to the extent that such depreciation is due to their negligence, and are not responsible for any part of it which is the result of errors of judgment.

In an action by stockholders of a bank against the directors and officers to recover for depreciation of stock, the court found that a certain loan was made by the general manager surreptitiously and without the knowledge of three of the directors, two of whom were at the time out of the State on important business, and one of whom was sick, and that the loan was for some time concealed by the manager. When the directors discovered that the loan had been made, they made all reasonable efforts to collect it. *Held*, that these three directors were guilty of no neglect of duty making them liable to stockholders for loss on the loan.

In an action by stockholders of a bank against the directors and officers to recover for depreciation of stock, it was found that by the Cashier's contract of employment it was agreed that he should not be charged with the responsibility of making loans or selecting securities. The Vice-President and manager of the bank was president of a corporation of a speculative character and financially unsound, to the knowledge of the Cashier, who was also an officer of the corporation. Without the knowledge of the Cashier, the manager negotiated a loan from the bank to the corporation, on its note indorsed by a solvent firm. The Cashier, under the instructions of the manager, entered the amount of the loan to the credit of the corporation, and paid it out on the corporation's checks. *Held*, that the Cashier was not guilty of negligence or of any violation of his duties to the bank, making him liable to the stockholders for any part of the amount lost by the loan.

Every man is presumed solvent until shown to be insolvent.

A stockholder in a bank, who obtained her stock from a director who had knowledge of the prior commission of certain negligent acts by the directors and stockholders, causing depreciation in the value of the stock, was not precluded from recovering for such negligence by reason of her assignor's knowledge.

Warren, *et al.* vs. Robison, *et al.* 70 Pac. Rep. (Utah) 989.

INSOLVENCY—LIABILITY OF STOCKHOLDERS.

The Minnesota Savings Association was incorporated under Gen. Laws 1867. By Sp. Laws 1873, c. 117, the name was changed to Savings Bank of St. Paul, and a capital stock of $100,000 was provided; such capital to be employed in the business, and to become a guaranty fund. *Held*, such stock is not within the constitutional provisions imposing a double liability, and the depositors are not creditors having the right to enforce such a liability.

State, *ex rel.* Douglas, Atty. Gen. vs. Savings Bank of St. Paul, 92 N. W. Rep. (Minn.) 403.

RECEIVING DEPOSIT—CRIMINAL LIABILITY OF CASHIER—ACCOUNT WITH OTHER BANKS—EXAMINATION.

In the prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, under an indictment alleging that the bank was a corporation, it is sufficient proof of de facto corporate existence to show that an attempt was made to organize a corporation, and that the institution was conducted and held out to the public as a corporation, and that a statute existed at the time of the indictment authorizing such incorporation, though no such statute existed when the attempt to organize was made.

In a prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, false statements made by him to the public bank examiner tending to establish the allegation of the indictment that the bank was a corporation, and also to show insolvency, and the accused's guilty knowledge thereof, are admissible, though constituting an independent offense. .

The testimony of a witness that one of his long overdue notes, given to the bank, was accommodation paper, and the introduction of his written assumption of its payment, executed concurrently with the note, are admissible as pertinent to the issue of insolvency.

In a prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, it was proper to permit the depositor to refresh his memory as to the denomination of the money deposited by referring to the original deposit slip written by him at the time of the deposit.

In a prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, the bank books being in evidence, it was proper to permit the public bank examiner, who has inquired into the financial condition of the bank, to refresh his memory by referring to a memorandum made at the time of such examination.

It was error to permit the public bank examiner, who had examined the affairs of the institution, to testify, as a conclusion, that the bank was insolvent; that being an ultimate fact for the determination of a jury.

It was proper, as bearing on the issue of insolvency, to permit a witness who had been appointed Receiver of the bank after its voluntary closing to relate in detail what he had done to collect the various notes coming into his hands, and to state that he could not tell when any of them would be paid.

In a prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, farfetched statements, partially from memory, made by the Receiver relative to the unauthenticated indebtedness of the bank to other banks, and testimony as to numerous transactions pertaining to the adjustment thereof, were incompetent, because of a secondary character; the bank books being the best evidence.

Where, in a prosecution of a bank Cashier for receiving a deposit after the bank's insolvency, a witness for the State admitted on cross-examination that he was prejudiced against the accused, it was improper to permit him on redirect examination to explain his prejudice by stating that, as county treasurer, he had deposited public funds with the bank, and had been compelled to reimburse the county therefor.

Under Comp. Laws, Sec. 6850, punishing the receipt of a deposit by a bank officer when the bank is insolvent and the officer knows of such insolvency, the term "insolvent" means a present inability to pay depositors as banks usually do, and meet all liabilities as they become due in the ordinary course of business.

State vs. Stevens, 92 N. W. Rep. (S. D.) 420.

REFUSAL TO PAY CHECK—DAMAGES.

A bank is liable in damages resulting from a non-fulfillment of its contract to pay the money of its depositor on demand, to the same extent and for the same reason that other persons are liable for the non-fulfillment of contracts. The measure of its liability depends upon the circumstances of each individual case. A petition, therefore, which states that a bank in which the plaintiff had money on deposit neglected or refused to honor his check or pay it on demand, states a cause of action.

Kleopfer vs. First Nat. Bank of Herington, 70 Pac. Rep. (Kan.) 880.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

DONATIO MORTIS CAUSA—CASH IN BANK ON DEPOSIT RECEIPT—DELIVERY OF RECEIPT AND ORDERS—TRANSFER OF FUND TO CARRY INTEREST.

McDONALD vs. McDONALD (Nova Scotia Reports, 35 S. C. 205).

STATEMENT OF FACTS: McDonald in his lifetime deposited $6,000 with the Union Bank of Halifax, on deposit receipt numbered 2793, to be accounted for by said bank to him only upon production of the receipt.

When in his last sickness in the infirmary at Halifax, McDonald wrote a letter to his wife at Sydney, where he resided, the last sentence of which was, "Bring bank book and that check for $6,000." This the wife did, and when she and the deceased's brother and sister were all present the deceased handed the deposit receipt to his brother, asking him to make out three orders or checks, one for each of the three. This the brother did, drawing up three checks on the ordinary printed forms for $2,000 each, but adding after the word "Dollars, out of deposit receipt number 2793, Sydney." McDonald at that time, and a day or two later, told his brother to get the money, as he did not want it to have anything to do with his will. The deposit receipt was then given to Mrs. McDonald and remained in her possession until her husband's death a few days later. The Union Bank declined to pay the checks so drawn, and asked the court to direct an issue between the interested parties to determine whether the money represented by the receipt became part of the McDonald estate or passed to the drawers of the checks as a valid *donatio mortis causa.* Such an issue was directed, and the following is the judgment thereon:

JUDGMENT (McDonald, *C. J.*): Weatherbee and Graham, *JJ.*: In our opinion the evidence shows that the donor intended to give the donees the deposit receipt, and also these orders, which in our opinion constituted an assignment of the fund. It is quite clear that there may be a gift to all three by a delivery to one for all three, and in our opinion there was such a delivery. In all the evidence there is nothing to show that after the delivery of the checks and deposit receipt to his brother, the deceased exercised or desired to exercise any further control over the fund, and he expressly stated he did not want it to have anything to do with his will. In England it has been held that the donor's check given but not presented before the donor's death does not constitute a good *donatio mortis causa.*

As the contention was in these cases that the execution of the check, although the fund would ordinarily be controlled by the deposit note, has the effect of changing the deposit account into an ordinary drawing account and the transaction was nothing more after all than a check given by the donor, which was according to authority liable to be revoked by his death. The same principle is expressed in the United States Supreme Court (Basket vs. Hassel, 107 U. S. 613): "The principle is that a check upon a bank account is not an equitable assignment of the fund."

This case is simpler, because the checks were given only to define the share of each, and the gift was completed by the delivery of the deposit receipt.

It was contended that as the fund had remained in the bank long enough to accumulate interest and the checks only amounted to the principal sum there was an attempt to give only part of the fund and *in re* Mead (15 Chy. Div. 654) applied to defeat the gift. But there it was such a small part of a large fund that it, with the other evidence, indicated that the donor did not intend to give the deposit note at all. In this case McDonald's not providing for the interest does not at all indicate that he did not intend to give the deposit receipt or the fund it represented. Such an increment to the fund would not have to be especially dealt with. The gift of the whole principal of the fund carries with it the increase thereof.

There was a good *donatio mortis causa* and the bank is justified in paying over to the donees the fund with the interest.

PROMISSORY NOTE—PRESCRIPTION—PROOF OF PAYMENT OF INTEREST—ADMISSION OF DEFENDANT—ART. 1235 C. C.

GUAY vs. GUAY (Quebec Reports, 11 K. B. P. 425).

STATEMENT OF FACTS: This was an appeal to the Court of the King's Bench from the Superior Court in an action to recover $172.50 on a promissory note for $150, dated March 23, 1890, payable twelve months after date.

The note on its face was outlawed when the action was commenced, but the plaintiff alleged that the defendant had yearly until 1896 paid interest at five per cent. on the face amount of the note, and had so prevented the time of prescription from commencing to run until 1896.

One of the defenses set up by the defendant in addition to the outlawing of the note was that the plaintiff had released him from all obligations under it in consideration of certain payments. The defendant failed to establish this defense, but in his evidence admitted the payment of interest as alleged by the plaintiff.

JUDGMENT, on appeal (SIR A. LACOSTE, *C. J.*): By the terms of article 1235 of the Civil Code, any promise or undertaking to take a debt out of the provisions of the law as to prescription cannot be proved without a writing signed by the debtor himself. We have decided in Charest vs. Murphy that oral proof of payment interrupting the prescription can not be made even though there was a commencement of proof by writing. In this case the plaintiff relies on the admission of the defendant. We are of the opinion that the admission of the defendant supplies the place of writing by the article 1235, because the admission leaves no room for fraud upon him who makes it. But the admission must be complete and such that of itself, without more, it establishes the interruption of the time necessary to outlaw the debt.

PROMISSORY NOTE—HOLDER IN GOOD FAITH.

BELANGER vs. ROBERT, *et al.* (Couture, Intervener; Q. R. 21 S. C. p. 518).

A pledgee of a promissory note given as collateral security is a holder in good faith.

A promissory note given in exchange for another note which had been handed over by the owner for collection is the property of the person who owned the note for which it was given in exchange.

STATEMENT OF FACTS: The plaintiff brought this action to recover $214, with interest at eight per cent., on a promissory note made by the defendant Robert to the order of the defendant Gremier, and by the latter endorsed to the plaintiff. Gremier confessed judgment for $158.52; defendant Robert paid $220.47 into court to abide the result of the issue between plaintiff and the intervener. Couture, intervener, alleged that on the 20th of January he had given to Gremier for collection a promissory note made by Robert; that instead of collecting it Gremier had given it up and taken in its place Robert's note to himself, representing that the first note was his own and not given him for collection; that in February Gremier transferred the $214 note to the plaintiff, and that the plaintiff knew then that he, Couture, owned the note and that Gremier was only his agent. To this the plaintiff answered that he was the regular holder of the note sued on.

JUDGMENT (ANDREWS, *J.*): I think that the intervener has failed to make a sufficiently strong proof to warrant my declaring that the plantiff is not a holder in good faith, but it is established and admitted by the plaintiff himself that his title to the note is not that of a purchaser but only of a pledgee of the note as collateral security for a sum of $155; beyond this he has no interest in the note. The result of the taking by the intervener's agent, Gremier, of that note from Robert in exchange for the note the intervener had given him to collect, was, I think, to pass the property in that new note to the intervener, for Gremier in taking the note acted as the intervener's agent; his subsequent unfaithfulness does not change that fact. If, then, the note sued on belonged to the intervener as against Gremier, it equally belongs to him, as against Gremier's endorsee, the plaintiff, subject only to the latter's rights as pledgee from Gremier, and as they are limited to a right to be paid $155, he would have to return the note to the intervener on the receipt of that sum and of his lawful costs. As the note has been replaced by the payment into court of $220.47, that sum has to be divided, giving to the plaintiff his $155 and costs, and to the intervener the balance.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

INDORSEMENT OF CHECK PAYABLE TO BEARER.

Editor Bankers' Magazine: ILION, N. Y., January 21, 1903.

SIR: Is a bank bound to pay a check payable to "bearer" or to "cash" without indorsement? In event of refusal to pay with offer to certify, can the holder protest the check and hold drawer or the bank for expenses? COUNTRY BANKER.

Answer.—Where the instrument is drawn payable to bearer, no indorsement by the holder is necessary to entitle him to demand payment, and if payment is refused by the bank because the check is not indorsed, the holder may treat the same as dishonored, and sue the drawer for the amount and the protest fees.

PAYMENT OF DUPLICATE AND ORIGINAL CHECKS.

Editor Bankers' Magazine: GEORGETOWN, S. C., December 30, 1902.

SIR: If a duplicate check is paid by bank and the original is presented for payment by an innocent holder, has the bank a right to pay it or not? H. P. SPRINGER.

Answer.—If the payment of the original check has been countermanded by the drawer (as is usually done where a duplicate is issued) the bank has only to comply with his instructions and refuse to pay the check when presented, leaving any question as to the rights of the innocent holder to be settled between him and the drawer. A different course might be necessary in those States where it is held that the check operates as an assignment; but this rule is repudiated in the great majority of the States.

RIGHT OF TRANSFEREE ON CHECK PROCURED BY FRAUD.

Editor Bankers' Magazine: MEDIA, Pa., December 26, 1902.

SIR: Will the answer to question "Right of Transferee on Check Procured by Fraud" on page 825 December number of the BANKERS' MAGAZINE hold good in this State? I have no doubt the payee has redress on the drawer of the check but certainly he has no claim on the bank. J. W. HAWLEY, *President.*

Answer.—The rule stated in the reply referred to does not prevail in Pennsylvania. In that State, the drawee bank is not liable to the holder, unless and until it accepts or certifies the check. (Negotiable Instruments Law, Sec. 189.) It has nothing to do but conform to the drawer's order to stop payment, and for its refusal it is not liable in a suit by the holder.

INSTRUMENT WITH RECITAL A NOTE.

Editor Bankers' Magazine: WILMINGTON, S. C., January 26, 1903.

SIR: Will you please tell me whether an instrument, in other respects a promissory note is prevented from having effect as such, because the signature is preceded by the statement that a certificate of stock, which is attached, is deposited as collateral without recourse? I am an indorser and the maker claims that I am not entitled to the usual rights of a *bona fide* holder. M. C. M.

Answer.—We believe you are entitled to the usual rights of an indorser for value without notice and that the clause of which you speak will not prevent the negotiability of the instrument. This provision is merely collateral and does not affect the promise to pay.

NOTE SIGNED WITH NAME OF OFFICE AFTER THE SIGNATURE.

Editor Bankers' Magazine: LOGANSPORT, Ind., January 2, 1903.

SIR: Supposing a note to be signed by a person and following the name the word "president" or the words "president of the Gazette Pub. Co.," will the person or the company be liable upon it? W. E. B.

Answer.—Notes signed in the way you suggest are ordinarily held to be the individual obligation of the person whose name is signed and not the obligation of the person or company whom he represents. Anomalous as this situation may seem to those who are not familiar with it, the rule usually applied is well founded on precedent and has a fairly broad basis in principle. The theory is that the name first appearing after the contract is that of the obligor and all the matter which succeeds this is mere description. If the signer seeks to escape personal liability he should sign the name of the person or company which he represents and then after the word "by" sign his own name.

RIGHT TO ASSUME POWER TO ISSUE A CORPORATE NOTE.

Editor Bankers' Magazine: LEXINGTON, Ky., January 7, 1903.

SIR: We have a builders' supply company here. A while ago we took one of its notes from a customer in the usual course of business. When the note came due the company claimed that it was void because not authorized by the stockholders (it seems that a by-law, of which we had no previous notice, required that all obligations for more than one thousand dollars should be authorized by the stockholders) and refused payment. The note was in the usual form, authorized by the board of directors and signed and sealed by the corporation through its president and secretary. The question is whether the note is good or whether the company is right and we cannot collect it. CASHIER.

Answer.—We consider that your note is good and that the company must pay it. The rule is that one who takes the note of a railroad or business corporation in good faith and without notice of any inherent defect, when the paper was issued by order of the board of directors, signed by the president and secretary in the name, and under the seal of the corporation, and disclosing on its face no want of authority, has the right to assume its validity if the company could, by any action of its officers or stockholders or of both, have authorized the execution and issue of the obligation. We are of opinion that this rule meets your case and that it covers some points which are not spoken of in your letter, but which may be involved in your case.

VALIDITY OF NOTE GIVEN TO SETTLE A BUCKET SHOP BALANCE.

Editor Bankers' Magazine: DAVENPORT, Iowa, January 23, 1903.

SIR: We have a customer who runs a real estate business and does some stock jobbing also. He turns in his notes here and among them we got one which the maker refuses to pay, alleging that it was given for a stock gambling transaction. We wish to know whether he can be made to pay the note. VICE-PRESIDENT.

Answer.—No. The note is invalid. Notes given in settlement of balances growing out of stock gambling, when there was no delivery of the property, made or contemplated, are absolutely void.

VALIDITY OF NOTE FOR PATENTED ARTICLES WHEN WORDS "PEDDLER'S NOTE" ARE NOT WRITTEN ON IT.

Editor Bankers' Magazine: MAYSVILLE, Ky., January 5, 1903.

SIR: Some gentlemen have been working quite extensively here in selling patented cream separators. We took a good many of their notes and on their printed blanks the words "Peddler's Note" had been stamped. Through some inadvertence this had been omitted from one of the notes and question has arisen among us here in the bank whether that note can be collected. The Cashier suggests that our law, requiring all notes given for articles purchased of peddlers have the words "peddler's note" written across the face, will not apply in this case, as the cream separators were patented and that to apply it here would be to violate the United States laws and to infringe the rights of the patentee. Is this true or must all of these notes have the words "peddler's note" on them? M. J. L.

Answer.—We are of the opinion that your law relative to peddler's notes is applicable to notes given for patented articles and that to so apply it will not violate the Federal laws or infringe the rights of the patentee. The statute is no more than a resonable police regulation and all notes which come within its terms, as it would seem the one of which you speak does, must bear the words which it requires.

VALIDITY OF NOTE BY FRAUDULENT DEBTOR.

Editor Bankers' Magazine: LONDON, Ont., January 27, 1903.

SIR: One of our debtors was arrested here by another creditor upon a charge of transferring property to defraud his creditors. He then made a proposition to his creditors to give them each his note, with his father-in-law as security, if each creditor would agree not to be a party directly or indirectly to any proceeding against him, and he also agreed to release all claims for false imprisonment. The father-in-law now refuses to pay, claiming the notes were given to stifle legal proceedings against the debtor and that they are therefore void. The creditors accepted the debtor's proposition and we should like to know if our note is good. H. C. L.

Answer.—We very much fear that you will never be able to collect your note and that the defense, that it was given to stifle a prosecution, is a good one. If this is true the note is void and cannot be collected.

JOINT AND SEVERAL NOTE.

Editor Bankers' Magazine: BURLINGTON, Vt., January 20, 1903.

SIR: The paying teller and myself have had a dispute over a note, which the bank discounted a while ago. The note reads "I promise to pay," and is signed by four persons. Will this be considered as a joint and several note or as the note of the first signer with the other three as sureties? H. M. F.

Answer.—We believe the note you mention would be held a joint and several one and that the four persons would each be bound as maker.

WHETHER NOTE MAY BE CONSIDERED FRAUDULENTLY IN CIRCULATION WHEN IT WAS DISCOUNTED BY THE CLERK OF THE MAKER WHO SENT HIM FOR MONEY.

Editor Banker's Magazine: SPRINGFIELD, Mass., January 14, 1903.

SIR: One of our business men gave his Cashier his note to procure money to bring. The clerk came to our bank and we took the note. The clerk kept the money. The employer subsequently sent him to discount other notes. Now he claims that he is not liable on the note because it was fraudulently put in circulation. What is the law? B. F. N.

Answer.—He is liable on the note. It is our opinion that the note may not be considered as fraudulently in circulation.

NOTE PAYABLE IF THE MAKER IS ELECTED TO OFFICE.

Editor Bankers' Magazine: LINCOLN, Neb., January 28, 1903.

SIR: A note was turned in to us by one of our customers payable if the maker was elected to a certain local office. The question immediately arose whether it was negotiable, so I write to ask whether it is and whether the indorsee would take free from defenses.

CLERK.

Answer.—The note you mention would not be negotiable and therefore the indorsee would not take free from defenses. It is one of the essentials of negotiability that the paper be payable at a time certain, if it is not the negotiability fails.

RIGHT OF WIFE TO INTEREST ON DEBT DUE FROM HUSBAND.

Editor Bankers' Magazine: MEADVILLE, Pa., January 10, 1903.

SIR: In the settlement of an insolvent's estate, in which we were interested, the insolvent's wife filed a claim in which she demanded money loaned her husband and interest. The loan was made many years ago and the interest amounts to more than the principal, and my question is whether she is entitled to it. H. C. T.

Answer.—Generally speaking, no. The rule is that in the absence of an agreement, or circumstances from which such an agreement may be implied, the wife is not entitled to interest on her husband's indebtedness to her as against his creditors. The right to interest in the absence of statute depends upon contract and while, as between strangers, such a contract may be implied, as between those in the family relations, it will not be unless circumstances other than the loan or debt are shown.

INTEREST ON CHECK LOST BY BANK.

Editor Bankers' Magazine: OGDENSBURGH, N. Y., January 14, 1903.

SIR: A friend of mine who is in a bank in this State took a check on another bank from one of the bank's customers and credited its amount to the depositor's account. In some way the check was lost and its amount was then taken off the depositor's account. The customer now claims that the bank owes him interest from the time the check was taken off his account. What is true about this? O. R. C.

Answer.—The bank is chargeable with interest on the amount of the check from the time it was taken off his account, for at that time its amount ceased to be at his disposal.

NEGOTIABILITY OF A NOTE STATING ITS CONSIDERATION.

Editor Bankers' Magazine: LAPEER, Mich., January 9, 1908.

SIR: A note was given here for a horse in which was the statement "This note is given in payment for one bay saddle horse called 'Ned,' title to which horse shall not pass until this note is paid and which said horse may be retaken if this note is not paid at maturity." Is the note negotiable? F. N. J.

Answer.—Yes. The clause which you recite does not destroy the negotiability.

LIABILITY OF THE GUARANTOR OF AN OVERDUE NOTE.

Editor Bankers' Magazine: MONTPELIER, Vt., January 5, 1908.

SIR: One of our customers had a note which was not paid when due and he could not get payment, so finally he threatened suit and the maker got one of his friends to guaranty the payment. Can the holder of the note sue the guarantor at once or must he wait a certain time? B. C. J.

Answer.—One who guarantees payment of an overdue note does not assume a present liability to pay the note, but is only bound to pay in a reasonable time if the maker does not. It will therefore be necessary for your customer to wait a reasonable time and use reasonable efforts to collect of the maker before endeavoring to enforce the note against the guarantor.

RIGHT OF GUARDIAN TO DEPOSIT HIS WARD'S MONEY IN BANK.

Editor Bankers' Magazine: DETROIT, Mich., January 14, 1908.

SIR: A business man here who was guardian of some children deposited money of the estate in one of our banks which appeared at the time to be perfectly sound. It failed, however, in a few months owing to the default of its officers. The question now arises whether the guardian is liable for the money of the ward's lost in the bank failure? F. S. B.

Answer.—He is not liable. A guardian may deposit his ward's money in a bank of the integrity of which he is reasonably confident and may permit it to remain there no longer than a man of reasonable intelligence would, under the circumstances, in the management of his own affairs.

RIGHT OF CREDITORS WHO HAVE TAKEN PART OF INCREASE OF INFORMAL BANK STOCK TO RESCIND.

Editor Bankers' Magazine: ST. PAUL, Minn., January 30, 1908.

SIR: Supposing a bank in financial difficulty liquidates by increasing its stock and issues the new stock to its creditors. What can these creditors do when it subsequently appears that because of failure to observe the proper formalities this stock is worthless? What remedy have they if creditors, who became such after the stock was issued, hold them for their statutory liability? M. K. B.

Answer.—Creditors under the circumstances which you detail may rescind their contract under which they took the stock and will then again take their place as creditors. If they are held liable to, and are obliged to pay creditors, they may collect from the old stockholders whatever they lose as the result of the liability.

VALIDITY OF BOND TO SAVINGS BANK IN EXCESS OF THE AMOUNT WHICH IT COULD LOAN.

Editor Bankers' Magazine: SIOUX CITY, Iowa, January 23, 1908.

SIR: What is the effect when a Savings bank takes a bond for more than it is allowed to loan any one person or firm, when part of the bond is for money loaned and part is to take up a note which the principal in the bond signed as surety. Is the bond void? CASHIER.

Answer.—No. The bond is not void for that reason. Your statute does not make bonds void and especially should they be valid cases like yours where they are not entirely for money loaned.

VALIDITY OF COUNTY BONDS IN EXCESS OF LEGAL INDEBTEDNESS IF PREVIOUSLY ISSUED INVALID BONDS ARE CONSIDERED.

Editor Bankers' Magazine: HOT SPRINGS, Ark., January 24, 1903.

SIR: Our bank has some bonds of a neighboring county which were deposited as collateral by a customer. Before the issue of the bonds, of which these in our bank are a part, the same county had issued other bonds, but these are and were at the time illegal. After the bonds which we hold were issued, however, the county voted to pay and did pay these illegally issued bonds. If these bonds had been valid, the issue of which ours are part would have been void because then the whole indebtenness of the county would have exceeded the constitutional limit. The county says now that ours are void and that the illegality of the previous issue makes no difference. What may we do under the circumstances?

VICE-PRESIDENT.

Answer.—The amount of these bonds which you hold may be collected. An illegally issued bond is a void bond, and a void bond is no bond, to all intents and purposes. It cannot therefore be counted to make up the limit of indebtedness which the county may lawfully assume; and the fact that the county assumes and pays these illegally issued bonds will not affect the case. Their subsequent assumption of a debt which did not exist previously ought not to affect your valid obligations. The situation then becomes the same as though your bonds had been issued before the others, for it is only at the time of recognition that these illegal bonds take on any measure of legality.

LIABILITY FOR NOTE SENT TO STRANGER FOR COLLECTION.

Editor Bankers' Magazine: AUSTIN, Tex., January 22, 1903.

SIR: A note was deposited with a bank here for collection in a town in which the bank here had no regular correspondent. The note was sent to a bank there which was in failing circumstances, but of this the bank here was ignorant, although it used due diligence and exercised good faith in the matter. Is it liable to the owner of the note for any loss incident to the failure of the correspondent bank? COLLECTOR.

Answer.—It would seem so, under your decisions, for the courts in your State hold that, under the circumstances which you have related, the correspondent bank is the agent of the sender bank, and that it is liable on the failure of the correspondent in the absence of any usage to the contrary. There is, however, some language used in one of the decisions which we base the above statement upon, which if carried out in principle, would render the contrary answer necessary; but the case itself holds with the answer given and this is certainly the general rule unless there is an understanding to the contrary with the depositor.

LIABILITY FOR MISTAKE IN CREDITING DRAFT.

Editor Bankers' Magazine: COVINGTON, Ky., January 9, 1903.

SIR: How far is a bank liable for a mistake in crediting the proceeds collected and credited, to the indorser? E. F. D.

Answer.—The bank is liable for a loss resulting to the indorser of the draft as the result of its negligence.

INSUFFICIENT DESCRIPTION IN MORTGAGE.

Editor Bankers' Magazine: TOPEKA, Kans., January 12, 1903.

SIR: There is a mortgage being foreclosed here which, in describing the land bound by it, omits the number of the range in which the property is situated. The township section and quarter section are given correctly, but the range is not given. Will this error prevent the successful foreclosure of it? W. B. B.

Answer.—We are afraid it will vitiate the mortgage. Your courts are very exacting in regard to descriptions in mortgages.

BANKING REFORM IN THE UNITED STATES.

[From the London "Bankers' Magazine."]

American bankers take themselves less seriously than their English brethren do. In their lighter moments they are apt to be jocular about the superhuman caution and decorum of Lombard Street. Just now, however, when a monthly "slump" has become a feature of Wall Street, no one has more reason than New York bankers to be thankful that Lombard Street remained on the old lines and did not rush into up-to-date finance. Nevertheless, they have still implicit faith in themselves, in their methods, and, above all, in their great Republic. For most of which there may be ample justification, though the rule is not without exceptions. Even at the height of their prosperity they have never claimed to be perfect. In times of trial and stress, like the present, they very frankly admit their defects, and make courageous efforts to amend them.

Unfortunately, these spasmodic attempts at reform have so far borne very little fruit. American banks have, in course of their chequered history, become so involved in political, fiscal and other external complications, that hardly a single question affecting them can be treated simply on its merits. Broach any one of them, and a hornet's nest of outside issues is at once stirred up. When a banking discussion is on, the Senate, the Treasury, the State Legislatures, the party conventions and the stump orators at large, have all to be heard from. Such discussions necessarily progress slowly and with difficulty. Bank reform has been very much before the country for two generations, and there is as much difference of opinion about it now as there was in the days of President Jackson and the old United States Bank. The Americans are still searching in vain for a successor to that badly-used institution.

The closing months of the year are always a busy time with American bankers, and this year they are having the added excitement of a prolonged financial crisis. Old well-worn discussions acquire accordingly a fresh interest. New light is thrown on them by current events. Every bank reformer finds up-to-date illustrations of his arguments lying ready to hand. The usual official pronouncements on banking and cognate questions are read with special attention. The Presidential message at the opening of Congress, the annual report of the Secretary of the Treasury, and the proceedings of the bankers' conventions held all over the country in autumn, have, invariably, banking reform for one of their principal themes.

Whoever has a taste for this sort of discussion will find in the United States the most varied and abundant materials for it to be had anywhere. Of late, they have been abnormally plentiful. Official reports, speeches, essays and debates of every conceivable kind have been poured forth on the banking question. The convention of the American Bankers' Association, which was held at New Orleans early in November, may be said to have opened the ball. About the same time, a memorable speech was made to the Wilmington Chamber of Commerce by Mr. Vanderlip, a former Assistant Secretary of the Treasury, and now Vice-President of the National City Bank, New York. And Congress had hardly reassembled when there was laid before it the annual report of the Secretary of the Treasury, Mr. Leslie Shaw, which deals largely with the banking problem.

We have thus had three notable events in this connection following closely on each other. Any one of them would have furnished an adequate text for renewed discussion of a question which is not only still far from settlement, but which, notwithstanding all the ability brought to bear on it, does not seem to make very rapid progress. Nor can we wonder at this when we remember the complexity of the subject and the great variety of conflicting interests involved in it. It is not one problem that has to be solved, but a coil of them. Various issues not essentially connected, and which outside of the United States are kept as far as possible apart, have here got tangled up in the most approved style of American politics. Bank notes, greenbacks, silver certificates, and half-a-dozen other forms of currency, are all being put on their trial together. National banks and State banks, central banks with branches and local banks without branches, are being pitted against each other. The relations of banks generally to the public, to the Treasury, and to each other, are all being discussed *ab initio*, with as much zest and energy as if no similar ordeal had ever been gone through before anywhere else.

To plunge headlong into such a maze of controversy would be sheer madness. It will be perilous enough for a British observer to pick out a few of the main issues, and endeavor to present them in an intelligible form to British readers. Taking them in the order of their magnitude and importance, let us begin with the demand for currency reform. *Prima facie* this is a vital and in the broadest sense a national question. It affects the relations of the banks to the public, which are obviously of greater consequence than any other relations they can have, whether to the Treasury or to each other. The public have shown their appreciation of this by the wider and keener interest they have taken in the currency issue than in any other point of the bankers' reform programme. If any part of the agitation has aroused popular excitement, it is the outcry for a "more elastic currency."

SUPPLY OF CURRENCY NOT INSUFFICIENT.

Fears of there not being "money enough to go round" always appeal to the mercantile imagination, and American bankers have for a good many years persistently harped on this chord. They have not been discouraged by the paradox that the United States has one of the most copious currencies enjoyed by any country of equal commercial rank. Even if its bank-note issues were to be extinguished, it would still have a high average per head of circulating medium. On November 1 last the money in circulation reached the huge total of $2,336,000,000, being an average of $29.36 per head on a population of seventy-nine and a half millions. Even more remarkable than its large amount was the small proportion of it contributed by the banks. Of the $2,336,000,000 only $367,000,000, or little more than a seventh, was in the form of National bank notes. In order to illustrate this important point a little farther, the composition of the $2,336,000,000 is here exhibited:

Money Circulating in the United States, November 1, 1902.

Gold coin	$624,373,645
Silver dollars	77,517,158
Subsidiary silver	91,899,715
Gold certificates	342,756,194
Silver certificates	463,170,438
Treasury notes, 1890	25,748,278
United States notes (greenbacks)	343,639,082
National bank notes	367,007,482
	$2,336,111,992

By a notable coincidence the foreign trade of the United States in the fiscal year ended June 30, 1902, amounted to hardly as much as the money in circulation. What more striking proof could there be of an ample, not to say prodigal, supply of circulating medium? The exports for the year in question were nearly $1,382,000,000, and the imports $903,000,000, making together $2,285,000,000—only $51,000,000 less than the volume of currency available for turning them over. If our own stock of money were put on an equally lavish footing it would have to be increased three or four-fold. We should be smothered in money and not know what to do with it. As it is, we can do quite as much foreign trade as the Americans, with a fourth of their currency. Of course the circumstances are different in many ways, and it is not intended here to draw any invidious comparison between the two. The bare facts only are mentioned, in order to show that the United States cannot possibly be suffering from a scarcity of currency in the ordinary meaning of the term.

If there be any real stringency it is in the bank-note issues, which chiefly concern the banks themselves. It is not a scarcity of gold or of silver, or even of subsidiary coins; consequeutly it is not, properly speaking, a national matter. Compared with the national money—greenbacks, gold and silver certificates, etc.—bank notes are quite a secondary item—little more than a seventh of the whole. A variety of causes have conferred on them an exaggerated importance, and created an idea that they are the pivot of the monetary system. With greater justice it might be said that their defects have had more to do than their practical merits with the prominent position they now hold in the public mind. If they had not given such an endless amount of trouble, both to the banks themselves and to the Government, they might have been a less burning question now. They might, in fact, have altogether ceased from troubling.

Very probably the National banks would reply to these strictures that if their notes be a small item in the total currency they have the advantage in quality. Even this, however, has become disputable. It might have held good during the Cleveland Administration, when the currency was being flooded with depreciating silver. In those days the National banks could hold up their heads proudly as bulwarks of sound money. When the Treasury was trembling on the brink of compulsory payments in silver, its notes were certainly inferior to those of the National banks, but those days are past, never, let us hope, to return. Now the situation is entirely changed. It is changed for the Treasury, for the currency and for the National banks. Their mutual relations are, in various respects, the reverse of what they were in 1894 to 1896. The Treasury has gained immensely in financial strength. The worst defects of the mongrel currency it created during the free-silver craze have been cured, and if the Republic is not yet absolutely on a gold basis it is constructively so. The declaration of Congress that every dollar, whether gold, silver, or paper, shall be as good as every other dollar has been placed beyond doubt.

Consequently, much that may have seemed reasonable and advisable in 1894–96 has a different aspect to-day. The demand of the more enthusiastic bank reformers to sweep away the greater part of the existing currency, the greenbacks first of all, has lost much of its force. What, for example, is wrong with the greenbacks now? In the "Bankers' Magazine" [London] the outcry against them in banking circles has always been condemned as pedantic, the sort of quixotic prudery that might be expected from our own Cobden Club. The greenbacks are historically, practically, and legally an integral part of the national money. On the whole they have done their work well, and are as capable of good service in the future as ever they were in the past. Only on one occasion was their utility ever in doubt, and that was when the gold standard itself was in peril. So long as the gold standard is safe the greenbacks will be unimpeachable. Why, then, not leave them alone, and if they be left alone one of the strongest arguments for "more elastic" bank issues will be disposed of.

We may assume that even the bank reformers have nothing to say against that considerable portion of the existing currency which consists of gold coin and certificates. The two together amount to nearly $1,000,000,000, about three times as much as the National bank notes in circulation. The reformers might, of course, say a great deal against the silver and silver certificates if it were not too late. These exist as the heritage of a mistaken policy which is past and done with. Like practical people as they are, the Americans have accepted their white elephant and are making the best of it. No farther trouble need be feared from the $170,000,000 of silver in actual circulation, partly as dollars and partly as subsidiary money. The Treasury notes issued under the Sherman Law of 1890, which were a real danger, because redeemable in gold, have been to a large extent got rid of by coining and issuing the silver held against them. On November 1 last they had been reduced to less than $26,000,000, a perfectly safe amount.

SILVER CERTIFICATES A SOURCE OF DANGER.

The only Government money which entails the slightest risk of future embarrassment is the silver certificates amounting to $463,000,000. With silver at over sixty per cent. discount they would not, of course, be a desirable currency if they stood alone. They can at best serve only one function of money—the domestic. For international exchange they are practically a cipher. But they have gradually fitted themselves into their domestic sphere. A potential gold value has been conferred on them by the guarantee of the Government, which is hardly likely to be ever put to a severe test. The $463,000,000 of silver certificates are, in a word, so much token money; no doubt a huge mass of token money for any country to be saddled with, but there are nearly eighty millions of Americans to go round, and at next census there may be half as many more.

The silver certificates, and for that matter the silver dollars, are by no means perfect money, but they have redeeming points. In certain circumstances their imperfections may become almost a virtue. For example, they can never become the cause of a financial crisis. As they now stand they can give no serious trouble either to the Treasury or to the banks. The silver dollars can never be mistaken for anything but tokens, and the certificates, being legally redeemable in silver, are on the same basis as the dollars themselves. In the worst conceivable case they can never be a powerful disturbing element in American finance. It is impossible to conceive of their causing a run on the banks, or precipitating a crisis in Wall Street, or upsetting either the Treasury or the bank reserves. They are too humble and insignificant to play any tricks in the higher spheres of finance. For years, and possibly for generations to come, they will remain what they are to-day, common or garden dollars of mixed value; the smaller half intrinsic and the larger half conventional.

RESPONSIBILITY FOR DEFECTS IN THE CURRENCY.

Bankers' criticism of the national currency is different from that of ordinary people. Being so much mixed up with their own business operations it is apt to confuse banking defects with currency defects. It is, consequently, to be taken with a grain of salt, or with a polite reminder of the workman who always abuses his tools. The banker himself may be quite as responsible for the bad working of a currency as the creator of it. On him it depends greatly how much or how little currency may be needed in a given community. He may so conduct his operations that a comparatively small amount will suffice, and he may so conduct them that however much money there is in circulation it will always seem to be scarce.

And not only may he be individually responsible, but the banking law under which he works may be at fault in relation to the currency. It may, like the National Bank Law of the United States, the sub-Treasury laws, and other legal restrictions, create artificial demands for money. The twenty-five per cent. margin in specie, or legal tender, that has to be maintained on National bank deposits, has virtually necessitated the manufacture of so much money for that particular purpose. If the National banks were allowed a free hand in the management of their deposits, one-half of the twenty-five per cent. margin might suffice, and if so, the other half of the marginal reserve might be released. But could the National banks be trusted with a free hand in the matter? That is not a question for us, but for the American people and their lawmakers. We wish only to point out that a very large portion of United States currency is a legislative fund only, and but for certain laws might be dipensed with. The *raison d'etre* of such law-made money is to guarantee bank deposits; in other words, to ensure safe banking. Thus a large part of the currency exists, not for purely monetary, but for banking reasons. It is the workman, and not the tools that are at fault.

Elastic Banking Needed More than an Elastic Currency.

As a purely monetary proposition there is no proof whatever that the United States has an insufficient currency. The official statistics indicate quite the reverse. It is inconceivable that even eighty millions of people should have real use for $2,836,000,000 of circulating medium. Or, if at exceptional seasons of the year, at the moving of the crops, for instance, it should be all needed, these emergencies are brief; they recur annually and can always be anticipated. Moreover, "elastic" banking is required then rather than "elastic" currency. A well-managed bank should always be able to finance the local crops by judicious use of its credit without reference to whether the total currency of the country be a few million dollars more or less. If the local bank and its New York correspondents are both in good shape, then grain or cotton bills on Europe will go through easily enough, even when greenbacks and certificates are scarce. But if, as happened last autumn, the crops have been drawn for by New York months before they were ready to move, then, of course, the scarcity of domestic currency would be all the more acute. It might, however, in such a case, be more just to blame the over supply of foreign bills rather than the short supply of greenbacks and certificates.

Sub-Treasury not Responsible for all the Monetary Squeezes.

Next as to the relations between the banks and the Treasury. These are undoubtedly antiquated and cumbrous. No one, either in the Treasury or out of it, would take the trouble to deny that impeachment. The Treasury methods are, as their principal critic alleges, sixty years old, and even then they were understood to be only a temporary makeshift. If the bank reformers said no more than this, and were content with treating the question on this basis, in other words, dealing with it as a matter of practical detail, they might command general assent. But they go much farther, and, as it seems to me, they weaken their case by so doing. On the unfortunate Treasury they throw the blame of all that goes wrong in Wall Street and the money market. They make it a scapegoat for slumps in stocks, gold shipments, and penal rates of interest. The most reckless plunger who comes to grief is treated gently and tenderly compared with the poor Treasury.

Of course, it was the Treasury that was to blame for the September squeeze in Wall Street. On that occasion the New York "Financial Chronicle" pointed out triumphantly that, in the preceding eight months, the New York associated banks had lost over $50,000,000 of their cash reserves, while, during the same period, the sub-treasuries had added to their accumulations $55,000,000. Calmly ignoring all the speculative pranks of Messrs. Keene, Gates *et hoc genus omne*, the writer implied that the New York banks had been robbed of that $55,000,000, and hence the breakdown in September. Proceeding to moralize in this vein, he said, "The most progressive of modern States, financially as industrially, we are clinging to an awkward fiscal system contrived some sixty years ago, and recognized even then as a temporary makeshift. The two cardinal principles of national finance, that the Treasury of a solvent State must never be allowed to go empty, and that, on the other hand, it must never lock up the money of the people, are not merely ignored by our lawmakers, but are all but forced on the Executive."

To the first of these cardinal principles there will be, of course, no exception. Opinions may differ as to the minimum amount of Treasury balance necessary for safety in a given case, but, even in South America absolute emptiness would be deprecated. At the present time, and, in fact, for years past, the United States Treasury balance has erred on the maximum side. In its own vaults—including, of course, the sub-treasuries—it is now carrying about $300,000,000, besides which, it has about $130,000,000 on deposit. Its free balance, however, is little more than $200,000,000. Less prosperous countries may well envy such plethoric reserves, and would, no doubt, deem them extravagant. From the taxpayers' point of view there is needless waste involved in them. It might, one would think, be comparatively easy to devise a scheme, not only for running the Treasury on much smaller balances, but also for making better use of the balances actually required.

This, however, is a distinct matter from the issue raised by the banks. They, as banks, and as representatives of the money market, charge the Treasury with being a chronic disturber of their business. This charge, in its mildest form, is not altogether reasonable, and, in the extreme form which it assumes under the excitement of financial stringency, it goes much too far. The Treasury might, if it chose, give two or three good answers to it. In the first place, it might deny the right of the banks to take into account its cash balances in their banking operations. If the Government of the day chooses to consider $200,000,000 of a free cash balance expedient it is entitled to do so. The question whether the decision is wise or not will then be a political and not a banking question. If Congress creates such a plethora of revenue that there must always be an accumulating surplus in the Treasury, that will also be a political and not a banking question. Congress might, following the example of the German Empire, resolve to lock up $300,000,000 in specie as a war chest. Neither would that concern the banks *qua* banks. It would be so much money buried for the time being, and placed outside the scope of banking operations. In a modified degree, the $200,000,000 locked up in the Treasury as a net cash balance is so much money buried.

Bankers may, as private citizens, complain of such foolish waste, but, as bankers, they have no special grievance against it. So far as their professional operations are concerned, it is simply money unavailable. They have, however, a grievance against erratic fluctuations in the amount of the Treasury reserves. It is easy to understand their resentment in the case above referred to, when they found a tight money market being depleted at the rate of seven or eight million dollars per month by what they consider an outside rival. But such resentment is surely being overdone when it questions the right of the Government to hold any cash balances at all, except under control of the banks. That would seem to be mixing up public finance and private business a little too much.

Another point on which the banks do not appear to be perfectly ingenuous is the large proportion of the Treasury balances held by them on deposit. Of late it has been usually more than a fourth of the whole. On October 1 last there was $133,-932,000 on deposit in the reserve banks, as against $324,718,000 in the sub-treasuries. And these deposits might have been much larger if the banks had been able to comply more freely with the legal conditions attaching to them. Their only limit was the supply of Government bonds, to be given as security for them. In the September scare even that obstacle was, to a large extent, set aside, and Treasury deposits were offered to the banks on the guarantee of other than national securities. The relaxation granted by Mr. Shaw as an emergency relief may hereafter be sanctioned by Congress as a permanent measure, and if so, it will become much easier for the Treasury to return to the money market excessive collections of revenue.

American Opposition to Branch Banking.

The relations between the banks themselves have given rise to two exciting questions, which turn up at every bankers' convention and figure more frequently in banking literature than any other topic. These are branch banks and the Central Reserve Bank. Though in a measure distinct the two are closely related. If a system of branch banks were to be established, a Central Reserve Bank would be the appropriate crowning of the edifice. The one would naturally follow the other, and neither is likely to be adopted without the other. The moment that the Americans let go their present scheme of purely local banks and admit the principle of combination, they will be at the mercy of the "combineers" in this as in nearly all the rest of their commercial interests. Banking is the one American business which the "combineers" have not yet got hold of. It is as well worth trying for as any other, and we need not doubt that sooner or later the attempt will be made.

Very specious arguments and analogies can be adduced in favor of branch banks. To begin with, there is the classical example of Scotland, which bank reformers have worn threadbare all over the world. It is very much to the front again just now in the United States, and our very sensible contemporary, the Bankers' Magazine of New York, seems to be greatly taken with it. But it has, unlike some other admirers of the Scotch system, avoided the error of assuming that branch banking, as practised in Scotland, could be transplanted bodily to other countries and be expected to flourish on foreign soil as well as it does at home. The wiser and safer conclusion arrived at by our contemporary is that, "on the whole, while the Scotch system, by its methods of management and general success, has furnished an admirable lesson on the business to bankers all over the world, yet, as an entire system, it is peculiarly adapted to the localities and peoples where it has grown and flourished."

With reference to the United States, one might go a step farther than that, and express scepticism as to the adaptability or even advisability of the Scotch system. The United States is not only a much bigger country than Scotland—nearly nine Scotlands could be spread out in the single State of Texas—but it is, in fact, from the banking point of view, a group of different countries. The West and the South are following out their own lines of financial development, which do not in all respects agree with those of the East. On the contrary, they are beginning to show strong tendencies to divergence. Chicago is seldom of quite the same mind as New York and Philadelphia on banking questions. St. Paul, St. Louis, New Orleans and San Francisco are becoming monetary centres with spheres of their own, which they jealously guard. The longer they live and the larger they grow, the less disposed these western cities will be to become tributary to New York. Already, in fact, they are not only asserting their independence, but proving it in a rather uncomfortable way.

Whatever changes may be made hereafter in the banking methods of the United States there will always be a large degree of localization among them, for the simple reason that the financial business of the country is much too big and too varied ever to be brought under one hat. Territorial, industrial and political conditions are all alike against such a concentration. If the National banks were released from their disability to open branches, their geographical expansion would still be limited. The New York banks, however ambitious they might be, could not hope to spread themselves over the entire continent. It would, under present conditions, be a human impossibility, and, if possible, it would be highly undesirable. If the "combineers" could thus crown their programme they would be virtually omnipotent.

The Americans having lost control of their iron, their coal, their beef, and nearly every other staple product of the soil, have still one anchor of individual liberty to hold on to, and that is their local banks. Were these to go under, the United States would be "magnateered" from top to bottom. But such a disaster is not yet in sight. It does not even loom on the horizon. The signs of the times point rather the other way. Western men seeing the strange, not to say sensational, use that has been made of their money in New York of late, are growing less eager to send it there. The natural healthy growth of their own communities gives them more scope for utilizing it at home. Interest, as well as inclination, counsels them, therefore, to keep it at home, as far as possible. The local banks, from an instinct of self-preservation, will strengthen their hold on their own districts, and contribute as little as they can to the aggrandizement of their eastern rivals who talk so glibly of swallowing them up.

But the "combineers" will not be easily denied. If they cannot go straight to their object they may find roundabout ways of reaching it. At one time during the past summer they began to boast of having discovered a short cut. Not much, however, has been heard of it lately, and in the pressure of more exciting business it may be getting a rest. The suggestion was to circumvent the veto on National banks having branches, by buying up the stock of particular banks and thus securing control of their business. In the next banking boom more may be heard of this stratagem. Conceivably it might be carried so far as to introduce a new factor of magnitude into the banking situation. As yet it is only a weapon which the "combineers" hold in reserve.

What is the Real Trouble and Where Should Reform Begin?

Looking at it all round, the banking and currency problem in the United States is badly mixed. So much may be gathered from the contradictory views of it adopted by leading authorities, and not theoretical authorities only, but practical men. The most opposite opinions on the subject may be advanced and plausibly maintained. One man may say that it is unsound banking which imposes on the United States the burden of an inflated currency. Another may, and very probably will, retort that inelastic currency is the chief trouble of the banks. By precisely opposite lines of reasoning each may be proved to the satisfaction of equally sensible people. The question will still remain unanswered—What is the real trouble, and where should reform begin with the best chance of success—with the currency or the banks?

If we look at the currency *per se*, it is unquestionably redundant. Judged by the usual standards of currency in the commercial world, and by the practice of other leading commercial States, the supply of it is excessive. On the other hand, the Americans can set against all that the hard fact of frequent scarcity of currency. How are the two positions to be reconciled? By the simple and natural inference, that if a good currency does not work well, it is not getting fair play. Either it is hampered by restrictive legislation, or it is mismanaged by the issuing authorities, or it is overworked by the users. There may be a little of all three defects in the present case. Congress has, with one hand created huge masses of money, and with the other has wholly or partially stultified large sections of it. Some it has made absolute legal tender, some is legal tender to the Government, but not to private creditors, and a large amount is simply token money. In law they are all equally good dollars, but not to bankers.

In their case, a number of what may be called discriminating limitations have been applied to certain classes of currency. The National banks, for example, are not allowed to include National bank notes in the reserves they have to hold against their deposits. This proscription inflicts partial paralysis on nearly a sixth of the entire currency. Nor can the banks so employ any certificates that are not legal tender.* Another large percentage of the $2,886,000,000 in circulation is thereby

* This is an error. Neither gold certificates nor silver certificates are legal tender, yet both are available as bank reserves.—Editor Bankers' Magazine (New York).

partially paralyzed. The five hundred and odd million dollars of National bank reserves have thus to be drawn entirely from the superior grades of currency—the gold and silver dollars, certificates* and greenbacks. For National bank purposes a considerable portion of the currency is unavailable,† in other words, it is not perfectly efficient money. And the National banks must feel it to be rather sarcastic on them that their own notes should form part of the imperfect currency.

What chiefly concerns the American public is, that so much of their currency should be tied up by legal enactments of various kinds, all more or less questionable in policy. Currency so tied up is not money at all, for business purposes. The country might be almost as well off without it. Perhaps the American idea of creating money simply to lock up as bank reserves was borrowed from the railway stations in Germany, where there must be always one cab on the ranks. For the last cab to go out without a permit from the Imperial Chancellorie would, we presume, be *lese majeste!* So, for a National bank to let its reserve fall below the sacred twenty-five per cent. is almost an act of bankruptcy. It brings down the Government examiner in a decidedly dangerous humor.

But it is not alone the National banks which make great demands, voluntary or compulsory, on the currency. Outside of them there are seven or eight thousand other banks—State, Savings and private—which all require to have cash reserves. However small these may be individually, in the aggregate they will amount to a formidable sum. That, however, is part of the price which has to be paid for home rule in banking, as against centralization. It is one of the points on which Mr. Stickney specially envies British banking, with its seventy-six parent institutions and five thousand branches. "This machinery," he said, "renders one dollar of gold an effective reserve for twenty-one dollars of bank credits, while our laws require one dollar of reserve for each seven dollars of bank credit."

This comparison, however, gives greater credit to the British banking system than can be justly accepted for it, while rather less than justice is done to the United States banks. As we have shown above, the multiplicity of local banks, in the latter system, is not solely answerable for the large reserves required. The National Bank Law has to bear at least an equal share of responsibility. The two causes combined cause an artificial demand for currency far in excess of the average requirements of other countries. On the other hand, the artificial supply created to meet the artificial demand is no safeguard against scarcity. It is like the last cab at a German railway station—only nominal currency. It is reserve money only, and not circulating money. Judged by a similar test, the cash balances of the United States Treasury are greatly in excess of the ordinary standard.

Suggestions for Banking and Currency Reform.

So far from there being a shortage of currency, the banks, the Treasury, and the public carry far more of it than is really needed for purposes of circulation. They have been loaded up with "dummy" money for extraneous objects, in other words, objects not, strictly speaking, monetary. The Treasury is gorged with money by excessive revenue collecting; the banks are gorged with it by having to hold an excessive margin on their deposits; the pockets of the people are stuffed with bank notes and greenbacks, which they might greatly economize by a freer use of checks.

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* The complications of the American banking and currency system seem to have involved Mr. Lawson in hopeless confusion. Having said (see above) that the banks may not employ (as reserve) any certificates that are not legal tender, he next states that the reserves have to be drawn "entirely from the superior grades of currency—the gold and silver dollars—*certificates* and greenbacks." These statements are contradictory.—Editor BANKERS' MAGAZINE (New York).

† All the currency is available as reserves except some of the minor coins and National bank notes.—Editor BANKERS' MAGAZINE (New York).

The currency and banking of the country might both be improved at the same time by reducing these compulsory accumulations in the Treasury and the banks. But the improvement would cost a price which the American people are perhaps not yet ready to pay. In order to relieve the apoplectic Treasury, the Dingley tariff would have to be superseded by a "tariff for revenue." In order to reduce the bank reserves to the normal level of till money, either a new form of guarantee for deposits would have to be devised, or the European practice would have to be adopted of requiring no special guarantee for them.

Whether either of these alternatives would commend itself to the American people may be doubted. At all events, neither of them would be adopted without prolonged consideration. But this may be said for them, that they might increase the active currency far more than any scheme of "emergency" notes would. The boldest proposal yet made in the latter connection would increase the National bank notes by about twenty-five per cent. of their existing amount, which would produce about $80,000,000. But if only half of the money hypothecated to the National bank deposits were released, it would exceed $250,000,000. Unfortunately there is a delicate and difficult question to answer before taking such a bold decision. It is, "Can the National banks as a whole be trusted with unguaranteed deposits?"

Only the American people have any right to an opinion on that point. Leaving it to them, we pass on to a summing up of the whole case. The root of nearly all the banking and currency difficulties in the United States is the artificial character of the one and the mechanical restrictions imposed on the other. With freer banking, or so much more freedom as can be granted without risk to depositors, and with less lock-up of existing currency, the plea for "emergency" notes and other kindred nostrums would very probably disappear. At the same time, a less gluttonous tariff, combined with a better balanced revenue, might soon cure the long-standing feud between the National banks and the Treasury. W. R. LAWSON.

THE LATE ABRAM S. HEWITT.—It was once said of Mr. Hewitt that he always said the wrong thing and did the right thing. As a broad characterization this appealed to many who knew him in public or business life, but it was not true. Mr. Hewitt usually said exactly the right thing. His mind was well balanced, and he had very little respect for artificial expedients to produce results the value and permanence of which depended upon reaching them by the natural means of popular education and social development. An instance of his peculiar temperament was furnished in a circumstance which happened in his office many years ago and which was entirely characteristic. A man who had been a large customer of his firm, but had failed disastrously, came one day to Peter Cooper with a plea for the credit needed for his rehabilitation. Mr. Cooper was tenderly sympathetic, although he did not see his way clear to giving the assistance asked for. However, after listening almost with tears to the plea for a new start in life, he said that his own business judgment compelled him regretfully to decline, although if the applicant would see Mr. Hewitt and secure his assent he would offer no objections. Much touched, the applicant went to Mr. Hewitt, who reviewed his business career with merciless analysis, showed him that his misfortunes were the result of his own folly and recklessness, made it clear that his representations lacked any adequate basis of confidence warranting the firm in incuring further risks, and ended by telling him that he might have exactly what he asked for. The comment of the bankrupt was that he had rather be refused by Mr. Cooper than have his request granted by Mr. Hewitt. —*New York Times.*

ARE "TRUSTS" AN ENEMY OF LABOR?

[A Lecture by Professor GEORGE GUNTON, President of the Institute of Social Economics, New York city.]

It is almost the fashion now-a-days to make "trusts" the enemy of everything. Newspapers and politicians, and even those whom we have come to regard as statesmen, lend themselves freely to the popular sentiment that has been created against large corporations, on any and every pretext that presents itself. In the last lecture I spoke of some of the unreasonable, not to say rabid and dangerous, efforts that are being made in Congress to cripple and in every way hamper large corporations on the plea that they are "trusts" and enemies of the public welfare. This has become so much of a question, so much of a force to conjure with in political circles, that every pretext is sought. Governor Odell, for instance, insisted that the person suggested for Lieutenant Governor in the recent election in New York be dropped, and another be put in his place, because he was interested in some large corporation or "trust." Of course, all this is freely catering to the cheap clamor created by the unwarranted attacks upon vested interests.

It is not to be assumed that large corporations can do no evil. They should be subjected to wholesome laws that will prevent them from having any recourse to unfair methods, either in business or politics; because they are very much like other folks, no better and no worse.

It is encouraging to note that during the last ten days a great change has taken place in Congress on this subject. Those "red rag" measures about which I spoke in the last lecture have all been superseded by a bill drawn on the lines suggested by Attorney-General Knox, who voices the policy of the Administration. This bill, if correctly reported in the press, is very much more in harmony with the President's message, and altogether more rational than any of the measures to which I referred, that were introduced at the opening of Congress. So much of progress has been made. It is even possible that in dealing with this subject there may, as a precautionary measure against rashness, be a commission appointed, and whatever legislation is finally adopted will be based upon the reports of such commission.

All this is wholesome. It tends to justify the confidence that "if given time enough, the American people may be trusted safely to solve all public questions consistently with freedom and progress." The process through which this safe solution must come, however, is rational discussion and a well-informed public opinion. In view of the prominence of this subject in the public mind and the apparently zealous determination to legislate upon it for political rather than economic reasons, it is important to discuss every phase of it in the light of facts and public interest, regardless of political clamor or party manœuvre, whether by those in power or those struggling to get into power.

ATTEMPTS TO AROUSE PREJUDICE FOR POLITICAL PURPOSES.

The two points upon which nearly all the objections to large corporations are urged are that they are a menace to the public welfare in forcing up prices, and a menace to the laborers' welfare in keeping down wages and otherwise oppressing labor.

The matter of prices has already been discussed in these lectures, and I shall confine myself now to the question: Are large corporations the enemies of labor?

An appeal to the feelings and prejudices of the laborers is the last resource of the politician. If he wants to injure any institution or public interest, or create a prejudice against any social class or industrial enterprise, or destroy the public confidence in any public policy, he raises the cry that it is an "enemy to labor." If a prejudice could be created among the masses against sunlight, politicians might be expected to pass a law forbidding the sun to rise. There is nothing too absurd and injurious to be advocated if it will lend itself to promoting political success. This policy has been most systematically pursued in regard to large corporations, both by politicians and the partisan press. So much is said and written about the injury inflicted upon laborers by large corporations that the public and even the laborers seem to believe it. It has almost come to be taken for granted, as needing no proof, that under large corporations laborers are more oppressed, that they have lower wages, longer hours, less freedom, and that altogether they are unconsciously tending toward serfdom, and that the remedy for it all is to repress the so-called trusts. Even Mr. Cleveland gave voice to this idea; Mr. Bryan and his followers have worked it industriously through two national campaigns, until now to question it is to be unpopular and subjects one to all sorts of doubtful criticism. To-day the press of both parties throughout the country and the leaders of both parties in Congress and the various State Legislatures are practically competing with one another for anti-corporation popularity. The multitude of anti-trust bills before Congress and the eagerness of the Administration to deal with the "trust evil" in the interest of labor are the direct product of this undigested and unsustained sentiment, largely created by appealing to the prejudices of labor. To be in the "anti-trust" crusade has well-nigh become a political necessity.

Even the literary magazines are following the popular scent in this direction and are publishing continued articles (I had almost said continued stories) on trust exposures. "McClure's," for instance, is now publishing a series of articles, by Miss Ida M. Tarbell, on the history of the Standard Oil Company. This is considered a taking card, because, excepting the United States Steel, the Standard Oil Company is the greatest so-called "trust" in the world, and if anything sensational can be said about, and especially against, the Standard Oil Company, it will be of commercial value to the publication. Not to be outdone, the "Century" is pursuing a similar course. "McClure's" having monopolized the Standard Oil Company, the "Century" had to be content with the sugar trust and any others that are left. In his last installment Mr. Franklin Clarkin, who is dealing out anti-trust history for the "Century," said:

"Besides advancing the price of their products, another obvious way in which trusts may interfere with the general welfare is by oppressing workingmen in order to reduce the cost of production."

What the Facts Show.

It is high time to call a halt on this appeal to prejudice, and ask: Is it true that laborers are worse off under the *regime* of large corporations than under small employers? Is it true that there is even a tendency to lower wages or longer hours, or to restrict the laborers' individual freedom? Is it true that any of these tendencies really exist?

Peculiar as it may seem, all the facts tend to show that just the reverse is true. As I have often pointed out, all the petty persecutions, such as putting laborers on the blacklist for taking a public part in any agitation for bettering the condition of their class, like shortening of the hours of labor or asking for an increase of wages, or permitting the organization of unions—all the persecutions for these offenses were born under the *regime* of the small employer. They were most relentlessly pursued by the small employer, and they exist to-day the least of anywhere under large corporations. The labor leaders, that is, the presidents of the large labor organizations, know this. They know they have far less to fear in any efforts in the interest of labor from large corporations than they have from small employers, who are proverbially dealers out of petty persecutions. There are movements on foot to-day looking to the organization of employers into an anti-labor-union organization to be called "employers' association." The object of this association is to suppress labor unions. In other words, it is an organization whose avowed purpose is to destroy organization among laborers. In Dayton, Ohio, this organization has been rather successful. With the exception of the National Cash Register Company, it has almost exterminated labor unions in Dayton. It is undertaking a regular propaganda against labor unions. But the peculiarity of this and kindred organizations is that it is made up exclusively of small concerns. It has no large corporations in it. It does not represent any of the large railroads, nor the United States Steel Corporation, the Standard Oil, the Western Union—in fact, it represents nothing but the small employers, who are pre-eminently the most illiberal and petty in their attitude towards any phase of the labor movement.

Another peculiarity is that more than nine-tenths of the strikes that take place are with these small employers, and not with the large corporations. There have been within the last three years two strikes against large corporations; one was the steel strike, and the other was the coal strike. The steel strike, as I have often said, was a bungling, mismanaged effort on the part of the men. Had the leader of the laborers been at all rational, had he been half as rational as Mr. Mitchell was, the strike need not have occurred, and its settlement was a credit to the corporations in every respect. The coal strike was a discredit to the corporations, and stands out conspicuously as a piece of the worst management that has happened in a quarter of a century. Mr. Baer in that case acted exactly like a small employer. He had all the attributes of the petty dealer, but in that respect he was unlike the managers of large corporations generally. He was the solitary exception and therefore he should not, and cannot properly be taken as a standard of the policy, spirit or conduct of large corporations.

There are three subjects in which laborers are interested: The shortening of the hours of labor, the increase of wages, and a security of income in old age. The last is by no means the least important, but I will take them in the order named.

From the point of view of the laborers those employers are most desirable who most readily lend themselves to these three phases of industrial improvement. Are small concerns better in these respects than large ones? On the matter of hours of labor, it must be admitted that no class of employers has been very generous. They have all yielded with great reluctance. In this respect the Standard Oil Company is a conspicuous exception. On May 1, 1900, that concern voluntarily increased the wages of its employees ten per cent. in Williamsburg, Greenpoint and Long Island City, and reduced the working time from ten to nine hours a day. On May 14 this increase of wages and reduction of working time was extended to all its employees at different stations and distributing points throughout the country, affecting over thirty thousand workmen. This increase made an addition to the payroll of about a million and a half a year.

Large corporations have the greatest uniformity of hours of labor; where the hours of labor are limited by law the large corporations obey the law much better than small concerns. They are less disposed to take five or ten minutes out of the end of each day, or meal times, than the small employer. They act more honorably, as a general rule of conduct. When they agree to do a thing they do it. The laborers can rely upon it with greater certainty; the only difficulty the laborers have is to get the rule adopted.

THE BEST WAGES PAID BY LARGE CORPORATIONS.

As to wages. The highest wages in the country are paid by the large corporations. I do not mean to their presidents, but to the rank and file. During the last few years of prosperity, there have been a great many strikes for increase of wages, but very few of them with very large corporations. During the last three months, for instance, a very large proportion of these corporations have increased wages, and in most instances they have done it without any sort of a strike, in many cases even without a resolution being adopted by the union, and in some cases without a hint from any source, and it came as a surprise.

For example, on November 15 the Vanderbilt system of railroads announced an increase of ten per cent. for all its employees, amounting to a total of about five millions net increase in distribution to the laborers of the Vanderbilt system. On the same day the Pennsylvania Railroad Company announced a ten per cent. increase in wages to all its employees who received less than two hundred dollars a month. By this, 96,900 laborers received an increase of pay, and without the asking. This involved an expenditure of nearly six millions a year. The Lehigh Valley Railroad increased its wages by from two to three cents an hour for the laborers. The Chicago and Northwestern on January 1 gave an increase of eight per cent. throughout its whole system. The Baltimore and Ohio gave an increase of ten per cent., being an aggregate of about three millions a year. The Lackawanna also gave an increase of ten per cent.; the Wisconsin Central advanced the wages of its laborers in different departments from ten to twenty-five per cent. The Buffalo, Rochester and Pittsburg gave a general advance throughout its system of seven per cent. The Chicago and Milwaukee Railroad gave an increase of ten per cent. The Alton also increased its payroll ten per cent. The Atchison, Topeka and Santa Fe, the Northern Pacific, the St. Paul, Rock Island, Burlington, and the Great Northern, have also all given an increase of wages.

These increases aggregate from fifty to seventy-five millions a year. That is almost enough to make the difference between dull trade and prosperity, The fact of such an increased distribution of wealth among laborers has been made a conscious basis of business activity. People have observed that this means an increase of expenditure of from fifty to seventy-five millions. This has actually had the effect of stimulating confidence in business, and it has all come from large corporations, and in all but one or two instances without the asking.

The Chicago Elevated Railway Company also increased wages on January 1 ten per cent.; the Philadelphia Rapid Transit Company increased the pay of its employees one cent an hour from the middle of November; the Wells Fargo Express Company increased in different departments from five to ten per cent.; the H. C. Frick Company, of Pittsburg, increased the pay of its twenty thousand laborers eight per cent. on January 1. The Bessemer Coke Company also increased wages eight per cent. on the same date, while the Metropolitan Railway Company in New York city, which gave a rise of five per cent. last June, gave another on January 1.

Here we have, on this most important phase of life to the laborers, the action of the great corporations. How about the small concerns? Is there any such record? Have the small dealers, the small manufacturers all over the country, volunteered, or at the mere suggestion of organized labor, increased their wages? No. They are the ones against which strikes have had to be waged. The investigation into strikes and lockouts published by the United States Government shows that the great bulk of the strikes are with these little concerns.

It is manifest that, on the matter of wages, large corporations are not the enemies of labor. It will be interesting to note whether Mr. Clarkin in his next installment in the "Century" pays any attention to these increased wages, which so far seem to have escaped his attention. When facts like this are occurring and are published in the daily papers, people who write seriously for the magazine reading public, and who are supposed to be a little more careful than the penny-a-line scribe in the daily press, can not be excused for such an omission, and much less for making an unqualified assertion that these large corporations oppress labor by paying low wages. There has never been a time in the history of industry when so much rise of wages took place in so short a time without a threatening demand, or even a request by the laborers, as has taken place during the last six months. In fact, since large corporations became a conspicuous figure in our industry, the rise of wages has been more prompt, less difficult to secure than ever before. Until recently it was almost an unknown experience for employers voluntarily to raise wages. In this, corporations—large corporations—have taken the lead.

Security of Employment and Provision for Disability.

Another feature of interest to labor, namely, security of employment and old age income, is fundamentally important. There is nothing more important to-day and to the immediate future than labor insurance. Uncertainty of employment has always been one of the greatest afflictions of wage labor. It often happens that permanent employment at an assured income is even better than uncertain employment at a higher income. The permanence of employment has been increased wonderfully by this development of large corporations. Nothing has given such a steadying effect to business, to prices, to employment and to wages, as this great organization of enterprise. If we follow, for instance, the price of iron, which is usually taken to be the thermometer of industry, we shall find that the prices of iron have gone kiting up and dropping down in such sudden fluctuations as often to give a serious shock to business. Nothing has ever varied quite so much as the price of iron. A diagram giving the movement of the price of iron for the twenty years preceding 1900 would give a scroll on the sheet very much like a streak of lightning. Sometimes it would go way up to the top and sometimes suddenly would go way down to the bottom; when it goes up everybody rejoices; when it goes down everybody is frightened almost to the point of leaving business. Since the large corporations came, and especially since the United States Steel Corporation came, the prices of iron products have been particularly steady. Steel rails, for instance, have scarcely varied a dollar a ton either here or abroad, since 1900.

This uniformity and stability in the iron industry has communicated itself to general business. It has given confidence throughout the productive field. That means not only that prices are steady but that employment is steady, that security to the laborer is greater—and this is one of the greatest contributions that large corporations have made to labor.

Next to stability of employment, the important thing for the laborer is security in old age. With the growth of modern machinery, it is obvious to everybody in every line that old men are discharged. It is a matter of economy, it is a matter of business. In factory service, in street car service, on the railroads, everywhere, modern appliances and methods are so intricate and delicate that the young man is wanted. If you ride over the surface transit system of New York you will scarcely see a gray-haired man among all the employees; I have watched the Broadway cars, where I have been riding for a great many years, and I can only find one man with gray hair. But there is an abundance of young men under twenty-five, some of them mere boys. If we leave the surface railroads and go into almost any of the other industries we find the same thing. The old man is not able to adopt new methods with the same alertness that a young man can. He gets accustomed to the old methods, and when he becomes fifty or sixty years of age he is a little conservative; reliable, to be sure, and faithful, and often expert, but every few years there is a revolution in his line; he has to learn over again and he can not do it as well, and the result is, some kind of a reason is created for putting a younger man in his place.

The introduction of the linotype machine in printing is doing the same thing. Statisticians have shown that with the introduction of the linotype, only a very small percentage of the printers over fifty-five years of age were able to learn it, and practically none over sixty. It means that they are dislocated, either discharged or shifted round to some small and cheap kind of work on very much less pay. It is the thing that puts them on the sidewalk; once on the sidewalk they can never get back. It is difficult, it needs a little hard-heartedness, to discharge the old servant simply because he gets old, but let him once leave and it is the easiest thing in the world for everybody to refuse to employ him. It is much easier to say they have no place for him than it is to drive him out, and so the process goes on, and it is so general throughout the entire working field where machinery is used that it has become observable to everybody. It has become the established fact. So conspicuous is it, that at a meeting of the Chicago federation of trade unions a little while ago it was proposed, jokingly, of course, that it be a rule of the union that every man should be called out and shot at the age of forty-five. This dead line of labor is an ever-present fact, and it is one that nobody can help. If the corporations and employers simply persist in employing old men they get poorer service, and it is uneconomic to do it.

The true remedy for that is to apply to the laborers what well-to-do classes have applied to themselves individually—namely, insurance. It should become a part of the wage system that, when a laborer has expended his life in following his trade, by some means or other it shall afford him an income for the remainder of his days without becoming a pauper or dependent upon charity in any form, but that an industrious life shall afford a man a living from birth to death. The family, to be sure, takes care of the child until it can work, but there is practically nobody to take care of the man when he is crowded out by the progress of industrial methods, by the ever-increasing productive momentum of society, which cannot be stopped, which must not be stopped, which should not be stopped; yet surely the laborer should not be sacrificed because of the progress.

This idea of insurance must ultimately be a part of the machine methods of production. It has been advocated in many forms. Ever so many experiments have been made in different countries, but if it is to be successful at all it must become a part of the production and methods of every-day life. It ought to be legally established; it ought to be a part of our national economic system that every laborer shall be insured every day he works. Not that he shall be taxed, but that it shall go as a part of the cost of production from the employer into a fund, of which the Government shall be the custodian and dispenser, so that no matter where he works or where he lives, his insurance shall go on, and when his retiring age comes, at sixty years or whatever it may be, he is under no obligation to his children or his friends or to society, but is as free and as independent as when he was in his fullest vigor; that when he retires, his wages, or a considerable portion of them, shall continue, not as a matter of charity, but as a matter of insurance to which his labor has contributed throughout his life.

This idea has been introduced, as a great many ideas that must of necessity be adopted in practical life, in many quarters, in Germany, in France, in England, and it has been discussed in this country and elsewhere. If we look around and ask, Why do not the employers take it up? Why does not the Manufacturers' Association adopt this? we find on the contrary that they raise funds and adopt resolutions and pledge themselves to fight the trade unions, but not to lend a thought to this great and ultimately necessary feature of our modern system of industry. The only ray of hope that has come in this direction from employers has come from the large corporations. Peculiarly, the largest and the richest, and I may say the most abused corporations, so-called "trusts," are those which have recognized most clearly this next most important step of progress towards furnishing what I have sometimes called the "missing link in the wages system," namely, the insurance of laborers against the hardships that dislocation and discharge have for them in their old age.

The Pennsylvania railroad has adopted in a small way a system of labor insurance. It has, however, followed out very largely the line of the German system, which makes the capitalists contribute a part and the laborers contribute a part from their wages. This of course is only a step and not a satisfactory one. If insurance is to be thorough and satisfactory, it must come in addition to wages. Wages must be the full wages of the market, based on the standards of the class and of the community. The insurance and provision for insurance must come as something in addition to that, and provide the continuation of some considerable portion of their wages for the remainder of their lives. The first large company really to accept this idea in this form is the Standard Oil Company. On January 1 it adopted a labor insurance system by which it gives to all laborers in its employ for a certain number of years the right to retire at the age of sixty-four with one-half pay for one year, and thereafter one-quarter pay of what they received at the time of retirement. So that we have there the beginning of the true system of labor insurance. It is not based on the wages the man received at any given time, but the wages he received at the time of retirement, usually the highest he has ever received; and so there is, besides the insurance, the additional inducement to struggle for promotion, since the wage on retirement will be based upon the wage received at that time. So that if a man begins with five hundred a year and advances to a thousand or two thousand or three thousand, and retires, he has from several hundred to nearly one thousand a year for the remainder of his life. This is the sound principle of labor insurance, and is susceptible of indefinite extension, either by individual corporations or by the Government, to the whole country.

This practice has also been adopted to some extent by the United States Steel Corporation, but it has taken a different form of benefits. They have adopted the scheme of distributing shares of stock; the idea, however, being that the principle of insurance should be a part of the system of industry. This is not philanthropy, it is good economic sense. It enables the employer to secure the best laborers in the community, regardless of age, just as it does in the buying of machinery, and is without the heartlessness of imposing hardships upon old and faithful laborers. It does more. It gives to the laborer some confidence in the future. There is nothing probably which is so depressing to the enterprising and thrifty citizen as to look forward to the future with the sense that as soon as he grows old he is listed for discharge, and when once discharged he is on the list for degradation either in the form of inferior employment or charity. Nothing is quite so calculated to make the rebel, nothing emphasizes the spirit of class distrust and stimulates socialism so much, as to see that with the very growth of wealth in the community the laborer is more than ever doomed to dislocation and charity or servile labor at a time when he ought to be the proudest and most respected citizen.

This phase of progress, which is indeed the next great step, and one that must come out of the present system of experimentation between capital and labor, could easily be adopted and made general if the employers, the small employers, were as intelligent and as alive to the situation as, fortunately, the large corporations are to-day. Of course, it would be much better if a system were adopted by the Government for the whole country, so that all employers would have to do it whether they wanted to or not, and in that case there is no doubt that a larger and larger insurance could be given for a smaller amount of contribution by virtue of the immense volume involved in the insurance. If it were adopted as a national policy it would probably be quite as easy to give half or two-thirds or three-quarters pay at the retirement age of sixty, if about one per cent. of the wages were contributed to the insurance fund.

With individual concerns adopting it there are many disadvantages. Of course the laborer loses the insurance if he leaves the employment of the concern, because it requires a certain length of employment in order to secure the insurance. That could not be otherwise, but even with these difficulties these few large corporations have taken up the subject and attempted to experiment with its adoption. This, so far from being inimical, is the most friendly thing to the progress of labor that could possibly happen at this time. Let a few of these large concerns, like the Standard Oil Company, the Metropolitan Street Railway, and the United States Steel Corporation, adopt this, and it will be the introduction of the principle in this country. They are doing in this what they have done in the productive methods, in the development of superior methods of industry, namely, experimenting. They are going through the experimentation of adopting a new principle, namely, establishing a system of insurance to the wage laborers who cannot apply it to themselves. And so, therefore, so far from the large corporations being enemies to labor, they are the most friendly of any form of employers. When I say friendly, I do not mean that they love the laborers more, I do not mean that they will do more voluntarily, but they are really more easily influenced in the right direction. They have greater interests and consequently broader views. They are coming to learn that the great advance in the perfection of enterprise does not come in the way of oppressing laborers; that it does not come by squeezing out a little more in the hours of labor, but on the contrary by lessening them. The Standard Oil Company could not make its millions out of any decreasing of the wages. Oh, no! it makes its millions out of its superior methods of doing business. And what it wants, not merely as a money-making scheme, is the respect and confidence of all its employees, and it seeks some way by which it may distribute a part of this income. It wants to be able to put a young man in the old man's place without seeming to be cruel, and with its accustomed habit of dealing with large things it looks out to what may be the best method of making this possible without inflicting hardship upon its employees.

It is this very experience and largeness of view that has led such concerns as the Standard Oil Company and the Metropolitan Street Railway and the United States Steel Corporation to see that this principle of labor insurance is something that can and ought to be experimented with, even if it takes a little more from its dividends. None of the small concerns dream of such a thing. They will contribute to associations to oppose unions, but never dream of falling in line with the spirit of progress that shall make the income of the laborer both permanent and adequate.

In every line of interest to laborers, dealing with unions, living up to their contracts, contributing to the uniformity and stability of employment, increase of wages, and, last but now least, the introduction of the principle of labor insurance, the large corporations are the friends of labor, are the most helpful in their relation to labor, in the same way that they are to the development of improved methods and the permanent cheapening of products to the community. The interests of the laborers in these things are not with the small and petty employers, but they are with the large concerns, which recognize as well as utilize the principle of insurance. The laborers have nothing to lose but everything to gain by not joining in the mob attack upon corporations, which is being so effectively used for political purposes, and most largely used by that type of employer who is the traditional petty persecutor of labor. With large corporations, the habit of using the best methods and dealing with large things makes them more reasonable in their attitude to labor and amenable to public opinion than small employers ever were.

TO PROVIDE AN ELASTIC CURRENCY.

Mr. Fowler, from the Committee on Banking and Currency, submitted the following report to accompany H. R. 16228: *

In his report for 1890, Hon. William Windom, Secretary of the Treasury, well said:

In my judgment, the gravest defect in our present financial system is its lack of elasticity. * * * The demand for money in this country is so irregular that an amount of circulation which will be ample during ten months of the year will frequently prove so deficient during the other two months as to cause stringency and commercial disaster. The crops of the country have reached proportions so immense that their movement to market in August and September annually causes a dangerous absorption of money. The lack of a sufficient supply to meet the increased demands during those months may entail heavy losses upon the agricultural as well as upon other business interests.

How significant are these words in the light of the present crop situation. By the census of 1900 the total of the farm products of 1899 was $4,739.118,752, of which products worth $974,941,046 were fed to live stock, leaving $3,764,177,706 as the net value of the products, inclusive of the seed grain and living of the producers. The value of all live stock is given at $2,981,722,945.

There is little doubt that practically all the farm products that are marketed, amounting approximately to $3,000,000,000, are sold between the months of July and January. That an acute monetary situation arises invariably during the months of September and October is proof absolute that unusual conditions then exist.

The cotton, grain and stock dealers pay for these vast productions with checks; but the farmers, the cotton and grain growers, and the stock raisers make little use of this form of payment, requiring in its stead some form of currency to pay wages, buy supplies, make settlements, and provide their families with the necessities of life.

That this is so is evidenced by the fact that during the days intervening between July 16 and September 15, 1902, about $100,000,000 of cash was drawn from the reserves of the banks and sent into the country to enable the farmers to market their products. *If the banks could have supplied them with their own currency, the reserves would not have been reduced by this vast sum.* Of the $100,000,000 of reserves so taken from the banks, $46,000,000 was taken from the National banks in the form of gold coin or gold certificates and United States notes in denominations of $10 and multiples thereof, while an additional sum of reserve money, amounting to $16,000,000, was withdrawn from the National banks in the form of silver or its representatives and the smaller denominations of United States notes.

During the last few years the expansion of bank notes in Canada every fall has approximated $10,000,000, and has been followed by a contraction to an equal amount. A corresponding expansion and contraction in this country, where conditions are very similar, during the same months would range from $150,000,000 to $200,000,000. As your committee has just pointed out, however, the withdrawal from the banks of $100,000,000 of reserve money last fall, when there was an actual need of about $200,000,000 of additional credit to properly handle the crops of the country, must have contracted loans or curtailed credit by at least $400,000,000. Anomalous as it may seem, as our needs for the tools of trade increase they as certainly at the same time decrease correspondingly.

* This bill was published in the January issue of the MAGAZINE, p. 80.

It was to overcome the effects of this disastrous withdrawal of the reserves from the banks that the Secretary of the Treasury compelled the increase of bank-note circulation by $25,000,000, and through straining a statute forced $24,000,000 of the public moneys into the banks, and, against sound public policy, paid out $23,000,000 for Government bonds at exorbitant prices. What might have happened had the country not been in a sound commercial condition, or the Secretary of the Treasury had been less patriotic and resourceful, it is easy to imagine. All that might have occurred may still be visited upon us in the fall of 1903, and it certainly will be if we make no provision for the constantly increasing demand for those particular tools of commerce that are essential to an easy and economical distribution of our vast productions.

One may most naturally inquire whether our more than $29 per capita, which is a considerable increase over recent years, is not quite adequate for our commercial needs. Let it be remembered that from the total amount of $2,249,390,551 in circulation the following must be deducted: First, the amount held by the National banks, $597,287,908.23, and second, the amount held by other banks, $250,815,787. This leaves only $1,401,286,856 in the hands of the people July 16, 1902, or $17.71 per capita, an amount not greatly in excess of that in their hands in 1895, it being $14.72 per capita at that time.

Again, we are apt to lose sight of two facts: First, that our exchanges amounted to only $45,545,110,059 in 1894, and reached $118,000,000,000 in 1902; second, that the total amount of deposits in the United States in 1895 was only $4,886,899,331, and that it had reached, July 1, 1902, the splendid total of $9,158,726,011, for which the reserves must be about doubled. But the amount of United States notes was $346,000,000, in 1895, and it is the same to-day. The amount of silver in its various forms was $624,731,483, and is $667,318.962 to-day, Therefore, if by any chance this additional demand for reserve money is not more than met by our increased holding of gold, the currency of the country must be withrawn from the channels of trade and used in building up an adequate reserve for our constantly increasing deposits.

When we recall the fact that the United States Treasury is bound, from the unfortunate situation in which we have placed ourselves, to furnish gold to all the world free, as it were, because it cannot interpose a protest or bar without repudiation, as it might do in the form of an increased rate of interest were it a money lender, every thoughtful man who has grasped the situation must realize that it is indeed appalling and at no distant day will bring its overwhelming disaster.

However, what the people actually had in hand in 1893 or are using to-day is of little or no significance, since so many factors affect the quantity of money at any time actually in the hands of the people of any country.

The amount of wages paid, the character of living, the presence or absence of banks of deposit, and the habits of the people, are all controlling forces in determining the per capita circulation in actual daily use by the people. Ten dollars per capita may serve the people of Switzerland as well as $35 per capita may meet the needs of the French who live just over the border.

The question, therefore, is not how much currency we have, but whether we have sufficient to do our work at all times of the year and of such a kind as will expand and contract, always adjusting itself to our varying needs and protecting us against currency panics, which ought not to occur anywhere nor at any time.

Our invariable currency panic every fall has long since convinced every candid observer that there is something radically wrong with our practice or scheme, which can not be dignified by calling it a system.

The amount of checks and currency that any business house uses varies with the amount of business it does, if, indeed, it is fortunate in getting sufficient currency to answer its requirements. Is it not equally desirable that the currency of a country as a whole should be responsive to the demands of trade, always coördinating itself with the particular amount of work to be done by it, as distinguished from checks and drafts of which there is always one ready to effect the transaction calling for its peculiar use?

This was never the characteristic of the United States note. The quantity is fixed. It can never be the characteristic of silver or its representatives in the form of certificates, unless silver be the standard of the country and a banking agency controls its inward and outward flow.

Gold, being the standard of value, may under given conditions and proper financial influences adjust itself to the demands of trade if the quantity in use varies but little during the year, as in Great Britain. But gold is too expensive, certainly unnecessarily expensive, and, where the seasonal demand is greatly in excess of the average amount needed, the acquirement and disposition of an adequate supply to meet such seasonal demand would be difficult indeed ; yes, impossible.

Great Britain alone relies upon gold or its representative for its currency ; and if at a given time of each year there was an actual need of two hundred millions more of notes to do work which it was quite impossible to effect through checks and drafts, she would exhibit at each recurring season currency panics of greater or less violence in proportion to her ability to meet the demand by drawing a requisite amount of gold from the reserves of the rest of the world. To obtain $150,000,000 of gold, the approximate amount of additional currency we need every fall at the lowest calculation to move our crops, would be physically impossible, and she would fail utterly in the attempt. But the demand for additional currency varies but little in Great Britain throughout the year, and her task is comparatively easy, while we should find her policy impossible, owing to the changed conditions, even if we were disposed to adopt it.

Government Bonds Cannot Furnish an Adequate Basis for Circulation.

The time has come when everyone realizes that United States Government bonds will no longer furnish a sufficient basis for an adequate supply of currency, even though that form of currency were profitable, which it is not. Indeed, were it not for the policy of force applied by the Secretary of the Treasury, the banks would now be retiring their circulation, because unprofitable, at the rate of $3,000,000 per month, the maximum allowed by law, and this, too, in the face of a constantly increasing demand for more bank notes.

Will any man who has given the subject an hour's serious consideration have the hardihood to propose that the Government shall accept municipal, railroad or other bonds as a basis of circulation and so perpetuate a currency that never has and never can have a natural relation to the business of the country ?

Certainly, no one would suggest that the banks be allowed to issue more than seventy-five per cent. of the par value of such securities. Therefore, should our producers need during the crop-moving period $200,000,000 of additional currency, it would be necessary for the banks to first take at least $250,000,000 of their cash capital, and when due allowance is made for the premiums paid for the bonds, possibly $300,000,000 of capital, and invest it in securities for the purpose of getting the $200,000,000 of bank notes. In other words, the loanable funds of the banks would be decreased by $100,000,000 just at the very time that there was a demand for an increase of $200,000,000.

From what has been said I think we may fairly assume that neither United States notes, silver, gold, Government bonds, nor any other securities will furnish us the currency that our peculiar trade conditions demand.

Your committee is convinced that if the House will only reflect long enough to come to a realization of the great economic truth that a personal check of a depositor and a true bank note are identical in principle, it will solve a problem that otherwise must remain forever a mystery, while it goes on blundering to the incalculable cost of commerce and the inconvenience of and the injustice to that great majority of our people who do not make deposits and draw checks against them.

If A and B, men of unquestioned credit, join in a note for $1,000, which they give to a bank, it is immaterial to the bank, so far as its liability is concerned, whether it gives A and B in return a draft on some distant city for $1,000 or places that amount to their credit, against which they may draw checks in the usual way, or certifies checks for them amounting to $1,000, or gives them its own notes, or Cashier's checks payable to bearer for a like sum.

The draft, the uncertified checks, the certified checks, and the bank notes or Cashier's checks payable to bearer, are all forms of credit, and equally express a debt of the bank amounting to $1,000, which the bank is bound to pay.

Your committee asserts that if it is reasonable to compel a bank to deposit United States bonds to secure its Cashier's checks payable to bearer, it is equally reasonable to compel the bank to deposit United States bonds to secure the payment of the draft given to A and B, or the payment of their checks amounting to $1,000. Such a practice would eliminate all credit from commerce and, in effect, take us back to a system of barter.

Daniel Webster truthfully uttered the following words, on March 18, 1834, in the United States Senate:

> Credit is the vital air of the system of modern commerce. It has done more a thousand times to enrich nations than all the mines of the world. It has excited labor, stimulated manufactures, pushed commerce over every sea, and brought every nation, every kingdom, and every small tribe among the races of men to be known to all the rest. It has raised armies, equipped navies, and, triumphing over the gross power of mere numbers, it has established national superiority on the foundations of intelligence, wealth, and well-directed industry. Credit is to money what money is to articles of merchandise.

However, so far as the public is concerned, a distinction between the Cashier's check or bank note, which passes by delivery, and the draft, the uncertified check, and the certified check is to be noted, and that is this: The bank note performs a *quasi* public function in being used as a substitute for actual money by the people generally, who do not make deposits and check against them, and also in the small daily transactions of life.

For the convenience and benefit of the public the bank note passes from hand to hand without indorsement, and, leaving the immediate locality of the bank which issued it, it goes into the possession of those who have no way of making ready inquiry as to the credit of the bank from which it comes. The facility of trade, our business interests, and public policy demand that his should be so; therefore it is a matter of universal importance that all possible doubt be eliminated with regard to its goodness without reference to the soundness of the bank from which it emanates.

This was the controlling thought when Congress passed section 5230 of the National Bank Act, making bank notes a first lien upon the assets of the respective banks issuing them, in the following terms:

> First lien for redeeming circulation (sec. 5230). For any deficiency in the proceeds of all the bonds of an association when thus sold to reimburse to the United States the amount expended in paying the circulating notes of the association, the United States shall have a paramount lien upon all its assets; and such deficiency shall be made good out of such assets in preference to any and all other claims whatsoever, except the necessary costs and expenses of administering the same.

Since we have adopted gold as our standard of value, all bank notes should be redeemable in gold coin. To insure this result beyond all peradventure, the bill now reported provides as follows:

That before any National bank shall receive any of the bank notes referred to in this act it shall first deposit in the Treasury of the United States, as a guaranty of the payment thereof, an amount of United States bonds or gold coin, or both, equal to five per centum of the amount of the notes so taken out.

The bill further provides as follows:

That every National bank taking out such notes for issue and circulation shall, on the first days of January and July of each year, pay into the Treasury of the United States, in gold coin, a tax of one-quarter of one per centum upon the average of such notes in actual circulation during the preceding six months, and the tax so paid into the Treasury shall, with the five per centum deposited as a guaranty for the payment of the notes, constitute a guaranty fund.

And, in strict accordance with our present law above quoted, the bill still further provides as follows:

That such note shall be a first lien upon the assets of the respective banks issuing them, and that upon the failure of a National bank any National bank notes that have been taken out by it in accordance with the provisions of this act shall upon presentation to the United States Treasury be paid in gold coin out of the guaranty fund; but the United States Treasury shall recover from the assets of the failed bank an amount equal to its outstanding notes, and the same shall be paid into the guaranty fund.

Safety of the Credit Notes Assured.

The pertinent question now arises, Will the guaranty fund so constituted and the right of the notes to a first lien upon the assets of the banks issuing them make them good beyond all preadventure and without any reference to the success or failure of any particular bank of issue?

According to a special report made by the Comptroller of the Currency, if all the United States bonds which were deposited with the Government from 1863 to 1901, inclusive, to secure the payment of the notes of the National banks which had failed, had been lost or destroyed, an average annual tax of only eight one-thousandths of one per cent. upon the notes outstanding during that thirty-eight years would have paid all the notes of the failed banks that remained unredeemed.

But when you eliminate from consideration the Government bonds which were deposited to secure circulation, you will observe that the principle of the measure now submitted was in full operation, so far as the safety of the notes was concerned, the only difference being that the banks could then issue an amount of notes equal to their capital, while under the provisions of this bill the banks can only issue an amount of notes equal to twenty five per cent. of their capital.

Again, while experience shows that during thirty-eight years a tax of eight one-thousandths of one per cent. upon the circulation would have been sufficient to pay all the notes not otherwise provided for, this bill provides that the banks shall pay an annual tax of one-half of one per cent., or sixty-two and one half times as much as necessary according to the experience of thirty-eight years, and that in addition to this annual tax of one-half of one per cent. the banks are compelled to deposit with the Government a guaranty fund of five per cent., which, according to that same experience, will cover all the losses on notes for the next six hundred and twenty-five years.

Elasticity of the Proposed Notes.

With the absolute safety of this issue demonstrated, it remains to inquire whether it will possess that elasticity which is essential to any right currency system. By elasticity is here meant the dual quality of expansion and contraction in equal degree, the latter being just as essential as the former.

That the banks would issue these notes when needed there can be no possible doubt, if the same banks were willing to accept deposits and pay interest thereon at the rate of one-half of one per cent. per annum, for, so far as the bank is concerned, there is not the slightest difference except in name between one-half per cent. of tax and one-half per cent. of interest, barring the slight cost of the notes and their redemption.

But will such an issue contract when there is no further need of the notes to carry on the business of the country? Let us see.

A National bank having a capital of $100,000 could, under the provisions of this act, issue notes amounting to $25,000. Now, when a National bank which has in its possession its own notes receives the notes of other banks it will immediately forward them for redemption, because by so doing it can build up its reserve in the redemption city, or obtain the cash for them, and loan its own notes in addition.

To be more concrete, suppose that when a bank was loaned down to its required reserve and had in its vault $25,000 of its own notes, it received $5,000 of the notes of other banks and $1,250 in gold coin or other legal-reserve money, what would it do? Would it loan these $5,000 of notes out, as it could, against the $1,250 of legal reserve just received, or would it send the $5,000 of notes for collection? It would send them for collection, of course, because by so doing it could obtain a sufficient reserve to loan out the $25,000 of its own notes lying idle in its vault. No bank would ever loan out the notes of other banks so long as its own notes were idle, but it is probable that the whole of the proposed issue would find occupation during the coming fall, and, as certainly, be practically all retired during the succeeding spring months.

The adoption of this principle of note issues, if other disturbing factors were eliminated, would end all currency panics and bring the same co ordination between bank notes and the needs of trade that now exists between checks and drafts and the business transacted by them.

When this is done no more will ever be heard about emergency circulation, for in a rightly constituted system every dollar that goes out is as emergent as every other dollar, and the fact that any particular dollar goes out is not a danger signal when the only occasion of its going is that it is needed in the commerce and trade of the country.

If anything need be added to increase the force of these assertions, the following comparison between what bank issues might have been and what they actually were will supply it:

COUNTRY.	*Authorized issue.*	*Actual issue.*
France	$1,000,000,000	$814,000,000
Scotland	148,000,000	40,000,000
First United States Bank	10,000,000	5,000,000
Second United States Bank	35,000,000	24,000,000
Bank of Indiana	6,600,000	4,900,000
Bank of Iowa	2,096,000	1,400,000
New England Suffolk system	123,000,000	44,000,000
Canadian banks	65,000,000	54,000,000

From this comparison of the possible and actual issues in every instance every fair-minded and reasoning man must conclude that a natural and perfect relation must exist between a true credit currency and the work it is called upon to perform.

The average life of a true credit note is in bold contrast with that of our present National bank note.

	Days.
The note of the Scotch banking system remains out	18
The note of the Canadian banking system remains out	30
The note of the New England (Suffolk) system remained out	45
The note of the National banking system remains out	730

or more than two years, which is about the time the paper itself lasts, when it must be returned, of necessity, for renewal.

The frequent redemptions of the credit notes reflect their relation to business transactions, while the redemption of the National bank notes reflects little more than the life of the paper upon which they are printed.

That a credit note is just as economic in its use as a deposit, which is received to be loaned out, no one will deny, making the nominal allowance for the cost of the note and its redemption.

The capital of the National banks now amounts to $714,616,358, and if all should avail themselves of the privileges of this measure there would be added to our bank currency $178,654,088, from which should be deducted $39,202,435, the amount which 1,204 banks now have in excess of seventy-five per cent. of their capital, which amount of the present notes could be retired without reference to the limit of $3,000,000 per month. Therefore, the net increase of bank notes under this act would be $140,450,653.

To facilitate and insure certain and swift redemption, your committee has thought it wise to establish three redemption cities, which, if the issues were larger, should be correspondingly increased.

In conclusion, your committee submits the following as self-evident truths:

First. That there is an exigent demand for some provision to relieve the present situation if our unparalleled prosperity is not itself to prove the source of a commercial crisis.

Second. That neither silver nor gold nor United States bonds, much less any other kind of bonds, can be a proper source of a safe, economical and elastic currency.

Third. That in the six billions of liquidated assets of our National banks there is an incomparable security many times over for the credit notes that our trade demands; and that no currency can be truly elastic that does not spring into being at the bidding of business, and as certainly disappear when that business is finished.

PREFERRED A NOTE.—Stocton Clay Bibb of Calhoun county, Georgia, is rich enough to be indifferent about financial matters, and while he has been in the habit of lending money upon notes and mortgages, he has had little to do with courts or banks. He has never foreclosed a mortgage or protested a note and interest has ever been a slight consideration to him.

Three or four times a year he looks over his big calf-skin wallet and studies its contents, merely to see whether he is holding paper signed or endorsed by some friend who has recently stopped breathing.

A little over a year ago Col. Bibb sold a piece of property to Judge Fisher for $3,000 and accepted a check for the amount. Recently he met the Judge at the county seat and in course of a general conversation he said:

"By the way, Judge, I've got a check of yours for $3,000 in my pocket."

"You have," exclaimed the Judge in surprise. "Well, why haven't you cashed it? The money has been in the bank to meet it for a year and more."

"Well, you see, Judge, I ain't much on going to the bank for any accommodations and hain't bothered about it, but you'd oblige me if you'd just take over that check now and give me your note for it."

Judge Fisher gasped and then accommodated Col. Bibb with a six-months' note.—*New York Sun.*

A Penniless Millionaire.—Not long ago, George W. Perkins, J. Pierpont Morgan's partner, noticed the aged Russell Sage poking his cane about in the gutter at the corner of Broad and Wall Streets. He hurried over to Mr. Sage and asked him what he was looking for.

The past master in finance replied: "While buying a newspaper I dropped a cent in the gutter, and it has actually reduced me to poverty."

"How can that be?" queried Mr. Perkins with surprise.

"Why, don't you see, it makes me a penny-less man," chuckled the dean of the street as he strolled away, apparently as happy as if he had made a lucky turn for a few thousands.—*New York Times.*

*THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

VI.

It has been said that "Locality colors without changing, and that in all surroundings the human heart is substantially the same." This statement encourages us to presume that the city banker and the country banker may each give good advice to the other, based upon a past experience in a business which varies much in detail, but is practically the same in its ultimate analysis the world over. As the business of the country becomes more closely and firmly knitted together by the wonderful developments of the past twenty years, it becomes more evident that rules and practices which are correct in one locality cannot be far wrong in another, and that unsafe methods in one community or in one section of the country may seriously affect the business world just as a fire may extend to large proportions, because distrust when once aroused becomes contagious.

A bank's profits must come principally from its loans and investments. These loans may include the promissory notes of the regular customers of the bank; notes taken by the bank's customers and endorsed to the bank; notes secured by collaterals; notes purchased from brokers and loan agents; city, township and school district warrants; loans secured by liens upon real estate, and other negotiable paper of various kinds.

First Considerations in Making Loans.

In making loans a banker should, first of all, take into account the general condition of the country, from a business standpoint. For example, contrast the year 1900 when bankers were seeking investments, with the year 1893 when investments pushed and crowded each other at the bank counter begging for a place to lodge over night. Under all these varying conditions the banker's judgment is tested to the utmost in keeping his discount line at a figure which coincides with his ideas of both safety and profit. A person who could tell the bankers of the United States how to safely and profitably employ their surplus funds, would be in great demand as an adviser. It requires the labors of many persons to solve a question as difficult as this, even supposing that it is possible to solve it. A banker should endeavor, if possible, to avoid a feeling of over confidence upon the one hand, and of over caution upon the other. Good, hard logic, the result of serious thought, should govern his actions. Reason should stand at the helm, while his hopes, fears and prejudices should seldom be consulted. There are times when it becomes too easy for people to borrow money, credit becomes too cheap. Yet many men now wealthy would have remained poor had not credit been easily obtained at some period in their lives. When business is generally in a prosperous condition a borrower can more readily repay his obligations, and the banker may safely be more liberal, both as to amount loaned and length of time extended. But when general conditions are less prosperous and business failures are numerous, the banker must be more cautious in making advances of money. To ignore this feature of the matter would be a serious

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

error of judgment. Furthermore, the banker must be able to anticipate these changes in the financial health of the community. He must have his finger on the pulse of the business world and be able to read the future with a great degree of accuracy. To do this he must be a careful student of the daily news, especially of the markets, and keep in touch with his profession by reading the banking and financial journals.

Many banks have been quite successfully managed during periods of prosperity, paying handsome dividends, only to find when the day of stress came that much of their paper was of doubtful quality, and that men who had been prompt to pay interest were now unable to pay the principal, or to make their promises good. And these banks have many of them been compelled to retire from business. In such cases it becomes evident that loans should always be made intelligently, and that it requires a high order of ability to make a good banker, common report to the contrary notwithstanding.

The crop conditions of the country exert a much more potent influence over business than many people are willing to admit. It is well known that crop conditions in the West have much to do with railroad earnings and with trade in staple goods, but their influence on banking is not so generally realized. The products of Kansas or of Iowa are worth more each year than the output of all the mines in the United States. When the skies of the West are dark with clouds carrying rain to the parched fields and pastures, then the financial skies are spanned and arched with the many-colored rainbow of promise.

Points to be Observed in Loaning.

Probably the most desirable class of investments are notes given for merchandise in the regular course of business, running from one to four months and endorsed by responsible customers of the bank. It is much easier to repeat the familiar rules, universally admitted to be correct, in regard to such investments than it is to follow out these rules under all circumstances. Banks in the country must meet the views of their customers, who occasionally require from four to twelve months' time on money borrowed. To make notes for such people on short time with a promise of renewal is a bad practice. It is better to write the note for the length of time actually wanted, then you can reasonably expect it to be paid when due. In practice it becomes necessary, at times, to take more or less risk in order to keep the funds of the bank employed, but the banker should always be satisfied that every loan will be eventually paid, even though it is not paid promptly at maturity. Some customers are known to be "slow but good." Their paper cannot be called "gilt edged," but they usually pay a higher rate of interest than is charged to those men who pay promptly when due. Every bank has a few such customers, men who are too good to be refused and not quite good enough to obtain the lowest going rate of interest. Some men who would promptly pay a debt of one hundred dollars would be financially ruined if they could succeed in borrowing ten times that sum. The banker's knowledge of human nature should prove a safeguard to him in dealing with customers of this class, in fact, he should know personally the character and surroundings of as many of his customers as possible. Even the most substantial customer should be limited in the amount he is permitted to borrow. The lawmakers have very wisely said that a bank should not loan more than a certain per cent. of capital and surplus to one party. Experience shows that there is great danger to a bank in making excessive loans. Human judgment is apt to be unreliable at times. Both the banker and the borrower may have confidence in the outcome of an investment requiring a large sum of money to carry it through, but in the event of failure the loss is so large that the borrower feels totally unable to pay it, and the bank becomes the loser, while if the amount loaned had been smaller, the borrower would have paid his obligation and said nothing about having a loss. Then again, a bank loan should not be employed by a dealer as the capital of his business. He should borrow merely as a temporary assistance. When large loans are made, it very frequently is equivalent to the bank furnishing the capital for a man to engage in business with, and very often such ventures prove disastrous.

A great deal of confidence may be placed in a good credit department in a bank. It is impossible for even the country banker to carry in his mind all that he may learn concerning the financial standing of his customers. There must necessarily be a system of some kind for keeping a record of such information, otherwise many responsible men will be refused credit and their business will be lost to the institution, while men who have nothing to recommend them but good clothes and a pleasant smile will obtain loans which they never repay.

STATEMENTS FROM BORROWERS.

Borrowers should be expected to give a complete statement of their financial condition. For merchants and other business men a tabulated statement giving value of their real and personal property, accounts, bills receivable, etc., and a list of all their obligations, should be made on a printed blank form. Such blanks are now generally in use and can be easily obtained. Group No. 1 of the New York Bankers' Association have a uniform blank that is excellent for this purpose. For farmers and others not engaged in business another form of statement should be used. The following questions, printed on paper eight by ten inches in size with a sufficient space for extended answers, serve the purpose very well:

Memorandum of Financial Condition of

....

Land owned..

....

Land is mortgaged for...

....

Live stock owned..

....

Growing crops and grain on hand..

....

Other products..

Other property and income..

....

Title to property is in name of...

....

The above personal property is owned by..................................

....

Other indebtedness, chattel mortgages, etc................................

....

For the purpose of establishing and maintaining credit, and obtaining loans from time to time from the................................*Bank, I make the foregoing statement of my property and indebtedness.*

....*190*....

....

It will be observed that the more embarrassing questions are placed at the foot of the list. They are less likely to give offence than if placed at the top, but they are the most important questions on the paper to have correctly answered.

No general plan for a credit department can be found which will serve for all kinds of banks, or for all sections of the country. The only rule that can well be followed is to have as good a system as possible, get as much information as possible, in every way possible, and keep it on file in such a way that it can be readily found when wanted. Good local maps and copies of the tax rolls are also valuable for reference. When a bank keeps a record of the financial condition of its customers, it soon accumulates a great deal of information concerning real estate holdings and personal property which it does not get directly from each customer separately, and is therefore in position to pass upon many applications intelligently without asking in all cases for a written statement.

Loans on Real Estate.

Real estate loans are good investments, to a limited extent, for banks working under State laws which permit such loans. A bank can usually take its choice of the most desirable mortgage loans to be had in its own locality. While the rate of interest is low on this class of loans, it serves as a good method of investing money which would otherwise be idle, and the earnings are continuous. It cannot be said to be a good way to invest deposits that are likely to be called for, but if a bank has more capital than necessary, a portion of the capital may be thus invested. There should be a wide margin between the amount of the loan and the true value of the property mortgaged, and the mortgagee should be still further protected by a fire insurance policy upon the buildings. The abstract of title to the property should be carefully examined by a competent person, an attorney if necessary, and the bond and mortgage or trust deed should be carefully drawn and properly executed. A bank cannot afford to take a second mortgage loan. It is an unsafe investment. The holder of such a mortgage must be prepared at all times to buy the first mortgage or to bid off the property at sheriff's sale for a price sufficient to pay the first mortgage, the second mortgage and all costs, fees and taxes, or lose the money already advanced. Second mortgages have caused many failures.

City banks find less difficulty in securing good investments than country banks. Note brokers may generally be depended upon to offer a good line of commercial paper, and the credit agencies may be conveniently referred to for information. Loans may often be made either on time or on call with good collateral securities, and desirable municipal and other bonds may be readily purchased. The country banker, however, very seldom makes investments of such kinds. He wants paper that he understands better, and prefers, if convenient, to have no man's note unless he is personally acquainted with him. As a result he often has large sums of idle money which he keeps on deposit with his city correspondent, who, having better opportunities of investing, can pay a small rate of interest on the deposit, and thus the idle money is invested after all. Sometimes small banks will buy notes selected from lists sent out by loan brokers. In such cases it is always better and safer to ask advice and information from the bank's city correspondent. City banks often buy farmers' notes given for live stock, and generally inquire of the country banker concerning the reliability of the makers. A promissory note is like an egg, in that it may be classed under one of many headings as regards quality, in that it is often found far from the town of its nativity without a certificate of character, and in that it should be purchased only after proper inquiries have been made.

Investments in Bonds.

Dealing in bonds is not banking in the usual sense of the word, although many large banks make a specialty of this business and are very successful. Only those who have made a careful study of this line of business should invest in this kind of paper. Persons investing their own money have a right to take the risks involved in this business, but a banker who does not understand the question pretty thoroughly would better place his money on deposit with a trust company.

LOANS ON CATTLE PAPER.

A very large business has been done in the past few years in cattle paper. Such business as conducted at present is very unsafe. A cattle dealer or feeder goes to one of the great cattle markets and buys cattle, unsually from one to ten carloads, giving the commission firm from whom the purchase has been made a note for the full purchase price, including the firm's commission. This note is secured by a chattel mortgage on the cattle purchased and sometimes on a crib of corn and a few stacks of hay and perhaps the feed troughs from which the cattle are to be fed. These notes are then sold to banks and other investors. So long as everybody remains honest and no loss occurs these notes are promptly paid. But many things may happen to prevent this, and sometimes many things do happen to prevent it. To begin with, the local banks try to get the choicest of this class of business, so that when cattle are purchased they are paid for by a check on the buyer's home bank. Almost any person can buy cattle in the manner described and persons obtain credit for large sums who could not borrow a dollar at home where they are known. It is true that when losses occur only occasionally the commission firm endeavors to make it good, but if such firms were called upon to pay as much as one per cent. of the paper endorsed by them, they could not do so. Failures and reorganizations among the live stock commission firms are frequent. Then some such firms soon drift into unsafe practices; for example, a man buys five carloads of cattle, giving his note to the firm. As opportunity offers and he sells these cattle, at various times before his note matures, and sends the proceeds of the sale to the firm from whom he bought them, supposing that they hold his note. Many times this money is held by them until the note matures, at which time they pay the note and return it to the maker. The danger of this practice and similar improper practices is apparent. Buying such paper without further inquiry than to merely take the endorsement of the commission men is very hazardous. This method of doing business has grown out of the continually advancing value of live stock. What would happen if live stock should steadily decline in value might be serious. One great fault with such paper is that there is no margin of security.

LOOKING AFTER THE DETAILS.

Of course the loans and discounts of a bank should be kept in a suitable place and a proper account kept of each loan. The discount register should be frequently balanced, and the balance should agree with the amount shown on the general balance book. Notes payable at distant points should be sent forward soon enough to be presented when due, and a copy of the note placed in the receptacle from which the original was taken. The discount clerk should be familiar with the laws and usages governing all kinds of negotiable paper.

Care should be taken that the bank suffers no loss through carelessness or ignorance.

DOMINO.

SOBRIETY OF AMERICAN WORKMEN.—Measured on the basis of the actual volume of alcoholic liquor drunk, the American workman is twice as sober as the Briton; the self-respect and independence of the American workman alone act as an incentive to sobriety. On the basis of the weight of alcohol absorbed, the British workman has, unfortunately, the highest record, and this factor of insobriety has more than all else reduced the standard efficiency of British labor, and done infinite damage to the country.—"*The American Invasion; or England's Commercial Danger,*" *by B. H. Thwaite, A.M.*

THE BANK OF FRANCE.

The Bank of France was founded by Bonaparte (the First Consul) in February, 1800, and was granted the sole privilege of issuing notes—a privilege which it has ever since retained.

The capital was originally 30,000,000 francs ($5,790,000), in 30,000 shares of 1,000 francs ($193) each. Three years later, the capital was increased to 45,000,000 francs ($8,685,000) and afterwards to 90,000,000 francs ($17,370,000). By buying in the shares, the bank decreased its capital to less than 68,000,000 francs (13,124,000), but the purchase of various provincial banks brought up the total (in 1848) to 91,250,000 francs ($17,611,250). This was afterwards doubled by the issue of 91,250 new shares at 1,100 francs ($212), the 100 francs premium going to constitute a reserve fund, and the capital now is 182,500,000 francs ($35,222,000) in 182,500 shares of 1,000 francs ($193) each.

The capital belongs entirely to the shareholders, and is not under the control of the State. In fact, the Bank of France is a private joint-stock company, but is subject to certain special laws and regulations.

The bank is managed by a director, two sub-directors, and a board of fifteen members. Napoleon decreed that the director and his two assistants should be appointed by the Government, and that three of the fifteen on the council should be treasury officials; and this law is still in force. The President of the Republic also nominates the managers of the country branches, but, as a matter of fact, these appointments are given to persons recommended by the director of the bank. The balance sheet of the bank is published every week in the "Journal Officiel," and an account is forwarded to the Minister of Finance every six months.

The privilege of issuing notes was at first granted for a period of fifteen years, which was afterwards extended to forty years, and has been renewed several times, the last occasion being in 1897.

The limit of issue is fixed by the Government at 4,000,000,000 francs ($772,000,000), approximately. In the last weekly return published, the notes amounted to 4,304,562,325 francs ($830,780,528). The gold and silver lying in the bank on the same day represented 3,648,748,942 francs ($704,208,546) without taking into account the standing loan to the Government (180,000,000 francs, or $34,740,000), securities, notes in the banking department, and other assets.

The principal business of the bank is discounting bills. Checks are still very little used in France, and nearly all trade accounts between wholesale and retail dealers are settled by bills at two or three months. The bank discounts at one-half of one per cent. above the bank rate almost any paper that bears three names and has not more than ninety-five days to run.

The remarkable way in which France has always recovered after a great disaster is due to the readiness with which the people, and more especially the thrifty peasant farmers of the north, subscribe to a new loan. Pending the arrangement of such a loan, the bank assists the Government by lending ready money, and in 1870–71 advanced 1,530,000,000 francs ($295,000,000), which was all repaid within the next seven or eight years. But it does not appear that bank and State co-operate in getting money into circulation.

In a commercial crisis the bank regulates the discount rate according to what it considers the situation demands, and greatly increases its discount business. With regard to the regulating of the rate of discount, it may be remarked that the bank professes (in the words of one of its former managers) to "neither create nor invent, but simply to follow public opinion." In an agricultural crisis the bank does little or no good, being prevented by its rule not to discount any bills that have more than ninety-five days to run; at least that is the opinion of M. Léon Say and other well-known French economists.

Many writers think that it is not to the public advantage that the bank should possess a monopoly, and each time the privilege has had to be renewed numbers of pamphlets arguing both sides of the question have appeared. The privilege has always been renewed, however, the Government feeling, perhaps, that any interference with the monopoly now would be fraught with greater dangers or inconveniences than those it was intended to remedy.

The staff of the Bank of France consists of 1,093 employees at the central office and 1,341 at the various branches. A candidate for a clerkship must be between the ages of nineteen and thirty years, and pass an examination. There are several schools in which candidates are "coached."

The salary at first is 2,000 francs ($386) in Paris and 1,800 francs ($347) at the provincial branches. Napoleon, when he founded the bank, decreed that the first manager might call himself governor if he liked, since titles cost nothing, and his salary might be as large as the shareholders pleased—as the bank would pay: "It might even go as high as 60,000 francs" ($11,580). The business of the bank has increased tenfold since that time, but the managers's salary has not exceeded the limit laid down by Napoleon, and is still, I believe, 60,000 francs ($11,580); but as the bank is a private company, it is difficult to obtain the information regarding the salaries. The governor must hold 100 shares and the two sub-managers fifty shares each. Every clerk must lodge, as a guaranty, one share in the bank, or sufficient Government stock to produce 130 francs ($25.09). The amount of the guaranty increases as the clerk rises in grade, and in the case of a manager of a provincial branch is fifteen bank shares, or "rentes" sufficient to produce 780 francs ($150.54) a year.

After thirty years' service in the office, or twenty-five years as an outdoor collector, a clerk is entitled to a pension equal to half his average salary during the last three years. This pension is increased by one-thirtieth for each year he serves beyond the regular period, but must not exceed two-thirds of his yearly salary. Half the pension is continued to the widow, provided she was married at least three years berore her husband's death. When a widow is left with children under fifteen years of age the pension may be increased by one-twentieth of the sum her husband received for each of said children. JOHN K. GOWDY, *Consul-General.*

PARIS, December 12, 1902.

REFUSAL TO PAY CHECK.—"An honest mistake made by a bank is no excuse for its failure to pay checks drawn upon it when there is a deposit in the bank to meet those checks." Judge Barratt so charged a jury.

Samuel Kurlak, a cloak manufacturer, was a depositor in the Southwestern National Bank. It was testified that, while he had a little more than $300 in the bank, he drew four checks against it aggregating less than $100. The checks were re turned marked "no funds." It was subsequently discovered that a bookkeeper in the bank had mixed Kurlak's account. The bank admitted its mistake.

The jury gave Kurlak a verdict for $1,000.—*Philadelphia Public Ledger.*

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

A REMARKABLE EXPANSION OF COMMERCE AND INDUSTRY.

The past year has witnessed a further remarkable expansion in the banking, commerce, and manufactures of the Dominion of Canada. A review of the financial statements for the twelve months ending December 31 last (in which the figures for the past three months are included), shows that Canada has completed the best year in its history.

There was a great increase in the wealth of the country. Investments of capital were large. Manufacturing industries worked well up to their capital, the output being unprecedented. Agricultural yields were never before equalled. Canadian banks increased their capital to provide for the extension of business by opening branches in the western part of the Dominion, and prices of bank stocks advanced. Home capital now provides for many flotations formerly placed in Great Britain. Commercial failures make a most gratifying showing, there being a very great decrease in the number of insolvencies during the past year. Immigration is increasing at a rapid rate. Railway earnings, clearing-house returns, figures of foreign commerce and bank statements, all reflect the general condition of trade and industry, and show that Canada is experiencing an exceptionally high degree of prosperity.

Revenue and Expenditure.

The revenue returns for the first half of the current financial year, namely, to the close of 1902, make a prosperous showing. The income of the Dominion for that time was $31,262,862, a surplus over ordinary annual expenditure for the same period of $11,718,174. Compared with the last six months of 1901, the income shows an increase of over three and a half millions, while the ordinary expenditures show an increase of less than half a million.

The most important source of revenue, so far as increase is concerned, were customs and public works, the latter including Government railways. The increase in the receipts of the former was $2,207,873, from the latter $2,258,836.

It is satisfactory to note that the expenditure on capital account was less by over two millions and a half than during the last half of the year 1901. The chief reduction was in the outlay on public works, railways and canals, which was cut down from $4,446,677 to $2,778,991, while the total payment on account of railway subsidies fell from $1,642,381 to $802,308.

Review of Canadian Trade.

Canada's foreign trade, consisting of imports for consumption and exports of domestic produce only, for the six months ending December 31, amounted to $231,342,-201, being $18,110,592 more than for the same period of 1901, and $10,839,384 in excess of the returns for the whole of 1896. The exports amounted to $125,301,446, or $19,260,781 more than the imports. Omitting coin and bullion, the imports for the six months amounted to $103,201,614, a gain of $7,637,428, compared with the corresponding period of 1901. The imports of dutiable goods were $64,582,101, an increase of $7,645,912. The imports of free goods show a slight falling off. Taking the month of December only, the exports were over $5,000,000 ahead of the same month of the year previous. The gain was in the exports of animals and their products and in agricultural products.

The following is a comparative statement of the imports and exports for the six months:

IMPORTS.	*1901.*	*1902.*
Dutiable goods	$56,936,189	$64,582,101
Free goods	38,627,997	38,619,513
Total	$95,564,186	$103,201,614
Coin and bullion	4,098,663	2,839,121
Grand total	$99,662,849	$106,040,735
Duty collected	15,678,543	17,814,116
EXPORTS (domestic produce only).		
Products of the mine	$21,770,198	$18,418,617
Products of the fisheries	8,302,501	6,889,775
Products of the forest	20,375,117	23,607,946
Animals and produce	37,919,390	45,178,795
Agriculture	16,385,584	21,516,806
Manufactures	8,796,750	9,634,070
Miscellaneous	19,225	55,457
Total merchandise	$113,568,760	$125,301,466

RAIL AND WATER TRANSPORTATION.

The past year was a record one for the transportation business of Canada.

A summary of the earnings of the three chief railway systems of Canada, the Canadian Pacific, Grand Trunk and Intercolonial, shows that the enormous sum of $75,675,842, the largest earnings by far in the history of the Canadian railways, was reached.

The Canadian Pacific Railway comes first in the matter of gross earnings. That road earned from all sources last year $39,584,000, as against gross earnings of $34,053,000 in 1901, an increase of $5,531,000 for the year just ended.

The Grand Trunk Railway shows up well with gross earnings for 1902 of $30,036,479, as compared with $28,954,000 in 1901, an increase for last year of $1,082,419.

The earnings of the Intercolonial Railway for the calendar year is $6,047,476, as compared with $5,296,233 for 1901, being an increase of $751,243.

The most important feature in connection with the transportation business in Canada at the present time is the announcement that the Grand Trunk is going to extend its line to the Pacific Ocean. Application will be made at the ensuing session of the Dominion Parliament for a charter of incorporation for the Grand Trunk Pacific Railway Company.

The route of the proposed railway is described in general terms as follows: From a point at or near either Gravenhurst or North Bay; thence in a northwesterly and westerly direction through the Provinces and Territories of Ontario, Keewatin, Manitoba, Saskatchewan, Alberta, Athabaska and British Columbia, or any other Province or territory of British North America, to the Pacific Ocean, at or near Port Simpson, or at or near Bute Inlet, or such other point as may hereafter be determined, by way of the Peace River or Pine River Pass, or such other pass as may be found most convenient, or by such other more feasible route as may be hereafter more clearly defined. Power is sought to construct branch lines to Winnipeg, Regina, Calgary, or other points, and to acquire, lease, amalgamate, connect with or otherwise make arrangements for the use of the line of any railway company in Canada.

Other broad and extensive powers are asked for in the application. In short, the project will be by far the most important railway enterprise in Canada since the construction of the Canandian Pacific Railway Company.

The extension of the Grand Trunk to the Pacific will greatly benefit the west, and, through the west, the country at large. A new impetus will be given to the development of Western Ontario and its forest and mineral resources. The wheat crop of Manitoba will have another outlet. To the north, through Saskatchewan and Alberta, regions rich in wheat and coal will be traversed. The central and northern portions of British Columbia are now practically more remote from Canada than the Yukon, and a railway piercing that country cannot but have important results.

The traffic passing through the Canadian Canal at Sault Ste. Marie, from the opening of navigation to October 31, was 4,614,604 tons, as against 2,791,289 tons in 1901, an increase of 1,823,815 tons.

The Growth of Manufacturing.

There is a large increase in the volume of the manufactures of the Dominion. During the year just ended, manufactures to the extent of $18,500,000, or about $2,500,000 more than in the preceding year, were sold to other countries.

Foreign trade continues to show strong development, and the great influx of settlers to the west the past ten months, has, with the increasing production of grain this year, greatly stimulated the demands of the west for staple goods from eastern Canadian centres of manufacture.

There is no doubt as to the continuance for some time of the prevailing conditions, for ample preparations have been made by the domestic manufacturers and importers to meet the increased demands which are expected to develop during the coming season. Factories and mills are now being taxed to the fullest capacity in meeting the requirements of the mercantile trade. Manufacturers are raising capital to invest in industrial enterprises, and the enlargement of plants is going on at a pace which, judged by past experience, is unexampled, the new species of manufactures established exceeding all previous records.

Remarkable expansion has been made in connection with the iron and steel industry in Canada, and when the statements for the current half year are issued it will be found that the results of the operations have caused very substantial additions to the domestic trade of the country. Canada will no doubt in the future take an important place among the iron and steel producing countries.

According to the returns made to the Ontario Bureau of Mines, the nickel output in Ontario for 1902 is 5,000 tons, valued at $2,000,000. Pig iron is next in value with 118,000 tons, worth $1,650,000, to which may be added 380,000 tons of iron ore, worth $550,000. Copper follows in the list with an output of 2,550 tons, worth $637,000. The other metals are: gold, $212,500; silver, $50,000, and zinc ore, $8,000.

The output of ore in British Columbia during 1902 was 500,000 tons, as against 390,000 tons in 1901, or an increase of twenty-five per cent. over the previous year.

The Lumber Industry.

The lumber industry in Canada has made a very pronounced growth during the past year. The trade in lumber manufactured still continues with unlessened activity, and the prices realized are at the highest. Varieties of wood regarded as worthless a few years ago are now largely in use as standard supplies. The season so far has been favorable for woods work, but the scarcity of labor and the high wages demanded by woodsmen made all lumbermen later than usual getting into the woods, and has curtailed the output of the larger operators.

The total trans-Atlantic shipments of New Brunswick during 1902 were 451,578,691 sup. ft., as compared with 398,874,725 sup. ft. during 1901.

The trans-Atlantic shipments from the Province of New Brunswick for the past five years were 2,178,000 sup. ft.

The trans-Atlantic shipments from Nova Scotia, season 1902, deals, scantlings, ends, boards, etc., were 153,700,464 sup. ft.

The shipments of deals, etc., from Nova Scotia to trans Atlantic ports for past five years were 758,244,214 sup. ft.

Agricultural Development.

Great expansion has taken place the past year in the agricultural sections of the country. Agriculture stands at the head of the exports of the Dominion, and the rapid settlement and development of the West will hold it there, the total immigrant arrivals for the year being 67,379, an increase of 18,230 over the previous fiscal year.

The total grain crop of the Province of Manitoba has passed the hundred million mark, as compared with 85,000,000 bushels in 1901. The wheat crop was 53,077,267 bushels from 2,039,940 acres, as compared with 50,502,085 bushels from 2,011,835 acres in the previous year. The average yield was twenty-six bushels as against 25.1 for the previous year. The oats crop showed a still larger proportionate increase, the total for the year being 34,478,160 bushels, as compared with 27,796,588 in 1901, and the barley crop increased from 6,636,155 bushels to 11,848,422 bushels.

In cheese and butter, the exports for the present season will be the largest in the history of Canada. During 1902, 2,500,000 boxes of cheese, valued at $21,000,000, and 613,846 packages of creamery butter, valued at $9,000,000, were made in Canada. By adding the hog products, $15,000,000, to the cheese and butter products, $30,000,000, it will be seen that the dairymen of Canada have produced $45,000,000 in 1902.

The Fishing Industry.

The past season was a good average year for the fishing industry in Canada.

The Commission of Inquiry with reference to the salmon fisheries of the Pacific Coast will report to the Dominion Parliament when it meets, and there is little doubt but that a departmental regulation will be made permitting the use of traps by British Columbia fishermen. The fishing interests of British Columbia are so great, that it is hoped the relations between the Dominion and the Provinces in the matter of fisheries may soon be settled.

The catch of salmon is much less than in the previous season. For 1902 the total catch in British Columbia is 626,000 cases, as against 1,100,000 cases in 1901.

During the last fiscal year there were 280 million eggs of salmon, white fish, pickerel and lobsters hatched out, and placed in Canadian waters to increase the supply. Four new hatcheries were built during the year, two in British Columbia, and two in the Maritime Provinces.

The lobster pack still continues to be an average one, and is valued at about $2,000,000 annually.

Banks and Banking.

There is no better trade barometer in the Dominion than the monthly statements of the Canadian chartered banks, with branch banks in all the older centres of population in the country, and steady expansion keeping step with the progress of the country. By the establishment of branches in newly developed sections wherever the business warrants it, the chartered banks are able to keep in constant touch with the trade conditions and financial requirements of the Dominion.

The statements of the Canadian chartered banks for October, November and December, 1902, are presented below. They show capital, reserve, assets and liabilities; average holdings of specie and Dominion notes, etc.

LIABILITIES.	Oct., 1902.	Nov., 1902.	Dec., 1902.
Capital authorized	$81,332,566	$82,332,566	$83,332,566
Capital paid-up	71,187,810	71,928,316	72,795,440
Reserve funds	41,322,497	42,637,737	44,517,681
Notes in circulation	$65,928,973	$64,497,647	$60,574,144
Dominion and provincial Government deposits	$6,196,799	$7,572,933	$9,620,522
Public deposits on demand in Canada	113,176,952	111,691,073	115,890,499
Public deposits at notice	248,612,677	250,815,075	254,217,869
Deposits outside of Canada	33,389,263	39,645,067	37,199,339
Bank loans or deposits from other banks, secured	605,792	658,124	719,778
Due to other banks in Canada	4,202,361	3,495,803	3,202,550
Due to other banks in foreign countries	1,022,135	1,416,336	1,157,683
Due to other banks in Great Britain	4,142,554	5,615,863	5,611,582
Other liabilities	13,599,921	12,899,115	11,314,489
Total liabilities	$492,877,507	$498,307,128	$499,508,534
ASSETS.			
Specie	$13,304,301	$12,710,211	$12,892,235
Dominion notes	23,786,411	24,055,320	24,730,575
Deposits to secure note circulation	3,611,041	3,197,270	3,297,270
Notes and checks on other banks	17,884,316	16,329,962	20,517,282
Loans to other banks, secured	849,125	649,277	719,777
Deposits with other banks in Canada	4,893,976	4,958,565	4,873,336
Due from banks in Great Britain	5,879,914	10,106,333	9,023,489
Due from other banks in foreign countries	13,075,900	12,768,220	13,694,959
Dominion or provincial Government debentures or stock	9,187,511	9,451,621	9,455,752
Other securities	50,110,580	51,908,200	51,805,454
Call loans on bonds and stocks in Canada	51,247,417	51,958,911	51,385,890
Call loans elsewhere	47,510,849	49,563,674	43,704,054
Current loans in Canada	314,300,587	317,172,228	322,879,089
Current loans elsewhere	33,856,704	34,338,335	34,131,237
Loans to Dominion and Provincial Governments	4,136,330	4,309,049	4,224,119
Overdue debts	1,883,975	1,763,939	1,764,813
Real estate	876,026	862,450	864,820
Mortgages on real estate sold	772,829	769,328	762,182
Bank premises	7,366,484	7,441,964	7,556,236
Other assets	10,292,288	9,021,123	7,105,459
Total assets	$616,826,970	$623,856,246	$625,388,209
Average amount of specie held during the month	$12,727,314	$12,631,782	$12,946,922
Average Dominion notes held during the month	23,876,798	23,240,083	23,988,726
Greatest amount notes in circulation during month	67,333,392	67,443,712	65,498,869
Loans to directors or their firms	10,701,324	10,754,358	11,159,908

During the past ten years the business of the Canadian chartered banks has been increased to a great extent. According to the statement for October, it will be seen that the deposits have increased from $174,000,000 to $409,000,000, at the rate of twenty-three millions a year; discounts and investments from $227,000,000 to $415,-000,000; and, above all, of circulation from $55,000,000 to $66,000,000, an increase which it is probable has never been paralled in the history of any country.

The following is a general comparative statement of Canadian banks for October and November, 1902, the contents of which will no doubt be found interesting:

*Abstract of Bank Returns.**

(In thousands.)

Description.	Oct. 31, 1901.	Oct. 31, 1902.
Capital paid up	$67,548	$71,137
Circulation	57,954	65,926
Deposits	369,965	406,182
Loans, discounts and investments	379,808	418,821
Cash, foreign balances (net) and call loans	154,488	176,023
Legals	31,556	35,786
Specie	11,520	13,304
Call loans	83,207	96,737
Investments	55,991	59,297

* The Government have now adopted a new form of report in which the total only is given. There is no division into Provinces.

The statement for December shows that the return of currency is greater than the previous year. Note circulation in that month decreased $3,923,000, and the total amount outstanding at the end of the month was $60,574,000. In December, 1901, there was a decrease of $3,369,000 in circulation. The activity in general trade is reflected in the increase of $5,500,000 in discounts, making the current discounts in Canada $322,897,087. Call loans decreased $570,000.

Deposits are still growing, the aggregate now being $407,307, an increase of over $5,000,000 for the month, and an increase of $40,300,000 in 1902. Investments in securities increased $5,000,000 in 1902. Trade discounts increased $35,700,000, and call loans increased $2,200,000 during the year.

Several of the largest banks have recently held their annual meetings and presented their annual statements to the public. In all cases satisfactory profits were shown for the year, and the banks were able not only to pay the usual dividend, but to carry forward large additional amounts to the reserve fund.

During the past year, and consequent upon the unusual activity of business, the banks in Canada have experienced a steady demand for advances, and their power to supply sufficient bank-note circulation has been tested pretty severely. Never before was the magnitude of the fall trade so great. To handle it the banks had to fairly pour out money. In October the circulation rose to $66,000,000, which was within $6,000,000 of their total note issuing capacity. Notwithstanding the great volume of the currency thus turned into channels of trade, there were loud complaints of the scarcity of money. The interest rates rose, but their advance failed to bring out more funds, for the reason that the supply was practically exhausted. The situation bore out the opinion that the time had come for a general increase of bank capital. The Bank of Montreal has taken the initiative in a movement of this kind. It has decided to increase its capital by $2,000,000, which will raise the total capital of the bank to $14,000,000, the rest remaining at $8,000,000. If all the other banks increased their capital in the same ratio, and took out the additional circulation thus provided for, the effect would be remedially felt in the next season of maximum trade activity. Sources of new money, and a considerable volume of it, must be provided either by the old banks increasing their capital largely or by new banks coming into business, or by both. In the last two years old banks have added largely to their capital, and two new banks have opened their doors. But the note issuing power will have to expand more rapidly if it is to keep pace with the growth of production in Canada.

The following condensed data give an impressive idea of the expansion that has taken place in the deposits and paid-up capital of the banks since 1872, and of the extent of their growth as contrasted with the paid-up capital.

	Deposits.	*Paid-up capital.*
1902	$397,178,892	$71,137,510
1897	215,366,232	62,285,196
1887	108,862,227	60,845,788
1878	64,960,151	63,137,640
1872	48,957,482	45,003,435

Increase of capital since 1872	$26,134,075
Percentage of increase	58.5 p. c.
Increase of deposits since 1872	348,121,410
Percentage of increase	717 p. c.
Excess of deposits in 1872 over capital paid up	3,954,047
Excess of deposits in 1902 over capital paid up	326,041,382

In 1872 the capital paid up and the deposits were nearly the same amount, whereas at this date the deposits stand in proportion to the paid-up capital as 5.56 to 1.00, that is, the deposits held by the banks amount to more than five and one-half times their paid up capital.

Canadian bank clearings for the past year at the leading cities, with comparisons, were—

CITIES.	*1902.*	*1901.*	*Increase.*
Montreal	$1,089,970,000	$880,479,000	$209,491,000
Toronto	809,078,559	625,271,306	183,807,[illegible]
Winnipeg	188,370,003	134,199,483	54,17[illegible],52[illegible]
Halifax	88,532,307	87,161,868	1,360,299
Vancouver	54,467,549	47,621,100	6,846,449
Hamilton	45,965,217	42,555,033	3,410,184
St. John	42,424,175	40,388,771	2,035,304
Victoria	28,580,754	30,801,369	2,226,615
Total	$2,356,388,564	$1,897,477,950	$458,910,614

Additional clearings—	
Ottawa	$96,391,290
London, seven months	23,097,539
Grand total	$2,475,877,393

The latest financial institution proposed to be established in Canada is the Bank of Winnipeg. Application will be made at the next session of the Dominion Parliament for a charter of incorporation.

BANKERS APPROVE "MODERN BANKING METHODS."

Many expressions of approval of MODERN BANKING METHODS are being received, the following being representative of a large number of others:

WM. J. BELL, Cashier Rose City (Mich.) Bank: "I enclose you herewith my check for $4 in payment for one MODERN BANKING METHODS. We are well pleased with the book. It should be in every banking house."

BERT E. KUNKLE, Hazleton, Pa.: "Enclosed find my check covering bill for MODERN BANKING METHODS. It is quite satisfactory."

J. M. CRAWFORD, Accountant and Auditor, Cleveland, O.: "I am a subscriber to THE BANKERS' MAGAZINE and also have a copy of MODERN BANKING METHODS. I am very much pleased with both."

AN INTERESTING OPERATION IN EXCHANGE.

[H. M. P. ECKARDT in Journal of the Canadian Bankers' Association.]

Although it happened over thirty years ago, the payment of the indemnity by France to Germany—the result of the war of 1870—has not since been surpassed in magnitude by any other operation in exchange.

The amount, together with the ransom exacted from the City of Paris, reached the stupendous total of 5,200,000,000 * francs, equal to a billion dollars in Canadian money. As it would be utterly impossible for any country even now, no matter how rich and powerful, to provide this immense sum in coin or bullion, it can readily be imagined that it would be much less possible in the early seventies; and a short sketch as to how the money was raised, and the form in which it was paid, may have some interest. This is to be found in Macleod's "Theory and Practice of Banking," Vol. I, page 352—the material, being drawn by the author from M. Leon Say's account which appeared in the *Journal des Economistes*, November, 1874.

The arrangements for raising and transferring the money required the most careful and scientific "thinking out;" so that the operation might be carried through without deranging the money markets of the world, and seriously affecting the machinery for carrying on mercantile business.

The French Government was given from May 10, 1871, till March 2, 1874, to complete the payments. The dates on which they were to be made were as follows: 500,000.000 francs in thirty days after the restoration of order in Paris; 1,000,000,000 francs in the course of 1871; 500,000,000 francs on May 1, 1872; 3,000,000,000 francs on March 2, 1874.

The last payment was to bear interest at five per cent. till paid. The City of Paris being under siege and reduced to straits by the German armies, was forced to pay a ransom of 200,000,000 francs, making up the total of 5,200,000,000.

The Eastern Railroad of France had a portion of its line in Alsace, one of the provinces conquered by Germany; and it was agreed that this should be accepted as set off against the debt of France for 325,000,000 francs. Also when the City of Paris ransom was paid over and came to be adjusted it was found that there was a small balance of 98,400 francs due to the city. This too was set off against the big debt.

Payment could be made in any of the following modes: gold, silver, notes of the Banks of England, Prussia, Holland and Belgium, or first-class bills of exchange; and it was stipulated that notes of the Bank of France should be received to the amount of 125,000,000 francs. The rates at which the money of the different countries was to be accepted was fixed beforehand. The operation was divided into two sections—the payment of the first two billion francs, and that of the final three billion. In the first operation, the pound sterling went in at 25.30 francs, the thaler at 3.75 francs, and so on; in the second, allowance was made for exchange rates being forced up in the different marts by the abnormal and long continued demand of the French Government for exchange, and the pound sterling received credit for 25.43 francs, and the thaler 3.76, and the rest in proportion.

The first necessity was, of course, the raising of the money, to place the Govern-

* The cost of conquering the two South African republics by the British Empire was, in round figures, 295 millions sterling, or half a billion of dollars in excess of the enormous war indemnity which Germany exacted from France thirty years ago as the cost to the former country of the Franco-Prussian campaign.—*Editorial note.*

ment in funds to meet the different payments as they came due. A loan was negotiated with the Bank of France, and two public debts opened for subscription. These debts were to be liabilities of the French nation, and not only Frenchmen but other peoples were invited to subscribe. To receive such subscriptions as might come in from foreigners, and to facilitate the operations in exchange, agents were appointed in London, Brussels, Amsterdam, Berlin, Frankfort and Hamburg—these being the great commercial and monetary centres of Europe, where the greatest supply of bills of exchange would be found. The agents received one-quarter to one-half per cent. commission on the first section of the operation; and on the second one per cent. at first and afterwards one-half and one-quarter. Bills drawn on Berlin were accepted at face value; on other places, less cost of collection.

The subscriptions to the loans being received, the Treasury got its exchange machinery into operation. *En passant* it is noted that the amount of the subscriptions received in foreign bills of exchange was 602,000,000 francs. The authority is not clear on the point, but the writer draws the inference that a large part of this, perhaps the whole, represented subscriptions by other than Frenchmen to the loans.

Such gold and silver as could be spared by the Bank of France and other institutions was gathered up. The German armies had brought with them quantities of German money wherewith to purchase their supplies, etc. This was in circulation throughout France, and, as it found its way into the money centres, was impressed into service. But the gold and the silver, the German money and the setoffs, all together, did not amount to one-quarter of the required sum; and it was necessary to buy over 4,000,000,000 francs worth of bills of exchange. This was the part of the operation that called for the careful handling. The rates at which the bills of the various countries would be taken were fixed. If the French Government could buy them at less than these rates it saved money; if at more, it lost. Moreover, if too great a demand was made for bills, say on London at a certain centre, exchange on London would be certain to rise; and the same with exchange on other places. Wherever exchange on any leading centre was comparatively weak, special attention would be given till the continued heavy purchases forced it up too high; then the attention would be transferred elsewhere. To show how it worked, we quote Dr. Macleod: "The exchange operations in London began in June, 1871, and lasted till September, 1873. The exchange was 25.21¼ in June, but in consequence of acting somewhat too precipitately, it rose to 26.18¾ in October. In 1872, the lowest was 25.26¼ in April, and the highest 25.68½ in November. In 1873, the lowest was 25.33 in March and the highest 25.57½ in June. The mean average of the whole was 25.4943. As we have seen that the pound sterling was to go in at 25.30 in the first, and at 25.43 in the second section of the payment, the Government, therefore, lost money in the London end of the transaction. The same was probably the case in all the others. In the whole operation there were purchased 120,000 bills, all sizes and all sorts."

Again quoting:

"Bank credits, the paper circulating between head offices and branches, circular exchanges, payments for invoices, the remission of funds for the ultimate purchase of merchandise, the settlement of debts abroad to France under the form of coupons, shares, and commercial obligations, were all in these effects, making up the most gigantic portfolio which was ever brought together."

The following is a classification of how the payments were finally made:

	Francs.
Notes of the Bank of France	125,000,000
German bank notes and money	105,039,145
French gold money	273,003,058
French silver money	239,291,875
Compensations (or set-offs)	325,098,400
Bills of exchange	4,248,326,374

It was expected that the strain and effort involved in meeting this tremendous drain would deal a staggering blow to France; but it was withstood nobly, and, in a few years, but few traces remained of any injury. This has always been regarded as a remarkable testimony to the financial strength and recuperative powers of the French nation. It seems that some financial writers of the time maintained that owing to the much smaller quantity of specie she possessed, England could not have raised such a sum if she had met a similar misfortune. As Dr. Macleod points out, the figures quoted above prove these statements to be completely unfounded; because England could pay by "bills," if driven to extremity, to a far greater extent than France.

NOTICES OF NEW BOOKS.

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

The Second Bank of the United States. By Ralph C. H. Catterall, of the Department of History, University of Chicago. Chicago: University of Chicago Press.

It is probable that the banking transactions of this institution have never been so fully collated and set forth as in this work. Students of banking who wish to become familiar with the minute details of the banking operations of the Second Bank of the United States will find here a vast bulk of information of this sort, all seemingly carefully authenticated and recorded with Boswellian fidelity.

Mr. Catterall characterizes the Second Bank of the United States as a great monopoly (page 167). But it was a monopoly more in appearance than in reality. It was probably the only bank enjoying a Government charter, although the Bank of North America contended that its charter from the Government was perpetual. Waiving this point, however, the second Bank of the United States hardly possessed a monopoly of any banking functions. It did not have the sole right to issue notes, was not indeed the only Government depositary, and certainly had no monopoly of the discount and loan business.

There is an air of conscious superiority assumed by the author that must excite the wrath and disgust of every American. On page 168 he says (speaking of the bank's supporters):

"While the enlightened business men would be of more injury than assistance to any cause they supported, for they belonged to that intelligent class whose influence upon American affairs has always been inconsiderable, partly because they are not interested in politics, partly because they are themselves objects of suspicion to the democratic masses."

This is by no means the only expression of contempt for the masses to which Mr. Catterall gives expression. On page 205 he says:

"In the Senate the indefatigable Benton presented a resolution against the renewal of the charter, for the purpose of creating an opportunity to deliver a speech which should arouse the masses against the bank. It was a long, involved performance, revealing abysmal ignorance of banking affairs, but not the less effective on that account, since 'the masses' were even more ignorant than the orator."

Again (page 239) referring to President Jackson's veto of the bill to recharter the bank:

"The financial and constitutional arguments of this famous message have been keenly criticized and whatever may be the validity of its constitutional objections, its economic reasoning is beneath contempt. But the reasoning was its least valuable part, for it appealed to a clientele which was utterly incapacitated from distinguishing truth from falsehood in matters so abstruse."

Does any observing person believe that men of enlightenment do not exert any considerable influence on public affairs in this country at the present time? Perhaps Mr. Catterall is indignant because the people have not always had a very high regard for the particular brand of enlightenment furnished by some of the colleges of the country. Free trade and free silver have not lacked conspicuous support from this quarter, but "the masses," as Mr. Catterall contemptuously styles them, have refused to accept either.

In the sound-money campaign of 1896 it was the views of the most enlightened that prevailed, and after reading Mr. Catterall's history we are inclined to think that "the masses" did the proper thing when they sustained Gen. Jackson in his fight against the Bank of the United States.

The author takes pains to enumerate "the particular advantages of the branch system," and in concluding on this point says:

"It may be added that the branches were sure of more capable management than merely local banks, since they received the attention of able men at Philadelphia as well as that of local directors; that the branches facilitated the distribution of loanable capital owned but not employed in one part of the Union and needed in another; and that the system gave to the managers of the bank much greater opportunities to secure valuable information about business and about men than any other system could furnish. These various advantages, it is safe to assert, cannot be furnished by any bank without branches, and it was in these that the Bank of the United States exhibited its superiority over any other system ever established in the United States.

The defects of the system were, however, great and perilous. In the last analysis *all resolved themselves into a failure to exercise an adequate control over the offices.*"

It should not be overlooked that "the able men at Philadelphia" did not prevent gross frauds and mismanagement at the Baltimore branch. Notwithstanding the alleged fact that the advantages of the branch system rendered the Bank of the United States superior to any other system ever established in the United States, it was, according to the author, the failure to exercise adequate control over the offices that constituted the chief defect of the bank.

Does Mr. Catterall mean to say that a central bank, with the effective control vested in a board of directors at the head office, and the local agents and officers furnished in part at least from the same source, can possibly know as much of local conditions as a bank owned, officered and controlled entirely by local men? His conclusions in many respects lead us to say in his own language, that he is "utterly incapacitated from distinguishing truth from falsehood in matters so abstruse."

Nor can we agree with the concluding judgment on the bank, viz.: "It will have to be acknowledged that the old bank, in its services to the Government, was far superior to any other banking system known in this country." This assertion is certainly open to question. The National banks have furnished a better currency, and surely their services to the Government have equalled and perhaps far exceeded those rendered by the Bank of the United States.

We cannot approve of Mr. Catterall's seeming contempt for the masses of the people of this country. Lincoln was nearer right right when he said: "You can fool some people all of the time, and all of the people some of the time, but you can't fool all the people all the time."

We repeat, however, that we know of no history of the Second Bank of the United States so complete in every respect. It is evidently the result of a long and careful study of original sources.

American Locomotives Abroad.—During the past ten years, the Baldwin Locomotive Works have sent to Japan 255 locomotives; to China, 31; Russia, 379; England, 72; and to other countries, 1,653.

The Rogers Locomotive Works have built 584 locomotives for foreign countries, including Canada, Mexico, South America, Panama, Costa Rica, Cuba, Jamaica, Spain, Australia, New Zealand, Japan and China.

The American Locomotive Company has built locomotives for foreign countries as follows: 265 for Japan, 17 for England, 7 for China, 51 for Russia, and several hundred for the British Colonies, Mexico and Central and South America.—"*American Railroads and Our Commercial Development,*" *by Geo. H. Daniels.*

INTERNATIONAL RELATION OF GOLD AND SILVER.

PROPOSALS FROM MEXICO AND CHINA.

On January 29 the following message and the accompanying papers were laid before Congress:

MESSAGE FROM THE PRESIDENT.

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State, with accompanying notes from the Mexican ambassador and the Chinese chargé d'affaires ad interim, which seek the co-operation of the Government of the United States in such measures as will tend to restore and maintain a fixed relationship between the moneys of the gold-standard countries and the silver-using countries.

I recommend that the Executive be given sufficient powers to lend the support of the United States in such manner and to such degree as he may deem expedient to the purposes of the two governments.

THEODORE ROOSEVELT.

WHITE HOUSE, January 29, 1903.

LETTER OF TRANSMITTAL FROM THE SECRETARY OF STATE.

THE PRESIDENT: I have the honor to submit herewith a translation of a note from the ambassador of the Republic of Mexico and a copy of a note from the chargé d'affaires of the Imperial Chinese Government. Both notes ask the co-operation of the Government of the United States in such measures as will tend to restore and maintain a fixed relationship between the moneys of the gold-standard countries and the silver-using countries. It is not asked that the United States modify its monetary system, and it is distinctly disavowed that any movement is contemplated for the restoration of international bimetallism. The opinion is expressed, however, by the representatives of both governments that consultation between the United States and European powers having dependencies in the Orient and the independent countries where silver money is in general use, may result in the adoption of a monetary system which will prevent the great fluctuations in exchange which now occur in trade with the silver-using countries. If such a result can be achieved—and it is pointed out that at least a partial solution has been proposed in the United States in a bill now pending in the Senate in regard to the Philippine Islands—great benefits will follow to the trade of the world by making easier the access of the products of the manufacturing nations to the markets of China and the other silver-using countries.

The consideration of this subject may have an important bearing also on the payment of the indemnity due by China to certain European powers and to the United States, by enabling the Chinese Empire to put her monetary system upon a basis which will make it possible for her to meet these payments in a manner satisfactory to all the powers. This result, if it could be accomplished, would be of the first importance, not only to the United States and to the other powers having a share in the indemnity payments, but to China herself and her future development.

I respectfully submit for your consideration, that these communications be transmitted to Congress with the recommendation that the Executive be given sufficient powers to lend the support of the United States, in such manner and to such degree as you may deem expedient, to the purposes of the two governments whose notes are herewith submitted.

Respectfully submitted, JOHN HAY.

DEPARTMENT OF STATE, WASHINGTON, January 28, 1903.

MEMORANDUM FROM THE MEXICAN AMBASSADOR.

The serious dangers which are threatened by the recent fluctuations in the value of silver bullion to the commerce both of gold and silver standard countries have determined the Government of the Republic of Mexico to ask the co-operation of the United States in seeking a remedy for these conditions. Safe and profitable trade between any two countries is dependent to a considerable degree upon relative stability in the value of their currencies. This stability is destroyed in the trade between a gold-standard country, like the United States, and a silver country, like Mexico, when the variations in the gold value of silver, as was the case during the year 1902, reach nearly ten cents an ounce in gold in a single year, or nearly twenty per cent. upon the price of silver bullion.

The problem of securing relative stability of exchange between the gold and silver countries is one whose importance is not limited to silver countries, but comes home with force to all those gold-standard countries which are seeking markets for their products in silver countries and are seeking the extension of their trade in the Orient. The importance of this trade is indicated in some measure by the following tables of the imports into certain silver-using countries for the latest year for which data is obtainable, based in some cases upon official figures and in others upon those presented in the "Statesman's Yearbook" for the year 1902, reduced to round figures in American gold coins:

Imports of Certain Silver-Using Countries.

China	$196,934,342	Korea	$5,500,000
Mexico	65,083,451	Bolivia	3,300,000
Philippine Islands	32,141,842	Colombia	11,063,028
The Straits Settlements	150,000,000	Guatemala	1,521,900
Federated Malay States	18,000,000	Honduras	1,074,050
Indo-China	35,750,000	Nicaragua	3,500,000
Cochin China	24,000,000	Paraguay	1,838,710
Tonking	12,300,000		
Siam	12,600,000	Total	$574,627,323

This large volume of imports into the silver countries, exceeding the entire annual import trade of the United States as recently as 1879, comes almost exclusively from the gold-standard countries which are engaged in the manufacture of finished goods for the world's markets and are profoundly interested in the extension of those markets. The table given does not include British India and several silver countries in South America who might become parties to an arrangement for giving stability to the relative value of the money of gold and silver countries.

The volume of exports from the gold-standard to the silver-standard countries is threatened not only by the uncertainty introduced into all transactions, but by the barrier of constantly rising silver prices for foreign goods in the silver countries. Thus, the Republic of Mexico, with the strongest desire to promote a large reciprocal trade with the United States, has not been able to prevent the automatic influence of the rise in silver prices of American goods from acting as a sort of progressive protection against their introduction into Mexico. Recent action by the Government of Mexico, compelled by the necessity of preserving a sufficent revenue for meeting its gold obligations abroad, has placed the import tariff itself upon a sliding scale, which will increase the burden of the silver charges upon merchandise imported from gold countries.

In another respect than the exports to silver countries the trade of the gold countries is threatened by the fluctuations in the value of silver. Silver is a by-product in the production of gold, copper and lead, articles which constitute a large proportion of the annual mineral production of Mexico and the United States and form in both countries important articles of export. From the United States, according to official returns, the exports of copper ingots, bars, etc., for the fiscal year 1902 reached 388,720,655 pounds, of a reported value of $39,190,619, and the net exports of silver were about $21,500,000. These two items, exceeding $60,000,000, constitute nearly five per cent. of the total exports of the United States. It is obvious that if silver, as one of the two products of a given operation, falls greatly in value, it must depress the net price received for both products and thereby diminish the profits and the output of the gold, copper and lead industries of the United States and the value of such products when exported. From Mexico nearly half of the annual exports are of silver, which makes it still more important to her, from a commercial as well as a monetary point of view, that steps should be taken to check the recent fluctuations in the relative value of the money metals.

The large investments of the money of citizens of the United States in railways, mines, coffee plantations, smelting works, and many other enterprises in Mexico, exceeding in amount $500,000,000 gold, according to the last statement of your consul-general, Mr. Andrew Barlow, make the stability of relationship between the moneys of the two countries of direct importance to the United States. The earnings of these enterprises, remitted to American investors, have suffered a serious fall in gold value with every fall in the value of Mexican money, and the principal of the investment has suffered in the same manner when considered from the standpoint of converting it back into gold. It would act at once as a safeguard to existing investments and a stimulus toward their increase, with obvious benefits to both countries, if the money of Mexico could be brought into a stable relation to the money of the United States.

It is not advisable, in the opinion of this Government, that the Republic of Mexico should, under the present circumstances, adopt a pure gold currency, and it desires that some other system might be devised, with the concurrence of other powers, which will give stability of relationship to the money of the gold and silver-using countries. The adoption by Mexico of a gold currency would cause the continued depreciation of an article which constitutes nearly one-half of her exports and would impose a seriously increased demand upon the gold stock of the world. The scale of wages and prices and the habits of the Mexican people are not well adapted to the introduction of gold coin as the principal medium of circulation. The same may be said of the conditions and the people of the Philippine Islands, which are under the authority of the United States; of the Straits Settlements and the Federated Malay States, which are under the authority of Great Britain; of Indo-China, Cochin China and Tonking, which are under the authority or protection of France; of Formosa, which is under the authority of Japan, and of Siam, Korea and China. Even if it were practicable for Mexico to adopt a gold currency for herself, her action would represent but an incomplete and unsatisfactory solution of the problem of the exchanges, because it would not contribute in any appreciable degree toward the solution of the same problem in the countries of the Orient.

It will be noted that the largest volume of imports in the table given above is credited to the Chinese Empire. This large volume of trade, in order to obtain which great military and economic sacrifices have been made by the United States and European powers, is threatened in the present state of the Chinese fiscal and currency systems with partial paralysis, if not with extinction. The heavy indemnity imposed by certain of the powers upon the Chinese Government has led to large offerings of silver on the Chinese market, and has diminished the power of that country to purchase foreign goods to a point which threatens to materially reduce the existing export trade to China from the United States, Great Britain, France, Germany and other countries.

It is with a view to finding a remedy for these conditions, which will preserve the export and carrying trade of the leading manufacturing nations to the silver countries, that the co-operation of the United States is asked in representations to other leading powers in favor of international concert of action on this subject. The Government of Mexico does dot seek the restoration of the free coinage of silver by either the gold or silver-using nations, and does not ask the United States to modify her present monetary standard. It is recognized by this Government that bimetallism, in the sense of the free coinage of both metals, is a policy which has been definitely discarded by leading powers of Europe and by the United States and that it would be futile to ask its restoration.

It is, therefore, not the expectation nor the wish of this Government that the gold-standard countries should take any action tending to impair their monetary standard or to make material changes in their monetary systems. It is desired that the governments of gold countries having dependencies where silver is used and the governments of silver countries shall co-operate in formulating some plan for establishing a definite relationship between their gold and silver moneys and shall take proper measures to maintain such relationship. One such plan has already been proposed in both Houses of the Congress of the United States with reference to the Philippine Islands. It is this and other plans designed to accomplish the same end which the Government of Mexico would be glad to have considered by the United States and other governments with the view to the adoption of the best attainable monetary arrangement by those countries which are not prepared under existing conditions to adopt a currency system involving the general use of gold coins.

The co-operation of the United States with the Republic of Mexico in presenting this subject to other governments would, in the opinion of the latter, aid greatly in securing a prompt and satisfactory solution of an economic problem which threatens the ruin of the silver-using countries on the one hand, in the vain effort to meet increasing gold obligations abroad, and which threatens also the commercial prosperity of the gold-using countries by destroying the purchasing power of their customers. It seems that it would contribute materially to the permanent and satisfactory settlement of this problem if Great Britain and France, with their important colonial possessions in Asia, and if Germany, Russia, and other countries having large commercial and territorial interests there, would unite with the United States and Mexico in the adoption of a common standard for a new coinage system in the silver countries; in recommendations for the readjustment of the fiscal and monetary relations of China with the other powers which would permit that country to continue to be a user of silver and a purchaser of the products of the manufacturing nations, and in such provision for their own subsidiary currencies as would tend to promote stability of relationship between their gold and silver money.

Mr. Shen Tung, First Secretary and Charge d'Affaires, in presenting the memorial of the Chinese Government, made the following reference to the table showing the imports of certain silver using countries:

"It will be noted that the largest amount of imports in the table given above is credited to the Chinese Empire. This large volume of trade is threatened in the present state of the Chinese fiscal and currency systems with a decline, the limit of which no one could foresee. The heavy indemnity imposed by certain of the powers upon the Chinese Government has led to large offerings of silver on the Chinese market, and has diminished the power of that country to purchase foreign goods to a point which threatens to materially reduce the existing export trade to China from the United States, Great Britain, France, Germany, and other countries.

The foreign trade of China, while standing at the head of the above table in the order of magnitude, is small in proportion to the population and resources of the Chinese Empire. The exports from the United States to China have multiplied manifold within twelve years and now exceed $24,000,000. The present volume of imports of merchandise into China, however, amounts to only about fifty cents per capita in gold, and affords but a slight measure of what the trade of China might become if expanded in the future as rapidly as even that of Japan, which has advanced in ten years from about $1.25 to nearly $3 per capita. An import trade of $3 per capita for the Empire of China with its nearly 400,000,000 people, would represent the enormous sum of $1,200,000,000, or one-third more than the largest amount ever attained by the import trade of the United States. The encouragement of a commerce so important as this seems to the Chinese Imperial Government to be worthy of the most serious consideration of the Western powers. It would afford an outlet for the produce of labor of many thousands of workers of Europe and America, and employment for many millions of the capital of those nations, and would dot the Pacific and Indian Oceans with the flags of a carrying trade as large as that now required in the entire commerce between Europe and the United States.

While a readjustment of the currency of China upon a stable relationship with that of the gold-standard countries would not in itself, perhaps, accomplish so tremendous a revolution as would be involved in the creation of a trade of more than a thousand millions, yet it would be one of several steps in that direction which would contribute greatly to accelerate an event of such paramount importance to the capitalists and the producing masses of the Old and New Worlds. The necessity is becoming more and more keenly felt by American and European manufacturers for the opening of new and the extension of already existing markets in every direction for the absorption of their goods in order that means may be found for relieving overproduction and affording profitable returns to the investment of capital. China, with her immense population and consequently large potential capacity for absorbing foreign products, offers a most important field for American and European manufactures, the ready absorption of which would tend to relieve overproduction and contribute materially to the prosperity of the manufacturing nations.

If results such as these are within the range of the influence of a reorganization of the monetary system of China in harmony with the system of other powers where silver is the principal money in use, it is evident that the Chinese Imperial Government acts from no narrow and selfish motive in asking the United States and the Republic of Mexico to join her in seeking an international arrangement for securing greater fixity of relationship between the moneys of the gold and silver countries.

Questions of finance and economics should be considered in all their bearings, with due attention to their far-reaching effects and not merely upon results which bring immediate benefit. Important as are the indemnity payments to the several powers, and ready as China is to meet them to the best of her ability, they represent but a trifling proportion of the benefits which may be derived by the Western powers from a policy which would give to China a permanent, uniform monetary system and make her a wide market for the products of American and European factories and workshops."

The other views submitted by the Chinese Government are almost identical with those communicated by Mexico.

In the Senate on February 7 Senator Patterson introduced the following:

"That the President of the United States be, and he is hereby, authorized to invite the Governments of Great Britain, France and Germany, and of such other gold-standard countries as he may deem proper; and of the Governments of Mexico and China, and of such other silver-standard countries as he may deem proper, to appoint representatives to meet with representatives to be appointed by the President of the United States, at the city of Washington, or at such other city as may be deemed convenient and suitable, to take into consideration and to devise and suggest a plan, for adoption by the several governments, by which a fixed commercial exchange relation shall be established and maintained between the silver coin of the silver-standard countries and the gold coin of the gold-standard countries, and that when such a plan shall be agreed upon by the delegates of the countries herein specifically named with those of the United States, the President shall report the same to Congress, and upon its approval by Congress the President shall use the good offices of the United States to secure its adoption by other governments."

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

STATE OF MAINE.

BANKING DEPARTMENT, AUGUSTA, December 1, 1902.

To the Honorable JOHN F. HILL, *Governor, and the Executive Council of the State of Maine:*

In compliance with statute requirements the Bank Examiner has the honor to submit herewith the forty-sixth annual report of this department, for the fiscal year ending December 1, 1902, containing an exhibit of the general conduct and condition of all banking institutions operating under authority of the laws of this State.

Each of these institutions has been duly examined, the statements thus obtained published in some local newspaper and the usual return received from the treasurer and trustees, all of which are included in this report as required by law.

The classes, number and assets of these institutions are as follows:

Savings banks	51	$77,858,815
Trust and banking companies	18	17,035,941
Loan and building associations	34	2,854,626
Total	103	$97,744,383

While the number of institutions reported remains the same as last year their assets have increased $5,048,506. This increase is very nearly the same as that for 1901, showing that the prosperous condition of our banks then reported has continued during the present year. Such an increase in the deposits of these institutions could not occur, even during the present time of general prosperity, unless our people had that confidence in their soundness and good management which their condition warrants. The total assets of these State institutions make a per capita of $140.78 for the inhabitants of the State, while that for 1901 was $133.47—a gain of $7.31.

The depositors in Savings bank and trust companies and the shareholders in loan and building associations now number 237,740, as against 226,813 at the date of our last annual report—a gain of 10,927. The aggregate funds now in all of these institutions, belonging to depositors, amount to $93,748,103, as against $89,062,486 in 1901, being a gain of $4,685,617 in one year. The *pro rata* to each patron is $394.33, as against $392.58 last year. As quite a portion of the gain in amount of assets comes from the dividends and interest added to depositors' accounts, it follows that the new deposits have been made up largely of small amounts.

The profits actually distributed to depositors and stockholders during the year have been $2,810,540, as against $2,730,166 last year. This is a gain of but $80,373 in net profits to the patrons of these institutions, and is proportionally much less than the increase in deposits. The total amount paid to depositors and shareholders, after deducting the dividends on the capital stock of the trust companies, amounts to but $2,693,590, the increase in this amount being but very little more than one per cent. on the amount of increase in deposits. This fact is suggested as an evidence of the reduction in the earnings of these institutions from previous years. It is no different from the results expected, and as a matter of fact, predicted in former reports.

Each class of institutions, as required by law, has set aside a portion of its net earnings as a reserve to protect against future losses and contingencies. The increase in the amount of this fund during the year has been $378,876. While this amount in the aggregate seems quite a large sum, it is less than one-fourth of one per cent. of the present assets, and is no more than is required by law, and no more than experience has shown to be necessary to insure their future stability. During the same time their undivided profits have increased above the amount distributed by $294,773. The larger portion of this increase in undivided profits, when the amount of assets in each class is taken into consideration, has been in the trust companies.

NATIONAL BANKS.

A statement of the resources and liabilities of the eighty-six National banks doing business in this State, reported by the Comproller of the Currency as of November 25, shows an increase of two in the number of this class of banks and of $1,947,066 in their assets during the year. The combined assets of the State banking institutions and these National banks are $146,854,910 while those reported last year were but $139,859,337, being a gain of $6,995,573 in the authorized banking capital of the State during the period covered by this report. The increase in the banking capital of the State for two years has been $13,633,728. This amount very nearly equals the increase for the same period in the total valuation of the State as given by the State Assessors. These total assets give a per capita of $211.46 in the banking capital of the State, an increase of $10.07 over that of last year.

Savings Banks.

The growing tendency of education at public expense is in the direction of better training for the practical duties of life, better training for the responsibilities of intelligent citizenship. This practical training of the public schools is materially aided and emphasized by the still more practical teachings of our State institutions of saving. Of our people 203,273 are now their patrons—are daily learning the lesson of economy which such institutions alone can teach—are thus daily adding to their own future comfort and competence, while contributing in no small measure to the general prosperity of the State. Many thousands of these patrons are the boys and girls of the present who are thus acquiring in early life habits of industry, economy and thrift that will make them better men and women of the future.

To encourage all this has long been the wise policy of the State. Our system of Savings banks has resulted from this very policy.

There are fifty-one Savings banks now doing business in the State. The following is an exhibit of their resources and liabilities on October 25, 1902, and a comparison with those of October 26, 1901:

Resources.	*1901.*	*1902.*
United States and District of Columbia bonds	$1,919,200	$1,845,200
Public funds in Maine	2,094,520	2,828,103
Public funds out of Maine	16,225,820	16,665,151
Railroad bonds in Maine	6,043,968	6,841,123
Railroad bonds out of Maine	23,658,742	24,907,633
Corporation bonds in Maine	3,912,841	4,033,852
Corporation bonds out of Maine	591,387	601,237
Railroad stock in Maine	767,621	862,856
Railroad stock out of Maine	459,484	400,852
Corporation stock in Maine	585,553	539,653
Corporation stock out of Maine	85,644	67,972
National bank stock in Maine	2,332,847	2,111,757
National bank stock out of Maine	94,051	84,496
Other bank stock in Maine	105,050	85,450
Loans on mortgages of real estate	7,991,937	8,212,635
Loans on collateral	2,936,635	3,107,095
Loans to municipalities	728,351	641,763
Loans to corporations	1,199,893	1,038,887
Real estate	1,023,706	1,033,657
Furniture and fixtures	36,182	37,529
Premium account	497,006	489,048
Expense account	32,520	53,159
Other resources	18,100	10,288
Cash	1,282,605	1,354,409
Total resources	$74,623,171	$77,858,815
Liabilities.		
Deposits	$70,293,938	$73,102,924
Reserve fund	2,468,025	2,777,374
Special reserve fund	21,827	20,374
Profits	1,837,044	1,952,741
Other liabilities	2,336	400
Total liabilities	$74,623,171	$77,858,815
Number of depositors	194,923	203,273
Average to each depositor	$360	$359
Average rate of dividends paid	3.30	3.26
Amount of dividends paid	2,204,022	2,263,120
Municipal tax	18,264	18,649
State tax	500,733	537,720

The above statement shows an increase of $3,230,644 in the total assets of Savings banks for the year, while last year the increase was $3,546,959. The gain in deposits alone has been $2,808,985, being $244,513 less than the gain in this item in 1901. The amount deposited during the year, including dividends credited, has been $16,827,734, the amount actually received from depositors being $14,064,613. The amount withdrawn during the same time has been $13,518,748.

Classification of Deposits.

EXHIBIT A.	*Number of depositors.*	*Amount of deposits.*
Deposits of $500 and less	157,143	$18,764,584
Deposits of over $500 and not over $2,000	42,623	44,372,036
Deposits of over $2,000 and not over $5,000	3,305	8,172,579
Deposits of $5,000 and over	202	1,793,743
	203,273	$73,102,924
EXHIBIT B.		
Deposits of $500 and not over $2,000	199,706	$63,136,600
Deposits of over $2,000	3,507	9,966,323
	203,273	$73,102,924

RESERVE.

The total amount of the reserve fund at the present time is $2,777,374, being 3.79 per cent. of the deposits. This is a gain of $300,349 in that fund during the year, while the gain for 1901 was $146,339.

Our statute has for years required each Savings bank semi-annually to carry from its profits to this reserve fund, an amount equal to one-fourth of one per cent. of the average amount of its deposits. Notwithstanding this accumulation has been thus continued from year to year, it now appears to be much within the limit of the five per cent. fixed by law. In 1892 the per cent. of this accumulation to the deposits was 4.16, while as stated above it is now but 3.79. Thus it appears that the amount required by law is none too large to meet the purpose for which it is set aside.

INVESTMENTS.

The following table shows the classes, and the amount and percentage of assets in each class, now held by Savings banks, and a comparison with those for 1901. For the purpose of showing the gradual change in the percentage of these different holdings for ten years, those for 1892 are also given:

RESOURCES.	1902. Amount.	1902. Percentage.	1901. Percentage.	1892. Percentage.
U. S. and District of Columbia bonds	$1,845,200	2.37	2.57	1.25
Public funds in Maine	2,828,103	3.63	2.81	1.90
Public funds out of Maine	16,665,151	21.41	21.74	28.30
Railroad bonds in Maine	6,841,123	8.79	8.10	6.34
Railroad bonds out of Maine	24,907,633	31.99	31.70	19.44
Corporation bonds in Maine	4,033,852	5.18	5.24	5.23
Corporation bonds out of Maine	601,237	.77	.79	.79
Railroad stock in Maine	862,856	1.11	1.03	.71
Railroad stock out of Maine	403,852	.52	.62	.73
Corporation stock in Maine	539,653	.69	.78	.50
Corporation stock out of Maine	67,972	.09	.11	.06
National bank stock in Maine	2,111,757	2.71	3.13	4.26
National bank stock out of Maine	84,496	.11	.13	.63
Other bank stock in Maine	85,450	.11	.14	.18
Loans on mortgages of real estate	8,212,635	10.55	10.70	12.66
Loans on collateral	3,107,095	3.99	3.94	9.32
Loans to municipalities	641,763	.82	.98	.70
Loans to corporations	1,038,887	1.33	1.61	2.36
Real estate investment	545,168	.70	.72	.87
Real estate foreclosure	488,488	.63	.66	.87
Furniture and fixtures	37,529	.05	.05	.03
Premium account	489,048	.63	.67	.97
Expense account	53,159	.07	.04	.03
Other resources	10,288	.01	.02	.02
Cash	1,354,409	1.74	1.72	1.85
Total	$77,853,815	100.00	100.00	100.00

This is an increase during the year of $733,583 in the public funds in Maine; $439,881 in the public funds out of Maine; $797,155 in the railroad bonds in Maine; and $1,248,891 in the railroad bonds out of Maine.

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The investment law is the most important of those regulating the affairs of Savings banks. It lies at the very foundation of the success and permanency of this system of banks. In most instances the officials of these institutions would invest safely and wisely without restriction of law. But experience shows that they can not be successfully conducted as a whole without such statute limitations. As a matter of fact, mutual Savings banks have never been successfully conducted in any State or country unless placed under such regulations. And as a rule they have also been the most prosperous in those States restricting such investments to the highest grade of securities. This is because the losses in the better classes are enough less to more than make up for the smaller income they pay.

The present investment law has been amended and changed until its original provisions are lost in the confusion that has resulted therefrom. It is often difficult for the most experienced to determine the proper construction of some of its provisions. Many of the regulations, especially those relating to investment in the securities of corporations, were enacted under vastly different conditions from those that now exist. At the time these provisions were incorporated into the statute there were but few corporations within the State seeking investment capital, excepting quasi-public corporations like railroads and water companies. Conditions have changed in this respect. Much of the ordinary business of the State is now conducted by corporations, organized under general provisions of law, and having less legal responsibility than the individuals who formerly did the same business. Thus, under the present investment law, Savings banks are permitted to make loans to corporations almost without restriction, while they are forbidden making similar loans to natural persons whose property is all holden for the payment of their debts. Because of this change in the conditions and methods of doing business, our statute permits investments which the Legislature never intended to authorize.

On the other hand the difficuly of obtaining securities paying a reasonable income makes it important that all new fields of investment within the lines of reasonable safety be made available for the employment of these funds. To illustrate, the law limits investments in railroad securities of other States to bonds secured by first mortgage. The trunk lines of steam railroads, as now existing, have usually been made up by consolidating several independent corporations, each having outstanding bonds secured by mortgage on its original property. When new bonds are floated by these great systems it is rare that the mortgages securing their payment are a first lien upon all of the property covered. It is difficult, therefore, to find first-class steam railroad bonds that come within the strict letter of our investment law, for such bonds are now rarely issued excepting by electric railroads and the smaller and new steam railroads. Thus are the banks barred from investing in securities of the great trunk lines of railroads, because of the very provisions of law that are presumed to compel them to invest in only the safer classes of securities, while they may purchase the weaker and untried securities of the electric and small steam railroads. This is simply another illustration of the fact that this statute is not applicable in many respects to present conditions. Instances might be cited showing the need of changing other provisions of this law for similar reasons.

Attention is not called to these conditions, however, for the purpose of recommending changes at the present time. This matter should not be acted upon without the most careful consideration. It requires more investigation and study than any committee of the Legislature could possibly give to it unless the whole matter had been carefully prepared in advance for their consideration. The State has created these institutions and caused the accumulation of the funds they hold. It is now morally responsible that they be handled with all the care and prudence possible. For these reasons it would be well to authorize some one or more persons to make a careful and extended study of the subject of investments and report their conclusions in the form of a new law to the next Legislature, to the end that the matter may have intelligent consideration.

Earnings on Various Classes of Investments.

The gross income of the banks must be applied as follows: Three-fourths of one per cent. to the payment of the State tax; approximately one-fourth of one per cent. to the payment of expenses of management, including municipal taxes; and one-half of one per cent. to the reserve accumulation provided by law. The balance remaining then becomes available for the payment of dividends.

Now what rate of dividends can the Savings banks pay from a gross income of four per cent. after making the above deductions of three-fourths of one per cent., one-fourth of one per cent. and one-half of one per cent., or a total of one and one-half per cent.? This apparently leaves them a net income of only two and one-half per cent. for that purpose.

Naturally it is asked, how are the banks able to pay an average dividend of three and one-fourth per cent. upon their present income? It is possible only because of their large amount of investments, made under different interest conditions, and yielding more income than those made during the period covered by this investigation. These old investments are fast maturing, however, and are being replaced by those bearing the present or lower rate of interest.

Attention is also called to other conditions that, to some extent, assist the banks in paying the present average dividends from the earnings received. It is the income upon the reserve fund itself and the small margin of advantage the banks obtain upon short time deposits, upon which no interest accrues. While this does not seem to be a very material amount, yet it must in the aggregate give the banks the advantage of about one-fourth of one per cent. in their net income.

The following table shows the classes of investments, the amount of each purchased and the average rate of income obtained thereon for the official years 1901 and 1902:

Classes of Investments.	1901.		1902.	
	Amount purchased.	*Average rate of income.*	*Amount purchased.*	*Average rate of income.*
Public funds in Maine	$339,726	3.31	$909,183	3.28
Public funds out of Maine	2,886,250	3.23	1,474,500	3.39
Railroad bonds in Maine	933,100	3.62	802,150	4.27
Railroad bonds out of Maine	4,589,575	4.15	2,846,617	4.22
Corporation bonds in Maine	346,300	4.46	323,100	4.42
Corporation bonds out of Maine	29,000	4.56	29,750	4.47
Total	$9,123,951	3.79	$6,385,301	3.92

Dividends.

The following table gives the rate and amount of dividends paid by Savings banks during the year covered by this report, and a comparison with those of 1901:

Rate of Dividend.	1901.		1902.	
	Number of banks.	*Amount of dividends.*	*Number of banks.*	*Amount of dividends.*
Four per cent. paid by	5	$76,730	2	$12,743
Three and three-quarters per cent. paid by	....	......	2	48,559
Three and one-half per cent. paid by	20	1,559,347	18	1,425,430
Three and one-quarter per cent. paid by	3	93,323	3	142,495
Three per cent. paid by	23	474,620	26	633,890
3.26 average rate, 1902	51	$2,204,022	51	$2,263,120

The average rate of dividends paid has been 3.26, while that of 1901 was 3.30. Only two banks, having deposits amounting to $852,870, have maintained their dividends at four per cent. Eighteen, with deposits amounting to $43,371,798, have paid dividends at the rate of three and one-half per cent. for the year.

Taxes.

The amount of taxes paid to the State for the year has been $537,720, as against $500.733 last year—an increase of $36,987. The increase in the amount of this tax for two years has been $88,892. This is more than would have resulted from the increase in deposits alone, and may be attributed in part to the reduction in the amount of Government bonds held, which are exempt from taxation.

The increase in the amount of this tax over that of 1892, the last year under the old rate, is $172,947. This is an increase of forty-seven per cent. in the amount of the State tax, while the deposits have increased but thirty-seven per cent. during that time. No part of this increase can be attributed to a decrease in the holdings of Government bonds as the amount of these holdings is in excess of that of 1892. The difference in proportionate increase is principally due to the provisions of the tax law of 1893. Previous to that time the tax was laid upon the average amount of deposits alone, while now the average of the reserve and undivided profits is included therewith. Again, the present tax rate is five-eighths of one per cent. upon investments in the State, and seven-eighths upon investments out of the State. As has already been explained, the larger part of the increase in assets of these banks must necessarily be invested out of the State. For this reason, as the proportion of these classes of investments changes, the average rate of tax paid increases by force of the law itself. When enacted, this law was not intended as a measure to increase the amount of taxes paid by Savings banks. It was designed solely for the purpose of encouraging the investment of their funds within the State. It appears, however, that ten per cent. of the increase in the amount of their taxes is due to its effect.

Reasonable and equitable taxes wisely expended produce good results, while unnecessary and excessive taxes are always burdensome, no matter how great the ability of the tax-payer to meet them. All agree that it is necessary for the State to collect sufficient revenues, in the form of taxes, to meet the expenses of Government, and all agree that the deposits in Savings banks should pay their just portion of this amount. Care should be taken, however, not to impose upon any particular class of property more than its just portion of these burdens. Certainly no one wishes to place a prohibitive tax upon Savings banks—a tax that will embarrass or imperil their future—as it is generally admitted that they are among the most beneficent institutions of the State.

It is a most embarrassing responsibility for any official of the State to urge a measure tending to reduce its revenues. But the State's policy toward these institutions in the past clearly makes it the duty of the Bank Examiner at this time to recommend a reduction in the rate of their tax, for the same reason that he would urge other needed changes in the regulation of their affairs. Former bank examiners have frequently called attention to the amount of taxes paid by Savings banks. They have always treated the matter fairly and conservatively. They never have been influenced by any thought of personal advantage, as there could have been no possible consideration of the kind to prejudice them in favor of these institutions. But they have invariably urged that the deposits in Savings institutions, made up as they are principally of the small savings of those in moderate circumstances in life, ought not to be taxed to such an extent as to discourage their future accumulation; that the indirect benefits derived from the teachings of these institutions entitle them to the same consideration given our schools and charitable institutions; that if the State desired to regulate their affairs solely with a view of obtaining the largest possible income therefrom, even then a lower rate of taxation would give better results; that a reduction in the rate of this tax, as in 1882, would in time increase, rather than diminish, the amount collected; that the larger portion of nearly all other classes of personal property escapes taxation altogether, while every dollar deposited in the Savings banks is found and made to pay its contribution to the State; and that the rate of taxation upon savings deposits in this State is higher than in any other State or country where mutual Savings banks exist.

Since the above reasons for a reduction in the rate of this tax were presented, conditions have materially changed. These reasons still have force, but there now appears to be a much stronger and more urgent reason why relief should be granted. It is in consequence of the decrease in the possible earnings upon their investments and the necessary reduction of their dividends. The question now is not what dividend depositors ought to have, or ought to be satisfied with, but what they will be satisfied with and not withdraw their deposits. It is not what taxes the banks ought to pay, but is purely and solely a question of what they can pay, and continue business.

These banks were created because it was thought that they would become a public benefit. They are not the result of private and special legislation, enacted for the purpose of giving private individuals franchise rights for their own profit and advantage. In no instance have those who patronize such institutions attempted to organize them or to obtain legislation regulating their affairs. Their funds have been accumulated because the State has considered it good policy to maintain such institutions in order to teach our people lessons of thrift and economy, and to accumulate their small savings, thus making such sums available as business capital to be used in the development of the industries of the State. Strict laws have been enacted limiting the investments of these institutions, thus limiting and restricting their possible earnings. Up to the present time, the results obtained for the depositors have been so satisfactory that their accumulations have increased until they are now the largest aggregation of capital in our State. The State at the same time has directly profited by this policy, as these institutions have, since 1872, paid into its treasury $9,119,172, and are now paying about one-fourth of its revenue, and that too upon a class of property that elsewhere would yield but little in the way of taxes.

It is of the utmost importance that these institutions should be able, at all times, to return to their depositors the full amount of the principal standing to their credit. If it is desired to retain such deposits and continue their increase, it is also necessary to pay the depositors a satisfactory rate of interest. It is generally believed that three per cent. is the lowest rate that depositors would accept without at once withdrawing their deposits. This is thought to be the dead line across which no Savings bank can pass with safety. It might be possible for an individual institution temporarily to pay a less rate, without losing its deposits, providing the depositors fully understood the circumstances, yet this would be a dangerous experiment. It is, therefore, necessary that these banks in some way obtain a gross income sufficient to give this net result, after paying taxes and expenses and setting aside the reserve required by law. The banks recognize this fact and are making their investments with a view of obtaining an income that will give this result.

The necessity for such an income has shaped the investments of all Savings banks during the past few years, and materially changed the percentage of the different classes of their holdings. The margin of difference in the income to be obtained from the different kinds of securities is so small that a change of one-fourth of one per cent. in the gross earnings would change the whole character of their investments. Had the rate of the tax been reduced seven years ago—when such a reduction was first urged by myself—and the saving in profits been used to purchase a better grade of investments, the banks could have maintained their former high percentage of municipal and high-grade steam railroad bonds, and at the same time have continued their holdings of Government bonds sold during the past two years. To repeat, a reduction of one-fourth of one per cent. in the rate of taxation would probably have entirely changed the whole character of these institutions, and safeguarded them against any crisis that could possibly arise in the future. To some extent the rate of interest upon different investments depends upon the degree of safety they offer. A high rate of income now may mean danger in the future. A low rate of income now means absolute safety under any condition in financial affairs that can possibly arise. It is better to keep the principal secure, even though it results in the payment of smaller dividends and ultimately in liquidation. The banks should only consider investments assuring absolute safety.

The amount of this tax as actually assessed for the six months ending the last Saturday in October, 1902, was $271,889. If computed with a horizontal reduction of two-eighths from the present rate, making an average of one half of one per cent. instead of three-fourths as now, it would have been $182,701. If computed upon the same basis of reduction in rate, with the discrimination between investments acquired prior and subsequent to 1893 eliminated, it would have been $184,613. With prosperous times, satisfactory dividends and a condition of the banks assuring public confidence, there would be a natural increase in these deposits of approximately $3,000,000 annually. Thus, under such conditions, with the present rate of taxation there would be an annual increase of from $20,000 to $25,000 in the amount of this tax. If the rate be reduced as suggested, and other conditions remain the same, the annual increase in the amount of this tax would be from $15,000 to $18,000. From the above, it is estimated that at the reduced rate this tax next year would be approximately $380,000, or about the same as that paid five years ago. This increase in deposits, and consequent increase in the amount of taxes, would be still greater did not the low rate of dividends now paid lead to the deposit of a portion of such savings in trust companies and National banks. Trust companies now pay a tax of one-half of one per cent. upon this class of accumulations. If the Savings bank tax should be reduced to the same rate, it could make no difference in the revenues of the State in which of these classes of banks savings deposits might be found. When deposited in National banks, however, they escape taxation entirely, although the depositor is liable to pay a municipal tax thereon. As the National banks pay no tax upon such deposits, they can afford to pay higher rates of interest than can Savings banks. Thus the present policy of the State drives these funds from institutions under its own control to banks where, under any law yet enacted, they escape taxation altogether. The total annual accumulation of savings deposits in all kinds of banks in the State must amount to at least $5,000,000. In the estimates made it has been assumed that but $3,000,000 of this increase would go to the Savings banks. Even this conclusion is based upon the presumption that the rate of taxation upon this latter class of banks will be reduced, and that they will thus be able to maintain approximately their present average rate of dividends.

Only one reason is assigned why these banks should not be granted this reduction in taxes. It is that these institutions are now used to a large extent by people of wealth for the deposit of their funds for investment. This view is held by many who are thus prejudiced against these institutions. A very brief investigation, however, must convince them that this idea is erroneous. A careful study of the statistics given in this report, under the title "Classification of Deposits," shows that this can not be true. The depositors in these institutions now number 203,273. The average to each depositor is $359.62. Depositors to the number of 199,766 have $2,000 or less standing to the credit of each, while there are only 3,507 accounts with a balance above that sum. These larger accounts are made up principally of trust funds, which if otherwise invested would pay no tax. These figures alone completely answer the assertion, excepting that occasionally one individual may have deposits in several different banks. While it is admitted that there are more or less deposits of this kind, it is denied that such deposits make up any material portion of the total amount. It is also suggested that such deposits are not desirable for the Savings banks to hold, and that this department in 1898 urged legislation so limiting the amount that no one individual could have over $2,000 in the Savings banks of this State and receive dividends thereon. This was not urged for the reason that these depositors were escaping taxation, but solely because the banks were being embarrassed by the amount of new deposits.

TRUST AND BANKING COMPANIES.

In the following table is presented a statement of the resources and liabilities of the trust and banking companies, October 25, 1902, and a comparison with those of October 26, 1901:

RESOURCES.	*1901.*	*1902.*
Demand and time loans	$6,461,048	$7,860,606
Mortgages of real estate	1,173,143	1,420,801
Stocks and bonds	4,966,845	5,135,097
Trust investments	180,211	143,618
Sinking funds investments	595,877	614,431
Real estate owned	224,418	216,079
Due from other banks and bankers	1,096	2,547
Expense account	25,538	26,454
Furniture and fixtures	112,995	108,000
Cash on hand and on deposit	1,499,081	1,482,899
Other resources	17,573	25,918
Total resources	$15,207,325	$17,035,941
LIABILITIES.		
Capital stock	$1,626,800	$1,676,800
Surplus	381,100	446,150
Undivided profits	592,700	769,755
Time deposits	4,488,374	5,265,675
Demand deposits	6,447,626	7,171,196
Certificates of deposits	618,837	562,880
Trust department	131,709	165,794
Sinking fund for corporations	615,478	671,349
Unpaid dividends	847	773
Deposits for coupons	19,095	39,907
Treasurers' checks outstanding	14,820	26,968
Due to other banks and bankers	33,015	40,205
Bills payable	115,500	96,854
Other liabilities	121,919	99,606
Total liabilities	$15,207,325	$17,035,941
Number depositors, time deposits	11,749	13,634
Number depositors, demand deposits	10,315	10,643
Number depositors, certificates of deposit	1,753	1,935
Total number of depositors	23,817	26,212
Amount of dividends on stock	$103,220	$116,950
Amount of interest paid on time deposits	170,627	164,229
Amount of interest paid on demand deposits	97,206	121,221
Total profits distributed	$371,053	$402,380
Average rate per cent. of dividends paid on stock	6.34	7.50
Average rate per cent. of interest on time deposits	3.41	3.37

The proportionate gain in the trust and banking companies during the year, based on their total assets and on the number of banks, exceeds that in any other class of banking institutions doing business in the State. This increase in their assets as well as in their earnings indicates that they have had a most prosperous year. Considering the fact that they have but recently entered a field which was fully covered apparently by the National banks, with which they are in direct competition, their growth is remarkable and indicates that they must be a convenience in the business and financial affairs of our State. While they are at some disadvantage in their competition with National banks, because of the tax of one-half per cent. on their saving deposits, yet they seem fully able to conduct a prosperous and progressive business. This result may be due to some extent to the liberal provisions of the charters under which they are operating, but to a still greater extent is it due to the energetic and wise management of those who have them in charge.

FREMONT E. TIMBERLAKE, *Bank Examiner*.

MINNESOTA.

We have in this State the best banking law on any statute books in the world, and it is my opinion that it is the duty of the department—under our law—not only to see that the bookkeeping is properly done and that the investments are made within the provisions of law, but I believe that the department should see to it that the securities are sound and that the investments representing the assets of the bank are of the full and actual value at which they are carried on the books. This, in addition to the fact that every officer and director should be required to perform his entire duty under the statute and the recognized commercial law of good business. When you consider that in the financial corporations under the supervision of this department there are over seventy-five millions of dollars invested, you can understand the importance of this view of the case. At this time I wish to say that the management of the various banks and financial institutions have given me their most hearty co-operation in the performance of my official duties.

The following will be of some value as showing the scope of investigation covered in the bank work. The cash is first counted and the cash book, the journal, the individual and general ledgers, the trial balances, the time and demand certificates of deposit and the registers thereof, the Cashier's checks, the bills receivable, the accounts due from banks, the collection register, the minute book, stock book, stock register and stock ledger, all have to pass a thorough examination, and if any differences exist therein, efforts are made to locate them, and if the differences cannot be found, the same are charged or credited out, as the case may be, so that the several accounts will actually agree with the balances reported in the ledger. Every piece of paper and evidence of asset is carefully gone over to see if it is complete in every respect as to form, signature, endorsement and recording. The many legal technicalities, if any of them should be imperfect, may cause a loss to the bank. Then the past-due paper must be gone into very thoroughly. All the notes and other assets of the bank must be listed to see if the required amount is on hand. The outstanding certificates of deposit and Cashier's checks must be listed to see whether the account on the ledger is correct. The multitude of different lines of investigation, which embraces a general knowledge of the value of all the assets, must be gone into by the examiner and the same brought to a satisfactory standard of value. I have given especial attention to the eradication of doubtful and past-due paper, overdrafts, cash items and excessive loans, and am pleased to say that where we have found any of the irregularities above stated, we have been successful in eradicating the same, and I am firmly of the opinion that there is very little of any kind of questionable asset among the $75,000,000 in the resources of our financial institutions.

Growth of our State Banking System.

The growth of the State banks in number, strength and the confidence of the people of this State is a source of great pride and congratulation. Since the last biennial report of this department was issued there have been seventy-eight new State banks chartered; the number liquidated by transformation into National banks, or otherwise, is twenty-one, leaving a net gain of fifty-seven banks.

In 1880 the National banks of this State had $2.92 of assets to $1.00 held by the State banking institutions; the latter have gained until now the ratio stands at only $1.51 of National bank assets to $1.00 of State bank assets.

Taxation of Banks.

Our State law very properly requires that a certain amount of undivided profits shall be set aside as a permanent surplus, and this, together with the capital, is used as a basis of taxation. To these two items is added the undivided profits.

The undivided profit account is of a problematical value, prospective profits making up a very large per cent. of the credit side and all losses on account of bad debts, payment of extraordinary expenses and interest on time deposits must come out of it. As a safeguard to the depositors, the banks should be given an incentive to build up a large permanent surplus and undivided profits account; the latter, until it equals a large per cent. of the capital and surplus, should be left untaxed, thus encouraging them to strengthen their financial position, in preparation for the stringent times that will surely come, instead of dividing all of their earnings to avoid taxation. Losses will be suffered and the time is coming when a large undivided profit will be needed to draw upon to make them good.

Limit of Loans by Banks of Discount and Deposit.

Under the present conditions, our State banks have a great deal of surplus money. The demand for commercial loans in their several communities is very limited. Real estate security has proven to be one of the best methods of loaning their money, and to the rural bank I have no hesitancy in saying that in a State like Minnesota, where the values are so thoroughly established, that no better security can be obtained.

Our banking law should be amended so as to allow our State banks to make first mortgage loans on improved farms in this State in amount not to exceed thirty per cent. of the paid-in capital of the bank, provided not to exceed fifty per cent. of the actual appraised cash value is loaned on any one piece of land. This would be of great value to our State, furnishing a safe channel for otherwise idle money, and keeping earned interest at home instead of sending it out of the State.

Appraisals of Securities.

It being a fact that our Savings banks, banks of discount and deposit and trust companies are the owners of a considerable amount of real estate, and of a large amount of real estate security, and that in many instances this security represents "trust funds," and in all instances representing an investment of moneys belonging to the general public, I earnestly recommend that our laws be so amended as to allow this department to have careful appraisal made of such properties in order to ascertain whether they are fairly worth the money and are of the value at which they are carried on the books of the various corporations, to the end that the general public may know and feel assured of the safety of their funds; and that the actual expense of such appraisals should be paid by the corporations owning or holding the property as security.

Annual Fees of Financial Institutions.

I would call your attention to the fact that the fees for the examination of our financial institutions and corporations are entirely inadequate to, in any considerable degree, pay the expenses necessarily incurred, and I earnestly recommend that legislation be had which will increase the income from this source. I think the banks of the State will join me in recommending that the present fees be at least doubled. Savings banks and trust companies should be placed upon the same basis and pay the same proportionate fee that is or shall be paid by banks of discount and deposit.

Trust Companies.

I earnestly recommend that legislation be had which will allow our trust companies and Savings banks to invest in securities of the general class that is now permissible under the laws of New York for investments by Savings banks, and that the trust companies of this State may be allowed to buy and sell exchange.

Deposit of Guaranty Fund.

The law now requires that the guaranty fund of the trust companies shall be deposited with the State Auditor. In view of the fact that this department must investigate the guaranty fund along with the balance of the assets of the trust companies, I believe it expedient that the securities constituting the guaranty fund should be deposited with the Public Examiner. I therefore recommend that the words "Public Examiner" be inserted in lieu of "State Auditor" where the same appears in the law requiring the deposit of the guaranty fund.

Assessment of Stockholders of Trust Companies.

I also recommend that the law be so amended as to allow assessments to be made upon the stockholders of trust companies, in the same way that it can now be made upon stockholders of banks of discount and deposit. In this way, trust companies may often be saved from bankruptcy, when under the present plan—which requires a unanimous vote before an assessment can be made—it universally results in the company being thrown into the hands of a Receiver, and the assessment being made after it is too late to protect the interests of the creditors or the stockholders.

Statistics of State Banks.

At the date of the last biennial report, July 31, 1900, the number of State banks reported was	187
From that date to July 31, 1902, there have been authorized	78
Total	265
The losses (21) have been from—	
Liquidated	6
Receivers appointed on application of Public Examiner	1
Converted to National banks	13
Consolidation	1
Total	21
Leaving in operation July 31, 1902	244
Added since July 31, 1902 (to October 24, 1902)	18
Total	262

Since the last report ninety-six new banks have been organized or authorized with a capitalization of $1,453,500; operations of banks increasing and reducing capital show a net increase of $306,500 in capital stock.

Minnesota State Banks—Summary of Condition July 31, 1900, and July 16, 1902.

RESOURCES.	*July 31, 1900. 187 banks.*	*July 16, 1902. 238 banks.*
Loans and discounts	$26,398,742	$38,100,783
Overdrafts	189,198	219,179
United States bonds	7,950	26,387
Other stocks, bonds and securities	1,072,248	1,725,743
Banking house, furniture and fixtures	917,783	1,118,487
Other real estate	886,718	744,980
Undivided profits, net	....	20,326
Revenue stamps	36,885	5,752
Checks and drafts in transit	386,263	....
Due from banks	5,484,514	8,813,425
Checks and cash items	433,670	730,487
Cash on hand	2,808,848	3,220,534
Other resources	23,410	27,314
Totals	$38,641,230	$54,753,152
LIABILITIES.		
Capital stock	$6,654,800	$7,360,700
Surplus	995,190	1,236,055
Undivided profits, net	408,767	644,278
Bills payable	62,570	133,500
Rediscounts	20,061	11,697
Time certificates	11,044,787	17,548,343
Dividends unpaid	38,992	22,097
Deposits subject to check	15,434,151	21,507,595
Demand certificates	1,152,347	1,520,287
Certified checks	33,516	54,502
Cashier's checks	465,984	657,512
Due banks	2,294,450	4,042,899
Other liabilities	40,641	18,683
Totals	$38,641,230	$54,753,152

S. T. JOHNSON,
Public Examiner and Superintendent of Banks.

WEST VIRGINIA.

OFFICE OF COMMISSIONER OF BANKING,
CHARLESTON, W. Va., December 1, 1902.

To the Honorable A. B. WHITE, *Governor of West Virginia.*

DEAR SIR: In compliance with an act passed by the Legislature, February 21, 1901, I have the honor to transmit herewith my Second Annual Report, showing the financial condition of the several banking institutions and trust companies subject to my supervision in this State.

NUMBER AND CONDITION OF BANKS.

During the year just closed I have had under my supervision, in all, 123 institutions. I am glad to be able to report that there have been no failures, and with very few exceptions all these institutions are in excellent condition.

STATE BANKS CHANGED TO NATIONAL BANKS.

During the year, however, two banks, namely, the Citizens' Bank of Ronceverte and the Keyser Bank of Keyser, changed to the National system, and the Tygart's Valley Bank of Philippi went into voluntary liquidation, and was succeeded by the First National Bank of Philippi.

In the detailed statements I report 115 banks. This is the number doing business on September 15, the date of the last call. Five new ones have been added to my list since that date.

In making up this report I have used the sworn statements which came to me in response to my call made for September 15.

I thought this desirable for the reason that it shows the relative and aggregate business of all the banks on a given day; and for the further reason that the Comptroller of the Currency called the National banks on that day, and by securing copies of their statements, I am able to lay before the public for the first time the detailed and aggregate business of all the banks in the State, both State and National.

However, I have assured myself by personal examinations and investigations during the year, that the statements furnished to me by the institutions subject to my supervision are correct.

Aggregate Banking Business of the State.

The figures which I am able to submit must be both surprising and gratifying to our people. They show that the deposits in the State banks alone have reached the magnificent total of $32,872,669.70. When you add to this the deposits in our National banks, which amount to $21,854,404.45, it brings the grand total up to $54,727,074.15, or over $50 per capita for the entire State.

This money is pretty evenly distributed. My work of supervision now takes me, practically, into every county in the State; in fact, there are but three counties which are destitute of banking facilities, and two of these will be provided for within the next few weeks.

The Growth of Banking Business.

The growth of the banking business in this State during the last few years has been phenomenal. In order that you may clearly comprehend it, I submit the following figures relative to State banks, which I have gleaned from the reports of the various bank examiners, extending back to the time when that office was first created:

Year.	*No. of Banks.*	*Total deposits.*
1891	49	$8,330,896.96
1892	50	9,418,513.26
1893	55	9,173,210.89
1894	56	9,066,960.99
1895	58	9,698,068.10
1896	60	10,609,880.96
1897	68	11,195,954.26
1898	74	13,069,263.84
1899	76	16,284,386.99
1900	89	21,323,927.06
1901	102	26,782,556.39
1902	115	32,872,669.70

From this table it will be seen that the increase for the entire State during the last six years has been considerably over 200 per cent. We haveno large cities and no money centers, and our bank totals are still small compared with those furnished by many of the older States; but we challenge any State in the Union to show the same percentage of increase during the samᵉ, or a similar, period of time.

Business Carefully Conducted.

The healthy condition of our banks and the conservative spirit of our bankers, is shown in the fact that although the demand for money is quite active, the aggregate reserve held by the banks is 29.5 per cent.; while the legal requirement in both State and National banks is only fifteen per cent.

Private Banks.

In addition to the banks covered by this report, there are in the State five private banks; but I know nothing concerning their condition. I have no jurisdiction over them, and when I requested them to furnish me statements for this report, they—with one exception—all declined to do so. This naturally brings up the question as to how they should be dealt with. In some States they are subject to State supervision; but I know of no way by which our State Legislature can supervise a man's private business. But I am convinced that this kind of business ought not to be encouraged. These institutions are a law unto themselves. The safeguards which are thrown around National and State banks do not affect them. To subject our regular banking institutions to this kind of competition is manifestly unfair. It is also unfair to the public, which usually does not distinguish between banking institutions, to permit them to put their faith and their money into an institution which may be financially unsound.

There is one method, however, by which they can be reached. They are unquestionably a legitimate subject for special taxation. Our Code, in a section which is very carelessly worded, and which is somewhat ambiguous, imposes an annual tax of one hundred dollars on banks of this character; but the collection of this had never been enforced until I called the Auditor's attention to it last year. If the enforcement of this tax is not sufficient to cause them to abandon their present system and embark under our liberal National, or more liberal State laws, then the tax should be increased until it would make the business unprofitable.

SAVINGS BANKS.

Many of our banks are now bidding for savings deposits. This feature is attractive to the public and yields a fair margin of profit to the banks. But I regret to say that in all the State we have but one bank operating under our Savings bank law. This is the Mutual Savings Bank of Wheeling. It is an excellent institution, and has had a steady growth since its organization, and I wish we had more of the same kind.

BANK LEGISLATION.

The banking law, which was passed by the last Legislature, is working admirably, and has more than met the expectation of its friends.

It was freely predicted by some, that if we put any restrictions on our State banks, or subjected them to rigid supervision, that State banking would become unpopular and their numbers would decrease. But the result proves just the opposite. Since the business has been made more respectable, and the public confidence in it has been secured, we not only have a greater number, but a better class of State banks. In proof of this I refer you to the following list of seventeen new banks which I have opened in the last nine months:

NEW BANKS OPENED DURING THE YEAR.

February 19. The Putnam County Bank, Hurricane. Capital subscribed, $25,000. Capital paid in, $10,000.

March 14. The Bank of Mount Hope, Mount Hope. Capital subscribed, $25,000. Capital paid in, $10,000.

April 10. The Citizens' Bank of Monroe County, Greenville. Capital subscribed, $27,000. Capital paid in, $11,400.

May 7. The Bank of Reedy, Reedy. Capital subscribed, $25,000. Capital paid in, $10,000.

May 26. The Dunkard Valley Bank, Blacksville. Capital subscribed, $25,000. Capital paid in, $10,000.

June 4. Clay County Bank, Clay. Capital subscribed, $25,000. Capital paid in, $10,000.

June 10. Miners and Merchants' Bank, Thomas. Capital subscribed, $25,000. Capital paid in, $10,000.

June 12. Bank of Pine Grove, Pine Grove. Capital subscribed, $25,000. Capital paid in, $10,000.

July 5. West Virginia Savings Bank and Trust Company, Huntington. Capital subscribed, $100,000. Capital paid in, $49,250.

July 16. Farmers and Merchants' Bank of Whitmer, Horton. Capital subscribed, $25,000. Capital paid in, $10,000.

July 17. The Bank of Martinsburg, Martinsburg. Capital subscribed, $35,000. Capital paid in, $14,000.

August 6. The Grant County Bank, Petersburg. Capital subscribed, $25,000. Capital paid in, $12,500.

September 19. Bank of Winfield, Winfield. Capital subscribed, $30,000. Capital paid in, $16,625.

September 22. The Pullman State Bank, Pullman. Capital subscribed, $25,000. Capital paid in, $10,000.

September 26. American Bank and Trust Company, Huntington. Capital subscribed, $56,500. Capital paid in, $28,250. (This has since been increased to $100,000, paid up.)

November 11. The Lewis County Bank, Weston. Capital subscribed, $60,000. Capital paid in, $24,000.

November 12. The Richwood Banking and Trust Company, Richwood. Capital subscribed, $32,000. Capital paid in, $14,500.

These new banks are all good ones. Most of them are small and some of them will never be large, but they are in the hands of capable officials, and the stock is held by responsible men, and they are all entitled to the confidence and support of the communities in which they are located.

Instead of finding this new banking law too rigid then, there is now a general feeling that in some respects it should have been made stronger. This is particularly true with reference to the payment of the capital stock.

The unexpected and unprecedented increase in the banking business of the State makes it imperative that I be given an assistant in order to maintain the efficiency of the work. I feel sure, however, that the Legislature will not hesitate to do this, especially when it is

understood that the Department is practically self-sustaining. By reference to another page of this report it will be seen that the fees which I have collected and turned into the State Treasury during the past year amount to considerably more than my salary and traveling expenses.

Total Resources and Liabilities of the One Hundred and Fifteen West Virginia State Banks at Close of Business, September 15, 1902.

RESOURCES.		LIABILITIES.	
Loans and discounts	$26,459,799	Capital stock paid in	$5,210,871
Overdrafts	201,853	Surplus fund	1,748,831
Stocks and securities, including premiums	3,830,781	Dividends unpaid	7,774
Banking house, furniture and fixtures	1,428,182	Undivided profits	1,268,275
Other real estate owned	246,747	Due to banks	1,359,791
Due from banks	8,374,656	Total deposits	32,872,669
Checks and other cash items	252,816	Certified checks	51,799
Exchanges for clearing-house	101,708	Notes and bills rediscounted	181,068
Lawful money reserve in bank	1,666,291	Liabilities other than those above stated	34,018
Expenses, including taxes and interest paid	167,459		
Resources other than those above stated	4,848		
Total	$42,735,099	Total	$42,735,099

Respectfully submitted,

M. A. KENDALL, *Commissioner of Banking.*

SCOPE OF STATE BANKS.—The case of Easton vs. The State of Iowa was decided by the United States Supreme Court on February 2 in favor of Easton, thus reversing the Supreme Court of the State. The case involved the applicability of State laws regulating State banks to National banks. In this instance the President of a National bank at Decorah was sentenced to five years' imprisonment under the State law for accepting a deposit of $100 when he knew his bank to be insolvent.

The decision was delivered by Justice Shiras. Announcing the conclusions of the court, Justice Shiras said :

"Congress, having power to create a system of National banks, is the judge as to the extent of the powers which should be conferred upon such banks, and has the sole power to regulate and control the exercise of their operations. Congress has directly dealt with the subject of insolvency of such banks by giving control to the Secretary of the Treasury and the Comptroller of the Currency, who are authorized to suspend the operations of the banks and appoint Receivers thereof when they become insolvent, or when they fail to make good any impairment of capital. Full and adequate provisions have been made for the protection of creditors of such institutions by requiring frequent reports to be made of their condition, and by the power of visitation by Federal officers, and it is not competent for State legislators to interfere, whether with hostile or friendly intentions, with National banks or their officers in the exercise of the powers bestowed on them by the General Government."

JUST THE BOOK HE WANTED.—In remitting for a copy of MODERN BANKING METHODS, W. M. Brown, of the Pittsburgh Bank for Savings, writes :

"Please accept my best wishes for the success of the book. It is just the book I wanted."

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—The annual meetings of the National banks were held on January 13 and a number of changes were made in the boards of several institutions.

At the Mercantile National Bank the number of directors was increased from nine to nineteen, the change being regarded as preparatory to the merger of the Broadway, Seventh and Mercantile.

Charles H. Stout resigned as Vice-President of the First National Bank to accept a like office with the Liberty National. It is stated that Messrs. J. P. Morgan & Co., and Geo. F. Baker. President of the First National, now own a controlling interest in the Liberty National Bank.

At the National City Bank P. A. Valentine, of Armour & Co., succeeded Robert Bacon as a director.

—Frank Dean, Cashier of the Fifth Avenue Bank, becomes Vice-President of the Seaboard National Bank. J. F. Thompson, Cashier of the Seaboard National, has been elected Vice-President of the new Bankers' Trust Company. Mr. Dean continues to be a director of the Fifth Avenue Bank. B. H. Fancher, formerly Assistant Cashier of the latter bank, has been elected Cashier, and W. G. Gaston, formerly chief clerk, becomes Assistant Cashier.

—Arthur K. Wood is the new Secretary and Treasurer of the Van Norden Trust Co., and Wm. W. Robinson and James B. Haig, Assistant Treasurers.

—Operations of the American Surety Company, of which Henry D. Lyman is President, show the following results for the year ending December 31, 1902. After paying $497,645.07 in claims, as well as expenses, there remained $352,067.05 net earnings, apportioned as follows: eight per cent. dividend, $200,000; reserve, $96,098.38; surplus, $55,968.67.

During the year the company was obliged to deal with 723 defaulting employees, or more than two each day.

The capital of the company is $2,500,000; surplus, $1,000,000, and undivided profits, $1,099,-790, while the total resources exceed $5,637,000.

—It is reported that the New York State National Bank has been organized with $500,000 capital, and that it will occupy the banking rooms heretofore tenanted by the National Bank of the United States at 100 William street.

—It is stated that a controlling interest in the Eighth Ward Bank in Brooklyn, of which John C. Kelley has been President since its organization in 1893, has just been obtained by some Boston men. The deal, which involved about 700 shares of the stock, was completed by Henry Wells, Vice-President of the American National Bank of Boston. The Eighth Ward Bank has a capital of $100,000 and its business has shown a steady increase since its establishment.

—Several new elements have appeared in the board of directors of the North American Trust Company. The new directors, recently elected, and the interests they represent, are:

Samuel Thorne, a director of the Central Trust Company; August Belmont, Clement A. Griscom, president of the International Mercantile Marine Company; P. A. B. Widener of Philadelphia; Charles T. Barney, President of the Knickerbocker Trust Company; William A. Read, of Vermilye & Co.; William Logan, Cashier of the Hanover National Bank; William R. Nicholson, President of the Land, Title and Trust Company of Philadelphia; John Mack, of Philadelphia, ex-Receiver of the Asphalt Company; David H. King, Jr., president of the New York Dock Company, and R. B. Van Cortlandt, of Kean, Van Cortlandt & Co., bankers.

—On January 19 the Hanover National Bank took possession of its new twenty-one story building at Nassau and Pine streets. This structure ranks among the largest and finest bank and office buildings in the city. An illustration of the new building was presented in the October issue of the MAGAZINE.

—An addition to the Williamsburgh Savings Bank, Brooklyn, is to be constructed at a cost of about $300,000.

—Additional property has been bought, on Chambers street, by the Chemical National Bank, purchase of a plot on this street having been made several years ago. These parcels adjoin the present premises of the bank on Broadway.

— At a meeting of the directors of the Twenty-sixth Ward Bank, Brooklyn, February 4, the resignation of Ditmas Jewell was accepted as President, and his son, John V. Jewell, was elected as his successor. The latter has been second Vice-President of the bank since its organization. The elder Mr. Jewell has been in poor health for some time.

—A. A. Raven, President of the Atlantic Mutual Insurance Co., was recently elected Vice-President of the Metropolitan Trust Company; Benjamin Strong, Jr., was elected Secretary and Charles Baker, Jr., Treasurer. Mr. Raven, Lewis Cass Ledyard and Chas. M. Pratt were added to the board of trustees.

— N. W. Harris & Co., who have occupied temporary offices at No. 31 Pine street, have leased for ten years the entire ground floor of the building at the northeast corner of Pine and William streets, formerly occupied by the Commercial Union Assurance Company. The firm will move to these quarters on May 1.

— Officers and directors of the Corn Exchange Bank, together with a number of guests, celebrated the fiftieth anniversary of the founding of the bank, by a banquet at Sherry's on the evening of January 31. Each employee of the bank was presented with a corncob in which was fifty dollars in gold.

In reviewing the history of the bank, President Wm. A. Nash spoke of two prominent characteristics of its business—lending money on warehouse receipts or bills of lading, and branch banking. As a result of its fifty-years' business the bank has earned $16,553,663, of which $5,858,477 has been devoted to expenses and taxes and $5,135,236 has been returned to shareholders.

Among the speakers at the banquet were Joseph C. Hendrix, President of the National Bank of Commerce, and Frederick D. Kilburn, Superintendent of the State Banking Department.

— At a recent meeting of the United Mortgage and Trust Company, William B. Boulton and Arthur Turnbull were elected directors. Mr. Turnbull has been Secretary of the company for several years, and is connected with the firm of Post & Flagg. Mr. Boulton is senior member of the firm of Boulton, Bliss & Dallett.

— The Manufacturers' National Bank, Brooklyn, has just completed fifty years of successful existence as a banking institution, and expects to publicly commemorate the event some time in May.

— The Bankers' Trust Company, which has in its directorate representatives of ten local banks, one Jersey City bank and two important banking firms, has been organized. The company will have a capital of $1,000,000 and a surplus of $500,000 and will do business in the former offices of the Liberty National Bank, 143 Cortlandt street.

Edmund C. Converse, President of the Liberty National Bank and a director of the United States Steel Corporation, will be President of the Bankers' Trust Company. The active management of the company will rest with J. F. Thompson, who resigned as Cashier of the Seaboard National Bank to become Vice-President of the trust company. The directors are:

James G. Cannon, Vice-President Fourth National Bank; Edmund C. Converse, President; James A. Blair, of Blair & Co., Henry P. Davison, Vice-President First National Bank; Granville W. Garth, President Mechanics' National Bank; A. Barton Hepburn, Vice-President Chase National Bank; William Logan, Cashier Hanover National Bank; Gates W. McGarrah, President Leather Manufacturers' National Bank; William H. Porter, Vice-President Chemical National Bank; George W. Perkins of J. P. Morgan & Co.; J. F. Thompson, Vice-President; Albert H. Wiggin, Vice-President National Park Bank; Samuel Woolverton, President Gallatin National Bank, and Edward F. C. Young, President First National Bank of Jersey City.

The new trust company will do business strictly as a trust company, keeping a definite cash reserve.

—Charles L. Adrian succeeds M. J. Adrian as President of the German Exchange Bank. Edmund F. Swanberg has been appointed Cashier.

—Charles N. Taintor has been elected President of the Riverside Bank, succeeding Henry C. Copeland, resigned. Mr. Copeland was one of the founders of the bank and had been President for ten years. He retains his directorship and a large interest in the bank.

—Wm. H. S. Woods is the new President of the Bowery Savings Bank, taking the place of John D. Hicks, who wishes to give more attention to his personal business affairs.

—George R. Crawford, President of the Westchester Fire Insurance Co., has been elected a director of the Consolidated National Bank.

—There have been the following changes in the officers of the Knickerbocker Trust Company: Julius M. Gerard, former Assistant Secretary and Assistant Treasurer, elected third Vice-President; J. McLean Walton, elected Assistant Secretary, and Harris A. Dunn, Assistant Treasurer.

—The following proposed amendment to the constitution of the New York Clearing-House Association has been submitted by the clearing-house committee:

"Every non-member institution (not a bank required by law to maintain a specified reserve) now or hereafter sending its exchanges through a member of the association shall, on and after June 1, 1903, keep in its vaults a cash reserve equal to five per cent. of its deposits; and on and after February 1, 1904, such cash reserve shall be at least seven and one-half per cent. of its deposits, and on and after June 1, 1904, such cash reserve shall be such percentage as shall from time to time be fixed by the clearing-house committee, but not less than ten nor more than fifteen per cent. of its deposits. The reserve hereby required shall be an average reserve, as against the average deposits as shown upon its weekly statements."

NEW ENGLAND STATES.

Providence, R. I.—The capital stock of the National Bank of North America has been reduced from $1,000,000 to $500,000. It is expected that the reduction of the capital will bring about the earning of larger dividends. The bank has a large surplus, and the reduction of capital will still give a very satisfactory working basis—more advantageous, it is believed, than with the larger capital.

Boston.—D. G. Wing succeeds John W. Weeks as President of the Massachusetts National Bank, Mr. Weeks becoming Vice-President in place of Mr. Wing.

—The American National Bank elected the following new officers at the annual meeting: Vice-President, Herbert J. Patterson; Cashier, Herbert A. Libby. Several new directors were also chosen.

—On January 13 thirty-six out of thirty-eight Boston National banks elected officers and presented reports. These banks show a capitalization of $35,100,000, or $1,000,000 less than last year. Their total surplus is $14,892,700, an increase of $1,106,300. Undivided profits are $7,594,933, an increase of over $564,000. Loans show an increase of over $7,500,000, and deposits a decrease of over $5,500,000. Circulation shows an increase of over $2,000,000.

New Trust Company.—Application has been made to the Massachussets Legislature for leave to incorporate the Brookline Trust Company.

Change of Bank's Title.—The National Pahquioque Bank, of Danbury, Ct., has changed its name to the City National Bank of Danbury—the new name being easier and more convenient.

Fall River, Mass.—At the annual meeting of the stockholders of the Second National Bank it was voted that, "in the opinion of the stockholders, it is not desirable to ask for the renewal of the charter, but to let it expire by limitation on February 24 next." The action was taken in consequence of the State law passed last year requiring the separation of National and Savings banks. The Second National occupies quarters with the Fall River Five Cents Savings Bank. The Second National was organized as the Wamsutta State Bank in 1856. It became a National bank in 1864.

— Arrangements have been completed for the purchase of the assets and good-will of the Second National Bank by the Metacomet National Bank.

The value of the shares in the Second National was stated to be about $170 when it was voted to go out of business, and the Metacomet will take the Second National's business and pay to the stockholders their share of the accumulations.

The capital of the Metacomet is $500,000; of the Second National, $150,000.

MIDDLE STATES.

Shamokin, Pa.—There has been a reorganization of the Shamokin Banking Company, and several hundred shares of stock held by non-residents have been acquired by local business men. This will greatly increase the efficiency of the bank to local business enterprises. W. C. McConnell, the new President, is a leading resident of the town, and is well known throughout the State. He is prominently connected with a number of successful corporations. T. J. Mullen, the new Vice-President, is also one of Shamokin's successful business men, being extensively interested in the coal and iron industries. Ivanhoe S. Huber, who was elected Cashier of the bank at the time of its organization, August 4, 1871, continues to hold this position. He has been unanimously elected by each new board of directors, and during his thirty-one years of service has shown himself to be a thoroughly capable bank officer.

To Protect Savings Depositors.—Senator Marshall has introduced the following bill in the New York Legislature:

* * * Nor shall any corporation, not under the supervision of the Banking Department, nor any individual firm, association or other corporation, in any manner represent or hold themselves out as engaged in or solicit the business specifically authorized by this article of the banking laws, or engage in any such business or any business substantially similar thereto, or adopt, use or advertise any rules or regulations similar to those in use generally by Savings banks, or issue pass-books or other evidences of deposits containing any such rules or regulations. Nothing in this section concerned shall be construed to prohibit employers from receiving from time to time deposits of money from their employees and allowing and paying interest thereon.

The avowed purpose of the bill is to prevent any possible deception being practiced upon depositors as to the character of the institution in which they place their funds and to protect the class of depositors who patronize Savings institutions.

To Repeal Savings-Bank Tax.—The tax on the surplus of Savings banks in New York State, which is in effect a tax on deposits, is sought to be repealed by a bill introduced by Assemblyman Ellis.

Baltimore.—On January 29 and 30 the officers and directors of the Citizens' National Bank received a number of invited visitors at the new banking rooms of the bank at Hanover and Pratt streets. These new rooms are completely appointed for the transaction of a banking business, and will enhance the bank's popularity. Officers of the Citizens' National are: President, Wesley M. Oler; Vice-President, David Ambach; Cashier, Wm. H. O'Connell; Assistant Cashier, Albert D. Graham.

Philadelphia.—The Girard National Bank has concluded negotiations by which it becomes the purchaser of the Mechanics' National Bank, consent of a majority of the stockholders of the latter institution having been secured to part with their stock at $190 a share, an advance of $27 over the last recorded sale.

—It is reported that the Market Street National Bank will increase its capital from $500,000 to $1,000,000.

Newark, N. J.—On account of increased business the shareholders of the Fidelity Trust Company have voted to increase the capital stock from $1,500,000 to $2,000,000.

A Successful Private Bank—Messrs. North & Co., doing a private banking business at Unadilla, N. Y., present a very satisfactory report in their statement at the beginning of the present year. Their cash capital paid in is $25,000; surplus, $13,400, and deposits, $415,267.

This bank makes and publishes regular detailed statements, the same as incorporated banks, and is in all respects a well-managed and prosperous bank.

Buffalo, N. Y.—Arthur D. Bissell, Vice-President of the People's Bank since its organization, is now President of that institution. Daniel O'Day, whom Mr. Bissell succeeds, has large interests in the Standard Oil Co. which require his attention. He retains all his financial interests in the bank and continues to be a director.

Mr. Bissell was formerly president of the New York State Bankers' Association, and is one of the well-known and popular bankers of the State.

—The first annual election and banquet of the Buffalo Chapter of the American Institute of Bank Clerks, which was held on the evening of January 22 at the Castle Inn, was a most successful affair, there being over seventy present.

The business meeting and election of officers resulted as follows: President, Ralph Croy, Bank of Buffalo; vice-president, M. S. Hall, 2d, Fidelity Trust Company; secretary, L. L. Williams, Manufacturers and Traders' National Bank; treasurer, A. J. Duerr, Bank of Buffalo. Those chosen to the executive committee were: E. N. Wilkes, Marine National Bank; W. F. Duerr, Bank of Buffalo; Kenneth McDonald, Manufacturers and Traders' National Bank; Grant Blodgett, Bank of Buffalo; Frank Noble, Marine National Bank.

Rochester, N. Y.—Walter B. Duffy was recently elected President of the Flour City National Bank, to fill the vacancy caused by the death of Chauncey C. Woodworth.

Appointed Bank Examiner.—Major John F. Finney, formerly Assistant Treasurer at Philadelphia, has been appointed a National bank examiner for central Pennsylvania.

Syracuse, N. Y.—There have been some important changes made in the Salt Springs National Bank. State Senator Francis H. Gates has purchased the Gridley interests, and Robert Hudson has been elected second Vice-President and general manager of the bank. Mr. Hudson has been Vice-President of a bank at Kittanning, Pa., for twenty years.

—Lyman C. Smith has been elected President of the National Bank of Syracuse, in place of John Dunn, Jr., who wished to be relieved of the duties of the office after eight years' service. He will continue with the bank as Vice-President.

Somerset, Md.—It is the intention of the Savings Bank of Somerset County to put up a modern bank building, to cost about $15,000. Work will begin on the new building either the coming spring or summer.

SOUTHERN STATES.

New Orleans, La.—James H. Hyde, vice-president of the Equitable Life Assurance Society, of New York, and Gage C. Tarbell, second vice-president of the same company, were recently elected directors of the Hibernia Bank and Trust Co., of this city.

Terrell, Texas.—The Harris National Bank changed its title to the American National Bank on January 13, the business and management continuing as heretofore. This bank has $100,000 capital, $113,495 surplus, and deposits amounting to about $276,000. Its officers are: President, John H. Corley; first Vice-President, Oscar Price; second Vice-President, T. E. Corley; Cashier, W. P. Allen; Assistant Cashier, Ben Allen.

San Antonio, Texas.—At a meeting of the directors of the First National Bank, held January 14, the following officers were elected: President, J. C. Frost; Vice-President, J. T. Woodhull; Cashier, Ned McIlhenny.

Louisiana State Banks.—L. E. Thomas, State Examiner of State Banks, reports on January 24 that there are ninety-six State banks doing business in the State, which is nearly double the number in existence four years ago. He states that the banks appear to be doing a good business. They are required to make reports to him not less than four times a year.

Louisville, Ky.—The name of the National Trust Co. has been changed to the United States Armor Vault and Trust Company.

Increase of Capital.—The stockholders of the Wachovia Loan and Trust Co. of Winston-Salem, N. C., have increased its capital stock from $200,000 to $500,000.

Atlanta, Ga.—A statement of the banks of which Wm. S. Witham is either President or financial agent shows that the capital of these banks on January 1, 1902, was $700,000; and $695,300 on January 1, 1903. Between these two dates the net profits increased from $287,036 to $506,284, and deposits from $2,006,329 to $2,251,311.

These banks have no connection one with the other, each having its own charter, its own capital and local board of directors and officers.

—The Lowry National Bank earned twenty per cent. on its capital the past year. After paying an eight per cent. dividend, amounting to $24,000, the sum of $35,000 was added to undivided profits. Owing to the large addition to the bank's business the capital will be increased to $500,000, the new stock being sold at $200, the premium being carried to surplus, making the surplus and profits $200,000.

New Banks in Kentucky.—During the year 1902 there were organized in the State of Kentucky forty-nine State and private banks. They have a combined capital of $1,470,000. This increases the total number of banking institutions in the State to 312.

WESTERN STATES.

Fond du Lac, Wis.—The directors elected at the stockholders' meeting of the First National Bank of Fond du Lac, Wis., on January 13, unanimously elected J. B. Perry, President, and Ernest J. Perry, Cashier.

J. B. Perry has been Cashier of the bank for the past thirty-six years and Ernest J. Perry Assistant Cashier for the past ten years.

In 1864 the First National Bank succeeded the Bank of the North West, which was organized in 1855. J. B. Perry has been connected with the bank continuously for forty-eight years. The bank has had a long and successful career, and its business at the present time is the largest in its history, and is continually growing.

Chicago.—John C. Craft, formerly Cashier of the Bankers National Bank, has been elected Vice-President of that institution, and Frank P. Judson, formerly Assistant Cashier, was elected Cashier to succeed Mr. Craft.

— Francis P. Putnam is the new Assistant Cashier of the National Bank of North America, and Ward W. Willits, Charles O. Austin and Aylmer K. Perry are new directors.

— James H. Hyde, vice-president of the Equitable Life Assurance Society; Geo. F. Baker, President of the First National Bank, of New York, and H. H. Porter, Jr., of New York, and Charles Deering, of this city, are new directors of the First National Bank.

— Stockholders of the Fort Dearborn National Bank have under consideration a plan to double its capital stock, which is now $500,000. It is probable the increase will be made about the middle of the year.

At the annual meeting in January, President John A. King retired and was succeeded by L. A. Goddard, who had been Vice-President and Cashier.

South Omaha, Neb.—The South Omaha National Bank is having a most satisfactory growth, its last statement showing a large increase in business in the past year. This bank's prosperity is due to the careful provision made for meeting the requirements of its dealers. Guy C. Barton, is President, E. A. Cudahy, Vice-President, Truman Buck, second Vice-President, H. C. Bostwick, Cashier, and H. C. Miller, Assistant Cashier.

St. Louis.—Manager T. A. Stoddart of the clearing-house has compiled a statement showing the progress of the banks and trust companies of St. Louis for the past year.

A notable feature of the year was the large increase in the capitalization of the financial institutions, amounting in the banks to $2,550,000 increase of capital and $7,850,000 increase of surplus. The trust companies showed an increase in round figures of $5,740,000 capital and $9,400,000 surplus. The excess in amount of clearings for 1902 over the preceding year, which was a record-breaker, was $236,124. The capital and surplus of twenty banks and nine trust companies are given as follows:

	Capital.	*Surplus.*
Banks	$20,450,000	$20,019,948
Trust companies	20,365,800	24,014,830
Title Guarantee Trust Co.	1,500,000	826,595
Total	$42,315,800	$44,951,373

The total resources of the banks and trust companies were in December, 1901, $264,278,596; in December, 1902, $306,812,526; or a gain of $42,533,930. Dividends paid shareholders are shown by the report as follows:

	1901.	*1902.*
Banks	$1,524,000	$1,978,000
Trust companies	1,080,000	1,630,000
	$2,604,000	$3,608,000

The clearing-house statement for 1900 shows the clearings to have been $1,688,849,494; 1901, $2,270,680,216; 1902, $2,506,804,320.

—At a special meeting of the directors of the Mississippi Valley Trust Company, January 5, John D. Davis was elected second Vice-President, and also a director. Samuel E. Hoffman was elected third Vice-President.

During November and December this company increased its resources by $2,537,505. The total resources and liabilities of the company under date of the official call of October 31, 1902, was $26,640,254. On December 31, 1902, the annual report to the stockholders, certified by chartered accountants, and verified by a committee of stockholders, no member of which was a director, showed resources and liabilities $29,177,759.

Cincinnati.—Shareholders of the Fifth National Bank have unanimously approved of the increase of the capital stock from $300,000 to $600,000; one-half of the increase will be allotted to present shareholders at par, and the other $150,000 will be sold at 200, the premium being added to the surplus, making that item $360,000. The regular eight per cent. annual dividend will be continued.

—The capital of the Merchants' National Bank will be increased from $600,000 to $1,000,000. M. E. Ingalls succeeds H. C. Yergason as President, the latter becoming Vice-President.

Minneapolis, Minn.—At the recent annual meeting of the shareholders of the First National Bank, Captain John Martin, who had been connected with the bank for thirty-seven years, resigned as President, but remains a director. J. B. Gilfillan was elected to succeed him as President.

—The Northwestern National Bank added three directors to the board at the recent annual meeting, and elected Cashier E. W. Decker Vice-President and Assistant Cashier Joseph Chapman, Jr., Cashier. Charles W. Farwell was made Assistant Cashier.

Grand Rapids, Mich.—Harvey J. Hollister, who has been a bank Cashier here for fifty years, has been elected Vice-President of the Old National Bank, his son, Clay H. Hollister, succeeding him as Cashier. Mr. Harvey J. Hollister was Cashier of the Old National Bank and its predecessor, the First National, since 1864, and before that was identified with private banks. Mr. Clay H. Hollister, who succeeds his father as Cashier, has been Assistant Cashier for several years.

Frank S. Coleman, who has filled various positions in the bank for the past eleven years, was chosen Assistant Cashier.

Cleveland, Ohio.—Stockholders have ratified the consolidation of the Savings and Trust Company and the Citizens' Savings and Loan Association, the new company to be known as the Citizens' Savings and Trust Company, and to have a capital of $3,000,000.

Omaha, Neb.—At the annual meeting of the shareholders of the Omaha National Bank, Charles E. Waite was elected Cashier and Frank Boyd, Assistant Cashier.

Springfield, Ill.—Stockholders of the Farmers' National Bank have authorized the construction of a new modern fire-proof building, to be put up in the present year.

The Farmers' National Bank is one of the soundest and most prosperous banks in Central Illinois. It was organized May 15, 1882, and since that time the management has built up a business that gives it a place in the front rank among the financial institutions of Illinois. Its business has always been largely with the farmers of the county, but it also does a very large commercial business.

PACIFIC SLOPE.

San Francisco.—The Bank Commissioners have issued a statement showing the aggregate condition of the nine Savings banks of San Francisco as it stood at the close of business December 31, 1902. According to it their total resources aggregate $154,762,790. The deposits amount to $144,295,034. The gain in deposits from December 31, 1901, to December 31, 1902, has been $10,864,531 and the gain in assets during the same period has been $11,237,794. This is the greatest increase ever made in the State.

Spokane, Wash.—The first annual dinner of the Spokane Clearing-House was held at the Hotel Spokane, January 24, 1903. Each bank had four representatives and there were four bankers present from out of town.

Condition of Wyoming Banks.—Harry B. Henderson, State Examiner, furnishes the following information regarding the banks of Wyoming:

	Feb. 25, 1902.	*Nov. 25, 1902.*
National banks	$6,511,671	$7,961,470
State banks	1,285,281	1,828,708
Private banks	1,528,198	1,682,482
Total	$9,325,151	$11,472,661

Number of National banks, 15; State, 18; private, 9.

CANADA.

Montreal.—The capital of the Bank of Montreal is to be increased from $12,000,000 to $14,000,000.

Failures, Suspensions and Liquidations.

Georgia.—The People's Bank, of Barnesville, recently made an assignment to E. Rumble and A. A. Murphey. It was a reorganization of a bank which failed in 1901, and was unable to take up certificates issued under the reorganization plan.

Iowa.—Michael Snyder, doing business at Grinnell under the title of the Citizens' Bank, filed a petition in bankruptcy recently. He scheduled his liabilities at $12,000 and claimed assets of over $50,000.

Kansas.—On January 15 the Bank of Toronto was reported suspended with liabilities amounting to $30,000.

Kentucky.—On January 9 the Corn and Tobacco Bank went into liquidation, its assets and liabilities being assumed by a local bank which will close up the affairs of the liquidating institution.

Mississippi.—The Merchants' Bank, of Grenada, made an assignment January 25. There had been a run on the bank for several days prior to its suspension. The bank was organized in 1886, and had $60,000 capital.

Nebraska.—The Bank of Verdigre, doing business at Verdigris, closed January 22. According to the last published statement the deposits were $19,898.

Ohio.—On January 26 the banking firm of Boughton, Ford & Co., made an assignment to C. J. Williams. It is understood that the liabilities are $300,000 and assets close to $500,000, consisting, it is reported, largely of farm mortgages.

Texas.—C. N. Fleager & Co., of Jacksonville, suspended January 20, and it was reported that the members of the firm had left town.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

National Banks Organized.

6558—First National Bank, Murray, Utah. Capital, $25,000.
6559—First National Bank, Buffalo, North Dakota. Capital, $25,000.
6560—Merchants and Manufacturers' National Bank, Sharon, Pennsylvania. Capital, $175,000.
6561—First National Bank, Belle Fourche, South Dakota. Capital, $25,000.
6562—Stapleton National Bank, Stapleton, New York. Capital, $100,000.
6563—First National Bank, Grand Rapids, Minnesota. Capital, $25,000.
6564—Granite City National Bank, Granite, Illinois. Capital, $50,000.
6565—First National Bank, Leipsic, Ohio. Capital, $25,000.
6566—National Bank of Cambridge, Cambridge, Ohio. Capital, $100,000.
6567—Colonial National Bank, Pittsburg, Pennsylvania. Capital, $1,000,000.
6568—National Bank of Turtle Creek, Turtle Creek, Pennsylvania. Capital, $50,000.
6569—Rimersburg National Bank, Rimersburg, Pennsylvania. Capital, $25,000.
6570—First National Bank, Temple, Oklahoma. Capital, $25,000.
6571—Boyd National Bank, Boyd, Minnesota. Capital, $25,000.
6572—National City Bank, Waco, Texas. Capital, $100,000.
6573—First National Bank, South Fork, Pennsylvania. Capital, $50,000.
6574—First National Bank, Turtle Creek, Pennsylvania. Capital, $50,000.
6575—First National Bank, Seymour, Wisconsin. Capital, $30,000.
6576—First National Bank, Montezuma, Georgia. Capital, $30,000.
6577—First National Bank, Shoshone, Idaho. Capital, $25,000.
6578—First National Bank, Mannsville, Indian Territory. Capital, $25,000.
6579—First National Bank, Globe, Arizona. Capital, $50,000.
6580—New Alexandria National Bank, New Alexandria, Pennsylvania. Capital, $25,000.
6581—Pleasant Unity National Bank, Pleasant Unity, Pennsylvania. Capital, $25,000.
6582—First National Bank, New Cumberland, West Virginia. Capital, $40,000.
6583—First National Bank, Renville, Minnesota. Capital, $25,000.
6584—First National Bank, Cottonwood, Minnesota. Capital, $25,000.
6585—First National Bank, Howard, South Dakota. Capital, $25,000.
6586—First National Bank, Le Roy, Illinois. Capital, $50,000.
6587—First National Bank, Huntington, New York. Capital, $50,000.
6588—Garrett National Bank, Oakland, Maryland. Capital, $50,000.
6589—Saint Marys National Bank, Saint Marys, Pennsylvania. Capital, $125,000.
6590—Exchange National Bank, Cottonwood Falls, Kansas. Capital, $50,000.
6591—Sandoval National Bank, Nogalez, Arizona. Capital, $25,000.

Applications to Organize National Banks Approved.

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

First National Bank, Dallastown, Pennsylvania; by Jno. W. Minnich, *et al.*
Commercial National Bank, Rensselaer, Indiana; by A. Parkison, *et al.*
Farmers' National Bank, Vinita, Indian Territory; by F. M. Smith, *et al.*
New York State National Bank, New York, New York; by Hector M. Hutchings, *et al.*
Merchants' National Bank, Oakes, North Dakota; by E. J. Walton, *et al.*
First National Bank, Erie, Illinois; by E. F. Fassig, *et al.*
People's National Bank, Mount Pleasant, Ohio; by Michael Gallagher, *et al.*
First National Bank, Clarksdale, Mississippi; by W. P. Holland, *et al.*
Mt. Gilead National Bank, Mt. Gilead, Ohio; by H. H. Harlan, *et al.*
First National Bank, Garrett, Pennsylvania; by Frank B. Black, *et al.*
First National Bank, Stonewall, Indian Territory; by Tom Hope, *et al.*

First National Bank, Grangeville, Idaho; by Jno. P. Vollmer.
Fairfield National Bank, Fairfield, Illinois: by Adam Rinard, *et al.*
First National Bank, Canadian, Texas; by D. J. Young, *et al.*
Washington National Bank, Pittsburg, Pennsylvania.; by Jno. C. Reilly, *et al.*
First National Bank, McLoud, Oklahoma; by Thomas Hollis, *et al.*
Miners' National Bank, Miners Mills, Pennsylvania; by William N. Reynolds, Jr., *et al.*
First National Bank, Anover, Ohio; by R. A. Black, *et al.*
Farmers' National Bank, Rocks, Maryland; by E. L. Oldfield, *et al.*
Flat Top National Bank, Bluefield, West Virginia; by Thos. E. Peery, *et al.*
Netcong National Bank, Netcong, New Jersey; by D. M. Cook, *et al.*
Stone Fort National Bank, Nacogdoches, Texas; by E. S. Woodfin, *et al.*
First National Bank, Minco, Indian Territory; by H. B. Johnson, *et al.*
National Bank of Barnesville, Barnesville, Ohio; by O. P. Norris, *et al.*
First National Bank, Miles Station, Texas; by Jno. J. Cox, *et al.*
First National Bank, Liberal, Kansas; by C. Q. Chandler, *et al.*
First National Bank, Bisbee, North Dakota; by C. E. Dinehart, *et al.*
First National Bank, Lodge Center, Minnesota; by J. W. Cooper, *et al.*
First National Bank, Cherokee, Oklahoma; by E. J. Votaw, *et al.*
First National Bank, Rocky Mount, Virginia: by Jno. W. Woods, *et al.*
First National Bank, Elmer, New Jersey; by S. P. Foster, *et al.*
First National Bank, Summerville, Ohio; by J. W. Alderton, *et al.*
Capital National Bank, Jackson, Mississippi; by R. W. Millsaps, *et al.*
German National Bank of Northern Kansas, Beloit, Kansas; by S. A. Bonnifield, *et al.*
Portland National Bank, Portland, Pennsylvania; by James Wiedman, *et al.*
First National Bank, Royalton, Minnesota; by Charles R. Rhoda, *et al.*
Tulsa National Bank, Tulsa, Indian Territory; by L. C. Parmenter, *et al.*
First National Bank, Lincolnton, North Carolina; by J. H. Ramsaur, *et al.*
Simmons National Bank, Pine Bluff, Arkansas; by N. B. Sligh, *et al.*
First National Bank, Cerro, Gordo, Illinois; by S. M. Funk, *et al.*
First National Bank, Oriskany Falls, New York; by C. W. Clark, *et al.*
Farmers and Merchants' National Bank, Cannon Falls, Minnesota; by T. L. Beiseker, *et al.*
Farmers' National Bank, Lincoln, Kansas; by J. S. Stover, *et al.*
First National Bank, Dunnell, Minnesota; by Geo. W. Gruwell, *et al.*

Application for Conversion to National Banks Approved.

First State Bank, Miller, South Dakota; into First National Bank.
Citizens' Bank, Belington, West Virginia; into Citizens' National Bank.
Lake Crystal State Bank, Lake Crystal, Minnesota; into First National Bank.
Doon Savings Bank, Doon, Iowa; into First National Bank.
Bank of Rice Lake, Rice Lake, Wisconsin; into First National Bank.
Colman State Bank, Colman, South Dakota; into First National Bank.
Highland Bank, Highland, Illinois; into First National Bank.
Evarts State Bank, Evarts, South Dakota; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

ATTALLA—People's Bank and Trust Co.; capital, $100,000; Pres., L. C. Harding; Cas., W. T. Bidwell.

HARTFORD—Bank of Hartford; capital, $2,-500; Pres., D. N. James; Cas., Ford Butler.

HURTSBORO—Bank of Hurtsboro; capital, $2,500; Pres., T. S. Davis; Cas., C. J. Quin.

MOBILE—Central Trust Co.; capital, $250,000; Pres., F. B. Merrill; Vice-Pres., Jos. C. Rich; Sec. and Treas., Murray Wheeler.

ARIZONA.

GLOBE—First National Bank (successor to Bank of Globe); capital, $50,000; Pres., J. N. Porter; Cas., S. F. Sullenberger; Asst. Cas., C. M. Cushman.

NOGALES—Sandoval National Bank, capital, $25,000; Pres., Lycurgus Lindsay; Cas., Bracey Curtis.

ARKANSAS.

BLYTHEVILLE — Mississippi County Bank; capital, $25,000; Pres., Reg. Archillion; Cas., R. L. Morris.

FORDYCE—Citizens' Bank; Pres., B. H. Wood; Cas., W. J. Proctor.

FORREST CITY—Bank of Forrest City; capital, $80,000; Pres., Geo. B. Pettus; Cas., Eugene Williams.

LITTLE ROCK—Capital City Savings Bank; capital, $5,000; Pres., M. W. Gibbs; Cas., W. A. Singfield.

MALVERN—Hot Springs County Bank; capital, $12,500; Pres., H. A. Butler; Cas., H. L. McDonald.

GEORGIA.

MONTEZUMA—First National Bank; capital,

$80,000; Pres., E. B. Lewis; Cas., Chas. B. Lewis.

TENNILLE—F. N. & J. W. Smith.

IDAHO.

SHOSHONE—First National Bank; capital, $25,000; Pres., F. R. Gooding; Cas., Charles M. Hemphill.

ILLINOIS.

BALDWIN—Bank of Baldwin; Pres., E. B. McGuire; Cas., W. R. Preston.

CHICAGO—Spanish-American International Bank: capital, $100,000; Parker H. Sercombe, Mgr.

EAST LYNN—Bank of East Lynn (successor to Bank of Lynn).

GRANITE—Granite City National Bank; capital, $50,000; Pres., Geo. W. Niedringhaus; Cas., Chas. F. Stelzel.

JERSEYVILLE—Jersey State Bank; capital, $25,000; Pres., T. S. Chapman; Cas., R. W. Greene.

LE ROY—First National Bank (successor to Citizens' Bank); capital, $50,000; Pres., Fred Collison; Cas., David Crumbaugh.

INDIANA.

ELWOOD—Elwood State Bank; capital, $75,000; Pres., O. B. Frazier; Cas., Chas. C. Dehority; Asst. Cas., W. A. Dehority.

KOUTS—Bank of Kouts; capital, $5,000; Pres., Robert Parker; Cas., F. W. Shaffner.

INDIAN TERRITORY.

BROKEN ARROW—Traders and Planters' Bank; Pres., John Lonnberg; Cas., F. W. Hurd.

MANNSVILLE—First National Bank; capital, $25,000; Pres., L. E. Covey; Cas., E. V. Wolverton.

IOWA.

BAXTER—Farmers' State Bank (successor to Farmers' Bank); capital, $25,000; Pres., L. D. Ozmun; Cas., L. E. Fowler; Asst. Cas., W. D. Ozmun.

GRUVER—Gruver Savings Bank (successor to Bank of Gruver); capital, $10,000; Pres., Wm. Stuart; Cas., R. A. Palmeter.

OTTUMWA—South Ottumwa Bank; Pres., W. A. McIntire; Cas., B. A. Hand.

PLEASANT PLAINS—Farmers and Merchants' Bank; capital, $6,000; Pres. and Cas., S. Dickerson; Asst. Cas., H. G. Van Orsdel.

KANSAS.

ARKANSAS CITY—Citizens' State Bank; capital, $50,000; Pres., Geo. S. Hartley; Cas., N. D. Sanders.

COTTONWOOD—Exchange National Bank (successor to State Exchange Bank); capital, $50,000; Pres., H. F. Gillett; Cas., L. M. Swope.

KENTUCKY.

PADUCAH—Mechanics and Farmers' Savings Bank; capital, $25,000; Pres., B. H. Scott; Cas., Cook Husbands; Asst. Cas., Ed. L. Atkins.

LOUISIANA.

INDEPENDENCE—Bank of Independence; capital, $10,000; Pres., P. L. Dolhonde; Cas., Harry D. Wilson.

MARYLAND.

OAKLAND—Garrett National Bank (successor to Garrett County Bank); capital, $50,000; Pres., Daniel E. Offutt; Vice-Pres., G. S. Hamill; Cas., Scott T. Jones.

RIDGELY—Ridgely Savings Bank of Caroline County; capital, $10,000; Pres., Thomas A. Smith; Cas., Harry Gibson.

MICHIGAN.

AVOCA—Avoca Bank; Cas., C. V. Andrew.

KINGSLEY—Bank of Kingsley; capital, $10,000; D. H. Power Prop.; W. J. Rachow, Mgr.

MINNESOTA.

BADGER—State Bank; capital, $10,000; Pres., W. S. Short; Cas., J. C. Spencer.

BOYD—Boyd National Bank; capital, $25,000; Pres., Lloyd G. Moyer; Cas., O. H. Bye; Asst. Cas., N. A. Ronning.

COTTONWOOD—First National Bank (successor to Security State Bank); capital, $25,000; Pres., J. H. Catlin; Cas., Chas. Catlin.

FERTILE—Fertile Mortgage and Investment Co.; capital, $25,000; Pres., M. J. Pihl; Vice-Pres., Lewis Larson; Sec., M. T. Dalquist; Treas., B. E. Dalquist.

HOUSTON—Citizens' State Bank; capital, $10,000; Pres., Theodore Wold; Cas., W. J. Naylor.

KASOTA—First State Bank; capital, $15,000; Pres., C. W. Babcock; Cas., O. P. Buell.

GRAND RAPIDS—First National Bank (successor to Lumbermen's Bank); capital, $25,000; Pres., C. W. Hastings; Cas., F. P. Sheldon; Asst. Cas., C. E. Aikin.

MOOSE LAKE—Bank of Moose Lake; capital, $10,000; Pres., John Street; Cas., L. M. Street.

RENVILLE—First National Bank (successor to Security Bank); capital, $25,000; Pres., H. N. Stabeck.

ST. PAUL—Midway Bank; capital, $15,000; Pres., A. Z. Drew; Cas., A. P. Nelson; Asst. Cas., H. E. Backieloo.

MISSISSIPPI.

CORINTH—Citizens' Savings Bank; capital, $15,000; Pres., J. O. Liddon; Cas., B. F. Liddon.

MISSOURI.

TUSCUMBIA—Bank of Tuscumbia; capital, $15,000; Pres., R. M. Marshall; Cas., William H. Haverstraw.

NEBRASKA.

NICKERSON—First Bank; capital, $7,500; Pres., W. J. Courtwright; Cas., H. J. Sidner; Asst. Cas., A. W. Sprick.

STERLING—First State Bank; capital, $10,000; Pres., John R. Pierson; Cas., Fred. Catchpole.

NEVADA.

TONOPAH—Nye County Bank; capital, $50,-000; Pres., T. L. Oddie; Cas., Jno. S. Cook.

NEW YORK.

HUNTINGTON—First National Bank; capital, $50,000; Pres., James N. Brown; Cas., John F. Wood; Asst Cas., Wm. S. Funnell.

NORTH DAKOTA.

BINFORD—First State Bank; capital, $5,000; Pres., N. M. Young; Cas., A. G. Bonhus.

BUFFALO—First National Bank (successor to Bank of Buffalo); capital, $25,000: Pres., E. E. More; Cas., S. G. More; Asst. Cas., A. L. Bayley.

DENHOFF—Denhoff State Bank; capital, $10,-000; Pres., W. H. M'Clusky; Cas., A. L. M'Clusky; Asst. Cas., A. A. Hendricks.

LEHR—Farmers and Merchants' Bank; capital, $10,000; Pres., Henry C. De Laney; Cas., Bertha Maloy.

MOHALL—Mohall Security Bank; capital, $10,-000; Pres., M. O. Hall; Cas., Minnie Hall.

OHIO.

CAMBRIDGE—The National Bank (successor to Old National Bank); capital, $100,000; Pres., S. J. McMahon; Cas., C. S. McMahon; Asst. Cas., W. N. Patterson.

LEIPSIC—First National Bank; capital, $25,-000: Pres., W. A. White; Cas., Bert Mann.

MT. ORAB—Bank of Mt. Orab; capital, $25,-000; Pres., C. W. Kibler; Cas., P. A. Wickerham.

ZANESVILLE—American Bank; Pres., J. B. Hunter; Vice-Pres., F. C. Dietz; Cas., Geo. Brown; Asst. Cas., H. C. Shepherd.

OKLAHOMA.

GUTHRIE—Bank of Commerce; capital, $25,-000; Pres., Fred C. Dolcater; Vice-Pres., A. L. Cockrum: Cas., Wm. S. Stules.

TEMPLE—First National Bank; capital, $25,-000; Pres., D. C. Cogdell; Cas., J. C. Tandy.

PENNSYLVANIA.

DANVILLE—People's Bank; capital, $50,000; Pres., John Benfield; Cas., J. B. Watson.

DUNMORE—Fidelity, Deposit and Discount Bank; capital, $60,000.

NEW ALEXANDRIA—New Alexandria National Bank; capital, $25,000; Pres., Doty Guthrie.

PITTSBURG—Colonial National Bank; capital, $1,000,000; Pres., Joshua Rhodes; Vice-Pres. and Cas., R. J. Moorhead; Asst. Cas., A. B. McDonald.

PLEASANT UNITY—Pleasant Unity National Bank; capital, $25,000; Pres., A. H. Bell.

RIMERSBURG—Rimersburg National Bank; capital, $25,000; Pres., Miles Smith; Cas., W. A. Wick.

ROYERSFORD—Royersford Trust Co. (successor to Home National Bank); Pres., J. A. Buckwalton; Treas., Geo. W. Bowman.

SAINT MARYS—Saint Marys National Bank; capital, $125,000; Pres., James K. P. Hall; Cas., John B. Robertson.

SHARON—Merchants and Manufacturers' National Bank; capital, $175,000; Pres., John Carley; Cas., C. H. Pearson.

SOUTH FORK—First National Bank; capital, $50,000; Pres., Geo. B. Stineman.

TURTLE CREEK—First National Bank; capital, $50,000; Pres., W. H. Hunter; Cas., Paul R. Holland.——National Bank of Turtle Creek (successor to Citizens' Bank); capital, $50,000; Pres., U. G. Williams; Acting Cas., W. T. Bennett.

SOUTH DAKOTA.

BELLE FOURCHE—First National Bank; capital, $25,000; Pres., Geo. H. Rathman; Cas., D. R. Evans.

DELMONT—Security State Bank; capital, $5,000; Pres., Geo. D. Cord; Cas., M. D. Cord.

HOWARD—First National Bank (successor to Security Bank); capital, $25,000; Pres., Wm. Jacobsen; Cas., C. L. Oleson.

TENNESSEE.

SMITHVILLE—People's Bank; capital, $10,000; Pres., R. B. West; Cas., Thomas Mason.

TEXAS.

CLEBURNE—Western Bank and Trust Co.; Sam P. Rumsen, Mgr.

WACO—National City Bank (successor to City Savings Bank); capital, $100,000; Pres., W. D. Mayfield; Cas., John D. Mayfield; Asst. Cas., Dan Morris, Jr.

UTAH.

MURRAY—First National Bank; capital, $25,-000; Pres., Lewis S. Hills; Acting Cas., L. W. Burton.

WASHINGTON.

ENDICOTT—Bank of Endicott; Pres., William Huntley; Cas. Geo. H. Huntley.

KENNEWICK—Exchange Bank; capital, $25,-000; Pres., S. H. Amon; Vice-Pres., M. F. Setters; Cas., A. R. Graham.

WENATCHEE—Farmers and Merchants' Bank; capital, $25,000; Mgr., I. M. Tompkins.

WEST VIRGINIA.

NEW CUMBERLAND—First National Bank; capital, $40,000; Pres., John A. Campbell; Cas., James E. Brandon.

WAYNE—Wayne County Bank; capital, $25,-000; Pres., B. J. Prichard; Cas., Clyde Miller.

WISCONSIN.

NELSONVILLE—Bank of Nelsonville; Pres., H. Johnson; Cas., K. H. Johnson; Asst. Cas., J. O. Foxen.

NEW HOLSTEIN—State Bank; capital, $25,-000; Pres., H. C. Timm; Cas., Frederick Bullwinkel.

SEYMOUR—First National Bank; capital, $30,000; Pres., J. H. Taylor; Cas., Thomas Coghill.

WYOMING.

NEWCASTLE—Stock Growers and Merchants' Bank; capital, $15,000; Pres., Jacob Faehndrich; Cas., W. J. McCrea; Asst. Cas., M. E. Bauer.

CANADA.

ONTARIO.

OWENSOUND — Traders' Bank of Canada; Norman Ross, Mgr.

NORTHWEST TERRITORY.

DIDSBURG—Union Bank of Canada; E. E. Irwin, Mgr.

FORT SASKATCHEWAN—Union Bank of Canada; J. J. Anderson, Mgr.

LUMSDEN—Union Bank of Canada; G. J. Hunter, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

BIRMINGHAM—Birmingham Trust and Savings Co.; Tom O. Smith, Vice-Pres.; W. H. Manley, Cas.; Benson Cain, Asst. Cas.

CALIFORNIA.

SAN BERNARDINO—San Bernardino National Bank; J. W. Roberts, Pres., deceased.

COLORADO.

DENVER—Continental National Bank; Mahlon D. Thatcher, Pres.——First Nat. Bank; Thomas Keely, 2d Vice-Pres. in place of G. E. Ross-Lewin; F. G. Moffat, Cas. in place of Thos. Keely; C. S. Haughwout, 2d Asst. Cas. in place of F. G. Moffat.

CONNECTICUT.

DANBURY — National Pahquioque Bank; title changed to City National Bank.

NEW HAVEN—Yale National Bank; Edward S. Greeley, Pres. in place of Samuel E. Merwin.

NEW LONDON—National Bank of Commerce; B. A. Armstrong, Vice-Pres.; Wm. H. Reeves, Asst. Cas.

NORWICH—First National Bank; Franklin S. Jerome, Pres. in place of Daniel B. Spalding; no 2d Vice-Pres. in place of Franklin S. Jerome; C. L. Hopkins, Cas. in place of Franklin S. Jerome; no Asst. Cas. in place of C. L. Hopkins.——Uncas National Bank; W. S. Allis, Pres. in place of W. N. Blackstone; Wm. A. Fitch, Vice-Pres. in place of W. S. Allis.

DELAWARE.

MIDDLETOWN—People's National Bank; Geo. M. D. Hart, Pres. in place of G. W. Naudain, deceased.

GEORGIA.

BAINBRIDGE—First National Bank; John D. Harrell, Pres.

ILLINOIS.

BROCTON—Brocton Bank; C. A. Roll, Cas., deceased.

CHICAGO—Bankers National Bank; John C. Craft, Vice-Pres.; Frank P. Judson, Cas.; Charles C. Willson and Charles Ewing, Asst. Cas.——National Bank of North America; Francis V. Putnam, Asst. Cas. —— Fort Dearborn National Bank; L. A. Goddard, Pres. in place of John A. King.

MASON CITY—Farmers' State Bank; capital increased to $50,000.

MORRIS—Grundy County National Bank; J. C. Carr, Pres. in place of O. E. Collins; C. Collins, Vice-Pres. in place of Story H. Matteson; J. W. McKindley, Cas. in place of J. C. Carr; E. T. Carr, Asst. Cas. in place of J. W. McKindley.

SPRINGFIELD — Springfield Marine Bank; Benjamin H. Ferguson, Pres. deceased.

INDIANA.

NEW CASTLE—First National Bank; J. W. Maxim, Pres. in place of E. B. Phillips; E. B. Phillips, Cas. in place of W. F. Byrket; W. J. Murphy, Asst. Cas.

IOWA.

BRITT — First National Bank; surplus increased to $15,000.

GRAVITY—Gravity Bank; Chas. Baily, Cas.

MCGREGOR—First National Bank; no Asst. Cas. in place of F. S. Richards.

ROCK RAPIDS—Lyon County Bank; J. K. P. Thompson, deceased.

SIOUX CITY—Livestock National Bank; Geo. H. Rathman, Pres. in place of L. C. Elston, resigned.

WAUKON—Waukon State Bank; Lewis W. Hersey, Pres., deceased.

KANSAS.

ARKANSAS CITY—Home National Bank; F. L. Wooddell, Pres. in place of Howard Ross.

REPUBLIC — Republic State Bank; W. S. Lower, Pres. in place of Z. Stover; S. W. Jones, Cas.

KENTUCKY.

CARROLLTON — Carrollton National Bank; C. B. Winslow, Pres. in place of H. M. Winslow.

DANVILLE—Boyle National Bank; Boyle O. Rodes, Pres. in place of Robert P. Jacobs, deceased.

HENDERSON — Henderson National Bank; C. E. Dallam, Cas. in place of S. K. Sneed.

LEXINGTON — Third National Bank; W. J. Loughridge, Pres. in place of John W. Berkley.

LOUISVILLE — National Trust Co.: title changed to United States Armor Vault and Trust Co.

VERSAILLES — Harris-Seller Banking Co.; Thomas Seller, Pres. in place of Nathaniel Harris, deceased.

WORTHVILLE — Worthville Deposit Bank; Geo. C. Hall, Jr., Cas., resigned.

LOUISIANA.

LAKE CHARLES—Calcasieu National Bank; capital increased to $150,000.

MAINE.

BANGOR—Kenduskeag National Bank: Augustus B. Farnham, Pres. in place of James Adams.

WATERVILLE—People's Nat. Bank; Elbridge Hodgdon, Pres., deceased.

MARYLAND.

BALTIMORE—National Marine Bank; James V. Wagner, Cas., deceased.——City Trust & Banking Co.; Wm. F. Wheatley, Pres. in place of Charles O'Donnell Lee; John D. Blake, First Vice-Pres.; Thomas O'Neill, Second Vice-Pres.

MASSACHUSETTS.

ARLINGTON—Arlington National Bank; John Easton, Cas. in place of Wm. D. Higgins, resigned.

ATTLEBORO—First National Bank; Fred. P. Mason, Cas. in place of Homer M. Daggett.

BOSTON—Brighton Five Cents Savings Bank; Geo. E. Brock, Treas., resigned.——Home Savings Bank; Geo. E. Brock, Treas.——Massachusetts National Bank; D. G. Wing, Pres.; John W. Weeks, Vice-Pres.——American National Bank; Herbert A. Libbey, Cas.

CAMBRIDGE—Cambridge National Bank; I. S. Anable, Cas. in place of John C. Bullard, resigned.

CONWAY—Conway National Bank; John B. Packard, Pres. in place of W. G. Avery, resigned.——Conway Savings Bank; E. T. Cook, Treas. in place of W. G. Avery, resigned.

FALL RIVER—Fall River Savings Bank; Robert Henry, Pres. in place of Thomas J. Borden, deceased.

GLOUCESTER—Gloucester Safe Deposit and Trust Co.; Sylvanus Smith, Pres. in place of George R. Bradford, deceased; Horace A. Smith, Asst. Treas.——City Nat. Bank; Wm. A. Pew, Jr., Pres. in place of Sylvester Cunningham.——First National Bank; John Gott, Pres. in place of Geo. R. Bradford, deceased; Arthur H. Steele, Cas.

HOLYOKE—Hadley Falls National Bank; Harry J. Bardwell, Cas. in place of Hubbel P. Terry, resigned.

LOWELL—Lowell Trust Co.; Geo. T. Sheldon, Treas., deceased.

OXFORD—Oxford National Bank; Charles B. Sherman, Cas., deceased.

READING—First National Bank; C. C. White, Cas. in place of Henry Wells.

SPENCER—Spencer National Bank; Frank A. Wilson, Cas. in place of Chas. W. Estes, Jr.

WILLIAMSTOWN——Williamstown National Bank; Charles S. Cole, Pres. in place of John B. Gale, resigned.

YARMOUTHPORT—First National Bank of Yarmouth; Joshua Crowell, Pres. in place of Samuel Snow.

MICHIGAN.

CORUNNA—First National Bank; W. F. Gallagher, Pres. in place of L. W. Simmons.

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DETROIT—Detroit Trust Co.; Ralph Stone, Sec.

KALAMAZOO—First National Bank; F. N. Rowley, Pres.; G. W. Ritchie, Cas.

PORT HURON—St. Clair County Savings Bank; Fred T. Moore, Cas.

ST. JOHNS—St. Johns National Bank; R. C. Dexter, Cas. in place of P. E. Walsworth.

MINNESOTA.

COTTONWOOD—Cottonwood State Bank; I. L. Kolhei, Cas. in place of P. O. Lieberg.

MINNEAPOLIS—First National Bank; J. B. Gilfillan, Pres. in place of John Martin.

VERNDALE—First National Bank; S. L. Frazier, Vice-Pres. and Mgr.; Geo. W. Empey, Cas.; L. D. Frazier, Asst. Cas.

MISSISSIPPI.

BILOXI—Bank of Biloxi; W. H. Buck, Cas. in place of Charles Isom.

GULFPORT—Bank of Commerce; capital increased to $25,000.

SUMMIT—Bank of Summit; Oliver N. Bonney, Asst. Cas.

TERRY—Bank of Terry; R. F. Young, Cas. in place of J. W. Grantham, resigned.

MISSOURI.

CAMPBELL—Bank of Campbell; capital increased to $20,000.

FREDERICKTOWN—Fredericktown Trust Co.; capital increased to $250,000.

MIAMI—Miami Savings Bank; capital decreased to $25,000.

MONTANA.

BIG TIMBER—Big Timber National Bank; capital increased to $100,000.

WHITESULPHUR SPRINGS—First National Bank; Geo. F. Harmon, Pres. in place of A. M. Henry.

NEBRASKA.

LINCOLN—City National Bank; L. J. Dunn, Cas. in place of J. H. Auld, deceased.

OMAHA—Omaha National Bank; C. F. McGrew, Vice-Pres.; Chas. E. Waite, Cas.; Frank Boyd, Asst. Cas.

NEW HAMPSHIRE.

KEENE—Keene National Bank; George A. Litchfield, Pres. in place of E. F. Lane.

NEW JERSEY.

BRIDGETON—Bridgeton National Bank; Thomas U. Harris, Pres., deceased.

NEWARK—Fidelity Trust Co.; capital increased to $2,000,000.——Merchants' National Bank; Jos. M. Riker, Pres.; J. S. Treat, Vice-Pres.

SALEM—Salem National Banking Co.; Geo. Hires, Pres. in place of Wyatt W. Miller.

NEW YORK.

BUFFALO—People's Bank; Arthur D. Bissell, Pres. in place of Daniel O'Day; C. R. Huntley, Vice-Pres.——Fidelity Trust Co.; Wm. H. Walker, Vice-Pres., deceased.

BROOKLYN (New York City)—Twenty-Sixth

Ward Bank; John V. Jewell, Pres. in place of Ditmas Jewell, resigned.

CANDOR—First National Bank; N. D. Wentworth, Asst. Cas. in place of Frank M. Humiston, resigned.

CORINTH—Corinth National Bank; capital increased to $50,000.

DUNKIRK — Merchants' National Bank; Francis May, Pres. in place of Charles D. Murray, deceased.

FORT PLAIN—Fort Plain National Bank; Albert Sitterley, Cas. in place of Louis Dunckel, resigned.

FULTON—Citizens' National Bank; Harry E. Hannis, Asst. Cas.

HAMBURG—People's Bank; S. F. Colvin, Cas. in place of M. F. Clark; M. F. Clark, Asst. Cas.

KINGSTON—State of New York National Bank; D. N. Mathews, Pres. in place of James Van Leuven; C. H. Schoonmaker, Vice-Pres. in place of D. N. Mathews.

LOWVILLE—First National Bank; Frederick McCullock, Pres. in place of Chas. D. Boshart; Chas. D. Boshart, Vice-Pres. in place of John Pfister; W. J. Milligan, Asst. Cas.

NEW YORK—Seaboard National Bank; Frank Dean, Vice-Pres. in place of J. F. Thompson.——German Exchange Bank; Charles L. Adrian, Pres. in place of M. J. Adrian, resigned; Edmund F. Swanberg, Cas.——Riverside Bank; Charles N. Taintor, Pres. in place of Henry C. Copeland, resigned.——Knickerbocker Trust Co.; Julian M. Gerard, 3d Vice-Pres.; J. McLean Walton, Asst. Sec.; Harris A. Dunn, Asst. Treas.——Bowery Savings Bank; Wm. H. S. Wood, Pres. in place of John D. Hicks.——Clarence S. Day & Co.; succeeded by Day, Adams & Co.——Fifth Avenue Bank; B. H. Fancher, Cas. in place of Frank Dean; W. G. Gaston, Asst. Cas.——Van Norden Trust Co.; Arthur King Wood, Sec. and Treas; Wm. W. Robinson, and James B. Haig, Jr., Asst. Treasurers.—— Metropolitan Trust Co.; A. A. Raven, Vice-Pres.; Benjamin Strong, Jr., Sec.; Chas. Baker, Jr., Treas.

PEEKSKILL—Westchester County National Bank; Robert Brotherton, Asst. Cas., deceased.

PLATTSBURG—Vilas National Bank; H. G. Baker, Cas. in place of Henry T. Kellogg, Acting Cas.

POUGHKEEPSIE—Fallkill National Bank; F. M. Johnston, Pres. in place of Edward Elsworth.

ROCHESTER—East Side Savings Bank; Burton H. Daly, Sec. and Treas. in place of Platt B. Viele. —— Flour City National Bank; Walter B. Duffy, Pres.

SYRACUSE—Salt Springs National Bank; Robert Hudson, Second Vice-Pres.; G. Howard Avery, Asst. Cas.——National Bank of Syracuse; Lyman C. Smith, Pres. in place of John Dunn, Jr.

WHITE PLAINS—Central Bank of Westchester County; Howard E. Foster, Pres. in place of Wm. H. Albro, deceased; Jno. A. Snedeker, Cas. in place of Howard E. Foster; Jos. H. Mead, Asst. Cas.

NORTH CAROLINA.

MOUNT AIRY—First National Bank; Mary L. Fawcett, Cas., resigned.

OHIO.

BUCYRUS—First National Bank; James B. Gormly, Jr., Cas.; Edwin G. Beal, Asst. Cas.

CINCINNATI — Merchants' National Bank; capital increased to $1,000,000; M. E. Ingalls, Pres. in place of H. C. Yergason; H. C. Yergason, additional Vice-Pres.——Western German Bank; Edward F. Weil, Vice-Pres.; Geo. Opitz, Cas.——Fifth National Bank; capital increased to $600,000.

CLEVELAND—American Exchange National Bank; absorbed by Park National Bank.——Savings and Trust Co. and Citizens' Savings and Loan Association; consolidated under title of Citizens' Savings and Trust Co.; capital, $3,000,000; H. R. Newcomb, Pres.

DAYTON—City National Bank; Wm. P. Callahan, Pres., deceased.——Dayton National Bank; S. W. Davies, Pres. in place of R. C. Schenck, deceased.

LOCKLAND — First National Bank; A. M. Stearns, Vice-Pres. in place of G. W. Walker.

NEWARK—First National Bank; F. S. Wright, Pres. in place of J. Buckingham; no Vice-Pres. in place of F. S. Wright.

PAINESVILLE—Painesville National Bank; F. H. Murray, Pres.

WAPAKONETA—People's National Bank; A. A. Klipfel, Cas.

ZANESVILLE—First National Bank; C. Stolzenbach, Pres. in place of W. A. Graham; G. H. Stewart, Vice-Pres.

OKLAHOMA.

ALVA — Exchange National Bank; title changed to First Nat. Bank.

PENNSYLVANIA.

ALLENTOWN—Second National Bank; M. L. Yost, Vice-Pres; no Cas. in place of W. R. Klein; C. H. Moyer, Asst. Cas. and Act. Cas.

BETHLEHEM—Lehigh Valley National Bank; Robert Packer Linderman, Pres., deceased.

CANONSBURG—First National Bank; capital increased to $100,000.

ELLWOOD CITY — Ellwood City National Bank; capital increased to $75,000.

ERIE—Second National Bank; H. J. Leslie, Cas. in place of W. M. Wallace, deceased.

MCKEESPORT — Citizens' National Bank; absorbed by McKeesport Title and Trust Company.

MONACA—Citizens' National Bank; Mont D. Youtes, Cas. in place of Thomas C. Fry.

PHILADELPHIA—Consolidation Nat. Bank;

Louis M. Spielberger, Cas. in place of Edwin H. Webb.—Western National Bank; Chas. F. Wignall, Asst. Cas.

PITTSBURG—Marine National Bank; Geo. C. Burgwin, Pres. in place of Wm. W. O'Neil, deceased; Thomas J. Wood, Vice-Pres.—Tradesmen's National Bank; E. H. Jennings, Pres. in place of J. N. Pew.

SHAMOKIN—Shamokin Banking Co.; W. C. McConnell, Pres.

WARREN—Citizens' National Bank; Levi Smith, Pres. in place of E. T. Hazeltine.

RHODE ISLAND.

PROVIDENCE—National Bank of North America; capital reduced to $500,000.—Commercial National Bank; Arthur H. Watson, Pres. in place of Isaac M. Potter.

SOUTH CAROLINA.

SPARTANBURG—National Bank of Spartanburg; title changed to First National Bank; capital increased to $200,000.

TENNESSEE.

JOHNSON CITY—Unaka National Bank; J. D. Cox, Pres., deceased.

JONESBORO—The Banking and Trust Co.; J. D. Cox, Pres., deceased.

KNOXVILLE—Holston National Bank; Joseph P. Gaut, Pres. in place of H. S. Mizner; John A. Armstrong, Cas.

MEMPHIS—Memphis Trust Co.; capital increased to $700,000.

NASHVILLE—First National Bank; F. O. Watts, Pres. in place of Joel W. Carter; Randol Curell, Cas. in place of F. O. Watts.

SMITHVILLE—Farmers and Traders' Bank; capital increased to $15,000.

So. PITTSBURG—First National Bank; T. G. Garrett, Pres. in place of W. D. Spears.

TEXAS.

HILLSBORO—Safe Deposit and Trust Co.; H. H. Simmons, Pres.; J. W. Gilliam, Vice-Pres.; H. N. Tinker, Cas.; F. E. McLarty, Asst. Cas.

LOCKHART—Lockhart National Bank; capital increased to $100,000.

SAN ANTONIO—Frost National Bank; J. T. Woodhull, Vice-Pres.; Ned McIlhenny, Cas.

TERRELL—Harris Nat. Bank; title changed to American National Bank.

WINNSBORO—Farmers' National Bank; C. B. Gorham, Vice-Pres. in place of G. R. L. White; L. D. Hess, Cas. in place of W. H. Holley; no Asst. Cas. in place of L. D. Hess.

UTAH.

SALT LAKE CITY—Utah National Bank; B. G. Raybould, Cas., resigned.—National Bank of the Republic; Geo. A. Lowe, Vice-Pres., deceased.

VERMONT.

BARRE—National Bank of Barre; Dean P. Towne, Cas. in place of Frank G. Howland.

WATERBURY—Waterbury National Bank; E. E. Joslyn, Asst. Cas.

VIRGINIA.

PETERSBURG—National Bank of Petersburg; Simon Seward, Pres. in place of B. B. Vaughan.

WEST VIRGINIA.

HUNTINGTON—Huntington National Bank; F. B. Enslow, Pres. in place of John Hooe Russel, deceased.

MARTINSBURG—Old National Bank; H. H. Emmert, Pres. in place of Wm. T. Stewart; W. F. McAneny, Asst. Cas. in place of J. W. Stewart.

MOUNDSVILLE—Marshall County Bank; capital increased to $50,000.

WISCONSIN.

FOND DU LAC—First National Bank; J. B. Perry, Pres. in place of Edwin A. Carey; Edwin A. Carey, additional Vice-Pres.; Ernest J. Perry, Cas. in place of James B. Perry.

MILWAUKEE—Citizens' Loan and Trust Co.; title changed to Citizens' Trust Co.; capital increased to $300,000.

CANADA.

QUEBEC.

MONTREAL—Bank of Montreal; capital increased to $14,000,000.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

GEORGIA.

BARNESVILLE—People's Bank; assigned to E. Rumble and A. A. Murphy.

IOWA.

GRINNELL—Citizens' Bank.

KANSAS.

TORONTO—Toronto Bank.

KENTUCKY.

OWENSBORO—Corn and Tobacco Bank.

MISSISSIPPI.

GRENADA—Merchants' Bank.

NEBRASKA.

VERDIGRIS—Bank of Verdigre.

OHIO.

BURTON—Boughton, Ford & Co.

PAULDING—First National Bank; in voluntary liquidation.

PENNSYLVANIA.

McKEESPORT—Citizens' National Bank; in voluntary liquidation (absorbed by McKeesport Title and Trust Co.

ROCHESTER—Rochester National Bank; in voluntary liquidation.

ROYERSFORD—Home National Bank; in voluntary liquidation.

TEXAS.

JACKSONVILLE—C. N. Fleager & Co.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, February 2, 1903.

AN INCREASED SUPPLY OF MONEY in the local market and lower rates of interest followed quickly the opening of the new year. Since January 3, deposits in the New York Clearing-House banks increased $58,000,000, loans $29,000,000, cash reserves $32,000,000, and surplus reserve $17,700,000. This is not an exceptional experience in the first month of the year, however, and in a measure only duplicates the changes noted a year ago when deposits increased $65,000,000 in January, loans $20,000,000, reserves $31,000,000 and surplus reserve $19,000,000. Deposits this year are $44,000,000 less than they were a year ago while loans are $15,000,000 more. The banks now hold nearly $261,000,000 cash as compared with more than $270,000,000 on February 1, 1902.

The lower rates for money which have prevailed during the month have not stimulated the stock market to any extent. Prices have not moved uniformly neither has there been the pronounced activity that once was considered normal. A week's total transactions will not exceed the total recorded in a single day in 1901 when the stock market was in the throes of a boom. Daily sales more often approximate 500,000 shares than 1,000,000 shares, to say nothing of 2,000,000 or 3,000,000 shares. Yet the sentiment in financial circles is very cheerful and optimistic views generally prevail.

There have been few events either to stimulate or depress the stock market. Germany's attitude to Venezuela was responsible in a measure for a quiet market, while the discussion of trusts in Congress seems to have given no one any great concern.

The most significant happening of the month, perhaps, as indicative of the change in the money situation, was the announcement of the Secretary of the Treasury that the National banks having State and municipal bonds deposited to secure public deposits would be required to substitute Government bonds for them before August 1 next. The conditions which prompted the Secretary of the Treasury to stimulate an expansion of National bank circulation last autumn have disappeared and hence the present change in policy. About $20,000,000 of State and municipal bonds were deposited, and less than $14,000,000 of Government bonds were released to be used as a basis of bank circulation. The banks will be able to comply with the Secretary's requirement without any serious disturbance to the money market.

Recently the banks have been forwarding considerable amounts of notes to the Treasury for current redemption. The daily receipts for this purpose at the Treasury have frequently exceeded $1,000,000 and on January 23 they were $1,544,000. During the month the total reached $24,070,749 as against $20,524,724 in January, 1902, and $19,375,233 in January, 1901. For the fiscal year since July 1 the receipts have been considerably in excess of those for the corresponding period in either of the previous two years.

Compared with last year the receipts of National bank notes for current redemption so far during the fiscal year have increased more than $16,000,000 and compared with 1900–1 about $26,000,000. The month of January is usually a busy month in the redemption department, but this year it has been exceptionally so. The receipts for the seven months this year and last were:

	1901-2.	*1902-3.*
July	$13,245,818	$15,617,929
August	14,130,129	13,285,734
September	9,228,055	11,260,160
October	11,206,165	12,194,570
November	11,213,808	13,884,919
December	12,973,715	18,350,392
January	20,524,724	24,070,749
Seven months	$92,522,414	$108,664,453

The currency question has received some attention in Congress, but the prospect of any legislation on the subject is extremely remote. In the House of Representatives, Mr. Fowler, Chairman of the Committee on Banking and Currency, on January 13 presented the majority report proposing to allow National banks to issue credit currency to the extent of twenty-five per cent. of their capital. Representative Cochran, of Missouri, has also introduced a bill authorizing circulation based upon State and municipal bonds. As this session of Congress will expire on March 4 and a number of Representatives who will not be in the next Congress will be busy getting through legislation in which they are especially interested, there is little chance of any currency bill becoming a law for another year.

One feature of the currency question came into prominence late in the month in the form of an appeal from Mexico and China to the United States to co-operate with those countries in an effort to establish a fixed relationship between gold and silver. The attempt to establish a bimetallic standard is disclaimed, but it is urged that a commission be created by the three countries to consider the problem now confronting the silver-using countries by reason of the great fall in the price of silver, to devise a plan for a universal standard of coinage and then to secure the co-operation of other nations. The President, in submitting the matter to Congress, has requested that he be granted power to lend the support of the United States in such manner and to such degree as he may deem expedient.

Naturally the proposition to do something for silver has awakened widespread opposition. The steady decline in the price of silver in the face of an enormous increase in the world's production of gold has made the problem of establishing a fixed ratio between the two metals, even at 32 to 1, seem more impracticable than ever.

The annual statement of Pixley and Abell shows that the price of silver in London last year ranged from 26⅛d. per ounce in January to 21 11-16d. in November. The average price for the year was 24 1-16d., the lowest ever recorded. The following table shows the average annual price of silver since 1873:

Year.	*Pence.*	Year.	*Pence.*	Year.	*Pence.*	Year.	*Pence.*	Year.	*Pence.*
1873	59¼	1879	51¼	1885	48⅝	1891	45 1-16	1897	27 9-16
1874	58 5-16	1880	52¼	1886	45⅜	1892	39 13-16	1898	26 15-16
1875	56⅞	1881	51 11-16	1887	44⅝	1893	35⅝	1899	27 7-16
1876	52¾	1882	51⅝	1888	42⅞	1894	28 15-16	1900	28¼
1877	54 13-16	1883	50 9-16	1889	42 11-16	1895	29⅞	1901	27 3-16
1878	52 9-16	1884	50⅝	1890	47 11-16	1896	30¾	1902	24 1-16

With silver down to an average price of 24 1-16 pence, and our silver dollar coined on the basis of fifty-nine pence per ounce, it is apparent that the United States undertook a very serious task when it tried to establish the standard of 16 to 1.

In general the business situation still presents signs of undiminished prosperity. The most hopeful views are taken regarding the immediate future. The great grain and cotton producing sections of the country have a solid basis of prosperity in the large crop yields of last year. These and the conditions which they naturally produce promise a large traffic and good earnings for the railroads for another twelve months. The advance in wages which has occurred in the last few years will to some degree affect our ability to export manufactured goods, but the increase in home consumption will in part neutralize that.

The record of the clearing-house associations of the country since January 1 shows that the activity in business continues; the exchanges from week to week, both in New York and throughout the country generally, showing gains as compared with a year ago. For the calendar year 1902 the total exchanges at New York were only about four per cent. below the high record made in 1901, while outside of New York there was a gain of nearly 6¾ per cent.

The Bureau of Statistics last month published the foreign trade figures for the calendar year 1902. They show that the exports of merchandise were in value about $1,360,000,000, which is $104,000,000 less than for the year 1901, and $117,000,000 less than in 1900. The loss in exports, however, was largely due to the short crops of the previous year, agricultural products showing a decrease of $120,000,000 from 1901, of which loss $80,000,000 was in breadstuffs, $24,000,000 in provisions, $19,000,000 in animals and $10,000,000 in cotton, while there were gains in tobacco, etc.

The exports of manufactures increased, the total value in 1902 being $410,650,967 against $395,144,080 in 1901, an increase of $15,500,000. The following table shows the exports of the principal manufactured articles in 1901 and 1902:

	Calendar year.	
	1901.	*1902.*
Iron and steel	$102,534,575	$97,892,036
Refined mineral oil	65,492,885	61,343,980
Copper manufactures	33,534,899	45,485,598
Cotton goods	26,042,755	33,274,907
Leather and manufactures of	28,949,447	30,551,072
Agricultural implements	16,714,808	17,981,597
Chemicals, drugs, etc	14,267,110	13,437,367
Wood manufactures	11,038,550	12,437,884
Carriages and cars	10,861,401	10,081,819

There was a decrease in iron and steel of nearly $5,000,000, and in mineral oil of $4,000,000, while copper manufactures increased nearly $12,000,000 and cotton goods more than $7,000,000.

The year 1902 completed the seventh consecutive year of an epoch in our foreign trade history. There has been no similar period like it. A comparison of our exports and imports in the last seven years with those of a similar period immediately preceding shows the most remarkable changes.

	Exports.	*Imports.*	*Total foreign trade.*	*Net exports.*
1889	$827,106,847	$770,521,965	$1,597,628,812	$56,584,882
1890	857,502,548	823,397,726	1,680,900,274	34,104,822
1891	970,509,646	828,320,943	1,798,830,589	142,188,704
1892	938,420,660	840,930,955	1,779,351,615	97,489,705
1893	876,108,781	776,248,924	1,652,357,705	99,859,857
1894	825,102,248	676,312,941	1,501,415,189	148,789,307
1895	824,860,136	801,669,347	1,626,529,483	23,190,789
Seven years	$6,119,610,366	$5,517,402,801	$11,637,013,167	$602,207,566
1896	$1,005,837,241	$681,579,556	$1,687,416,797	$324,257,685
1897	1,099,709,045	742,595,229	1,842,304,274	357,113,816
1898	1,255,546,266	634,964,448	1,890,510,714	620,581,818
1899	1,275,467,971	798,967,410	2,074,435,381	476,500,561
1900	1,477,946,113	829,149,714	2,307,095,827	648,796,399
1901	1,465,375,860	880,419,910	2,345,795,770	584,955,950
1902	1,360,696,355	969,270,009	2,329,966,364	391,426,346
Seven years	$8,940,578,851	$5,536,946,276	$14,477,525,127	$3,403,632,575

Comparing the later period with the earlier period, it is seen that our exports have increased from about $6,120,000,000 to $8,940,000,000, or $2,820,000,000; our imports have increased from $5,517,000,000 to $5,537,000,000, or $20,000,000; the total foreign trade from $11,637,000,000 to $14,477,000,000, or $2,840,000,000, and the net balance of exports from $602,000,000 to $3,403,000,000, or $2,801,000,000.

The foreign trade figures for December show that the export movement has again become large beyond precedent. The exports were in excess of $148,000,000, the largest ever recorded. On the other hand, imports are also increasing, the total value in December being more than $94,000,000, or $15,000,000 more than in December, 1901, and $26,000,000 more than in the same month two years ago.

The shortage in the corn crop in 1901 had so important an influence upon the export trade of the succeeding year that more than the usual interest has been taken in the crop reports of 1902. While it has been known since last autumn that the yield of grain was large, the final estimates of the Agricultural Department were only recently completed. They compare with previous estimates as follows:

YEAR.	*Wheat.* *Bushels.*	*Corn.* *Bushels.*	*Oats.* *Bushels.*	*Barley.* *Bushels.*
1898	675,148,705	1,924,184,660	730,905,643	55,792,257
1899	547,303,846	2,078,143,933	796,177,713	73,381,563
1900	522,229,505	2,105,102,516	809,125,989	58,925,833
1901	748,460,218	1,522,519,891	736,808,724	109,932,924
1902	670,063,008	2,523,648,312	987,842,712	134,954,023

The wheat crop is smaller than that of 1901 and 1898, but otherwise is the largest ever produced. There is, however, some question as to the accuracy of the Government estimates of the grain crops in recent years, the census returns for 1899 showing that the Department of Agriculture had made its estimates too low. The Department increased its estimates for 1901 after the census figures for 1899 were compiled.

The corn crop probably is the largest ever harvested, and so also are the crops of oats and barley. The average farm value of crops as estimated on December 1 is generally high. Corn is estimated at 40.3 cents per bushel against 60.5 cents in 1901 and 35.7 cents in 1900, and wheat at 63 cents against 62.4 cents in 1901 and 61.9 cents in 1900.

In the record of production of pig iron there is ample testimony not only of the prosperity of the iron trade but of the remarkable activity in the industrial trade of the country. In spite of a short supply of coke and iron ore, and of the setback caused by the long strike in the anthracite coal region, the output of pig iron in the United States in 1902 far exceeded that of any previous year. There were 17,821,307 tons produced, or nearly 2,000,000 tons more than in 1901 and 4,000,000 tons more than in either 1899 or 1900. The United States in 1901 produced more pig iron than Great Britain and Germany together, while in 1902 it produced more than those countries and Belgium combined. The output of pig iron in the United States since 1891 was—

	First half. Tons.	*Second half.* Tons.	*Total.* Tons.
1891	3,368,107	4,911,763	8,279,870
1892	4,769,683	4,387,317	9,157,000
1893	4,562,918	2,561,584	7,124,502
1894	2,717,983	3,939,405	6,657,388
1895	4,087,558	5,358,750	9,446,308
1896	4,976,236	3,646,891	8,623,127
1897	4,403,476	5,249,204	9,652,680
1898	5,869,703	5,904,231	11,773,934
1899	6,289,167	7,331,536	13,620,703
1900	7,642,569	6,146,673	13,789,242
1901	7,674,613	8,203,741	15,878,354
902	8,808,574	9,012,733	17,821,307

In the last half of 1902 the output exceeded that of a total year's production in 1891, 1893, 1894 or 1896, and almost equalled that of 1892 and 1895. On January 1 the weekly capacity of furnaces in blast was 355,714 tons, making a new high record surpassing that of May 1 when the weekly output was 352,064 tons. Compared with a year ago there is an increase of more than 57,000 tons.

In the copper industry production has been steadily increasing but exports have fallen off. In December the exports were the smallest for any month in 1902. In that month the production in the United States was 25,826 tons and the exports 10,032 tons as compared with a production of 19,803 tons and exports of 10,171 tons in December, 1901. For the calendar year the production was 295,656 tons against 265,255 tons in 1901 and exports were 168,767 tons against 94,664 tons in 1901, when an attempt to keep up prices caused a large falling off in exports.

The completed returns of the National banks of the United States for November 25 last show 4,666 banks in operation, an increase of sixty-five since September 15 and of 375 since December 10, 1901. The capital stock was increased $9,080,936 since September and $49,275,689 in the last year. Individual deposits decreased $56,000,000 since the last previous statement was issued, but they are $188,000,000 more than a year ago. Loans have increased $23,000,000 since September and $264,000,000 in the year.

The following table shows the changes in some of the principal items as indicated in the statements of the National banks made during the last two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
February 5, 1901..	$634,696,505	$266,520.595	$2,753,969,722	$332,971,087	$66,985,107	$152,386,332
April 24, 1901.....	640,778,600	267,810,240	2,893,665.450	315,546,242	71,227,450	159,324,246
July 15, 1901.......	645,719,099	274.194.176	2,941.837.429	302,826,065	68,259,478	164,929,624
September30, 1901	655,341,880	279,532,859	2,937,753,233	314,397,841	62,284,530	151,018,751
December 10, 1901	665,340,664	287,170,838	2,964,417,966	303,753,440	65,899.068	151,118,858
February 25, 1902.	667,381,231	294,951,787	2,982,489,301	337,851,267	69,230,896	154,68'2644
April 30, 1902.....	617,176,312	296,597,509	3,111,690,196	321,866,068	76,894,493	159,,292682
July 16, 1902......	701,990.551	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292
September 15,1902	705,535,417	326,393,953	3,209,273,894	298,862,066	67,374,054	141,757,618
November 25,1902	714,616,353	335,763,730	3,152,878,796	321,646,166	69,635,494	142,310,109

THE MONEY MARKET.—Money became easier soon after the first of the month and the supply has been increasing. At the close of the month call money ruled at 2½ @ 3¾ per cent., the average rate being 3¼ per cent. Banks and trust companies loaned at 4 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4½ per cent. for 60 days and 4½ @ 4¾ per cent. for 3 to 6

MONEY RATES IN NEW YORK CITY.

	Sept. 1.	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	4 –5½	4 –19	5 –7	4 –6	8 –12	2½–3¾
Call loans, banks and trust companies..........	3½–	6 –	4 –	4½–	8 –12	4 –
Brokers' loans on collateral, 30 to 60 days..........	5 –	6 @ 1%	6 –	6 –	6 –	4½–
Brokers' loans on collateral, 90 days to 4 months..........	5 – ½	6 @ 1%	6 –	6 –	6 –	4½– ¾
Brokers' loans on collateral, 5 to 7 months..........	5 – ½	6 –	6 –	5 –5½	5½–	4½– ¾
Commercial paper, endorsed bills receivable, 60 to 90 days..........	5 –	6 –	5½–6	5½– ¾	6 –	4¾–5
Commercial paper prime single names, 4 to 6 months..........	5 – ½	6 –	5½–6	5½–6	6 –	4¾–5
Commercial paper, good single names, 4 to 6 months..........	5½–6	6½–	6½–7	6 –6½	6½–	5 –5½

months on good mixed collateral. For commercial paper the rates are 4¾ @ 5 per cent. for 60 to 90 days' endorsed bills receivable, 4¾ @ 5 per cent. for first-class 4 to 6 months' single names, and 5 @ 5½ per cent. for good paper having the same length of time to run.

NEW YORK CITY BANKS.—The local banks greatly strenghtened their position during the past month. There was an increase of $58,000,000 in deposits since January 3 while loans increased $29,000,000. The latter item was reduced during the first week nearly $4,000,000 making the increase in the last three weeks $33,000,000 of which $14,000,000 was in the last week. Specie increased in the month $27,000,000 and legal tenders nearly $5,000,000. The surplus reserve, which at the first of the year was down to about $10,000,000, is now nearly $28,000,000. Circulation is beginning to decline again, more than $500,000 having been retired since January 1.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Jan. 3....	$875,352,100	$154,998,700	$73,478,900	$873,115,000	$10,198,850	$45,705,200	$1,465,599,200
" 10...	871,642,100	156,549,000	$76,663,700	873,609,600	14,810,300	45,639,100	1,826,127,600
" 17...	886,054,100	168,241,400	77,258,700	901,111,900	20,217,125	45,500,300	1,859,121,200
" 24...	890,448,100	177,170,000	77,448,000	912,812,100	26,414,975	45,414,400	1,876,582,200
" 31...	904,510,700	182,672,000	78,158,500	931,778,900	27,880,775	45,184,900	1,301,817,700

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,198,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,300	9,975,925	....	....
April..........	1,004,283,200	7,870,500	965,858,300	6,965,575	....	....
May...........	970,790,500	16,759,775	968,189,600	7,484,000	....	....
June..........	952,398,200	21,253,050	948,826,400	11,929,000	....	....
July	971,882,000	8,484,200	955,829,400	12,978,350	....	....
August........	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,298,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $938,191,200 on March 1, 1902, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Jan. 3....	$78,859,100	$85,962,600	$3,762,300	$4,644,200	$10,058,000	$2,029,000	* $997,150
" 10....	78,750,300	85,212,500	3,965,100	4,685,900	8,490,300	1,980,200	* 2,181,625
" 17....	78,198,700	85,753,000	3,880,000	4,583,300	9,404,100	2,556,000	* 1,114,850
" 24....	77,886,900	84,247,900	3,879,700	4,527,200	8,445,200	2,128,200	* 2,081,675
" 31....	78,019,200	83,515,400	3,688,900	4,269,200	8,282,400	2,338,000	* 2,300,350

* Deficit.

BOSTON BANKS.

DATES.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Jan. 3.......	$187,667,000	$208,020,000	$17,591,000	$7,023,000	$6,798,000	$149,313,100
" 10.......	189,974,000	207,815,000	16,884,000	6,585,000	6,818,000	148,963,600
" 17.......	191,457,000	213,701,000	16,989,000	6,955,000	6,827,000	164,353,800
" 24.......	187,955,000	207,178,000	17,088,000	6,997,000	6,773,000	147,385,300
" 31.......	188,705,000	202,578,000	16,590,000	6,652,000	6,576,000	121,125,500

PHILADELPHIA BANKS.

DATES.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Jan. 3....................	$175,512,000	$206,601,100	$54,584,000	$9,475,000	$114,858,700
" 10....................	177,953,000	211,488,000	56,528,000	9,487,000	125,005,300
" 17....................	180,781,000	216,750,000	59,055,000	9,497,000	128,243,300
" 24....................	183,407,000	217,928,000	57,296,000	8,999,000	123,863,600
" 31....................	185,459,000	215,908,000	55,147,000	8,985,000	120,894,919

EUROPEAN BANKS.—The Bank of England gained $23,000,000 gold last month and the Imperial Bank of Germany $24,000,000, while the change in the gold holdings of other European banks were unimportant.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	December 1, 1902.		January 1, 1903.		February 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£32,954,871	....	£29,776,817	....	£34,382,758	....
France.............	101,734,094	£44,297,737	100,768,407	£43,986,962	100,566,167	£43,863,962
Germany...........	33,254,000	12,300,000	31,712,000	11,743,000	36,585,000	13,531,000
Russia.............	74,837,000	6,521,000	76,168,000	6,630,000	76,323,000	6,873,000
Austria-Hungary..	46,333,000	12,218,000	46,539,000	12,336,000	46,329,000	12,635,000
Spain...............	14,330,000	19,700,000	14,385,000	19,695,000	14,409,000	19,887,000
Italy...............	16,747,000	2,083,200	16,869,000	2,082,200	16,932,000	2,680,000
Netherlands.......	4,697,900	6,494,400	4,699,600	6,594,600	4,698,300	6,685,500
Nat. Belgium......	3,092,667	1,546,333	2,988,667	1,494,333	3,222,667	1,611,333
Totals..........	£327,980,532	£105,160,670	£323,905,891	£104,562,095	£333,487,892	£107,116,795

MONEY RATES ABROAD.—Rates for money have been somewhat lower. Discounts of 60 to 90 day bills in London at the close of the month were 3¼ @ 3⅜ per cent. against 3⅝ per cent. a month ago. The open market at Paris was 2¾ @ 2⅞ per cent., against 2⅞ @ 3 per cent. a month ago, and at Berlin and Frankfort 2⅛ @ 2¼ per cent., against 2⅞ @ 3 per cent. a month ago.

FOREIGN EXCHANGE.—Whatever thought there may have been of gold exports it has been dissipated by the decline in sterling exchange late in the month. There is a good supply of bankers' bills and the heavy export movement in merchandise promises to liquidate any floating indebtedness abroad which now exists, and perhaps may cause gold to flow this way.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Jan. 3...........	4.8320 @ 4.8330	4.8650 @ 4.8660	4.8725 @ 4.8735	4.82¾ @ 4.82⅞	4.82⅜ @ 4.83¼
" 10...........	4.8340 @ 4.8350	4.8660 @ 4.8670	4.8710 @ 4.8720	4.83 @ 4.83⅛	4.82¼ @ 4.83⅛
" 17...........	4.8365 @ 4.8375	4.8680 @ 4.8690	4.8730 @ 4.8740	4.83¼ @ 4.83⅜	4.82¾ @ 4.83⅝
" 24...........	4.8400 @ 4.8410	4.8695 @ 4.8705	4.8740 @ 4.8750	4.83¾ @ 4.83⅞	4.83 @ 4.84
" 31...........	4.8380 @ 4.8390	4.8680 @ 4.8690	4.8715 @ 4.8725	4.83⅜ @ 4.83½	4.82⅞ @ 4.83¾

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Oct. 1.	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*
Sterling Bankers—60 days	4.82½— ¾	4.83¼— ½	4.83½— ¾	4.83⅛— ¼	4.83¾— ⅞
" " Sight	4.85⅝— ¾	4.86⅝— ⅞	4.87⅛— ⅜	4.86½— ⅝	4.86¾— ⅞
" " Cables	4.86⅛— ¼	4.87 — ¼	4.87⅝— ⅞	4.87½— ⅝	4.87⅛— ⅜
" Commercial long	4.81¾— 2¼	4.83 — ⅛	4.83⅛— ¼	4.82¾— ⅞	4.83½— ⅝
" Docu'tary for paym't.	4.81½— 3	4.82¾— ⅝	4.82¾— 4	4.82⅛— 3⅜	4.82¾— 3¾
Paris—Cable transfers	5.17½—	5.15⅝— 3/32	5.15 3/32—16 1/16	5.15⅝—	5.15⅝—
" Bankers' 60 days	5.20⅝— 1/16	5.18¾—	5.18¾— ⅛	5.18¾—	5.18¾—
" Bankers' sight	5.18⅛—17½	5.16¼— ⅝	5.15⅝—	5.16¼—	5.16¼—
Swiss—Bankers' sight	5.18¾—	5.16⅞— ¼	5.16¼—	5.16¼—	5.16⅞—
Berlin—Bankers' 60 days	94½— 9/16	94 1/16— ¾	94 11/16— ¾	94 11/16— ¾	94¾—
" Bankers' sight	94 15/16—95	95⅛— 3/16	95¼— 5/16	95 3/16— ¼	95 — 1/16
Belgium—Bankers' sight	5.18¾— ⅛	5.16⅞—	5.16⅞—	5.16⅞— ¼	5.16⅞—
Amsterdam—Bankers' sight	40 1/16—	40⅛— 3/16	40⅛— 3/16	40⅛—	40⅛—
Kronors—Bankers' sight	26.75—78	26.82— .85	26.86— 89	26.82—85	26.74 —77
Italian lire—sight	5.18¾— ⅛	5.15⅝—15	5.15⅝—	5.15⅝—	5.16¼—15⅝

SILVER.—The price of silver in London was weak again last month declining to 21 11-16 on January 22, and closing at 21⅞ at the end of the month, a net decline of ⅜.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	*1901.*		*1902.*		*1903.*		MONTH.	*1901.*		*1902.*		*1903.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January	29 3/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July	28 3/16	27¾	24 9/16	24 3/16	....	....
February	28 1/16	27⅞	25⅝	25 5/16	....	....	August	28 7/16	27 11/16	24 7/16	24⅛	....	....
March	28 3/16	27 5/16	25 7/16	24 13/16	....	....	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April	27 15/16	26 13/16	24⅞	23 3/16	....	....	October	30 1/16	29⅛	23 11/16	23¼	....	....
May	27⅝	27 3/16	24⅛	23 5/16	....	....	Novemb'r	29 13/16	29 7/16	23¼	21¾	....	....
June	27⅝	27¼	24 7/16	23 13/16	....	....	Decemb'r	29 11/16	29⅛	22½	21 11/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.85	$4.88	Mexican 20 pesos	$19.55	$19.65
Twenty francs	3.86	3.89	Ten guilders	3.95	4.00
Twenty marks	4.73	4.76	Mexican dollars	.37½	.39½
Twenty-five pesetas	4.78	4.81	Peruvian soles	.37	.39
Spanish doubloons	15.55	15.65	Chilian pesos	.37	.39
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 21⅞d. per ounce. New York market for large commercial silver bars, 47⅛ @ 48⅝c. Fine silver (Government assay), 47¾ @ 49⅛c. The official price was 47⅞c.

GOLD AND SILVER COINAGE.—The mints coined $7,635,178 gold, $1,707,000 silver and $220,910 minor coin last month—a total of $9,563,088. There were $1,500,000 standard silver dollars coined.

COINAGE OF THE UNITED STATES.

	1901.		*1902.*		*1900.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,800	2,242,166	6,643,850	2,489,000	....	....
March	6,182,152	3,120,580	1,558	2,965,577	....	....
April	18,958,000	2,633,000	3,480,315	3,388,278	....	....
May	9,325,000	3,266,000	436,000	1,873,000	....	....
June	5,948,030	2,836,185	500,345	2,464,353	....	....
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	3,237,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,383	1,966,514	6,277,925	1,962,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$7,635,178	$1,707,000

GOVERNMENT REVENUES AND DISBURSEMENTS.—The large volume of receipts from customs has caused a surplus to be shown for last month notwithstanding reduced internal revenue receipts. The excess of total receipts over expenditures was $3,364,000, making a total of $28,000,000, for the seven months of the fiscal year. In the previous year the surplus was $8,000,000 in January and nearly $51,000,000 in the seven months.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*January, 1903.*	*Since July 1, 1902.*
Customs	$24,187,853	$174,327,687
Internal revenue	18,135,152	137,372,166
Miscellaneous	3,673,332	22,929,933
Total	$45,996,337	$334,629,786
Excess of receipts	3,364,094	28,103,946

EXPENDITURES.

Source.	*January, 1903.*	*Since July 1, 1902.*
Civil and mis	$12,643,038	$74,485,513
War	7,328,051	73,766,361
Navy	7,786,664	47,537,489
Indians	905,000	8,301,626
Pensions	10,135,987	81,807,139
Interest	3,833,553	20,687,712
Total	$42,632,243	$306,525,840

UNITED STATES PUBLIC DEBT.—There was no important change in the principal of the public debt last month, except an increase of about $15,000,000 in gold certificates issued against which an equal amount of gold has been lodged in the Treasury. The total cash in the Treasury increased about $4,000,000, while the net debt was reduced $3,000,000.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1902.	*Dec. 1, 1902.*	*Jan. 1, 1903.*	*Feb. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,178,650	233,178,650	233,178,850
Refunding certificates, 4 per cent	32,250	31,230	31,230	31,120
Loan of 1904, 5 per cent	20,060,150	19,385,050	19,385,050	19,385,050
" 1925, 4 "	139,618,600	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt	$943,279,210	$914,541,240	$914,541,240	$914,541,330
Debt on which interest has ceased	1,339,790	1,255,810	1,255,710	1,240,910
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct	35,003,208	43,268,362	42,169,652	42,908,829
Fractional currency	6,874,492	6,872,594	6,872,594	6,872,593
Total non-interest bearing debt	$388,612,563	$396,875,819	$395,774,109	$396,516,286
Total interest and non-interest debt	1,333,231,564	1,312,672,869	1,311,574,059	1,312,288,526
Certificates and notes offset by cash in the Treasury:				
Gold certificates	316,785,089	376,358,569	383,564,069	398,621,069
Silver "	456,087,000	467,824,000	468,957,000	465,297,000
Treasury notes of 1890	38,596,000	25,054,000	24,053,000	22,953,000
Total certificates and notes	$811,468,089	$869,236,569	$876,574,069	$886,871,069
Aggregate debt	2,144,699,653	2,181,909,438	2,188,148,128	2,199,159,595
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,313,606,717	1,331,081,200	1,339,744,207
Demand liabilities	898,028,443	959,031,129	966,671,820	971,398,244
Balance	$321,603,278	$354,575,588	$364,409,380	$368,345,963
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	171,603,278	204,575,588	214,409,380	218,345,963
Total	$321,603,278	$354,575,588	$364,409,380	$368,345,963
Total debt, less cash in the Treasury	1,011,628,286	958,097,281	947,164,679	943,942,563

NATIONAL BANK CIRCULATION.—There was a reduction in the volume of bank notes in circulation last month to the extent of nearly $1,500,000. The circulation based on bonds was reduced $1,500,000, and the circulation based on lawful money deposited with the Treasury was increased nearly $600,000. There were $1,300,000 of Government bonds used as a basis of circulation withdrawn, while the increase in such bonds as security for public deposits was nearly $900,000, about that amount of State and municipal bonds having been withdrawn.

National Bank Circulation.

	Oct. 31, 1902.	*Nov 30, 1902.*	*Dec. 31, 1902.*	*Jan. 31, 1903.*
Total amount outstanding	$380,476,334	$384,854,514	$384,929,784	$383,978,546
Circulation based on U. S. bonds	335,783,189	341,100,411	342,127,844	340,587,939
Circulation secured by lawful money	44,693,145	43,754,103	42,801,940	43,385,607
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	8,248,450	8,670,450	8,799,850	8,843,850
Five per cents. of 1894	1,100,900	1,100,900	1,151,900	1,037,400
Four per cents. of 1895	2,298,600	2,259,600	2,239,600	2,197,100
Three per cents. of 1898	6,056,720	5,881,220	5,899,020	5,549,020
Two per cents. of 1900	320,748,000	325,105,850	326,161,750	325,276,150
Total	$338,452,670	$343,018,020	$344,252,120	$342,903,520

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $21,522,150; 5 per cents. of 1894, $2,764,450; 4 per cents. of 1895, $9,916,750; 3 per cents. of 1898, $12,599,620; 2 per cents. of 1900, $85,475,600; District of Columbia 3.65's, 1924, $1,621,000; State and city bonds, $19,502,500; a total of $153,402,070.

Money in the United States Treasury.—While the total cash in the Treasury increased nearly $20,000,000 in January, the certificates and Treasury notes outstanding increased about $22,000,000, making the net amount of money in the Treasury about $301,000,000 or nearly $2,000,000 less than on January 1.

Money in the United States Treasury.

	Nov. 1, 1902.	*Dec. 1, 1902.*	*Jan. 1, 1903.*	*Feb. 1, 1903.*
Gold coin and bullion	$606,299,127	$610,919,798	$617,196,083	$623,818,560
Silver Dollars	469,250,063	469,812,309	470,783,167	474,755,053
Silver bullion	24,556,601	23,667,801	23,057,667	21,940,052
Subsidiary silver	6,909,608	6,428,213	6,419,206	8,020,705
United States notes	3,041,934	2,897,475	2,910,158	6,473,503
National bank notes	13,468,852	13,302,019	16,251,253	21,569,293
Total	$1,123,526,185	$1,127,027,615	$1,136,617,534	$1,156,577,166
Certificates and Treasury notes, 1890, outstanding	831,674,910	834,179,379	833,909,877	855,756,891
Net cash in Treasury	$291,851,275	$292,848,236	$302,707,657	$300,820,275

Money in Circulation in the United States.—There was an addition of $7,000,000 to the amount of money in circulation last month, although there was a decrease in all kinds of money except gold certificates, which increased nearly $30,000,000; silver dollars decreased $2,500,000; silver certificates, $6,700,000; subsidiary silver, $1,800,000; Treasury notes, $1,000,000; United States notes, $3,500,000 and National bank notes $6,200,000.

Money in Circulation in the United States.

	Nov. 1, 1902.	*Dec. 1, 1902.*	*Jan. 1, 1903.*	*Feb. 1, 1903.*
Gold coin	$624,373,645	$631,410,968	$629,680,632	$629,023,915
Silver dollars	77,517,158	78,700,912	78,310,334	75,838,448
Subsidiary silver	91,899,715	93,082,863	94,350,669	92,507,814
Gold certificates	342,756,194	345,952,024	346,418,819	376,034,814
Silver certificates	463,170,438	463,304,840	463,570,632	456,856,599
Treasury notes, Act July 14, 1890	25,748,278	24,922,515	23,920,426	22,865,478
United States notes	343,639,082	343,783,541	343,770,858	340,207,513
National bank notes	367,007,482	371,552,495	368,678,531	362,404,253
Total	$2,336,111,992	$2,352,710,158	$2,348,700,901	$2,355,738,834
Population of United States	79,572,000	79,686,000	79,799,000	79,914,000
Circulation per capita	$29.36	$29.52	$29.43	$29.48

FOREIGN TRADE.—The exports of merchandise from the United States made a new record in December, the total in that month exceeding $148,000,000. The previous high records were December, 1900, $145,889,871, and October, 1901, $145,659,-415. Last July they had fallen to less than $89,000,000. Imports of merchandise in December were valued at $94,307,204, which has rarely been equalled. The total exports and imports exceed $242,000,000, an amount absolutely without precedent. The excess of exports over imports was nearly $54,000,000, the lowest for December in several years excepting in 1899, but the reason is found in the extraordinary increase in imports. For the year the exports were less than in 1900 or 1901, while imports were the largest ever known. The net exports were $391,000,000. We gained about $8,000,000 gold and exported nearly $23,000,000 silver.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF DECEMBER.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1897	$125,053,961	$51,505,963	Exp., $73,547,998	Imp., $2,004,409	Exp., $3,061,744
1898	137,850,954	55,139,139	" 82,711,455	" 7,537,544	" 2,618,245
1899	123,268,033	70,733,843	" 52,534,190	Exp., 6,237,265	" 2,674,695
1900	145,889,871	68,697,207	" 77,192,664	Imp., 2,976,078	" 4,240,482
1901	136,941,539	79,929,271	" 57,012,268	Exp., 1,952,601	" 1,984,849
1902	148,006,823	94,307,204	" 53,699,619	" 697,010	" 2,845,589
TWELVE MONTHS.					
1897	1,099,709,045	742,595,229	Exp., 357,113,316	Exp., 253,589	Exp., 25,578,990
1898	1,255,546,266	634,964,448	" 620,581,818	Imp., 141,968,998	" 24,665,724
1899	1,275,467,971	798,967,410	" 476,500,561	" 5,955,558	" 22,617,808
1900	1,477,946,113	829,149,714	" 648,796,399	" 12,614,461	" 26,121,321
1901	1,465,375,860	880,419,910	" 584,955,950	Exp., 3,022,059	" 24,491,576
1902	1,360,696,355	969,270,009	" 391,426,346	Imp., 8,182,191	" 22,870,019

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the country increased $5,000,000 since January 1, in the main accounted for by an increase of nearly $6,000,000 in gold and a decrease of nearly $1,000,000 in National bank notes. The total amount is now in excess of $2,656,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Nov. 1, 1902.	Dec. 1, 1902.	Jan. 1, 1903.	Feb. 1, 1903.
Gold coin and bullion	$1,230,672,772	$1,242,330,766	$1,246,876,715	$1,252,842,475
Silver dollars	546,767,221	548,518,221	549,093,501	550,593,501
Silver bullion	24,556,601	23,667,801	23,057,667	21,940,052
Subsidiary silver	98,809,823	99,511,076	100,769,875	100,528,519
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	380,476,834	384,854,514	384,929,784	383,973,546
Total	$2,627,963,267	$2,645,558,394	$2,651,408,558	$2,656,559,109

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of January, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		January, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	83¾—Jan. 3	89⅞	83¾	87
″ preferred	106⅛	95⅛	103⅛—Jan. 10	99 —Jan. 24	103⅛	99	99⅞
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	100 —Jan. 3	104	100	100⅛
Baltimore & Ohio, pref.	99	92	96 —Jan. 23	94 —Jan. 3	96	94	95½
Brooklyn Rapid Transit	72⅜	54¾	70⅝—Jan. 9	66¼—Jan. 3	70⅝	66¼	67⅜
Canadian Pacific	145¼	112¼	138⅜—Jan. 14	131⅞—Jan. 3	138⅜	131⅞	136
Canada Southern	97	71	78⅛—Jan. 5	71 —Jan. 14	78⅛	71	74⅛
Central of New Jersey	198	165	190 —Jan. 19	180 —Jan. 2	190	180	186
Ches. & Ohio vtg. ctfs.	57⅛	45⅝	53⅛—Jan. 19	48¼—Jan. 2	53⅛	48¼	51⅛
Chicago & Alton	45⅜	29⅛	37¼—Jan. 5	34¼—Jan. 21	37¼	34¼	35⅛
″ preferred	79	68	73⅛—Jan. 7	71 —Jan. 26	73⅛	71	71⅝
Chicago, Great Western	35	22	29⅝—Jan. 9	27 —Jan. 24	29⅝	24	27⅛
Chic., Milwaukee & St. Paul	198¾	160½	183¼—Jan. 7	176⅜—Jan. 24	183¼	176⅜	177
″ preferred	200¾	186	194¼—Jan. 9	192 —Jan. 20	194¼	192	192⅛
Chicago & Northwestern	271	204⅛	224⅛—Jan. 14	218 —Jan. 24	224⅛	218	221
″ preferred	274⅛	230	250 —Jan. 7	250 —Jan. 7	250	250	250
Chic., St. Paul, Minn. & Om.	170⅛	140	162 —Jan. 19	160 —Jan. 2	162	160	162
″ preferred	210	194⅞	194 —Jan. 5	194 —Jan. 5	194	194	194
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	18 —Jan. 20	19⅞	18	18⅝
″ preferred	44	29	36 —Jan. 8	32⅜—Jan. 21	36	32⅜	33⅛
Clev., Cin., Chic. & St. Louis	108⅜	93	99⅝ Jan. 6	95⅛—Jan. 23	99⅝	95⅛	97¾
Col. Fuel & Iron Co.	110⅛	73¾	82⅛—Jan. 6	73 —Jan. 19	82⅛	73	74¼
Colorado Southern	35¾	14⅛	31⅝—Jan. 7	28⅛—Jan. 2	31⅝	28⅛	30
″ 1st preferred	79⅛	59¼	72 —Jan. 9	69⅞—Jan. 2	72	69⅞	71
″ 2d preferred	53⅞	28	48 —Jan. 8	44⅛—Jan. 23	48	44⅛	45⅛
Consolidated Gas Co.	230¾	205	222 —Jan. 7	215 —Jan. 23	222	215	217¼
Delaware & Hud. Canal Co.	184⅛	153⅛	180¼—Jan. 31	171 —Jan. 20	180¼	171	180¼
Delaware, Lack. & Western	297	231	276⅛—Jan. 8	262⅛—Jan. 5	276⅛	262⅛	270
Denver & Rio Grande	51¾	35⅛	42⅝—Jan. 6	39¼—Jan. 23	42⅝	39¼	40¼
″ preferred	96¾	86⅛	90⅜—Jan. 6	88 —Jan. 15	90⅜	88	88⅛
Erie	44⅝	28⅜	42⅝—Jan. 9	38¼—Jan. 3	42⅝	38¼	40⅜
″ 1st pref.	75¾	60⅛	73⅜—Jan. 29	67⅞—Jan. 7	73⅜	67⅞	71⅝
″ 2d pref.	63¾	41½	59¾—Jan. 29	51⅜—Jan. 2	59¾	51⅜	59
Evansville & Terre Haute	74⅜	50	72⅛—Jan. 8	66¾—Jan. 2	72⅛	66¾	70
Express Adams	240	198	215 —Jan. 16	215 —Jan. 16	215	215	215
″ American	265	210	230 —Jan. 13	220¼—Jan. 30	230	220¼	220¼
″ United States	160	97	149 —Jan. 3	139 —Jan. 23	149	139	139
″ Wells, Fargo	251	185	....	....	....	....	....
Great Northern, preferred	208	181⅛	209 —Jan. 22	200¾—Jan. 8	209	200¾	208
Hocking Valley	106	66	105⅞—Jan. 19	96¼—Jan. 2	105⅞	96¼	101⅛
″ preferred	98⅜	81⅛	98¼—Jan. 19	95⅞—Jan. 6	98¼	95⅞	97
Illinois Central	173⅛	137	151 —Jan. 10	146 —Jan. 3	151	146	148⅛
Iowa Central	51¾	37⅛	48 —Jan. 12	40¾—Jan. 2	48	40¾	44
″ preferred	90⅜	65	77⅜—Jan. 12	71⅛—Jan. 2	77⅜	71⅛	74
Kansas City Southern	39	19	36¼—Jan. 12	33⅛—Jan. 20	36¼	33⅛	34⅛
″ preferred	63¾	44	61¼—Jan. 22	57⅛—Jan. 2	61¼	57⅛	59¾
Kans. City Ft. S. & Mem. pref.	88	75	81⅛—Jan. 2	78⅛—Jan. 16	81⅛	78⅛	80
Lake Erie & Western	71⅛	40	53 —Jan. 8	50 —Jan. 20	53	50	50
″ preferred	138	120	....	....	....	....	....
Long Island	91⅞	72⅛	83 —Jan. 7	80 —Jan. 2	83	80	80
Louisville & Nashville	159⅛	102⅛	130⅛—Jan. 8	123¾—Jan. 23	130⅛	123¾	126
Manhattan consol	158	128	155⅛—Jan. 14	144 —Jan. 30	155⅛	144	144⅛
Metropolitan Street	174	135	142⅞ Jan. 6	136 —Jan. 30	142⅞	136	136⅛
Mexican Central	31⅛	20⅝	28¾—Jan. 10	24¾—Jan. 2	28¾	24¾	25
Minneapolis & St. Louis	115	105	110 —Jan. 9	107⅛—Jan. 3	110	107⅛	108
″ preferred	127¾	118⅛	....	....	....	....	....
Missouri, Kan. & Tex.	35¾	22½	30⅛—Jan. 5	27¼—Jan. 31	30⅛	27¼	27¼
″ preferred	69¾	51	62⅛—Jan. 9	58⅛—Jan. 2	62⅛	58⅛	61
Missouri Pacific	125⅛	96¾	113⅝—Jan. 9	107⅝—Jan. 3	113⅝	107⅝	111⅛
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	150⅛—Jan. 31	156	150⅛	150⅛
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	41 —Jan. 26	45	41	41¼
″ 2d preferred	100	80	87 —Jan. 19	84⅛—Jan. 27	87	84⅛	85
N. Y., Ontario & Western	37⅝	25¼	35 —Jan. 14	32 —Jan. 2	35	32	33⅝

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		January, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78½	55	76 —Jan. 6	73⅛—Jan. 2	76	73⅛	74
" preferred	98	90	93 —Jan. 22	92 —Jan. 7	93	92	93
North American Co.	134	88	124½—Jan. 7	115 —Jan. 24	124½	115	117
Pacific Mail	49⅜	37	42¾—Jan. 7	39½—Jan. 2	42¾	39½	39½
Pennsylvania R. R.	170	147	157⅝—Jan. 10	151⅝—Jan. 31	157⅝	151⅝	151¾
People's Gas & Coke of Chic.	109½	98¼	107⅛—Jan. 30	103 —Jan. 3	107⅛	103	106⅞
Pullman Palace Car Co.	250	215	235¾—Jan. 14	230 —Jan. 2	235¾	230	235
Reading	78½	52¼	69¼—Jan. 2	59⅞—Jan. 13	69¼	59⅞	61⅜
" 1st prefered	90¼	79⅞	88½—Jan. 7	85½—Jan. 13	88½	85½	87¼
" 2d preferred	80⅞	60	81 —Jan. 6	74 —Jan. 22	81	74	74½
Rock Island	50⅛	32½	53⅝—Jan. 9	47⅛—Jan. 21	53⅝	47⅛	47½
" preferred	85½	71	86 —Jan. 9	79½—Jan. 24	86	79½	80½
St. Louis & San Francisco	85½	53¾	83¼—Jan. 30	71 —Jan. 16	83¼	71	81⅞
" 1st preferred	90	77	81½—Jan. 12	79 —Jan. 5	81½	79	81¼
" 2d preferred	80⅝	65½	74½—Jan. 30	70½—Jan. 19	74½	70½	73¼
St. Louis & Southwestern	39	24½	30 —Jan. 7	26½—Jan. 26	30	26½	26½
" preferred	80	55¼	66 —Jan. 7	60 —Jan. 31	66	60	60
Southern Pacific Co.	81¼	56	68⅛—Jan. 9	63½—Jan. 30	68⅛	63½	63¾
Southern Railway	41⅜	28	36⅞—Jan. 9	34 —Jan. 3	36⅞	34	35½
" preferred	98½	89¾	95½—Jan. 17	92¾—Jan. 2	95½	92¾	95¼
Tennessee Coal & Iron Co.	74⅝	49½	65 —Jan. 6	59¾—Jan. 2	65	59¾	62⅝
Texas & Pacific	54¾	37	43 —Jan. 9	39½—Jan. 21	43	39½	39⅞
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	28 —Jan. 2	31⅞	28	30½
" preferred	49¾	35	48 —Jan. 8	44 —Jan. 31	48	44	44
Union Pacific	113¼	93½	104⅝—Jan. 9	100⅜—Jan. 3	104⅝	100⅜	100⅞
" preferred	95	86⅝	95 —Jan. 27	92¼—Jan. 30	95	92¼	92¾
Wabash R. R.	38¾	21¾	32½—Jan. 9	28⅛—Jan. 23	32½	28⅛	29½
" preferred	54½	37	47⅝—Jan. 9	44 —Jan. 8	47⅝	44	44½
Western Union	97½	84¾	93 —Jan. 14	88⅜—Jan. 3	93	88⅜	90
Wheeling & Lake Erie	30¼	17	27 —Jan. 9	24¾—Jan. 24	27	24¾	25½
" second preferred	42⅜	28	36⅞—Jan. 9	34½—Jan. 22	36⅞	34½	35
Wisconsin Central	81	19⅛	27¾—Jan. 9	26½—Jan. 24	27¾	26½	26¾
" preferred	57⅝	39½	54 —Jan. 6	52¼—Jan. 13	54	52¼	53
"Industrial"							
Amalgamated Copper	79	53	67⅜—Jan. 29	62¼—Jan. 15	67⅜	62¼	65⅞
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	35⅞—Jan. 3	41¾	35⅞	40¾
" pref.	93⅜	85¼	93 —Jan. 6	90½—Jan. 16	93	90½	91⅞
American Co. Oil Co.	57¾	30½	46⅛—Jan. 21	43¼—Jan. 21	46⅛	43¼	44
American Ice	31⅞	9½	11⅞—Jan. 31	10½—Jan. 5	11⅞	10½	11½
American Locomotive	36⅞	23½	30⅞—Jan. 6	28½—Jan. 23	30⅞	28½	29
" preferred	100¼	89	95 —Jan. 7	93 —Jan. 23	95	93	93⅞
Am. Smelting & Refining Co.	49⅝	36⅞	47½—Jan. 8	42¾—Jan. 3	47½	42¾	46
" preferred	100⅛	87½	96 —Jan. 28	93 —Jan. 5	96	93	95¾
American Sugar Ref. Co.	135½	113	134⅜—Jan. 8	127¼—Jan. 3	134⅜	127¼	129¼
Anaconda Copper Mining	146	80	101¼—Jan. 6	95 —Jan. 21	101¼	95	100
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	116¾—Jan. 20	119	116¾	117½
Corn Products	38⅜	27	34¼—Jan. 19	30¼—Jan. 2	34¼	30¼	32¾
" preferred	90	79⅝	85⅛—Jan. 19	82 —Jan. 2	85⅛	82	84¼
Distillers securities	33	27	34¾—Jan. 6	30 —Jan. 26	34¾	30	31¾
General Electric Co.	334	170	198 —Jan. 30	183 —Jan. 2	198	183	197
International Paper Co.	23⅝	16½	19⅞—Jan. 5	17⅝—Jan. 20	19⅞	17⅝	17⅞
" preferred	77⅛	70	73¼—Jan. 9	71½—Jan. 13	73¼	71½	73
International Power	199	49	73 —Jan. 19	63 —Jan. 10	73	63	67
National Biscuit	53¼	40	47 —Jan. 8	45⅝—Jan. 14	47	45⅝	46⅞
National Lead Co.	32	15⅝	29 —Jan. 2	26 —Jan. 15	29	26	28
Pressed Steel Car Co.	63½	39	65¾—Jan. 26	62 —Jan. 3	65¾	62	64¼
" preferred	96½	82¾	94¾—Jan. 8	93 —Jan. 2	94¾	94¼	94½
Republic Iron & Steel Co.	24¾	15⅝	22⅛—Jan. 19	20¼—Jan. 2	22⅛	20¼	21
" preferred	83⅜	68	79½—Jan. 9	77¼—Jan. 2	79½	77¼	78½
Rubber Goods Mfg. Co.	25⅝	17¼	25½—Jan. 22	21¾—Jan. 5	25½	21¾	25⅝
" preferred	74	63	79⅞—Jan. 22	72¾—Jan. 2	79⅞	72¾	79
U. S. Leather Co.	15¼	10½	13⅜—Jan. 2	12½—Jan. 8	13⅜	12½	1[illegible]½
" preferred	91¼	79⅞	90 —Jan. 5	88¼—Jan. 16	90	88¼	89½
U. S. Realty & Con.	32	20	28½—Jan. 2	23⅞—Jan. 31	28½	23⅞	23⅞
U. S. Rubber Co.	19⅝	14	18½—Jan. 13	16¾—Jan. 26	18½	16¾	17
" preferred	64	49½	57½—Jan. 5	52 —Jan. 30	57½	52	52½
U. S. Steel	46¾	29¾	39 —Jan. 7	36½—Jan. 21	39	36½	37½
" pref.	97¾	79	89¾—Jan. 7	86¼—Jan. 2	89¾	86¼	86⅞

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Ann Arbor 1st g 4's....1995	7,000,000	Q J	96	Jan. 22,'03	96¼	95	80,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	138,117,500	A & O	102⅛	Jan. 31,'03	102⅞	102	841,500
" registered		A & O	102⅛	Jan. 12,'03	102⅛	102⅛	2,000
" adjustment, g. 4's.....1995	31,055,000	NOV	92¼	Jan. 30,'03	92¾	91½	196,000
" registered		NOV	94½	Apr. 15,'02			
" stamped....1995	20,673,000	M & N	91½	Jan. 31,'03	92¾	91½	228,500
" serial debenture 4's—							
" series A....1903	2,500,000	F & A	97	Aug. 5,'02			
" registered		F & A					
" series B....1904	2,500,000	F & A					
" registered		F & A					
" series C....1905	2,500,000	F & A					
" registered		F & A					
" series D....1906	2,500,000	F & A					
" registered		F & A					
" series E....1907	2,500,000	F & A					
" registered		F & A					
" series F....1908	2,500,000	F & A					
" registered		F & A					
" series G....1909	2,500,000	F & A					
" registered		F & A					
" series H....1910	2,500,000	F & A					
" registered		F & A					
" series I....1911	2,500,000	F & A					
" registered		F & A					
" series J....1912	2,500,000	F & A					
" registered		F & A					
" series K....1913	2,500,000	F & A					
" registered		F & A					
" series L....1914	2,500,000	F & A	92⅞	Nov.10,'02			
" registered		F & A					
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S					
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	114½	Oct. 8,'02			
Balt. & Ohio prior lien g. 3½s..1925	69,798,000	J & J	93¾	Jan. 31,'03	94½	93¼	252,500
" registered		J & J	94½	Jan. 12,'03	94½	94	11,000
" g. 4s....1948	65,963,000	A & O	101⅞	Jan. 31,'03	103	101½	373,500
" g. 4s. registered		A & O	104	Sept.16,'02			
" ten year c. deb. g. 4's..1911	592,000	M & S	104⅛	Jan. 29,'03	106	104⅛	22,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	90	Jan. 22,'03	90	89	13,000
" registered		QFeb					
Pitt L. E. & West Va. System refunding g 4s....1941	20,000,000	M & N	96¼	Jan. 31,'03	97½	96⅛	228,000
" Southw'n div. 1st g. 3½s.1925	41,990,000	J & J	88½	Jan. 31,'03	89	88	380,500
" registered		Q J	90¼	July 16,'01			
Monongahela River 1st g. g., 5's 1919	700,000	F & A	114¼	June27,'02			
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,018,000	M & S	112	Nov.14,'99			
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	118½	Jan. 30,'03	118½	118⅛	10,000
Allegheny & Wn. 1st g. gtd 4's.1998	2,000,000	A & O					
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02			
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	128	Jan. 26,'03	128	128	4,000
" cons. 1st 6's....1922	3,920,000	J & D	125⅝	Jan. 24,'03	125⅝	125	8,000
Buff. & Susq. 1st refundg g. 4's..1951	3,021,000	J & J	103	June16,'02			
" registered		J & J					
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	103¼	Jan. 31,'03	103½	102¾	11,500
" con. 1st & col. tst 5's...1934	7,803,000	A & O	121⅝	Jan. 30,'03	122	121½	12,000
" registered		A & O	124⅝	Feb. 28,'02			
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	118	Jan. 27,'02			
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug.24,'95			

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	104⅛	Jan. 31,'03	104⅛	103¾	68,000
• 2d mortg. 5's,	1913	6,000,000	M & S	108¾	Jan. 23,'03	108¾	108¼	16,000
• registered			M & S	106⅝	Dec. 29,'01			
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	94⅝	Sept. 6,'02			
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	107½	Dec. 29,'02			
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	122½	Jan. 5,'03	122½	122½	7,000
• registered $1,000 & $5,000			F & A					
• con. g. 5's	1945	16,700,600	M & N	108⅞	Jan. 31,'03	109	106½	210,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01			
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	78½	Jan. 30,'03	80	76½	73,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	37½	Jan. 31,'03	39⅞	37	236,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	25½	Jan. 28,'03	27	25½	27,000
• Chat. div. pur. my. g. 4's.	1951	1,840,000	J & D	92	Aug. 21,'02			
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02			
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June 29,'99			
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02			
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	133⅞	Jan. 28,'03	134	133½	44,000
• registered			Q J	133½	Jan. 14,'03	133½	132½	45,500
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	113	Jan. 20,'03	113	113	6,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J					
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	103½	Jan. 16,'03	103½	103½	1,000
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	101¾	Jan. 30,'03	102½	100¼	12,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S					
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99			
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	109⅝	Nov. 29,'02			
• Mortgage gold 6's	1911	2,000,000	A & O	113¾	Jan. 7,'03	114	113¾	4,000
• 1st con. g. 5's	1939	25,858,000	M & N	119	Jan. 24,'03	119¾	118½	45,000
• registered			M & N	116	July 16,'01			
• Gen. m. g. 4½'s	1992	83,833,000	M & S	106	Jan. 30,'03	106⅝	103⅜	394,000
• registered			M & S	103	Apr. 18,'01			
• Craig Val. 1st g. 5's	1940	650,000	J & J	112	Nov. 3,'02			
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	102	Jan. 26,'03	102	101½	27,000
• 2d con. g. 4's	1989	1,000,000	J & J	96	Jan. 14,'03	96	95	10,000
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106½	Oct. 29,'02			
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N					
Chic. & Alton R. R. s. fund g. 6's.	1903	1,671,000	M & N	101	Dec. 29,'02			
• refunding g. 3's	1949	29,696,000	A & O	83	Jan. 31,'03	83½	82⅞	159,000
• • registered			A & O					
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	78	Jan. 31,'03	79½	78	96,000
• registered			J & J	83¾	Apr. 16,'02			
Chicago, Burl. & Quincy con. 7's.	1903	21,699,000	J & J	101½	Jan. 30,'03	101½	101	170,000
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'			
• Denver div. 4's	1922	5,272,000	F & A	101⅜	Jan. 5,'02	101⅜	101⅜	1,000
• Illinois div. 3½s	1949	37,096,000	J & J	96¼	Jan. 30,'03	97	96¼	97,000
• registered			J & J					
• (Iowa div.) sink. f'd 5's,	1919	2,566,000	A & O	114⅜	Aug. 6,'02			
• 4's	1919	8,390,000	A & O	104⅛	Jan. 22,'03	104⅛	104⅛	1,000
• Nebraska extensi'n 4's,	1927	25,900,000	M & N	107¾	Jan. 27,'03	107¾	107	31,000
• registered			M & N	112¾	Apr. 17,'01			
• Southwestern div. 4's	1921	2,850,000	M & S	100	Mar. 20,'02			
• 4's joint bonds	1921	215,153,000	J & J	93¾	Jan. 31,'03	94¾	93¾	2,441,000
• • registered			Q JAN	94⅜	Jan. 19,'03	94½	93½	50,000
• 5's, debentures	1913	9,000,000	M & N	107	Jan. 13,'03	107	106¾	12,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	117⅝	Jan. 20,'03	117⅝	117	12,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	110¼	Jan. 23,'03	110¼	110	26,000
• small bonds			J & D	112	Apr. 2,'96			
• 1st con. 6's. gold	1934	2,653,000	A & O	136	Dec. 23,'02			
• gen. con. 1st 5's	1937	13,643,000	M & N	121⅝	Jan. 31,'03	121⅝	120½	117,000
• registered			M & N	120	Dec. 4,'02			
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Jan. 19,'03	120⅝	120	2,000
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	132	Nov. 17,'02			
• ref. g. 5's	1947	4,142,000	J & J	113½	Jan. 26,'03	113½	113⅜	1,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	111⅛	Jan. 17,'03	111⅛	110⅝	9,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	*Date.*	JANUARY SALES. *High.*	*Low.*	*Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	2,136,000	J & J	194½	Oct. 21,'02	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	113⅛	Dec. 4,'02	....	....	....
" gen. g. 4's, series A	1989	23,676,000	J & J	111½	Jan. 30,'03	112	111⅜	23,000
" registered		....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	121½	Oct. 31,'02	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	113¾	Jan. 28,'03	113¾	112¾	16,000
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	117½	Jan. 15,'03	117½	117	8,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111½	Jan. 23,'03	111½	111½	1,000
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	122	Oct. 1,'02	....	....	....
" 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,132,000	J & J	191½	Oct. 7,'02	....	....	....
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	116	Sept. 30,'02	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	113⅜	Jan. 27,'03	113⅛	112½	8,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	112¾	Jan. 16,'03	112¾	112¾	4,000
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	119½	Nov. 21,'02	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	134	Jan. 28,'03	134	133	9,000
" extension 4's	1886-1926	18,632,000	F A 15	105	Dec. 30,'02	....	....	....
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	104½	Dec. 18,'02	....	....	....
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879-1929	5,808,000	A & O	115½	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879-1929	6,917,000	A & O	107	Dec. 3,'02	....	....	....
" registered			A & O	107½	Jan. 10,'03	107½	107½	23,000
" deben. 5's	1909	5,900,000	M & N	108	Jan. 16,'03	108	108	1,000
" registered			M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's	1921	10,000,000	A & O	112	Jan. 30,'03	112	112	1,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	118	Jan. 13,'03	118	118	10,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116⅛	June 10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	132⅝	Jan. 30,'03	132⅝	131⅝	32,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	125	Jan. 14,'03	125	125	2,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	129	Dec. 4,'02	....	....	....
" registered	1917		J & J	126½	Jan. 20,'03	126½	126½	5,000
" gen. g. 4's	1988	59,581,000	J & J	106	Jan. 30,'03	108	106	587,000
" registered			J & J	107	Jan. 16,'03	107	107	1,000
" coll. trust serial 4's								
" series A	1903	1,472,000	M & N	....		....	....	....
" B	1904	1,472,000	M & N	99	Dec. 6,'02	....	....	....
" C	1905	1,472,000	M & N	100⅜	July 2,'02	....	....	....
" D	1906	1,472,000	M & N	....		....	....	....
" E	1907	1,472,000	M & N	....		....	....	....
" F	1908	1,472,000	M & N	....		....	....	....
" G	1909	1,472,000	M & N	....		....	....	....
" H	1910	1,472,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,472,000	M & N	....		....	....	....
" J	1912	1,472,000	M & N	....		....	....	....
" K	1913	1,472,000	M & N	....		....	....	....
" L	1914	1,472,000	M & N	....		....	....	....
" M	1915	1,472,000	M & N	99½	July 10,'02	....	....	....
" N	1916	1,472,000	M & N	99⅝	June 28,'02	....	....	....
" O	1917	1,472,000	M & N	....		....	....	....
" P	1918	1,472,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	68,940,000	M & N	86½	Jan. 31,'03	89¼	86	5,296,000
" registered			M & N	88¼	Jan. 7,'03	88¼	88¼	2,000
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	97½	Dec. 1,'02	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	93	92½	6,000
" extension 4 s		672,000	J & J	94¾	Jan. 9,'03	94¾	94¾	2,000
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	108½	Dec. 8,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	January Sales. High.	January Sales. Low.	January Sales. Total.
Chic., St.P., Minn.& Oma.con.6's.1930	14,543,000	J & D	136⅝	Jan. 20,'03	136⅝	135¼	28,000
Chic., St. Paul & Minn. 1st 6's..1918	1,908,000	M & N	134¾	Jan. 6,'03	134¾	134¾	5,500
North Wisconsin 1st mort. 6's..1930	762,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	126⅝	Jan. 19,'03	126⅝	126	20,000
Chic., Term. Trans. R. R. g. 4's..1947	13,635,000	J & J	85	Jan. 27,'03	86	84	43,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,868,000	Q M	116¾	Nov.21,'02	....	....	....
Chic. & West Michigan R'y 5's...1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Choc.,Oklahoma & Glf.gen.g. 5s.1919	5,500,000	J & J	114½	May 14,'02	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	111¼	Dec. 9,'01	....	....	....
" 2d g. 4½'s..............1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's.1941	3,500,000	M & N	115	Jan. 30,'03	115	114⅞	10,000
Clev.,Cin.,Chic.& St.L. gen.g. 4's..1993	15,650,000	J & D	101	Jan. 31,'03	103	99¾	45,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin.,Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	100	Jan. 8,'03	100	100	2,000
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	102½	Jan. 31,'03	102¾	102	43,000
" registered..................			103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's.....1940	650,000	J & J	83	Nov.22,'99	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,685,000	Q F	102¼	Jan. 23,'03	102¼	102¼	1,000
" registered..................			95	Nov.15,'94	....	....	....
" con. 6's..................1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	115	Nov. 3,'01	....	....	....
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	134¾	Jan. 7,'02	....	....	....
" sink. fund 7's...........1914		J & D	119⅝	Nov.19,'89	....	....	....
" gen. consol 6's..........1934	3,205,000	J & J	131½	Jan. 10,'03	131½	131½	16,000
" registered..................		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	99¾	Jan. 30,'03	100	98¾	59,000
" income 4's..............1990	4,000,000	A	80¾	Jan. 30,'03	82	78	405,000
Clev.,Lorain & Wheel'g con.1st 5's1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered..................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's..........1947	8,946,000	J & J	79¼	Jan. 31,'03	80⅞	78⅛	151,000
Colorado & Southern 1st g. 4's...1929	18,350,000	F & A	93	Jan. 30,'03	94½	92½	337,000
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	117	Jan. 20,'03	117	115	15,000
Morris & Essex 1st m 7's.........1914	5,000,000	M & N	133¼	Jan. 21,'03	133¼	133⅛	21,000
" 1st c. gtd 7's...........1915	12,151,000	J & D	134½	Jan. 15,'03	134½	134½	65,000
" registered..................		J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	132⅜	Dec. 24,'02	....	....	....
" const. 5's..............1923	5,000,000	F & A	115½	Aug. 4,'02	....	....	....
" terml. imp. 4's..........1923	5,000,000	M & N	103	Jan. 27,'03	103	103	3,000
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	112	Nov.20,'02	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	103½	Oct. 28,'02	....	....	....
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	140¼	Dec. 4,'02	....	....	....
" reg.......................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	113	Aug.18,'02	....	....	....
" registered..................		A & O	122	June 6,'99	....	....	....
" 6's........................1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
" registered..................		A & O	109¾	Nov.16,'01	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	143¾	Nov.10,'02	....	....	....
" 1st r 7's..................1921		M & N	147½	June18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	33,450,000	J & J	98½	Jan. 31,'03	99¾	98	171,000
" con. g. 4½'s..............1936	6,382,000	J & J	105¾	Jan. 31,'03	105¾	104¼	16,000
" impt. m. g. 5's...........1928	8,103,500	J & D	107	Jan. 29,'03	107	105	12,000
Denv. & Southern Ry g. s. fg. 5's.1929	4,923,000	J & D	79½	Jan. 29,'03	80	79½	16,000
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
" g. 4s......................1995	1,250,000	J & D	93½	Aug. 5,'02	....	....	....
Detroit Southern 1st g. 4's........1951	2,866,000	J & D	84	Jan. 8,'03	85	84	21,000
" Ohio South. div.1stg.4's.1941	4,231,000	M & S	92	Jan. 27,'03	92	89	35,000
Duluth & Iron Range 1st 5's......1937	6,734,000	A & O	114	Dec. 3,'02	....	....	....
" registered..................		A & O	101½	July 23,'89	....	....	....
" 2d l m 6s..................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	4,000,000	J & J	112	Jan. 28,'03	113	111⅝	8,000
Elgin Joliet & Eastern 1st g 5's..1941	8,500,000	M & N	114⅝	Jan. 15,'03	114⅝	114½	10,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	116⅛	Dec. 23,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	139	Jan. 19,'03	139	139	2,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	136	Sept.16,'02	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	34,000,000	J&J	97½	Jan. 31,'03	98¾	97½	144,000
" registered			J&J	98	Jan. 2,'03	98	98	5,000
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	87	Jan. 31,'03	87½	84¾	1,682,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	93¾	Jan. 31,'03	94¼	92¼	712,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	130⅛	Jan. 29,'03	130⅛	129	6,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	127½	Jan. 21,'03	127½	127½	1,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	Jan. 7,'03	134½	134½	2,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	112⅛	Dec. 31,'02	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	114	Jan. 27,'03	114	113	4,000
" 2d g. 4½'s	1937	453,000	F & A	103	Jan. 6,'03	103	103	2,000
" gen. g. 5's	1940	2,546,000	F & A	106½	Jan. 7,'03	106½	106½	2,000
" term. 1st g. 5's	1943	2,000,000	M & N	115	Jan. 17,'03	117	113	8,000
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	111	Jan. 12,'03	111	110	11,000
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	122	Jan. 2,'03	122	122	3,000
" 1st General g 5's	1942	2,223,000	A & O	105	Jan. 19,'03	105	105	1,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	112¼	Jan. 31,'03	112¾	110½	193,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	86¼	Dec. 4,'02	....	....	....
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Dec. 19,'02	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	111	Nov. 25,'02	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	110½	Jan. 16,'03	110½	110½	5,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	....	....	....	....	....
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,237,000	J & J	109	Jan. 31,'03	109½	106¾	54,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	105¼	Jan. 6,'03	105¼	105¼	5,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	Jan. 20,'03	112¼	112¼	35,000
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104	Dec. 13,'02	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	103½	Jan. 31,'03	103½	103½	15,000
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	102½	Dec. 24,'02	....	....	....
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....	....	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	98½	Nov. 6,'02	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87⅛	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1stg 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	111	Jan. 13,'03	111	111	1,000
" registered			F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

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				Price.	Date.	High.	Low.	Total.
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	125½	125⅛	9,000
" gold 5's, registered........			J D 15	126¼	Nov.18,'01	....	....	....
" g. 3½'s................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅛	Jan. 28,'03	106⅛	106⅛	9,000
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	110	Dec. 19,'02	....	....	....
" 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	100½	Jan. 24,'03	100½	100½	20,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,235,000	M & N	120	Jan. 28,'03	121⅞	120	62,000
" 2d g. 5's..................	1909	9,335,000	M & S	99	Jan. 30,'03	100	98	127,000
" 3d g. 4's..................	1921	2,729,000	M & S	71	Oct. 28,'02	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	114½	Jan. 8,'03	114½	114½	2,000
" refunding g. 4's ...	1951	2,000,000	M & S	92	Jan. 23,'03	92	92	5,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's..................	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	69⅝	Jan. 31,'03	69¾	69	1,356,000
" registered..................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	120	Jan. 22,'03	120	119½	8,000
" 2d mtge. g. 5's...........	1941	3,625,000	J & J	113½	Jan. 5,'03	113½	113½	3,000
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	114½	Jan. 27,'03	114½	114½	5,000
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered..................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	108	Jan. 29,'03	108½	108	31,000
" registered..................		....	J&J	109½	June18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	117½	Dec. 1,'02	....	....	....
" registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered..............	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	97	Jan. 29,'03	97	97	1,000
" registered..................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	118	Jan. 22,'03	118	118	5,000
" 1st con. g. 4's............	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's..........	1938	3,000,000	J & D	101½	Jan. 22,'03	102¼	101½	8,000
" Ferry 1st g. 4½'s......	1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's....................	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........	1949	6,360,000	M & S	100	Jan. 19,'03	100½	99¾	52,000
" deb. g. 5's.........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
" 1st 5's..................	1911	750,000	M & S	109½	June17,'96	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,911,000	J & D	115⅝	Jan. 20,'03	115⅝	115½	2,000
" gold 5's................	1937	1,764,000	M & N	111½	Jan. 29,'03	112	111½	6,000
" Unified gold 4's........	1940	29,677,000	J & J	101	Jan. 31,'03	101⅜	99¾	181,000
" registered	1940		J & J	83	Feb. 27,'98	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	112	Jan. 30,'03	113½	112	18,000
" coll. tr 5-20 g 4's..	1903-1918	7,500,000	A & O	100	Jan. 29,'03	100½	100	7,000
" E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	112	Dec. 29,'02	....	....	....
" L. Cin. & Lex. g. 4½'s,..	1931	3,258,000	M & N	108¼	Jan. 30,'03	108¼	108¼	2,000
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	129	Jan. 2,'03	129	129	5,000
" 2d g. 6's..............	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's...............	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,621,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	98⅝	Jan. 10,'03	98⅝	98⅝	1,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	114¾	Jan. 20,'03	114¾	114	10,000
" Pen. & At. 1st g. g. 6's,	1921	2,604,000	F & A	113	Jan. 13,'03	113	113	4,000
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	112	Sept. 29,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	104	Jan. 30,'03	104½	104	431,000
" registered..................			A & O	106⅝	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	110	Jan. 30,'03	110	109½	51,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's...........1911	65,643,000	J & J	76¼	Jan. 30,'03	78	75½	108,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	25¾	Jan. 31,'03	27½	25½	930,000
" 2d 3's.....................1939	11,724,000	JULY	17	Jan. 29,'03	18¼	16½	107,000
" equip. & collat. g. 5's....1917	700,000	A & O	....	....	....	....	....
" 2d series g. 5's...........1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	97	Jan. 9,'03	97	97	10,000
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd...............	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,102,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	144¼	Dec. 4,'02	....	....	....
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	119¼	Nov. 12,'02	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	129¼	Aug. 21,'02	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's...........1934	5,000,000	M & N	120½	Jan. 27,'03	120½	120	26,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	103⅝	Jan. 27,'03	103⅝	103¼	25,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.			....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	39,718,000	J & D	98¾	Jan. 31,'03	99½	97½	321,500
" 2d mtge. g. 4's.........1990	20,000,000	F & A	84¼	Jan. 30,'03	85	83	299,000
" 1st ext gold 5's.. 1944	2,548,000	M & N	104½	Jan. 27,'03	104½	102⅛	20,000
St. Louis div. 1st refundg 4s...2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.1942	3,597,000	M & S	104½	Jan. 27,'03	105	103½	105,000
Sher.Shrevept & Solst gtd.g.5's1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	Jan. 15,'03	90	90	1,000
Tebo. & Neosho 1st 7's.........1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	109½	Jan. 9,'03	110	109½	5,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	120⅞	Jan. 31,'03	121⅛	120⅞	29,000
" 3d mortgage 7's.......1906	3,828,000	M & N	110	Jan. 27,'03	110	109½	11,000
" trusts gold 5'sstamp'd1917	14,376,000	M & S	106¼	Jan. 30,'03	106¾	104½	167,000
" registered................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	107	Jan. 31,'03	107½	104½	704,000
" registered................		F & A	....	....	....	....	....
Cent. Branch Ry.1st gtg. g. 4's.1919	3,459,000	F & A	94½	Jan. 27,'03	94½	93½	14,000
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	105	Jan. 27,'03	105¼	104½	7,000
" 2d extended g. 5's.....1938	2,573,000	F & A	113	Jan. 28,'03	113	112	25,000
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,258,000	A & O	115	Jan. 24,'03	115	113¼	105,000
" stamped gtd gold 5's..1931	6,945,000	A & O	112½	Dec. 18,'02	....	....	....
" unify'g & rfd'g g. 4's.1929	25,726,000	J & J	90¼	Jan. 30,'03	91½	90	435,000
" registered................		J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small..........	226,000	J & J	....	....	....	....	....
" mtg. g. 4's...............1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small....................	500,000	......	....	....	....	....	....
Mob. Jackson&Kan.City 1stg.5's.1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	127½	Jan. 29,'03	127½	127½	6,000
" 1st extension 6's.......1927	974,000	J & D	125½	Jan. 24,'03	125½	125½	4,000
" gen. g. 4's............1938	9,472,000	Q J	97	Oct. 6,'02	....	....	....
" Montg'rydiv.1st g.5's.1947	4,000,000	F & A	115	Jan. 29,'03	115½	114½	41,000
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	91	Oct. 8,'02	....	....	....
" collateral g. 4's........1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	123½	Jan. 28,'03	123½	123	7,000
" 1st cons. g. 5's...........1928	7,412,000	A & O	115	Jan. 15,'03	115	114¾	38,000
" 1st g.6's Jasper Branch.1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s.1926	20,000,000	J & J	101	Jan. 12,'03	101	100¾	8,000
" 1st con. g. 4's............1951	22,000,000	A & O	76	Jan. 29,'03	77½	75½	115,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
N.Y. Cent. & Hud. R. g. mtg. 3½s. 1997	62,148,000	J & J	104	Jan. 5,'03	104	104	4,000
" " registered......		J & J	105¼	Jan. 20,'03	105¼	104¼	31,000
" debenture 5's.....1884-1904	4,499,000	M & S	103½	Jan. 29,'03	103½	103	20,000
debenture 5's reg..........		M & S	102⅝	Nov. 28,'02	....	....	....
" reg. deben. 5's....1889-1904	649,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,097,000	J & D	100⅝	Jan. 13,'03	100⅝	100⅝	5,000
" registered.................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,609,000	M & N	100⅜	Jan. 6,'03	100⅜	100⅜	4,000
" registered.................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	93¾	Jan. 31,'03	94⅞	93¾	210,000
" registered.................		F & A	93	Dec. 31,'02	....	....	....
Michigan Central col. g. 3½s..1998	19,336,000	F & A	92½	Jan. 31,'03	92⅞	91½	40,000
" registered.................		F & A	91	Jan. 17,'03	91	91	23,000
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	111¼	Oct. 10,'01	....	....	....
" registered		J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....		....	....	....
" registered	....	J & J	....		....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....		....	....	....
" registered.................		A & O	....		....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....		....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's.................1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........		F & A	....		....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....		....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	110½	Jan. 28,'03	111	110	122,000
" registered.................		J & J	109⅝	Jan. 31,'03	110⅞	109½	123,500
Lake Shore con. 2d 7's..........1903	6,312,000	J&D	103	Jan. 13,'03	103	102¾	7,000
" con. 2d registered....1903		J&D	102¾	Jan. 9,'03	102¾	102¼	21,000
" g 3½s...................1997	43,820,000	J & D	105¼	Jan. 22,'03	105½	105¼	30,000
" registered.................		J & D	105	Jan. 6,'03	105	105	3,000
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's ...1934	1,500,000	J & J	124	Jan. 5,'03	124	124	2,000
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	139	139	1,000
" 2d gtd 6's...........1934	900,000	J & J	....		....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....		....	....	....
Michigan Cent. 6's.............1909	1,500,000	M & S	118⅝	Dec. 4,'01	....	....	....
" 5's......................1931	3,576,000	M & S	125½	Jan. 22,'03	125½	125⅛	6,000
" 5's reg..................1931		Q M	127	June 19,'02	....	....	....
" 4's......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg.....................		J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.............	2,000,000	M & S	....		....	....	....
" 1st g. 3½'s.............1952	10,000,000	M & N	....		....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....		....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	119½	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	122⅛	Jan. 30,'03	122⅛	121¼	15,000
coup. g. bond currency..........		A & O	....		....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....		....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107½	Jan. 8,'03	107½	107½	1,000
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	104½	Jan. 28,'03	104⅞	104	59,000
" registered..................		A & O	105	Dec. 8,'02	....	....	....
N. Y., N. Haven & H. 1st reg. 4's. 1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	219½	Jan. 30,'03	221	219	12,000
" small certifs............$100	1,430,000	......	218	Jan. 29,'03	218	218	1,000
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	135½	Jan. 14,'02	....	....	....
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's....................1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	16,937,000	M & S	102¼	Jan. 30,'03	103½	102	90,000
" registered.......$5,000 only.	....	M & S	101½	Nov. 30,'98	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	115¼	Jan. 29,'03	115¼	115¼	10,000
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	133	Aug. 11,'02	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	132	Dec. 31,'02	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	132¼	Jan. 16,'03	132¼	132	2,000

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Norfolk & West. Ry 1st con. g. 4s.1996	33,210,500	A & O	101¼	Jan. 31,'03	101⅞	100	379,500
registered....		A & O	100½	Jan. 13,'02			
small bonds....		A & O					
Pocahon C.&C.Co.jt.4's.1941	20,000,000	J & D	92¾	Jan. 30,'03	93⅜	91	659,000
C. C. & T. 1st g. t. g g 5's 1922	600,000	J & J	107½	July 1,'01			
Sci'o Val & N.E. 1st g.4's,1989	5,000,000	J & N	101	Jan. 31,'03	101	100½	3,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	100,209,500	Q J	103¼	Jan. 31,'03	104	102¾	602,000
registered....		Q J	102	Jan. 29,'03	103⅝	102	84,000
gen. lien g. 3's....2047	56,000,000	Q F	72¾	Jan. 30,'03	73½	72⅛	410,500
registered....		Q F	70½	Jan. 21,'03	70½	70½	2,500
St. Paul & Duluth div. g. 4's...1996	9,215,000	J & D	102½	May 20,'02			
registered....		J & D					
St. Paul & N. Pacific gen g. 6's.1923	7,985,000	F & A	127	Jan. 8,'03	127	127	1,000
registered certificates....		Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's....1931	1,000,000	F & A	118	Nov. 6, 02			
2d 5's....1917	2,000,000	A & O	110	Oct. 6,'02			
1st con. g. 4's....1968	1,000,000	J & D	97½	Jan. 23,'03	98	97	30,000
Washington Cen. Ry 1st g. 4's..1948	1,538,000	QMCH	94⅛	Feb. 19,'01			
Nor. Pacific Term. Co. 1st g. 6's..1933	3,692,000	J & J	115¼	Jan. 28,'03	116	115¼	21,000
Ohio River Railroad 1st 5's....1936	2,000,000	J & D	114	Dec. 30,'02			
gen. mortg. g 6's....1937	2,428,000	A & O	108½	July 9,02'			
Pacific Coast Co. 1st g. 5's....1946	4,446,000	J & D	108	Jan. 30,'03	108	107	28,000
Panama 1st sink fund g. 4½'s....1917	2,386,000	A & O	102	Jan. 14,'03	102	102	28,000
s. f. subsidy g 6's....1910	1,049,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.							
Penn. Co.'s gtd. 4½'s, 1st....1921	19,467,000	J & J	109½	Jan. 29,'03	109⅝	108¾	19,000
reg....1921		J & J	108	Jan. 30,'03	109½	108	95,000
gtd.3½ col.tr.reg. cts..1937	5,000,000	M & S	96½	Dec. 11,'02			
gtd.3½ col.tr.cts.serB 1941	10,000,000	F & A	97	Jan. 30,'03	97	97	10,000
Trust Co. ctfs. g. 3½'s.1916	18,666,000	M & N	97½	May 12,'02			
Chic., St. Louis & P. 1st c. 5's..1932	1,506,000	A & O	122½	Jan. 30,'03	123	122½	9,000
registered....		A & O	110	May 3,'92			
Cin.,Leb. & N. 1st con.gtd.g.4's.1942	1,063,000	J & J					
Clev.&P.gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	121	Oct. 22,19'			
Series B....1942	1,561,000	A & O					
int. reduc. 3½ p.c.	439,000						
Series C 3½s....1948	3,000,000	M & N					
Series D 3½s....1950	1,933,000	F & A					
E.&Pitts. gen.gtd.g.3½s Ser.B..1940	2,250,000	J & J	102	Nov. 7,19'			
C..1940	1,508,000	J & J					
Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..							
Series A....1940	10,000,000	A & O	114½	Jan. 20,'03	114½	114½	5,000
Series B gtd....1942	8,786,000	A & O	113	Dec. 9,'02			
Series C gtd....1942	1,379,000	M & N	116½	Feb. 14,'01			
Series D gtd. 4's....1945	4,983,000	M & N	106¼	Nov.19,'02			
Series E gtd. g. 3½s...1949	10,840,000	F & A	96	Jan. 13,'03	96	96	10,000
Pitts., Ft. Wayne & C. 1st 7's..1912	2,407,000	J & J	127⅝	Oct. 21,'02			
2d 7's....1912	2,047,500	J & J	128	Jan. 26,'03	128	128	10,000
3d 7's....1912	2,000,000	A & O	130	Apr. 11,'01			
Tol Walhonding Vy.&O. 1st gtd.bds							
4½'s series A....1931	1,500,000	J & J					
4½'s series B....1933	978,000	J & J					
4's series C....1942	1,492,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's...1923	1,675,000	M & N	106	Dec. 8,'02			
con. sterling gold 6 per cent...1905	22,762,000	J & J					
con. currency, 6's registered...1905	4,718,000	Q M 15					
con. gold 5 per cent....1919	4,998,000	M & S					
registered....		Q M					
con. gold 4 per cent....1943	3,000,000	M & N					
Allegh. Valley gen. gtd. g. 4's..1942	5,389,000	M & S	110	Aug.28,19'			
Clev. & Mar. 1st gtd g. 4½'s....1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del.R. RR.& BgeCo 1stgtdg.4's,1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s 1941	4,455,000	J & J	111	Dec. 8,'02			
Sunbury & Lewistown 1stg.4's.1936	500,000	J & J					
U'd N.J. RR. & Can Co. g 4's...1944	5,646,000	M & S	117	May 1,19'			
Peoria & Pekin Union 1st 6's....1921	1,495,000	Q F	127	Jan. 21,'03	127	127	29,000
2d m 4½'s....1921	1,499,000	M & N	101	Oct. 31,19'			
Pere Marquette.							
Flint & Pere Marquette g. 6's..1920	3,999,000	A & O	121½	Jan. 15,'03	121½	121½	3,000
1st con. gold 5's....1939	2,850,000	M & N	111	Jan. 8,'03	111	111	5,000
Port Huron d 1st g 5's.1939	3,325,000	A & O	113	Jan. 8,'03	113	113	5,000
Sag'w Tusc. & Hur.1st gtd.g.4's.1931	1,000,000	F & A					
Pine Creek Railway 6's....1932	3,500,000	J & D	137	Nov.17,'93			
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	107½	Oct. 26,'93			

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 18,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	119	Nov. 25,'02	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	101½	Nov. 26,'02	....	....	....
" J. P. M. & Co., ctfs.,	....	8,111,000	......	101	Nov. 26,'02	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,762,000	J & J	97½	Jan. 30,'03	98½	95½	1,364,000
" registered			J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's	1957	23,000,000	......	95¾	Jan. 31,'03	96	93⅛	206,000
" " registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.	1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	97½	Jan. 31,'03	98½	97	127,000
" mge & col. tr. g. 4's ser. A.	1949	10,000,000	A & O	91	Jan. 28,'03	92	91	55,000
" Utah Cen. 1st gtd. g. 4's.	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	112½	Jan. 5,'03	112½	112½	5,000
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	80½	July 8,'02	....	....	....
" guaranteed		2,277,000	......	94¼	Nov. 15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g 4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's.	1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	94	Jan. 5,'03	94	94	1,000
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J	....		....	....	....
" 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	999,000	M & N	106	Jan. 30,'03	106	105⅝	8,500
" 2d g. 6's, Class C	1906	830,000	M & N	108¼	Aug. 14,'02	....	....	....
" gen. g. 6's	1931	3,715,000	J & J	129	Jan. 20,'03	129	127½	13,000
" gen. g. 5's	1931	5,817,000	J & J	113¼	Jan. 29,'03	114⅛	113	16,000
St. L & San F. R. R. con. g. 4's.	1996	1,595,000	J & D	95½	Jan. 9,'03	95½	95½	20,000
" S. W. div. g. 5's	1947	830,000	A & O	100	Jan. 8,'02	....	....	....
" refunding g. 4's	1951	40,514,000	J & J	89¾	Jan. 31,'03	91⅞	89¾	17,000
" " registered			J & J	....		....	....	....
Kan. Cy Ft. S. & Mem RR con g 6's	1928	13,736,000	M & N	125½	June 16,'01	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s.	1936	12,355,000	A & O	88	Jan. 31,'03	88½	86¾	160,000
" registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	97¼	Jan. 31,'03	97¼	94¾	118,000
" 2d g. 4's inc. Bd. ctfs	1989	3,272,500	J & J	85	Jan. 29,'03	85½	84	34,000
" con. g. 4's	1932	12,054,000	J & D	85¾	Jan. 30,'03	86	84½	101,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,428,000	A & O	113½	Jan. 9,'03	113½	113½	10,000
" 1st con. 6's	1933	13,344,000	J & J	135¼	Jan. 12,'03	135¼	134½	6,000
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		20,108,000	J & J	111	Jan. 30,'03	111½	110¾	40,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,573,000	M & N	114	Jan. 28,'03	114	114	3,000
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	104	Jan. 19,'03	104	103½	8,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's	1908	4,700,000	A & O	107½	Sept. 26,'02	....	....	....
" registered			A & O	....		....	....	....
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd	1937	6,000,000	J & J	134¼	Jan. 9,'03	134¼	134	12,000
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	124½	June 12,'02	....	....	....
" registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered			J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's,	1942	4,940,000	M & S	111	Aug. 15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.	1934	1,350,000	J & J	95¼	Nov. 30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	112¾	Jan. 31,'03	112¾	112¾	75,000
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug. 22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.	1918	1,107,000	J & J	95	Jan. 29,'03	95	95	1,000
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	84⅝	Jan. 31,'03	84¾	83¼	127,000
" registered			A & O	....		....	....	....
" col. trust refdg g. 5's	1911	9,968,000	M & N	102⅝	Jan. 30,'03	102⅝	101½	140,000

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Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	97	Oct. 10,'02	....	....	....
Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20,'03	102	102	1,000
Southern Pacific Co.								
″ 2-5 year col. trust g. 4½'s	1905	15,000,000	J & D	98¾	Jan. 30,'03	99	98	148,000
″ g. 4's Central Pac. coll.	1949	28,818,500	J & D	91⅛	Jan. 31,'03	92⅛	90⅛	501,000
″ ″ registered			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	111	June 26,'01	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	58,041,000	F & A	101⅝	Jan. 30,'03	102	101¼	218,500
″ registered			F & A	99⅞	June 1,19'	....	....	....
″ mtge. gtd. g. 3½'s	1929	18,254,500	J & D	86¾	Jan. 30,'03	87	84	135,500
″ ″ registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	112	Jan. 21,'03	112	112	8,000
″ 2d g 7's	1905	1,000,000	J & D	108	Mar. 26,'02	....	....	....
″ Mex. & P. div 1st g 5's	1931	13,418,000	M & N	109⅞	Jan. 30,'03	109⅞	107⅛	9,000
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	112	Oct. 20,'02	....	....	....
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	103	Aug. 18,'02	....	....	....
″ 1st gtd. g. 5's	1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	2,828,000	J & J	110⅝	Jan. 24,'03	111	110	49,000
″ con. g 6's int. gtd.	1912	2,911,000	A & O	112	Jan. 5,'03	112	112	1,000
″ gen. g 4's int. gtd.	1921	4,287,000	A & O	94	Jan. 28,'03	94	93	17,000
″ W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
″ 1st 7's	1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
″ gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,207,000	J & J	105⅛	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,900,000	J & J	85¾	Jan. 31,'03	86⅛	85	253,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	111¼	Jan. 27,'03	111¼	111¼	19,000
″ ″ ″	1910	4,000,000	J & J	112⅛	Aug. 7,'02	....	....	....
″ of Cal. 1st g 6's ser. A.	1905	29,192,500	A & O	105¼	Dec. 23,'02	....	....	....
″ ″ ″ ser. B.	1905		A & O	108	Dec. 23,'01	....	....	....
″ ″ ″ C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
″ ″ ″ E. & F.	1902		A & O	119⅛	Jan. 27,'03	119⅛	119⅛	1,000
″ ″ ″	1912	....	A & O	119½	June 18,'01	....	....	....
″ 1st con. gtd. g 5's	1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
″ stamped	1905-1937	20,420,000	......	109¼	Jan. 28,'03	109¼	109¼	50,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
″ of N. Mex. c. 1st 6's	1911	4,180,000	J & J	112	Dec. 31,'02	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	108	May 20,'02	....	....	....
″ Sabine div. 1st g 6's	1912	2,575,000	M & S	111⅛	Oct. 30,'02	....	....	....
″ con. g 5's	1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's	1994	35,304,000	J & J	117¼	Jan. 30,'03	118	116¾	107,000
″ registered			J & J	122	Jan. 2,'02	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,855,000	M & S	97¼	Jan. 28,'03	97¼	93¼	18,000
″ registered			M & S	....	....	....	....	....
″ Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	113⅛	Jan. 12,'03	113⅛	113	2,000
″ registered			J & J	....	....	....	....	....
″ St. Louis div. 1st g. 4's	1951	11,250,000	J & J	97⅛	Jan. 28,'03	98⅛	97¼	19,000
″ ″ registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115	Jan. 24,'03	115⅛	115	2,000
″ con. 1st g 5's	1956	12,770,000	M & N	119¼	Jan. 10,'03	119¼	119¼	2,000
″ reorg. lien g 4's	1938	4,500,000	M & S	114	Jan. 26,'02	115¾	114	27,000
″ registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	124	Jan. 20,'03	124	122⅝	11,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	124	Jan. 16,'03	124	123	5,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	117¾	Jan. 16,'03	117¾	117¾	17,000
″ equip. sink. f'd g 5's,	1909	818,000	M & S	101¼	July 20,19'	....	....	....
″ deb. 5's stamped	1927	3,368,000	A & O	111	Dec. 23,'02	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	107	Jan. 31,'03	107⅛	106	33,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. B 6's	1911	1,900,000	M & S	112⅛	Jan. 6,'03	112⅛	112⅛	1,000
″ small			M & S	....	....	....	....	....
″ ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. D 4-5's	1921	950,000	M & S	118⅛	Nov. 10,'02	....	....	....
″ small			M & S	....	....	....	....	....
″ ser. E 5's	1926	1,775,000	M & S	115	Jan. 6,'03	115	115	8,000
″ small			M & S	....	....	....	....	....
″ ser. F 5's	1931	1,810,000	M & S	114	Dec. 18,'02	....	....	....

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Virginia Midland gen. 5's......1936	2,392,000	M & N	115¾	Jan. 30,'03	115¾	115½	8,000
• gen.5's.gtd. stamped.1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	98	Apr. 22,'02	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115	Jan. 22,'03	115	115	10,000
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	112	Jan. 27,'03	112	112	1,000
• 1st con. g. 5's.....1894-1944	5,000,000	F & A	118	Jan. 19,'03	118	118	10,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	115½	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,941,000	M & S	101¾	Sept.25,19'	....	....	....
• 1st gold 5's..............2000	22,059,000	J & D	116¾	Jan. 30,'03	117¾	116½	201,000
• 2d gold income, 5's......2000	963,000	MAR.	100	Jan. 9,'03	100	99	5,000
• La. Div.B.L. 1st g.5's...1931	2,661,000	J & J	111	Jan. 3,'03	111	111	3,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	112	Jan. 14,'03	112	111½	25,000
• 1st M. g 5's West. div...1935	2,500,000	A & O	113⅜	Nov.17,'02	....	....	....
• gen. g. 5's.... 1935	2,000,000	J & D	107	Jan. 9,'03	107	107	1,000
• Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	96	Jan. 26,'03	96	93	6,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	91	Jan. 16,'03	91	90	5,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	85½	Jan. 30,'03	85½	83¾	135,000
• registered..................		J & J	....	....	....	....	....
• fifty years g. 4's........1925	6,500,000	A & O	79	Jan. 31,'03	80	76	531,000
• registered..................		A & O	....	....	....	....	....
Toronto,Hamilton &Buff 1st g 4s.1946	3,280,000	J & D	98½	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	110	Jan. 7,'03	110	110	1,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	103¼	Jan. 31,'03	103⅝	102¾	778,500
• registered................		J & J	102¾	Jan. 23,'03	103⅛	102	49,000
• 1st lien con. g. 4's......1911	87,259,000	M & N	105¼	Jan. 31,'03	107¼	105⅛	7,037,000
• registered................		M & N	105½	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	101½	Jan. 30,'03	101¾	100¾	135,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	127½	Jan. 30,'03	127½	125	88,000
• 1st con. g. 5's.1946..........	12,328,000	J & J	113½	Jan. 20,'03	114	113	48,500
• 4's&participat'g g.bds.1927	31,000,000	F & A	97¼	Jan. 31,'03	98⅛	95⅝	5,935,000
• registered.................		F & A	....	....	....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
• g. 5's....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Wabash R.R. Co., 1st gold 5's....1939	32,369,000	M & N	117¾	Jan. 29,'03	117¾	116¼	170,000
• 2d mortgage gold 5's...1939	14,000,000	F & A	110¾	Jan. 24,'03	111	108	164,000
• deben. mtg series A...1939	3,500,000	J & J	101½	Jan. 5,'03	101½	101½	5,000
• series B..................1939	26,500,000	J & J	77	Jan. 31,'03	78¾	75¾	3,357,000
• first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
• 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	109	Dec. 28,'03	109	109	7,000
• Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
• Omaha div. 1st g. 3½s..1941	3,500,000	A & O	85½	Jan. 12,'03	85½	84	9,000
• Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.& N.St.Chas.B.1st6's1908	575,000	A & O	109	Dec. 17,'02	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	117¼	Jan. 30,'03	117½	117¼	23,000
• gen g. 3-4's..............1943	9,789,000	A & O	99½	Jan. 30,'03	99½	99	18,000
• inc. 5's.... .... .1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	116½	Jan. 21,'03	116½	115	4,000
• Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
• exten. and imp. g. 5's...1930	343,000	F & A	111⅜	Oct. 23,'02	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	92¼	Jan. 31,'03	92⅝	91¼	176,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,897,000	J & J	90⅞	Jan. 30,'03	91¾	90	427,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	106½	Jan. 27,'03	107¼	105	11,000
• Atl. av.Bkn .imp. g.5's.1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
• City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	114	May 28,'02	....	....	....
• Qu. Co. & Sur. con. gtd. g. 5's...................1941	2 255,000	M & N	102	Jan. 8,'03	102½	102	4,000
• Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	104¼	Jan. 31,'03	104¼	102	156,000
• stamped guaranteed......		......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	89	Jan. 31,'03	89½	88	88,000
• stamped guaranteed......		......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	85½	85½	2,000
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Metro. St. Ry N.Y.g.col.tr.g.5's.1997	12,500,000	F & A	120	Jan. 31,'03	120	118⅛	132,000
• refunding 4's..........2002	12,780,000	A & O	96	Jan. 26,'03	96½	94	40,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	116¾	Jan. 12,'03	116¾	116¾	4,000
• registered..................		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	121	Jan. 12,'03	121	121	1,000
• registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	121	Dec. 30,'02	....	....	....
• registered..................		M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	98	Jan. 31,'03	98¾	97¼	393,000
• registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	122	Jan. 15,'03	122	122	4,000
Met. West Side Elev.Chic.1stg.4's.1938	10,000,000	F & A	102½	Jan. 29,'03	102½	102½	25,000
• registered..................		F & A	....		....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's....................1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
• gtd. gold 5's............1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....		....	....	....
• 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	105¼	Jan. 30,'03	105¼	104	71,000
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	75	Jan. 21,'03	76	73	15,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	86½	Jan. 24,'03	90	86½	180,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	94½	Jan. 28,'03	94¾	94	53,000
• registered....................		F & A	....		....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....		....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901–1916	1,000,000	J & J	....		....	....	....
• E 4's................1907–1917	1,000,000	J & D	....		....	....	....
• F 4's................1908–1918	1,000,000	M & S	....		....	....	....
• G 4's................1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
• H 4's................1903–1918	1,000,000	M & N	....		....	....	....
• I 4's................1904–1919	1,000,000	F & A	....		....	....	....
• J 4's................1904–1919	1,000,000	M & N	....		....	....	....
• K 4's................1905–1920	1,000,000	J & J	....		....	....	....
Small bonds........................	....	......	....		....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	35	Jan. 31,'03	42½	35	216,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	101	Jan. 29,'03	101	100	49,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	96¼	Jan. 31,'03	96¼	95	68,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	91	Jan. 30,'03	91	88	21,000
Am.Thread Co., 1st coll.trust 4's.1919	6,000,000	J & J	80	Jan. 12,'03	80	80	1,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,518,400	F & A	67¼	Jan. 31,'03	67¾	66½	5,796,000
• registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	9,240,000	A & O	76	Jan. 31,'03	77	75	32,000
Dis. Co. of Am. coll. trust g 5's..1911	3,590,000	J & J	99	Jan. 19,'03	99	99	80,000
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
• non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	110	Jan. 27,'03	110	108	27,000

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's	1926	2,000,000	A & O	98	Aug.25,19'	....	....	....
Nat. Starch Mfg. Co., 1st g 6's	1920	3,002,000	J & J	94	Jan. 31,'03	95	94	10,000
Nat. Starch. Co's fd. deb. g. 5's	1925	4,137,000	J & J	80	Jan. 3,'03	80	80	4,000
Standard Rope & Twine 1st g. 6's	1946	2,740,000	F & A	67⅛	Jan. 26,'03	68	66¾	36,000
" " inc. g. 5's	1946	7,500,000	......	12	Jan. 29,'03	13½	11½	233,000
U. S. Env. Co. 1st sk. fd. g. 6's	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	114½	Jan. 20,'03	114⅛	112	11,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	85	Jan. 16,'03	85	85	2,000
U. S. Shipbldg. 1st & fd g. 5's Ser. A.	1932	14,500,000	J & J	80	Jan. 16,'03	80	80	2,500
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	91	91	10,000
BONDS OF COAL AND IRON COMPANIES.								
Colo. C'l & I'n Devel. Co. gtd g. 5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	680,000	M & N	110⅛	Aug. 22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	5,311,000	F & A	105	Jan. 31,'03	105	103¾	43,000
" conv. deb. g. 5's	1911	12,068,000	F & A	94	Jan. 31,'03	96¾	93	1,509,000
" registered			F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's	1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's	1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s	1928	1,192,000	J A J	108¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	107⅛	Jan. 13,'03	107⅛	107⅛	3,000
" Bir. div. 1st con. 6's	1917	3,399,000	J & J	107	Jan. 24,'03	107	105⅛	16,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's	1910	2,771,000	F & A	102⅛	Nov. 19,'02	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,993,000	M & S	80	Jan. 29,'03	80	80	1,000
Wheel L. E. & P. Cl Co. 1st g 5's	1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
Bost. Un. Gas tst ctfs s'k f'dg. 5's	1939	7,000,000	J & J	80¾	Feb. 20,'01	....	....	....
B'klyn Union GasCo. 1st cong. 5's	1945	14,493,000	M & N	116¾	Jan. 29,'03	117	116⅛	86,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,608,000	J & J	97	Jan. 30,'03	97	97	20,000
Detroit Gas Co. 1st con. g. 5's	1918	881,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.								
1st con. g. 5's	1932	3,500,000	M & S	117	Dec. 16,'02	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1st g. 5's	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L. & Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's	1997	5,010,000	J & J	120	Jan. 23,'03	120	120	1,000
Edison El. Ill. Bkln 1st con. g. 4's	1939	4,275,000	J & J	97⅛	Sept. 19,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	108	Jan. 30,'03	108⅛	108	44,000
" small bonds				97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N. Y. Gas EL. H & P Co 1st col tr g 5's	1948	11,500,000	J & D	111	Jan. 28,'03	111	110⅝	26,000
" registered			J & D					
" purchase mny col tr g 4's	1949	20,889,000	F & A	96¾	Jan. 31,'03	97¼	95	198,000
Edison El. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	105¾	Dec. 17,'02	....	....	....
" 1st con. g. 5's	1995	2,156,000	J & J	119	Jan. 28,'03	119	119	40,000
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	107⅛	Jan. 9,'03	107⅛	107⅛	2,000
Paterson & Pas. G. & E. con. g. 5's	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	104	June 7,'02	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	104⅛	Nov. 14,'02	....	....	....
" 1st con. g 6's	1943	4,900,000	A & O	125⅛	Jan. 15,'03	125⅛	124	67,000
" refunding g. 5's	1947	2,500,000	M & S	105	Jan. 5,'03	105	105	6,000
" refuding registered			M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	109	Dec. 3,'02	....	....	....
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	108	Jan. 28,'03	108	108	1,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	102⅛	Jan. 13,'03	102⅛	102	4,000
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	104	Jan. 19,'03	105	104	10,000
" registered		....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's	1950	500,000	J & J	....	....	....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JANUARY SALES. *High*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered			Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's.	1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered			M & N					
N. Y. & N. J. Tel. gen. g 5's.	1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's.	1938	8,504,000	J & J	109	Jan. 8,'03	109	109	2,000
" fundg & real estate g. 4½'s.	1950	13,000,000	M & N	104	Jan 31,'03	104⅜	103	311,000
Mutual Union Tel. s. fd. 6's.	1911	1,957,000	M & N	111	June 17,'02	....	....	....
Northwestern Telegraph 7's.	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	JANUARY SALES. *High.*	JANUARY SALES. *Low.*	JANUARY SALES. *Total.*
United States con. 2's registered	1930	445,940,750	Q J	....	....	....	....	......
" con. 2's coupon	1930		Q J	....	....	....	....	......
" con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	97,515,660	Q F	....	....	....	....	......
" 3's coupon	1908-18		Q F	108¾	107⅞	108¾	107⅞	13,500
" 3's small bonds reg	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon	1908-18		Q F	....	....	....	....	......
" 4's registered	1907	233,177,400	J A J&O	110⅛	109½	110⅛	109½	6,000
" 4's coupon	1907		J A J&O	110¼	109¾	110¼	109¾	12,500
" 4's registered	1925	118,489,900	Q F	....	....	....	....	......
" 4's coupon	1925		Q F	....	....	....	....	......
" 5's registered	1904	19,885,050	Q F	....	....	....	....	......
" 5's coupon	1904		Q F	....	....	....	....	......
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds			F & A	....	....	....	....	......
" registered			F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	....	....	....	....	......
" " small		....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	....	....	....	....	......
" " small bonds				....	....	....	....	......
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	....	....	....	....	......
" small			J & J	....	....	....	....	......
" 6's	1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	95	97	93	34,000
" registered		6,079,000	J & J	....	....	....	....	......
" small bond		362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of	1991	18,041,462	J & J	....	....	....	....	......
" registered			J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		4,724,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871		7,936,565	....	12	11	12	11	94,500
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on the-Main, Germany, bond loan 3½'s series I	1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's		....	Q J	90⅛	90½	90⅛	90⅛	1,000
Regular delivery in denominations of £100 and £200		£22,357,680	......	....	....	....	....	......
Small bonds denominations of £20		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Agnew.—Dr. John P. Agnew, a director of the Farmers' National Bank of Bucks County, Bristol, Pa., died at his residence, 4002 Pine Street, Philadelphia, on February 3. Dr. Agnew had been connected with the bank almost twenty-five years, and was widely known and highly respected. During the Civil War he rendered valued service as an army surgeon, and was a successful practitioner in Bucks county, Pa., until his retirement from practice a few years ago.

Brotherton.—Robert Brotherton, Assistant Cashier of the Westchester County National Bank, Peekskill, N. Y., died January 12, aged thirty-three years. He became a clerk in the bank in 1887 and was made Assistant Cashier in 1897.

Callahan.—Wm. P. Callahan, President of the City National Bank, Dayton, O., and a wealthy manufacturer, died January 19.

Ferguson.—Captain Benjamin H. Ferguson, President of the Springfield (Ill.) Marine Bank, died January 7.

Harris.—Thomas U. Harris, President of the Bridgeton (N. J.) National Bank since its organization, died January 20, aged seventy-one years.

Hersey.—Lewis W. Hersey, President of the Waukon (Iowa) State Bank, died January 6, aged about seventy-seven years. Since 1851 he had resided in Allamakee county, Iowa, and for several terms was elected clerk of the district court. In 1871 he opened a private bank, which became the Waukon State Bank in 1892, Mr. Hersey serving first as Cashier and later as President.

Hodgdon.—Elbridge G. Hodgdon, President of the People's National Bank, Waterville, Me., and a prominent and wealthy merchant, died January 21, aged seventy-nine years.

Linderman.— Robert P. Linderman, President of the Lehigh Valley National Bank, Bethlehem, Pa., died January 22, at the age of about forty years. Mr. Linderman was president of the Bethlehem Steel Co., and was largely interested in coal mining, and was a director in a number of railway, steamship and other corporations.

Lowe.—George A. Lowe, one of the organizers of the National Bank of the Republic, Salt Lake City, Utah, and Vice-President of that bank, died January 13.

Mitchell.—Camdon Mitchell, President of the First National Bank, Reynoldsville, Pa., died February 4.

Roberts.—J. W. Roberts, President of the San Bernardino (Cal.) National Bank, died January 8.

Sheldon.—George T. Sheldon, Treasurer of the Lowell (Mass.) Trust Co., died January 17, in California, where he had gone in search of health. Mr. Sheldon was born at Easton, Mass., in 1829.

Sherman.—Charles B. Sherman, Cashier of the Oxford (Mass.) National Bank, and associated with a number of local benevolent and business organizations, died January 4, aged about forty-one years.

Thomas.—Gen. Samuel Thomas, a well-known capitalist and largely interested in railway affairs, died January 11. He was Vice-President of the Bowling Green Trust Company, New York city, a director of the Seventh National Bank, and a trustee of the Metropolitan Trust Co.

Thompson.—Col. J. K. P. Thompson, one of the owners of the Lyon County Bank, Rock Rapids, Ioa., died January 15. He was born in Ohio, in 1845, but had resided in Iowa since 1857. He served for three years in the Union Army in the Civil War; was admitted to the bar in 1873, and in 1877 organized the Lyon County Bank.

Wagner.—James V. Wagner, for fifteen years Cashier of the National Marine Bank, Baltimore, died January 31.

Walker.—Wm. H. Walker, Vice-President of the Fidelity Trust Company, Buffalo, N. Y., and former President of the clearing-house, died January 8, aged seventy-seven years. Since 1876 he had been engaged in the wholesale shoe business, and was identified with a number of educational and philanthropic institutions.

THE

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THE SUGGESTIONS MADE IN THE NOTES of the Mexican and Chinese Governments regarding their silver currencies, of which abstracts were printed in THE BANKERS' MAGAZINE last month, are of serious importance, not only from a monetary but from a commercial point of view. With few exceptions the request of the two Governments, that the United States lend its moral support to an effort to secure stability between the moneys of the gold and silver countries, has been well received by the American press. Where criticism has been made it has apparently been due to misunderstanding or to the fear that any discussion of monetary matters would invoke the banished ghost of bimetallism. The two Governments took particular pains, however, to disavow any effort to secure bimetallism or to ask changes in any essential particular in the monetary systems of the gold standard countries. They seek stability of relationship in their currencies by a different road and one which at least offers some hope of a successful solution.

There can be no doubt of the great commercial benefits which would result from giving to the currency of the silver-using countries a definite and permanent relation to that of the gold countries. Indeed, it may be questioned whether the benefits would not be greater to the gold countries, by facilitating their entrance to the markets of Mexico, China and the other countries of the Orient, than they would be directly to the silver countries themselves. The commercial treaty which has been recently negotiated between Great Britain and China —and which is likely to be the model of a similar treaty with the United States, with such modifications as are suggested by the American Asiatic Association—provides that China shall establish a uniform monetary system and that the money issued under it shall be legal tender and receivable for public dues throughout the Chinese Empire. The adoption of a uniform monetary system of any kind in China will be a long step towards throwing that empire open to American and European investment and trade. The adoption of a system which gave her currency a fixed relation to gold would make the step vastly more important and beneficial. As pointed out in the note of the Mexican Government, an increase of the import trade of China to the amount per capita which has been attained by that of Japan would add nearly $1,000,000,000 to the exports of the manufacturing nations of Europe and America. The opening of so vast a market would almost put an end to the severe competition which has raged between these countries at home and would afford outlets for capital and surplus products which would go far towards revolutionizing the existing economic situation.

The project for bringing the silver countries into harmonious monetary relations with the gold countries originated, it appears, with the Government of Mexico. Senor LIMANTOUR, the present Finance Minister, is a man of broad views and thorough economic education and appreciates keenly the importance of putting Mexico on the same monetary basis as other leading commercial nations. In sending to the United States as the delegates of the Government, for the purpose of consulting American financiers and economists, such men as Senor ENRIQUE C. CREEL and Senor EMETERIO DE LA GARZA, President DIAZ and Senor LIMANTOUR took the most efficient steps to secure the support of the United States and to bring about early results. Mr. CREEL stands in the front rank of the financiers of Mexico and is well and favorably known among New York bankers. This made him phenomenally successful in his mission. Combining the energy and skill of the Anglo-Saxon with the suavity and tact of the Latin, he accomplished results which surprised the Mexican Government and naturally drew from President DIAZ a warm tribute of admiration and praise.

It was early in January when Mr. CREEL arrived in New York under a special commission from his Government to secure the co-operation of the United States in the project of Mexico. Cable communications with the Chinese Government brought prompt authority from Peking to the Chinese representative at Washington to support the plans of Mexico, and within less than three weeks the notes of the two Governments were delivered to the State Department and a week later transmitted by President ROOSEVELT to Congress with his recommendation that the invitation of Mexico and China be accepted, that the United States aid them in presenting the subject to European governments. If Mexico were a monarchy instead of a republic, Senor CREEL would probably be wearing to-day the decorations of his sovereign for the energy, promptness and success with which he fulfilled his mission.

THERE IS NO DOUBT of the ability of Mexico to go upon the gold standard within a year if she so desires. The only difficulty in the situation is the fact that more than one-third of her exports consists of silver in the form of coin, bullion, or ore. She cannot well afford, therefore, from an economic point of view to take a course which will cast discredit upon so large a portion of her annual product by depressing the price of silver. It is principally for this reason apparently that Mexico has asked the moral support of the United States in seeking action by other silver-using countries which will give a definite gold value to their moneys without diminishing the employment for silver.

The method by which the Mexicans propose to reach the desired results has not been set forth yet with absolute precision, but they have hinted that they propose to follow the lines adopted in British India and proposed by our own Government for the Philippines. The principle of these systems is simple. It involves nothing more than the application of the rule of supply and demand to the volume of the currency. By limiting the quantity to the needs of trade coins can be given a definite value which may differ materially from the value of the bullion which they contain. To the novice unfamiliar with monetary history this might seem a startling proposition. If it had not been demonstrated in practice, its success might even seem doubtful to the trained economist. It has been successfully applied in British India, however, under circumstances which could hardly have been more adverse and which will not be confronted in Mexico or the Philippines.

In British India the Government undertook in 1893 to raise to the definite gold value of sixteen pence, or about thirty-two cents, the silver rupees, which were then considerably below this value in bullion and are now worth in bullion under twenty cents. The seriousness of the problem in India lay in the fact that there were about 1,500,000,000 rupees, representing a value in American money of about $500,000,000, to be raised and kept at a gold parity. The only step taken at first was the suspension of free coinage and the offer of rupee bills on the London market at near the proposed rate. It is not surprising that some difficulty occurred and a delay of several years in giving absolute fixity of value to the rupee. The essential trouble was that there were too many rupees in circulation at the time to give full effect to the law of government control over the supply. When trade had expanded in some degree to meet the existing quantity of coin at the legal ratio fixed by the Government, the difficulty ended. It even became necessary to coin additional rupees to meet the demand for currency.

The Indian currency is now maintained without question at a definite gold value of more than a third above the bullion value of the coins. In Mexico and the Philippines the margin of difference between exchange value and intrinsic value will be smaller and each Government will start with entire control of the supply of coins. This will result from the inauguration of a new coinage instead of the attempt to raise the old coins to a definite gold value. The new coinage will, of course, be issued only as it seems to be needed and thus kept wholly within the control of the reserve fund which will be established by both Governments for removing all doubts as to its parity.

We cannot afford to cavil over the fact that this system of a token currency maintained at gold par is not quite so good as a pure gold currency. Nobody probably denies this, although it may be questioned whether a pure gold currency, even if attainable, would be adapted in the size of its units to the conditions of prices and wages in Mexico and the Philippines. What can be said in favor of the Mexican plan is that it is a long, firm step towards the gold standard and is the longest step that these countries can well take under existing conditions. It is obvious that if all the silver-using countries should undertake to replace by gold their silver legal-tender currency, amounting to more than $2,000,000,000, the pressure upon the world's gold stock would cause more perturbation than anything which has ever occurred to change the relations between money and prices. While the effort to introduce a fixed currency into China will be attended with difficulties, and it is by no means certain that they will be easily surmounted, the experiment is certainly worthy the serious consideration which the Governments of Mexico and China have invited the trained financiers of the powers of the world to give to it.

THE TRUST LEGISLATION which has been enacted by Congress will probably prove more satisfactory to the country at large than might be gathered from the criticism of the measure in the House of Representatives, where many members seemed to regard it as far from being drastic enough. But the enforcement of the prohibition of giving or taking rebates, by which large corporations and combinations have been alleged to be able to crush out the competition of weaker rivals, will remove one of the great weapons of the alleged monopolies.

The enforcement of the law also seems to be provided for by the creation of the new Department of Commerce, with authority to investigate the organization and business methods of corporations engaged in inter-State and foreign commerce. Persons having the desired knowledge can be compelled to testify. Provision has also been made for securing prompt action by the courts upon cases arising under the law.

There has been so much clamor for political and other reasons about the iniquity of trusts, and it has been so difficult to obtain any real facts about them, that it is not remarkable that demands have been made for employing against them the strongest terrors of legal machinery. A little reflection leads to the conclusion that for the present at least, and perhaps in the end, a moderate law like this calculated to obtain reliable information, and at the same time prohibiting a practice which seems to be considered the cause of most of the abuses complained of, will be better. If rebates give trusts the power which makes them detested, trusts are now deprived of this resource. If there are other practices which foster abuses the authority given for investigation will probably disclose them. The evils complained of are so great and mysterious that a law to discover whether they really exist and how they arise is better than a law imposing severe penalties on mere suspicion.

CARLYLE SOMEWHERE WRITES that all publics are gullible if only the proper apparatus be used, and are gulled with the most surprising profit. He affects some surprise that economists have done nothing towards anything like a statistics of imposture, as if imposture did not rank as a productive industry.

It is probably true that even the most honest producer falls short of his ideal in endeavoring to earn his reward, and between those who give full value for what they receive from others, to those who receive and give nothing in return, there is a gradual decline of honesty and increase of imposture.

The last few months have been prolific in the revealing of facts that might be used to great advantage in preparing the statistics by which the gullibility of mankind might be measured and exhaustively studied. The HUMBERT swindle, which has attracted so much attention abroad, is a very fair specimen from which much might be learned. But it is not necessary to go abroad, except as it may be both interesting and profitable to compare the foreign and domestic product, for here at home there is an infinite variety of the get-rich-quick schemes, falling under the same class as that of the HUMBERTS, although varying enough from it and each other to afford a continual delight in discrimination to the earnest student.

The prophets who based their predictions on astrology, in preparing their almanacs for 1902 and 1903, might have pointed out that the conjunctions of the planets for December and January portended disaster to the gentry who base their prospects in life on a fact which they pretend to have discovered in natural history, viz., that a "sucker" is born every minute, for never have the exposures of these schemes for the sacrifice of the many for the good of the few been so numerous and exhaustive.

It is unnecessary to enumerate the various stock and produce and turf investment companies which have come to grief and left their dupes in the lurch. Of course the exposure of one leads to that of many of the others, and the epidemic of discovery is not difficult to explain. It is not to be expected, however, that with the general indifference and ignorance perhaps, which, as CARLYLE deplored, are noticeable on the part of economists and scientific men, these exposures will have more than a temporary effect in protecting the masses from similar future attempts. No one of these modern and up-to-date swindles is in the least new in principle, although considerable ingenuity has been exhibited in adapting the principle to new conditions. The ground has been prepared by the wonderful tales of wealth acquired by speculation and the shrewd use of capital, and the profits which have flowed from trusts and combinations have mellowed the public mind to readily accept as true prospectuses which seemed to be of this nature. While the outside of the trap was thus dressed up in the guise of some successful enterprise more or less legitimate, the bait was always the same old inducement of getting something for nothing. The *modus operandi* was extremely simple—the old plan of paying dividends, when dividends were paid to the first dupes, from the contributions of the dupes that succeeded until a sufficient accumulation was made by the management to enable them to vanish from the eyes of their victims.

It is not to be supposed or hoped that this kind of thing can be stopped. Nor are the dupes altogether to be pitied. Many of them were doubtless only half deceived, expecting to make a profit at the expense of others before the collapse came. But most of these schemes secure success either through the mail or from advertisements in the newspapers. The post-office authorities have shown themselves active in stopping the use of the mails. The newspapers should be equally vigilant as to what they advertise.

THE PAYMENT OF RAISED OR FORGED CHECKS is often a source of considerable loss to banks. A bill has been introduced in the New York Legislature to relieve banks from the responsibility of making reimbursement in such cases, unless the person whose check has been forged or raised can produce the check. This law, it is said, is proposed to meet a particular case where the depositor permitted a clerk or agent to draw the checks for signature, and also to compare the cancelled checks returned by the bank with the stubs. The clerk took the opportunity given by the entire lack of supervision on the part of his principal to raise and forge checks, and when he was also entrusted with the duty of verifying the account, he was enabled to remove evidences of his abuse of confidence by destroying the cancelled checks returned by the bank.

It seems reasonable for a bank to expect that one who keeps an account will have interest enough in his money to supervise the checks which draw this money out, so as to prevent such frauds as this. Unless a man will take this much trouble, he ought not to seek to charge the losses plainly incurred by his own carelessness on the bank. A bank can supervise its own agents and employees, but it surely is not bound to put detectives on the track of the confidential clerks of all its customers. The law does not interfere with the personal liberty of any one who desires to be entirely free from even the slight labor necessary to draw money. If he does so, however, he must run his own risks.

THE RETIREMENT OF NATIONAL BANK CURRENCY since the beginning of the year has been caused by the demand of the Secretary of the Treasury for the withdrawal of the State and municipal bonds which he temporarily selected as securities for public moneys deposited with the banks. One condition on which these securities were accepted was that the United States bonds released by this new class of securities should be used by the banks as security for new issues of circulation.

Now that the old status is to be restored, it is necessary to retire circulation to obtain the bonds. Of course it is all very well to be acquainted with the reason of this retirement of circulation. To the inconvenience of this reduction, resulting perhaps in some localities in a hardening of the money market, and a repression or chilling of enterprise to a certain extent, it is well that no element of mystery is added. It is a comfort at least to know just how the trouble arises. If this knowledge could be availed of to provide a remedy it would be still better. While there has been as yet no serious stringency, the tendency is now rather that way than the reverse. The Secretary was of course anxious to rid the Treasury of the securities brought there by his unprecedented action. He is not to blame. But it may be suspected that just at this time there would not be a retirement of bank notes because of a falling off in the business demand for money. Under the bonded bank note it is often hard to tell whether retirement coincides with market conditions or not.

It is unfortunate that if this substitution of securities should prove the precursor of pressure for money, that there is not just at present any very feasible method of relief in sight, and this may intensify the situation, as apprehensions tend to bring the results apprehended.

AN INTERNATIONAL BANKERS' CONFERENCE, to meet in London in the course of the coming summer, is now being considered by the Institute of Bankers and the Central Association of Bankers, of London. Further particulars in regard to the proposed conference, taken from a recent issue of the London "Bankers' Magazine," are presented elsewhere in this number.

As the great centre of the world's exchanges and banking, London is undoubtedly the most appropriate place for such a meeting, and a conference like that proposed ought to be largely attended and would probably yield valuable practical results.

Great as are the dissimilarities of the banking systems of the chief commercial countries among the Western nations, there are many points of resemblance, and a comparison of some of the advantages and defects of each system by leading authorities would be very instructive.

American critics of our banking system are constantly expatiating on the superior manner in which banking is carried on in Europe, and it would be a novelty at least to have the faults of the European systems pointed out by those who are in a position to speak from actual experience.

Commenting on the prospective conference, our London contemporary says:

"Another subject which we should much like to hear debated, but which, we fear, is not likely to be, is the possibility of the extension of the bank amalgamation movement from domestic to international areas—a movement which is not inherently less feasible, and which would provoke less antagonism, than the absorption, for instance, of whole lines of British steamers by trans-Atlantic combines."

An early writer [Gouge] has said of the banks of this country: "The action of the banks among themselves has been compared to that of so many drunken men passing along the street together, occasionally supporting one another, and occasionally knocking one another down." This attitude of hostility among the banks has in times past greatly aggravated the panicky conditions prevailing during a financial crisis and has largely increased the number of bank failures. But the situation in this respect is slowly changing for the better, and there is probably now closer co-operation among the banks, and greater affiliations between groups of financiers, than ever existed before. While even these facts are not a guaranty of safety, they are an evidence that many weak banks that have heretofore withstood the shock of panic without outside help can now be certain of receiving powerful assistance in seasons of unusual pressure.

In one of BULWER's novels the following conversation takes place:

"And how long have you learnt 'the principles of legislation,' and this mighty affection for the 'benefit of the people?'" "Ever since," said I coldly, "I learnt anything! The first piece of real knowledge I ever gained was that my interest was incorporated with that of the beings with whom I had the chance of being cast; if I injure them, I injure myself; if I can do them any good, I receive the benefit in common with the rest. Now, as I have a great love for that personage who has now the honor of addressing you, I resolved to be honest for his sake. So much for my affection for the 'benefit of the people.'"

This is selfishness, but not of that narrow and petty kind that can see no means of attaining success except at the expense of others. Modern banking is founded upon the idea that the prosperity of a bank is indissolubly bound up with the prosperity of the community where the institution does business.

The assembling of bankers from all parts of the world at the world's financial centre would be an interesting event, and in keeping with the present tendency toward co-operation and combination which characterizes the opening of the present century as distinguished from the spirit of isolation and hostility which marked the business development of the past.

THE RISE IN FOREIGN EXCHANGE and the consequent apprehension of gold exports was a noticeable feature during the month of February. The borrowing of money abroad by American bankers is a factor that renders it difficult to say certainly what will happen in the exchange market. The amount already borrowed, the time when it becomes due, the conditions of the export trade, are all likely to affect exchange; but even when everything is favorable to exportation of gold, it is still often in the power of the bankers, who for various reasons dread the moral effect of gold exports, to protect the gold by discounting new bills abroad.

It is curious why the effect of gold exports is looked upon so differently in different circles. Some authorities deprecate any alarm because balances and debts are paid in gold, but it is very evident that there are some bankers who do not desire gold exportations, as they are willing, it is said, to make loans abroad at higher rates than prevail at home, in order to create exchange and thus bring down the price below the shipping point. Perhaps there is a profit in such a transaction, if the rate of exchange can be kept just high enough and not so high as to cause gold shipments.

It is well known that both the Bank of England and the Bank of France use their control of the discount rate to prevent their gold reserves from being depleted by export. But it is plain that in addition to this a certain confidence in international borrowings has grown up of late years, which enables bankers of international credit to create exchange in places where it is needed and does not exist naturally. This has perhaps always been done to some extent, but there is a greater confidence now in the operation than formerly. The old Bank of the United States used frequently to create foreign exchange, and sell it for a profit when it could, but it did not have sufficient credit or resources to effect much if the market was really adverse. Even now, if the trade balances were steadily adverse, it might be very difficult to borrow to create exchange.

There seems to be this about the operation of holding the gold quite as long as possible, by borrowing and creating exchange, and this is that the profits are all divided up among the bankers, kept in the family as it were, instead of being paid out in freight and insurance to steamship lines and underwriters, who come in for their share when gold is actually exported. The American banker, finding gold near the export point, says to his correspondent house abroad, you might as well have a benefit as the steamship companies, and secures a loan of which the proceeds are so placed as to draw the desired exchange. Now, unless there is some sentimental reason, or some real dread of the consequences if gold shall be exported, and this is difficult to believe, as a rule, it is probable that there is a mutual profit in these borrowing transactions by which the necessary exchange is obtained. If there is not it must be believed that the movement of gold really has a moral effect, which bankers, in spite of denials, really wish to prevent.

THE MONEY RESERVES held by the banks and the Treasury are larger than those held by the financial institutions of any other country of equal commercial rank in the world. With an inelastic currency, the holding of these great reserves is a necessity. The fact that there arise contingencies in the money market which cannot be foreseen with any certainty, would induce all who engage in trade or act as trustees of wealth to endeavor to provide as far as possible against these contingencies. Every capitalist and bank, therefore, that is able to do so deems it wise to accumulate some cash resource which may be turned to when the resources available in ordinary times fail. It is well known that at the first appearance of danger signals in the money market there is at once a tendency to take cash from the ordinary reservoirs and place it in what may be called private places of deposit where the business man or capitalist may be sure of reaching it. The safe-deposit vaults which are now so common make it secure and easy for the private man to do this.

It is the accumulation of these private reserves at the approach of danger that so rapidly enhances the condition of stringency. The rapid disappearance of cash from the banks in times of panic can readily be accounted for in this way. This tendency of course reacts on the banks that in ordinary times afford a profitable use for money, and even if the law did not compel the banks to hold reserves of a certain percentage, wise bank managers in the United States would be compelled to hold for their own protection an amount of cash reserve that bankers under conditions prevailing in other countries would not feel it necessary to keep. No one would take money which earns interest in a bank and place it in a safe-deposit vault, if experience had not repeatedly shown that times arrive when the banks cannot be depended upon to pay cash on demand. Moreover, the capitalist who by creating in advance a private reserve can in times of panic control his cash, has an opportunity of making immense profits by the use of it.

Under the monetary laws and customs prevailing in the United States, the instinct of self-preservation and the hope of profit of those who control money, tend to make a monetary crisis have as serious consequences as possible. The only protection, and that is but an imperfect one, to the general public, is the great reserve of cash kept by the Treasury and the banks. The bank reserves have to bear the first rush of those who scent danger, and are generally much depleted before the alarm has been taken by the outside public. The Treasury reserve is more difficult to reach, and can be utilized only by extraordinary exertions of Government authority.

If legislation shall permit the reserves of the Treasury to be more accessible to the banks, it will prove remedial of a part of the difficulty. But in addition the banks should have the power to use their credit in the issue of notes based on their credit, to be used in times of emergency. That there are some persons who look upon the recurring crises in the money market, so frequent in the past, as opportunities to take advantage of the sacrifices to which the public is forced, cannot be denied. It is even asserted that in years past artificial panics have been deliberately brought about by creating corners in money. Some of the possible ways of doing this are now under the penalty of statutes, and these means are no longer used, but it is still claimed by some that other and more insidious methods are now in vogue. It is too much to expect that men will not avail themselves of the opportunities for profit at the expense of the business world, which are afforded by the monetary laws of the country. These laws should be changed and amended so that the possibility of creating a profitable scarcity of money will be removed.

The immense reserves which are rendered necessary both by the banking laws and by the exigencies of the situation, are a great and constant expense. Under a more liberal financial system these reserves would not be necessary, or if kept could be rendered available by being made the basis of an elastic currency. It may, however, be suspected that reforms of our present laws will be opposed by those who find the present state of things to their advantage. There is no measure affecting the money of the country, however wise and safe and beneficial, but may be objected to speciously and plausibly, so as to secure the opposition of those who are really to be benefited. The imputation that a new measure is unsafe can be easily made, and it is difficult to allay the ungrounded fears that are aroused by such an imputation. But there is hardly a financial law on the statute books to-day that when first proposed was not similarly attacked. The present National banking system was bitterly assailed at first, and with apparently unanswerable arguments. Those who have been successful under the present system, though they may be a minority, have the prestige of success, and their attitude of inertia and opposition is difficult to overcome.

THE DIFFCULTIES AND INCONGRUITIES growing out of the banking laws of the country requiring banks to maintain a specified percentage of reserve on deposits, are placed in a striking light by the movement among the clearing-house banks of New York city seeking to compel trust companies to maintain a reserve on deposits. As is well known, the National Banking Law requires a fixed reserve on deposits varying from twenty-five per cent. in the case of reserve city banks to fifteen per cent. for banks outside of the reserve cities. Again, the banking laws of the several States vary greatly as to the reserves, cash and otherwise, the banks organized under State laws must keep on hand. In some States the amount of reserve is left to the discretion of the bank managers, but as a rule when reserves are required by State banking laws the amount fixed is less than that fixed by the National Banking Law. In foreign countries the amount of reserve to be kept against deposit liabilities is left as a rule to the judgment of the bank managers. In fact, the amount of reserve necessary to insure the ability at all times to meet calls for demand liabilities varies so greatly with the condition of business, that theoretically at least it is impossible to fix on any percentage that can be called absolutely safe. When a banking business is progressing normally the deposits made each day are about equal to those drawn out, so that the reserve kept is practically idle and cuts no figure. The bank that by good luck or wise management is able to meet the demands of each day from the new moneys deposited needs no reserve, and it is not difficult to see that the bank which is thus able to keep all its money thus actively earning interest has an advantage in its earning capacity over a bank that either by law or by custom keeps a greater or less portion of its funds idle as a reserve.

The State banks have, therefore, generally an advantage over the National banks, and banks in foreign countries that keep no specific reserve have an advantage over the banks of the United States. Of course, it is said if there were no law requiring a reserve to be kept, that wise bank managers would still maintain enough to meet unexpected emergencies. This is no doubt done to some extent, but it is probable that the most astute bank managers rely more on precautions properly taken to insure the balance of payments and receipts by reduction of loans, etc., than upon the accumulation of reserve. The skillful banker secures his lead over his competitors very much as did the ancient charioteer, by so driving as to just skim the goal without touching it to his own destruction.

Foreign banking is generally conducted on lines that tend to discourage competition, while the free banking laws of the United States encourage it. The advantages of free banking competition are great to the business of a country; but, on the other hand, free banking unrestrained by law does not place the same checks on ignorance, recklessness and dishonesty, as naturally grow up under more monopolistic systems. Legislatures, both State and Federal, have therefore sought to impose by statute the checks which grow up under the natural laws of monopoly, and the imposition of fixed reserves is one of these checks.

The growth of the trust companies is a phenomenon of the last quarter of a century. They were not originally supposed to compete with the banks. Possessing, however, banking power sufficient for the advancement of their own normal business, they have gradually, with the increase in the number of trust companies, developed these banking powers, until they now compete with the regular banks.

When trust companies were first permitted by the Legislature no one thought that they would go beyond the province they were intended to fill. Within that province banking powers were necessary and desirable, and the Legislature perceived no necessity of imposing restrictions for their limited exercise. But the law permitting trust companies was a general law as was the law permitting banks, and when the advantages of the business became known competition naturally followed. With competition came the knowledge of the advantage of the use of banking powers, on which the restrictions controlling regular banks were absent. In fact, the trust company has become a new kind of bank with greater powers. One of their advantages over banks is that they are not obliged to keep a reserve. Not only this, but for such reserves as the discretion of their managers may see fit to keep, they depend upon the very banks with which they come into competition. If there were no banks and the trust companies occupied the whole field, they would be compelled to provide their own reserves and their own clearing-houses. But finding the banks already made to their hand, the trust companies cling to them and extract profits and services for which the banks seem to think they obtain no compensating benefits. The banks thus feather the weapon that stings them.

But how to remedy the difficulty is not so easy of solution. The clearing-house banks of New York city have taken hold of the matter. A bill which they seem to favor has been introduced in the Legislature, providing that a reserve of fifteen per cent. shall be kept on hand by trust companies in New York city and ten per cent. in other places in the State. One-half of this may be kept on deposit in other banks and one-half must be kept in cash. At the same time the clearing-house association has taken action, requiring trust companies in New York city, seeking clearing-house privileges, to increase their reserves gradually until they reach fifteen per cent.

These measures are coercive on the companies, and whether they are willing otherwise to conform to them or not, no one likes to be coerced. Some of the trust companies pay for clearing-house facilities, others do not. The clearing-house association also is endeavoring to deprive those who do not pay for the privilege of passing their checks through the clearing-house.

On the other hand, the trust companies are the source of very large deposits made with the banks, and if the companies are driven to the point of declaring war, there seems to be no reason why they cannot adopt measures which will enable them to take care of these deposits themselves. They will lose the interest which they now receive from the banks, but they can make this up by coming into further competition with the banks by loaning their own deposits.

The situation seems to be one for compromise rather than for what might prove a losing contest for both. The banks are now in possession of the clearing facilities, but the trust companies could, and this has already been suggested, establish a clearing-house of their own.

This controversy in New York city is indicative of the feeling between banks and trust companies in all parts of the country where the latter are established with banking powers less restricted than those possessed by the banks.

THE NEW CURRENCY COMMISSION.

Mr. Caldwell Hardy, the President of the American Bankers' Association, has appointed a committee to consider the entire subject of changes in the currency system, upon which committee the several classes of banks and financial institutions are represented, as of course they should be.

This action seems to indicate that bankers have little faith in any immediate action, and also that they are not completely satisfied with the measures that have recently occupied the attention of Congress.

It has been repeatedly pointed out in this MAGAZINE, that the great difficulty in obtaining any new legislation affecting bank currency, and perhaps other monetary matters, consists in the antagonistic interests of the different kinds of institutions doing a banking business in the United States. The National banks are the only ones that are directly affected by Congressional action. Of course, what a banker means when he talks about currency reform is some legislation which will benefit the banks either by affording them greater opportunity for profit, or by enabling them to secure their present profits with greater ease and safety. Legislation that will relieve the banks from the necessity of calling in loans with every fluctuation of the money market, will increase their profits. When Congress deals with currency reform it is most easily influenced by arguments which show that it is necessary to protect the business public. If the only effect of a measure can be proved to be additional profits to the banks, it will be opposed by business interests. If the only effect is to increase the profits of one class of banks, all other classes of banks as well as business interests will oppose it. It is, however, plain that the way to help the general business interests by banking legislation is by giving such privileges and powers to the banks as will make them better servants of the public. Banking facilities increase the opportunities for the production of wealth, and the more wealth the greater the field for the banking business.

If all banks in the country were organized under the Federal banking law—and we do not say that this is desirable—it would be a much easier task for Congress to meet the views of the banks and to properly equip them for rendering the best services to the public than it now is. If when Congress legislated for National banks the several States could place banks organized under State laws on a similar footing, there would be no appearance of discrimination.

The present laws, both national and State, controlling the banking business as far as receiving deposits, loaning money, and in fact all banking operations except the case of bank credit in the issue of currency, leave little to be desired either in liberality or service to the public. In fact, as far as there is any difference in liberality to the banks, the laws of the States in these respects are rather superior to the National banking laws. But as Congress has arrogated to itself the entire control of bank-note issues, and has been sustained in this action by the Supreme Court of the United States, the States have no power to extend to their banks and financial institutions such privileges in regard to note issues as Congress has already or may in future see fit to extend to National banks.

In regard to reserves, the certification of checks, the amounts which may be due to banks other than National, real estate loans, etc., the Federal laws allow less liberty than the State laws; but whatever privilege Congress might grant to National banks, except in regard to bank notes, can be duplicated under State laws or absence of law.

The last report of the Comptroller of the Currency gave returns from 12,424 banks in the country; of these 4,535 were National banks and 7,889 other banks. The aggregate resources of the National banks were given at about six billions of dollars and of the other banks at about seven billions. The statistics of the National banks are complete. Those of the other banks are not. In loans and deposits the other banks much surpass the National, as well as in numbers. It is therefore probable that in the exercise of the influences which control Congressional action the other banks may surpass the National banks. The other banks are not however of one class; they include State, Savings and private banks and other institutions doing more or less of a banking business. Their interests as among themselves are not by any means identical, but as far as the exclusive privilege to issue bank notes which is or may be possessed by the National banks is concerned, they are all to a certain extent either indifferent or jealous. When indifferent they are inclined to follow the lead of those State banks that are jealous, and look with disapproval on any attempt to enlarge the note-issuing privilege of the National banks. In ordinary competitive business the great mass of small State banks are now more than a match for the National banks. But with a free hand to issue notes the National banks would regain the advantage.

It may be doubted whether the committee appointed by Mr. Hardy will go to the root of the matter and investigate the grounds of the great variance of opinion that exists among the bankers of the country on the subject of currency reform. Previous commissions, committees in Congress, etc., have considered the subject on other grounds, often purely theoretical, and when practical, a mere study of practical methods of issuing notes. They have proved that the power to issue notes to protect reserves is a valuable one and have proposed ways in which elasticity may be obtained and safety secured. But they have omitted to investigate closely the real wishes of the different classes of bankers, and have made no effort to show that if the privilege of note issues be given to National banks alone, how all banks will be benefited thereby. Assuming that it would be possible to discover a method of issuing notes by banks under Federal law exclusively, in such a way that all the banks in the country would not only be enabled to carry on their business with greater safety and profit both to themselves and the public, it might not be difficult to obtain the support of all the banks of every class for such a measure.

Unless the committee by investigating the real wants of each class of banks can discover some such plan, it is difficult to see how they can improve on the work which has already been done by commissions and committees which have heretofore had the subject in hand. The plan of the National Monetary Commission did not receive the support of all the banks, nor did the Fowler bill. Nevertheless this committee ought to be specially adapted to obtain at least the real sentiment of all classes of bankers, representing all of them as it does. It might propound questions in regard to certain tentative measures, which had for their object the issue and redemption of bank notes in such a way as to secure real elasticity, these notes being issued at such times and in such quantities that all banks could obtain them when required by giving the proper security. If it could be shown to banks and bankers other than national, that although in order to enjoy the privilege themselves they would have to come under the Federal law, yet if they did not wish to do so, and preferred to continue to enjoy the superior advantages they possess under their present status, they would still be greatly benefited in the conduct of their business by an elastic and safe currency which might become possible were certain powers to be granted to National banks, then they might be induced to give their support to a suitable measure.

These diversities of opinion, existing among different classes of banks, are very difficult to bring to frank recognition and avowal. But until this is done it will be well-nigh impossible to know what kind of a compromise measure would stand some chance of being, if not favored actively, at least not opposed by some of the classes of banks and bankers. To test whether any such compromise is possible, this committee of Mr. Hardy's appointment seems very suitable, and much may be accomplished by them if they carefully examine this as yet comparatively unexplored field of banking opinion.

Wealth and Education.—Rev. Minot J. Savage, Pastor of the Church of the Messiah, New York city, in a sermon delivered on February 15, had the following to say regarding wealth and education as illustrated by two of the most illustrious figures in the country's history:

"Secretary Root told us in his address the other day that there is apparently a growing gulf of misunderstanding and irritation between the rich and the poor in this country. There are those who say that the rich are not only getting richer, but that the poor are growing poorer. I believe the first of these propositions, but I do not a bit believe the second. But that there is this sort of feeling is enough to give us a practical problem for solution.

We have taught our young men too much in newspapers, in lectures, in books dealing with the opportunities of life here on this continent, dealing with ideals of success, that the one great thing to be aimed at is money. Now, take the suggestions of the lives of Washington and Lincoln as bearing on this matter: Washington was rich, one of the richest men in the colonies; Lincoln was poor, one of the poorest men of his time. But note this significant and important fact for us to consider and remember forever—when you think of Washington, that he was rich is not the first thing to think of; when you think of Lincoln, your attention is not fastened on the fact that he was poor. The two men illustrate the great truth that here in this republic manhood is supreme and that manhood may be attained by both the rich and the poor, by the rich and the poor equally and alike.

Here is the practical solution of the problem of wealth and poverty in this republic. Let us cease fastening our attention on them to this extent; let us remember that what we are is the chief thing, and that there are open opportunities for any man who will seek the highest heights of manly attainment.

Another point: It is very significant for us to note in view of the public discussions that are going on as to our universities and the length of time that a young man should spend at a university before he is permitted to take his degree, that neither Washington nor Lincol ever had any university education at all. In the technical sense of the word they were not educated. And yet they were educated as nobly and grandly as any man that has ever trod the soil of our land; educated in the sense of having their powers and faculties developed so that they could take hold of and deal with the great questions that confronted them; educated in the sense that they knew enough so that this knowledge should cast a light on the pathway along which they should advance to the highest ends of attainment.

They were educated, and no man in America to-day need to be in this essential sense uneducated, whether he ever sees the inside of a university or not. We must broaden our conception of what it means to be educated."

THE AMERICAN BANKING SYSTEM.

Mr. Lawson, in his article on banking reform in the United States, reprinted in the last number of the MAGAZINE from the London "Bankers' Magazine," refers to an editorial in the November number of this MAGAZINE on the Scotch banking system, and seems to have inferred that we were greatly taken with it. The article in question sought to do exact justice to all the good features of the Scotch system; but, as Mr. Lawson says, concluded with the opinion that it would not do in the United States as a substitute for the present system.

Our readers must be aware by this time that in the opinion of this MAGAZINE, the local banks of the United States—National, State and private—give as ready and effective aid to enterprise and industry as can be claimed by any system of banks in any country.

The free banking laws permit any capitalist to enter into the banking business, under restrictions universally applicable, and the competition which is thus fostered straightway brings banking facilities within the reach of any one who can give the necessary security. The rates of interest are kept as low as can be expected in the various localities where banking is carried on. Not only this, but as a consequence of our system local wants are usually met by local capital, they are judged of and aided by men who have grown up in the locality and are well acquainted with the exact financial ability of all the inhabitants. Nor does our system, as is very well known, preclude the collection of capital in large amounts for great enterprises. The local bank sends its surplus capital to the larger monetary centers and by degrees establishes a credit there, which enables it to obtain money for extraordinary local purposes. The system of credits throughout the country is based on the knowledge and experience of the local bankers, from whom as a chief source all credit agencies are able to derive their most accurate information. It does not seem possible that any system of branch banks could for a great number of years at least attain an equal degree of knowledge of local conditions from managers established by a central office. But even if this could be done, even if the central banks under a system of branch banking should employ the same men who now guide the local banks, the results would not be as satisfactory. The present banks are generally organized by the men who manage them, largely with their own money, which they watch with all an owner's care and thrift, depending not on a salary but on the profits of the business.

It is believed too that while the present system affords all needed facilities for the concentration of capital when great enterprises are necessary, it never permits local interests to be overslaughed. Although surplus money may be sent to the monetary centers, the local bank can always demand its return for local needs.

It is not believed that the banking power of the United States would have attained the proportions it has if it were not for the absence of monopoly that has characterized the free banking system. That there are failures at times can not be denied, but the number of small banks that fail do not seem to bear any greater proportion to the whole number of such banks than does the number of large banks that fail to their whole number. With equally careful management a small bank seems to be as safe as a large one. But the failure of a small local bank seldom causes any very serious disaster. In fact, taking the whole history of such a bank, and balancing the good it has done through its loans and dividends previous to its failure with the bad consequences of that failure, it will generally be found that the good predominates. Very often depositors who have lost some percentage of deposits by failure of a bank, have had their business fostered and increased through a long series of years by the facilities extended by that very institution. Stockholders, similarly, who have lost their stock by the failure will very often be found to have received dividends during the prosperity of the bank, largely exceeding the amount of their stock. In other words, if a depositor or stockholder of many of these failed banks had established a sinking fund with a small per cent. of his profits, he would have had good interest for his money and protected himself against possible loss. Moreover, when these small banks fail, they are generally liquidated very successfully either by the Comptroller of the Currency or the lower courts, and only in a few exceptional cases of fraud or extreme or unusual mismanagement is the loss very serious.

It is a defect in the system that the granting of the bank-note privileges can not be extended without risk, but this restriction on the use of bank credit in the form of bank notes is almost compensated for by the free use of checks which has grown up all over the United States. Even the use of bank notes based on credit can safely be introduced under the present system to a moderate extent. The Fowler proposition, by confining this privilege to twenty-five per cent. of capital, makes the issue safe for a small bank, and more and more adequate for business needs as the capital of a bank increases. But, as has been urged before, if a so-called elastic bank-note circulation can not safely be attained without injuring the local banks by a change of system, then it will be better to do without the bank notes and retain the present system which has proved itself so efficient in building up the business interests of the country.

In conclusion the MAGAZINE believes that any banking reform must be along existing lines, and cannot doubt that a way will be discovered to make such improvements as are deemed necessary along these lines.

FAILURE OF FINANCIAL LEGISLATION.—Congress has adjourned without passing either the Aldrich bill or the Fowler bill, and so there will be no change in the financial laws at least until the reassembling of the National legislative body in December. With more time for consideration, which the long session will afford, it seems probable that something will be done. If a vote could have been had at the recent session it is not unlikely that a bill embracing the substantial provisions of these measures could have been passed. Despite the failure of these bills, however, it is evident that the sentiment in favor of amending the banking and financial laws is growing in Congress as well as outside of that body.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NATIONAL BANKS—ATTACHMENT.

Court of Appeals of New York, January 20, 1903.

HENRY VAN REED vs. THE PEOPLE'S NATIONAL BANK OF LEBANON, PA.

National banks are exempt from attachment before judgment, whether they are solvent or insolvent.

Appeal, by permission, from an order of the Appellate Division of the Supreme Court in the First Judicial Department, reversing an order denying a motion to vacate an attachment and granting said motion.

On September 6, 1901, a warrant of attachment was issued in this action against the property of the defendant, a solvent National bank, organized under the laws of the United States, located and carrying on business in the State of Pennsylvania. The defendant moved, at Special Term, to vacate the attachment upon the ground that it was issued against a National bank contrary to the statutes of the United States, but the motion was denied. Upon appeal to the Appellate Division the order denying the motion was reversed and the motion was granted, two of the justices dissenting, but leave was given to appeal to this court, and the following questions were certified to us for decision:

"First. Is the defendant exempt from attachment before judgment under section 5242 of the United States Revised Statutes?

"Second. Are the rights claimed by the plaintiff, to attachment against the defendant before judgment and to the jurisdiction thereby acquired, preserved and given by section four of the Act of Congress of July 12, 1882?"

VANN, *J.:* The questions certified depend upon the construction of certain statutes of the United States, and such construction will be aided by investigating their history.

By section 52 of the National Currency Act, approved June 3, 1864, all transfers, assignments, etc., made in contemplation of insolvency by a banking association organized under the act, were declared void. Section 57 of the same act, after naming the courts, including various State courts, in which actions might be brought against National banks, continued as follows: "Provided, however, that all proceedings to enjoin the Comptroller under this act shall be had in a circuit, district or territorial court of the United States, held in the district in which the association is located" (13 U. S. Stat. at Large, p. 116, ch. 106, sections 52 and 57).

By the act of March 3, 1873, section 57 of said act was amended by adding thereto the following: "And provided further, That no attachment, injunction or execution shall be issued against such association, or its property, before final judgment in any such suit, action or proceeding in any State, county or municipal court" (17 U. S. Statutes at Large, p. 603, chapter 269, section 2).

By the act to revise and consolidate the statutes of the United States in force on December 1, 1873, approved June 22, 1874, section 52 of the original act and said amendment of section 57 were consolidated in section 5242 by attaching the latter at the end of the former, but not in the form of a proviso (U. S. R. S., section 5242).

The only other statute that is claimed to have any bearing upon the question presented is an act to enable National banking associations to extend their corporate existence, approved July 12, 1882 (22 U. S. Stat. at Large, p. 162, chapter 290). By section four of that act the rights and privileges, as well as the duties and liabilities, of any banking association extending the period of its succession in accordance with the act, are preserved with this proviso: "That the jurisdiction for suits hereafter brought by or against any association established under any law providing for National banking associations, except suits between them and the United States, or its officers and agents, shall be the same as, and not other than, the jurisdiction for suits by or against banks not organized under any law of the United States, which do or might do banking business where such National banking associations may be doing business when such suits may be begun; and all laws and parts of laws of the United States inconsistent with this proviso be, and the same are hereby, repealed."

In 1880, the right to issue an attachment against the property of a solvent National bank was sustained by this court, upon the ground that the prohibition of section 5242 applies only to insolvent corporations or those about to become so (Robinson vs. National Bank of Newberne, 81 N. Y. 385, 392).

In 1883 the right to issue an attachment against the property of an insolvent National bank was denied by this court. It was further held that section 5242 was not repealed by the act of July 12, 1883, because the latter relates to the jurisdiction of courts to entertain suits and the former to particular proceedings in such suits (Raynor vs. Pacific National Bank, 93 N. Y. 371).

In 1887 the subject was considered by the Supreme Court of the United States (Pacific National Bank vs. Mixter, 124 U. S. 721). In that case it appeared that a National bank became embarrassed on November 20, 1881, "and was placed in charge of a bank examiner, in whose control it remained until March 18, 1882, when its doors were opened for business with the consent of the Comptroller of the Currency." In March and April, 1881, while it was a going concern, and, so far as appears, solvent, attachments were issued against its property, and it was held that they were void.

The broad doctrine was laid down by Chief Justice Waite, with whom all the justices concurred, that an attachment could not issue out of a State court against the property of a National banking association, whether solvent or insolvent. The Court said:

"The fact that the amendment of 1873, in relation to attachments and injunctions in State courts, was made a part of section 5242, shows the opinion of the revisers and of Congress that it was germane to the other provision incorporated in that section, and was intended as an aid to the enforcement of the principle of equality among the creditors of an insolvent bank. But however that may be, it is clear to our minds that, as it stood originally as part of section 57 after 1873, and as it stands now in the Revised Statutes, it operates as a prohibition upon all attachments against National banks under the authority of the State courts. That was evidently its purpose when first enacted, for it was part of a section which, while providing for suits in the courts of the United States or of the State, as the plaintiff might elect, declared in express terms that if the suit was begun in a State court no attachment should issue until after judgment. The form of its re-enactment in the Revised Statutes does not change its meaning in this particular. It stands now, as it did originally, as the paramount law of the land that attachments shall not issue from State courts against National banks, and writes into all State attachment laws an exception in favor of National banks. Since the act of 1873 all the attachment laws of the State must be read as if they contained a provision in express terms that they were not to apply to suits against a National bank" (p. 726).

It was also held that the act of July 12, 1882, did not repeal the prohibition by which the remedy of attachment is taken away altogether, so that it "cannot be used under any circumstances."

In 1889 the subject was considered by the Court of Appeals for the third time in an action in which an attachment had been issued against a National bank on June 18, 1887, and a Receiver of the bank was appointed nine days later. The Special Term denied the motion to vacate, but the General Term reversed and vacated the attachment. Upon appeal, this court affirmed "on the authority of Pacific National Bank vs. Mixter" (*supra*). (Bank of Montreal vs. Fidelity National Bank, 17 N. Y. S. R. 88, 112 N. Y. 667).

Assuming that the banking association in that case was insolvent when the attachment was granted, still it is to be observed that this court did not cite its own Raynor case, which involved an insolvent bank, as the authority for its judgment, but cited the Mixter case, in which it was held that an attachment against a National bank, whether solvent or insolvent, is void.

We think, and such is the recollection of Judge Gray, the only member of the present court who participated in that decision, that it was the intention of this court to yield its previous views to those expressed by the Supreme Court of the United States upon the subject.

All the courts of last resort in the different States that have passed upon the question have held that the prohibition of the Federal statute applies to all National banks, regardless of their pecuniary condition (Freeman Mfg. Co. vs. Nat. Bank of the Republic, 160 Mass. 398; Planters' Loan and Savings Bank vs. Berry, 91 Ga., 264; First Nat. Bank of Kasson vs. La Due, 39 Minn. 415; Dennis vs. First Nat. Bank of Seattle, 127 Cal. 453; Safford vs. First Nat. Bank of Plattsburg, 61 Vt., 373; Rosenhein Real Estate Co. vs. Southern Nat. Bank, 46 S. W. Rep. Tenn. 1026). The same conclusion was reached by the Circuit Court of the United States for the Southern District of New York (Garner vs. Second National Bank of Providence, 66 Fed. Rep. 369).

The power to create National banks carries with it the power to protect them by conferring special rights, privileges and immunities. In 1873 Congress evidently thought that the efficiency of these institutions might be impaired if attachments were issued out of the State courts against their property, and it, therefore, prohibited such writs, among others, altogether. The only question before us is whether that is still the effect of the acts of Congress as they now stand. While the use of the words "such association" in section 5242 would justify the construction contended for by the appellant that the prohibition is confined to associations which have committed an act of insolvency, the court of last resort for the construction of Federal statutes has decided the other way, and we are bound by its conclusions (Pacific National Bank vs. Mixter, *supra*). We do not think the opinion in that case is *obiter* so far as it applies to a solvent bank, for as we understand the statement of facts the Pacific National Bank was solvent when the attachments were issued against it. While it became embarrassed six or seven months later, it does not appear that it was insolvent or had committed an act of insolvency, or had done anything in contemplation of insolvency, when the attachments were issued or levied. The Chief Justice obviously did not write an elaborate opinion to show that an attachment could not issue against an insolvent bank, for that was not open to question. It has always been conceded that the statute at least prohibits an attachment against an insolvent bank, but the question considered and decided was whether an attachment could be issued against a solvent bank. That was a live question still open in that court, and there is no suggestion, either in the statement of facts or the opinion, indicating that the court regarded the question before it as different from the question now before us. The first question certified to us should, therefore, be answered in the affirmative.

The second question involves the effect of the act of July 12, 1882, but this requires no discussion, as it has already been held by the Supreme Court of the United States, as well as by ourselves, that said act did not repeal the earlier acts of Congress prohibiting attachments against National banks (Pacific National Bank vs. Mixter, *supra;* Raynor vs. Pacific National Bank, *supra*).

The argument is made that if the defendant had been a foreign State bank with funds here, our courts could have acquired jurisdiction *in rem* through the process of attachment, and that hence the same jurisdiction exists over the property of a foreign National bank situated in this State. This construction of the later act, however, would violate the spirit of all the acts relating to the subject when read together. We agree with the Appellate Division that "the act of 1882 was intended to prescribe the forum for litigations by and against National banks, and does not relate to provisional remedies to be had in such actions. It was designed to prescribe the place where and the courts in which such actions may be prosecuted, but it was not intended to regulate the procedure in such actions when brought."

Nor, we might add, was it intended to so regulate the method of commencing an action as to enable a State court to acquire jurisdiction over the property of a National bank without acquiring jurisdiction of the bank itself.

We think that the order appealed from should be affirmed, with costs; that the first question certified should be answered in the affirmative and the second in the negative.

Parker, *Ch.J.*; Gray, O'Brien, Haight, Martin and Cullen, *JJ.*, concur.

Order affirmed.

PROMISSORY NOTE—IRREGULAR PARTIES—BANKS' RIGHT OF SET-OFF—RIGHTS OF SURETY.

Supreme Court of Florida, October 7, 1902.

CAMP, *et al.* vs. FIRST NATIONAL BANK OF OCALA.

Where persons place their names on the back of a note before delivery for the purpose of lending credit to the instrument with the payee, they are liable as joint makers, even although it be proved that they put their signatures thereon as sureties for the maker, and without participating in the consideration for which the note was given.*

The right of a bank to apply a depositor's credit balance to the satisfaction of a debt due to the bank is in the nature of a set-off, or application of payment, which will not be required by law in the absence of express agreement or appropriation, so as to benefit a surety.

This was an action upon a promissory note in the following form:

"$600. Ocala, Florida, April 27, 1891.

Three months after date I promise to pay to the order of the First National Bank of Ocala six hundred dollars, at the First National Bank of Ocala, Fla.; value received; with interest at the rate of two per cent. per month after maturity until paid. If not paid at maturity, the holder may, at his option, place in the hands of an attorney for collection, and, if collected through an attorney, each of us, whether maker, security, or indorser on this note, hereby agree to pay all costs of such collection, including attorney's fees of ten per cent. of the face hereof. JOHN A. BISHOP.

Due July 27—30—91.
No. 432.
R. R. Snowden.
G. B. Griffin.
Demand, protest, and notice of protest waived.
R. R. Snowden.
G. B. Griffin.
R. J Camp & Bro."

PER CURIAM: The evidence introduced, both on the part of the plaintiff and of the defendants, showed conclusively that the defendants put their names on the back of the note before its delivery to the payee for the purpose of lending credit to the instrument with the payee by their signatures, and under such circumstances it is the settled rule in this State that they are liable as makers, even although it be proved that they wrote their names on the back of the note as sureties for the maker, and without participating in the consideration for which the note was given. (Melton vs. Brown, 25 Fla. 461, 6 South. 211; McCallum vs. Driggs, 35 Fla. 277, 17 South. 407.)

Under the rule adopted, the status of such irregular indorsers as joint makers is conclusively fixed when it is made to appear that their signatures are affixed before delivery of the instrument, and for the purpose of lending their credit thereto with the payee, and with no understanding that their liability is not to attach until after the payee indorses the note; and that rule

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* This rule has been changed by the Negotiable Instruments Law, which provides:

" Where a person, not otherwise a party to an instrument, places thereon his signature in blank before delivery, he is liable as indorser in accordance with the following rules:

1. If the instrument is payable to the order of a third person, he is liable to the payee and to all subsequent parties.

2. If the instrument is payable to the order of the maker or drawer, or is payable to bearer, he is liable to all parties subsequent to the maker or drawer.

3. If he signs for the accommodation of the payee he is liable to all parties subsequent to the payee." (Section 64, Florida Act.)

is in accord with that stated in many authorities elsewhere. (Good vs. Martin, 95 U. S. 90; Bendey vs. Townsend, 109 U. S. 665; Way vs. Butterworth, 108 Mass. 509; Bank vs. Willis, 8 Metc. [Mass.] 504; 1 Daniel, Neg. Inst. [4th Ed.] § 715. See note to Cadwallader vs. Hirshfeld [N. J. Err. and App.]; 72 Am. St. Rep. 676 [s. c. 42 Atl. 1075.]) The words "demand, protest, and notice of protest waived," preceding the signatures of irregular indorsers, within the class mentioned, do not change the rule. (Brown vs. Butler, 99 Mass. 179; Pearson vs. Stoddard, 9 Gray, 199; Bradford vs. Prescott, 85 Me. 482; Johnson vs. Parker, 86 Mo. App. 660.)

The fourth assignment of error is that the Referee erred in finding that the third and fourth pleas of defendants were not fully sustained by the proofs. The third plea alleged, in substance, that the note sued on represented the individual indebtedness of Bishop to plaintiff, and defendants indorsed their names on the back thereof simply as an accommodation to Bishop, which fact was well known to plaintiff at the time of execution of the note and before parting with the consideration upon which the same was given; that at and after the maturity of the note, and before the commencement of suit, plaintiff had on general deposit to Bishop's credit large sums of money sufficient to pay off and discharge said note in full, and wrongfully permitted Bishop to withdraw the same by checks and drafts, without applying the same to the payment of said note, in whole or in part, and without notice of dishonor to the defendants. The fourth plea was similar to the third, except that it averred that at and after the commencement of suit the moneys sufficient to discharge the note were on deposit with plaintiff to Bishop's credit, and not applied to the discharge of the note. The evidence showed that at maturity of the note the bank had on deposit to Bishop's credit the sum of $75; that between that date and the date of institution of suit Bishop sometimes had a credit balance and sometimes his account was overdrawn; that the highest cash balance standing to his credit between said dates was $14,836.99 on November 12, 1891; and that on the date of institution of suit Bishop had a credit balance of fifty-two cents.

Neither plea constituted a defense to the suit. A bank becomes the absolute owner of money deposited with it to the general credit of a depositor, in the absence of any special agreement importing a different character into the transaction, and the relationship between the parties is simply that of debtor and creditor. (Collins vs. State, 33 Fla. 429.)

The right of a bank to apply a depositor's credit balance to the satisfaction of a debt due the bank is in the nature of a set-off, or application of payments which will not be required by law, in the absence of express agreement or appropriation, so as to benefit a surety. In the case of Bank vs. Peck, 127 Mass. 298 (text 301), 34 Am. Rep. 368, it is said: "The general rule accordingly is, that where moneys drawn out and moneys paid in or debts and credits are entered by the consent of both parties in the general banking account of a depositor, a balance may be considered as struck at the date of each payment or entry on either side of the account; but where by express agreement, or by a course of dealing between the depositor and the banker, a certain note or bond of the depositor is not included in the general account, any balance due from the banker to the depositor is not to be applied in satisfaction of that note or bond, even for the benefit of a surety thereon, except at the election of the banker." Other authorities are to the same effect.

(Strong vs. Foster, 17 C. B. 201; Voss vs. Bank, 83 Ill. 599; Bank vs. Hill, 76 Ind. 223; Martin vs. Bank, 6 Har. and J. 235; 2 Brandt, Sur. § 432; Morse, Banks [3d Ed.] § 563.)

In a few States the contrary rule is held, but according to some authorities so holding it cannot be invoked to discharge an indorser unless at the time of maturity of the obligation the principal debtor had on deposit sufficient funds, not otherwise previously appropriated, to discharge the obligation in full. (Bank vs. Peltz, 176 Pa. 513, 35 Atl. 218, 36 L. R. A. 832, 53 Am. St. Rep. 686; Morse, Banks, § 562.)

Not only were the pleas bad, but they were not sustained by the evidence. It was undisputed that at the time of maturity of the note Bishop had only on deposit to his credit the sum of $75. At the time of institution of suit he had only fifty-two cents to his credit, and it did not appear that his credit balance ever exceeded that sum after the institution of suit.

GIFT OF A CHECK—WHEN GIFT NOT COMPLETE—DEATH OF DRAWEE—LIABILITY OF BANK PAYING.

Supreme Court of California, December 23, 1902.

PULLEN, *et al.* vs. PLACER COUNTY BANK.

The authority to pay a check is revoked by the death of the drawer.

An ordinary uncertified check upon a general account is neither a legal nor an equitable assignment of any part of the sum standing to the credit of the depositor, and confers no right upon the payee that he can enforce against the bank.

Where a father gave a check to his son with the request that the same should not be presented until after his death, and the son complied with the request, and did not present the check until the day following his father's death, when it was paid by the bank; *Held*, that the gift was not complete, and that the bank was liable for the amount to the estate of the decedent.

This cause was submitted to the superior court upon an agreed statement showing the following facts, viz.: In November, 1897, John W. Clarke, Sr., had on deposit with the defendant the sum of $1,200, which remained on such deposit until after his death. During that month, for the purpose of making a gift of $1,000 to his son John W. Clarke, Jr., he drew a check upon the defendant for that amount of money, and delivered it to him, saying that he could get the money from the bank, but, after delivering it to him, stated that he wished he would not present it until after his death. The son complied with his wish, and did not present the check until the morning after his father's death. He died September 29, 1898, and on September 30 the son presented the check to the bank, and it was paid. The bank had, however, been informed of the death of the father before the check was presented for payment. The present action is brought to recover from the bank the amount of the check, as money deposited with it by the deceased, and held on deposit at the time of his death. The superior court rendered judgment in favor of the defendant, and the plaintiffs have appealed.

HARRISON, *J.:* The question presented upon the appeal is whether, under the above facts, the intended gift of the father to the son had been complete before his death, or whether it was merely inchoate. If the transaction between them constituted a completed gift, the money represented by the check belonged to the son, and the bank was justified in paying it to him, while, on the other hand, if the gift had not been perfected, but was incomplete at the time of his death, the money in the bank belonged to his estate, and descended to his heirs, and its payment by the bank was unauthorized.

Sec. 1146 of the Civil Code defines a gift to be "a transfer of personal property made voluntarily and without consideration," and under Sec. 1147 a verbal gift is invalid unless accompanied by a delivery to the donee of the thing given, if it is capable of delivery, or of the means of obtaining its possession and control. "There can be no gift without an intention to give and a delivery, either actual or constructive, of the thing given. There must be both a purpose to give and the execution of this purpose. The purpose must be expressed either orally or in writing, and it must be executed by the actual delivery to the donee of the thing given, or of the means of getting possession and enjoyment thereof. It is the fact of delivery that converts the unexecuted and revocable purpose into an executed and complete gift." (Knight vs. Tripp, 121 Cal. 674.)

A gift vests the donee with the absolute property in the thing given, and it is no longer subject to the control of the donor. If, on the other hand, the thing given remains under the control of the donor, or (except in the case of a gift *causa mortis*) is subject to his revocation, his gift is not complete. There is no difference, however, in this particular between a gift *inter vivos* and a gift *causa mortis*. In either case it is not complete unless there is either an actual or symbolic delivery to the donee of the thing to be given. (Knight vs. Tripp, 121 Cal. 674.)

In the present case the gift was verbal, and the property which the father intended to give to his son was money on deposit in the bank. The check was not itself the property which the father intended to give, but was merely a direction to the defendant to pay $1,000 to the son. It indicated the amount to be given, and the place at which the money was to be delivered. The check was not a symbolic delivery of the money, but it was a delivery of the means by which the son could obtain possession of the money. It was, however, subject to revocation by the father at any time before its presentation to the bank, and was in fact revoked by his death. The request of the father that the son would not present the check until after his death did not affect the sufficiency of the gift. If the gift were complete by his delivery of the check, such subsequent request would not destroy its validity; and, if not then complete, this request would not have the effect to dispense with its presentation for the purpose of making it complete. By the failure of the son to present the check, there was no delivery of the money during the lifetime of the father, and the gift was, therefore, not complete.

This question has frequently arisen in cases where a gift *causa mortis* is claimed by reason of a check given for that purpose, but it is invariably held that, unless the check is presented in the lifetime of the donor, it is ineffective. (Harris vs. Clark, 3 N. Y. 93; *In re* Beak's Estate, L. R. 13 Eq. 489.) Under a state of facts similar to those in the present case, presented in Simmons vs. Society, 31 Ohio St. 457, the court held that the gift was incomplete, saying: "Until the check was either paid or accepted, the gift was incomplete; and, in the absence of such payment or acceptance, the death of the drawee operated as a revocation of the check. It is well settled that, in order to constitute a valid gift, there must be a complete delivery of the subject of the gift, either actual or constructive. The check in the present instance was a mere order or authority to the payee to draw the money, and, being without consideration, it was subject to be countermanded or revoked while it remained unacted on in the hands of the payee." The same rule is declared in Hewitt vs. Kaye, L. R. 6 Eq. 198; Bank vs. Williams, 13 Mich. 282; Thresher vs. Dyer, 69 Conn. 404; Gerry vs. Howe, 130 Mass. 350; Appeal of Waynesburg College, 111 Pa. 130.

The relation between a bank and its depositors is that of debtor and creditor, respectively, and the money deposited with the bank becomes its property, and is no longer under the control of the depositor. A check is only a direction to the bank to pay a certain sum of money to the person therein named. The money does not thereby become the property of the payee, nor is it placed beyond the control of the depositor. Until it is presented to the bank, the drawer may countermand its payment, or he may direct a different disposition of the moneys to his credit in the bank. Neither does a check, of itself, before presentation, operate as an assignment to the payee of the money for which it was drawn. "An ordinary uncertified check upon a general account is neither a legal nor an equitable assignment of any part of the sum standing to the credit of the depositor, and confers no right upon the payee that he can enforce against the bank." (O'Connor vs. Bank, 124 N. Y. 324.) "A check upon a bank in the usual form, not accepted or certified by its Cashier to be good, does not constitute a transfer of any money to the credit of the holder. It is simply an order which may be countermanded and payment forbidden by the drawer at any time before it is actually cashed. It creates no lien upon the money which the holder can enforce against the bank. It does not of itself operate as an equitable assignment." (Mining Co. vs. Brown, 124 U. S. 385.) In Hopkinson vs. Forster, L. R. 19 Eq. 74, the Master of the Rolls (Sir George Jessell) said: "A check is clearly not an assignment of money in the hands of a banker. It is a bill of exchange payable at a banker's. The banker is bound by his contract with his customer to honor the check when he has sufficient assets in his hands. If he does not fulfill his contract, he is liable to an action by the drawer, in which heavy damages may be recovered if the drawer's credit has been injured," and, referring to some expression of Mr. Justice Byles, said: "I am quite sure that learned judge never meant to lay down that a banker who dishonors a check is liable to a suit in equity by the holder." (See, also, Chapman vs. White, 6 N. Y. 412; Bullard vs. Randall, 1 Gray, 605; Harrison vs. Wright, 100 Ind. 515; Dickinson vs. Coates, 79 Mo. 250; Bank vs. Miller, 77 Ala. 168; Attorney-General vs. Insurance Co. 71 N. Y. 325.)

If it could be held that by drawing a check the drawer thereby assigned that amount of money to the payee, it would follow that the money represented by the check became thereby the property of the payee, and that he could maintain an action against the bank for its recovery, subject to any defense that the bank might have against the depositor; but the almost universal line of authority is that such action cannot be maintained. The bank upon which a check is drawn has no contract with the payee, and is under no legal obligation to him, and its refusal to pay the check does not give to the payee a right of action against it. "The holder takes the check on the credit of the drawer, in the belief that he has funds to meet it, but in no sense can the bank be said to be connected with the transaction. If it were true that there was a privity of contract between the banker and holder when the check was given, the bank would be obliged to pay the check, although the drawer before it was presented had countermanded it, and although other checks, drawn after it was issued, but before payment of it was demanded, had exhausted the funds of the depositor. If such a result should follow the giving of checks, it is easy to see that bankers would be compelled to abandon altogether the business of keeping deposit accounts for their customers." (Bank vs. Millard, 10 Wall. 152.) The same rule is declared in Bank vs. Whitman, 94 U. S. 343, Carr vs. Bank, 107 Mass. 45; Boettcher vs. Bank, 15 Colo. 16; Grammel vs. Carmer, 55 Mich. 201, 54 Am. Rep. 363; Brennan vs. Bank, 62 Mich. 343; Creveling vs. Bank, 46 N. J. Law, 255. The authorities upon this subject are reviewed in Bank vs. Yardley, 165 U. S. 634, and the rule stated to be: "As between a check-holder and the bank upon which such check is drawn, it is settled that, unless the check be accepted by the bank, an action cannot be maintained by the holder against the bank. It is also settled that a check drawn in the ordinary form does not, as between the maker and payee, constitute an equitable assignment *pro tanto* of an indebtedness owing by the bank upon which the check has been drawn.

In Illinois (Munn vs. Burch, 25 Ill. 35) and in Iowa (May vs. Jones, 87 Iowa, 188, 54 N. W. 231) it is held, contrary to the great weight of authority, that the drawing of a check upon his bank by the depositor has the effect to assign that amount of money to the payee of the check. Of course, under this rule a right of action would be thereby created in favor of the payee of the check, and accordingly it is held in these States that the payee may maintain an action against the bank for the amount of the check. The doctrine is, however, somewhat modified in Illinois in Bank of Antigo vs. Union Trust Co., 149 Ill. 343, 36 N. E. 1029, 23 L. R. A. 611, where it is held that the check operates as such assignment only as between the drawer and the payee, and that the bank cannot be held liable until notified of the assignment by a presentation of the check for payment. It seems illogical, however, to hold that by drawing a check the money is assigned to the payee, and also that the owner may afterwards, by drawing other checks, take from the bank the money which he has once assigned.

In Kentucky, different from any other jurisdiction, it is held that the bank holds the money of its depositor as bailee, and agrees, as a part of its business, to pay this money out as the depositor may draw his checks for it. (See Weinstock vs. Bellwood, 12 Bush, 139.) In a note by Prof. Ames to Hopkinson vs. Forster, *supra*, in 2 Ames, Bills & N. 735, he says, "It is perfectly clear that the holder of an uncertified check has no claim, either at law or in equity, against the bank upon which it is drawn"—citing a large number of authorities in support of the proposition.

Wheatley vs. Strobe, 12 Cal. 92, 73 Am. Dec. 522, and Pope vs. Huth, 14 Cal. 403, cited by the respondent, were neither of them the case of a check, but were cases in which a bill of exchange was drawn for the full amount of a debt owing by the drawee to the maker of the bill, and it was held that an equitable assignment of the debt was thereby created. There can, however, be no equitable assignment of a chose in action for which there is a want of consideration. (Bank vs. Williams, *supra.*) Nor can there be an equitable cause of action for the enforcement of a gift. Equity will not lend its aid to perfect a gift that is incomplete.

In Cloyes vs. Cloyes, 36 Hun, 145, the plaintiff sought to recover from the defendant the amount of a check which he had drawn in her favor as a gift.

The Court said: "The action cannot be maintained upon the theory that the check was a valid gift. The word 'gift' signifies an actual transfer *in præsenti* of property without consideration. The check did not transfer *in præsenti* to the payee four hundred dollars or any part of the fund standing to the credit of the drawer upon the books of the drawee. It was a naked promise. The check being without consideration, this action cannot be sustained. There is a broad distinction between the gift of the check or obligation of a third person and a gift of the donor's promise to pay."

Under these circumstances, it must be held that the payment of the check by the bank was unauthorized; that the money deposited with it by the plaintiff's testator, and held by it at the time of his death, was a part of his estate; and that the plaintiffs are entitled to recover the same from the defendant.

The judgment is reversed, and the superior court is directed to enter judgment upon the agreed statement of facts in favor of the plaintiffs.

PAYMENT OF FORGED CHECK—WHEN DRAWEE BANK MAY RECOVER AMOUNT PAID.

Supreme Court of Washington, December 20, 1902.

CANADIAN BANK OF COMMERCE *vs.* BINGHAM.

As a general rule, a bank is bound to know the signature of its depositor, and if it pays out money upon a forged signature, it cannot recover the money so paid.

But this rule is subject to the exception, that if it appears that the one to whom payment was made was not an innocent sufferer, but was guilty of negligence in not doing something which plain duty demanded, and which, if it had been done, no loss would have been entailed upon any one, he is not entitled to retain the moneys paid, through a mistake on the part of the drawee bank.

This was an action to recover the amount of seven forged checks drawn upon the Canadian Bank of Commerce doing business in Seattle and paid by it to the defendant, who was a banker doing a general banking business in Sedro-Woolley. The case was decided upon the defendant's demurrer to the complaint. The two essential allegations of the complaint were as follows: "That at the time of the payment of said check this plaintiff was without knowledge or notice that the same had been forged, and without knowing that the endorsement thereon of the said name thereon, as the same appeared upon said check, was not genuine, but believing that said check had been regularly issued by the said Tyee Logging Company, and believing that the same had been properly endorsed by the owner and holder thereof, and relying upon the subsequent indorsements thereon of the defendant, did pay the said check as aforesaid." That at the time of the cashing of said check by the defendant, he was guilty of negligence, in this: that he failed and neglected to have the holder and the person in whose possession said check was at the time of presentation for payment as aforesaid properly identified, or identified at all, and he failed in any manner to use reasonable diligence or care to ascertain whether or not said person so presenting said check was the owner thereof, or was the person named in said check as payee, or was the identical person to whom said check was issued, or to whom it purported to be issued, or that he had any lawful authority, or any authority whatever, to indorse said check, or that he was the lawful holder thereof;

that, had defendant used any care or caution, he would have easily discovered that said check was a forgery."

DUNBAR, *J.*: The respondent relies upon the general doctrine that the drawee bank is bound to know the signature of its own depositor, and that, having failed to detect the forgery, and having paid the money on the check, which was presented by the paying bank, it was estopped from recovering back the money so paid.

While the appellant concedes the general law to be as so stated, it insists that there is a well-defined exception to the general rule, viz.: that if it appears that the one to whom payment was made was not an innocent sufferer, but was guilty of negligence in not doing something which plain duty demanded, and which, if it had been done, no loss would have been entailed upon any one, he is not entitled to retain the moneys paid through a mistake on the part of the drawee bank.

We think that this exception must be sustained, and that it has a proper application to the allegations of the complaint. There are several principles of law to be considered in the discussion of this case. One is, as is contended by respondent, that a bank is supposed to know the signatures of its depositors, and that constructive negligence is imputed to it if it pays money on checks over the forged signature of its depositor. This rule, however, must be considered in connection with a second well-established rule of law, that money paid through a mistake can be recovered back, and also of a third universal rule, that the transfer of stolen property conveys no title, and that each successive purchaser has recourse upon the party from whom he purchased, because, the consideration for the transaction having failed, and nothing having been conveyed, the contract is void, and the party, having received money for nothing, has no right to retain it. Neither of these rules must be invoked to the entire exclusion of the others, but each is frequently modified by another. Thus, while it is true that constructive negligence is imputed to the bank which pays out money on a check over the forged signature of its depositor, it is also true that it received nothing of value for the money paid for the check, and that no title to the check was transferred by the paying bank. In such a case it might appropriately be said that the doctrine of comparative negligence applies, and that the constructive negligence of the drawee bank was overcome by the active negligence of the paying bank in not using the ordinary precautions which are used by banks, viz., demanding an identification of the person presenting the check, and putting forth some inquiry as to its genuineness before paying it and sending it on, dignified and accredited by its own indorsement, which would tend to lull the suspicions and abate the watchfulness of the drawee bank. In such case, it seems to us, the original and potent negligence which caused the loss to fall on one of two innocent persons should be imputed to the paying bank.

Unquestionably the loss would have been its if the drawee bank had recognized the forgery and refused to honor the check. Why should the mere accident, occurring afterwards, of the bank failing to detect the forgery, permit it to shift the loss, which had already been entailed on it, to another? If the delay of the drawee bank in not promptly reporting the forgery had been the means of preventing the payee bank from obtaining recourse on the forgers, and placing it in a worse position than it would have been in if payment had been refused, that would be a question worthy of consideration, but is not a question involved in this case.

Certainly the governing principle upon which the respondent is entitled to retain the appellant's money, if he is so entitled, is that by the action of the appellant he has been prevented from recovering the money out of which he had been defrauded by the forger before the appellant had taken any action in the premises, or, stated affirmatively, that he has been prejudiced by the action of the appellant in paying the check instead of allowing it to go to protest. This is in harmony with the undisputed rule that a drawer or maker of a check, who is deceived by a forgery of his own signature, may recover the payment back, unless his mistake has placed an innocent holder of the paper in a worse position than he would have been in if the discovery of the forgery had been made on presentation, and with the rule that allows the maker of the note, who pays it over his own forged signature, to recover, from the person who received it, for money paid by mistake, unless his negligence has caused loss to an innocent purchaser.

There are no arbitrary rules of law governing these cases, and none are contended for. There is no reason why there should be in the case at bar. It is stated in many of the authorities that there is a great conflict of authority on this question, but an investigation leads us to the conclusion that this conflict is more seeming than real; for while the language of several of the earlier cases gives some color to respondent's contention, and while the general rule is that a bank is responsible for a knowledge of its depositor's signature, and this is asserted in some of the cases with something of vehemence, the language of an opinion must always be construed with reference to the circumstances of the case; and, so construing the cases cited by the appellant, and all other cases which our independent investigation has been able to collate, they have, with few if any exceptions, gone beyond the establishment of the general principle above announced, without attempting to deny the exceptions contended for by appellant, and many of them openly indorse such exceptions.

The case upon which the doctrine contended for by respondent is founded, and which is universally quoted in support of such rule, is an old English case—Price vs. Neal, decided by Lord Mansfield and reported in 3 Burrows, at page 1354. This case seems to have attracted some attention from the fact that Lord Mansfield stopped the attorney who was arguing the case, with the remark that the case could not be made plainer by argument. This was an action for money had and received, brought by Price against Neal. In this case two bills had been forged and paid, as in the case at bar. There is a meager statement of the case, and a still more meager argument by the court. One of the bills, it seems, had been accepted by the drawee before it had been bought by the defendant, and the Court remarks: "The plaintiff lies by for a considerable time after he has paid these bills, and then found out 'that they were forged,' and the forger comes to be hanged. He made no objection to them at the time of paying them. Whatever neglect there was, was on his side. The defendant had actual encouragement from the plaintiff himself for negotiating the second bill, from the plaintiff's having without any scruple or hesitation paid the first; and he paid the whole value, *bona fide*. It is a misfortune which has happened without the defendant's fault or neglect. If there was no neglect in the plaintiff, yet there is no reason to throw off the loss from one innocent man upon another innocent man; but in this case, if there was any fault or negligence in any one, it certainly was in the plaintiff, and not in the defendant." It will be seen that even in this case, while stating the general doctrine that it was incumbent upon the plaintiff to be satisfied that the signatures were not forgeries, it is expressly stated that there was no fault or negligence on the part of the defendant, who paid the bills, while the complaint in the case at bar alleges not only general negligence, but specific negligence, to the effect that the paying respondent failed and neglected to have the holder and the person in whose possession the check was at the time of presentation for payment properly identified, or identified at all, outside of the other allegations that, had he used any care or caution, he would have easily discovered that the check was a forgery. So that, construing this opinion in accordance with the rule above announced, viz., with reference to the circumstances of the case, it can scarcely be said to be an authority in favor of sustaining the demurrer to this complaint.

One of the cases cited by the appellant, viz., Deposit Bank of Georgetown vs. Fayette Nat. Bank (Ky.) 13 S. W. 339, decided that where forged checks on a bank, purporting to be drawn in the name of one of its principal depositors, and running through a period of five months before the forgery is discovered, are accepted and paid by the drawee bank to other banks, which accept and pay them in good faith after inquiry of the drawee as to the depositor's account, the drawee bank must stand the loss.

After quoting from Lord Mansfield's opinion, *supra*, and stating that the doctrine had never been departed from, the court recognized the exception contended for by respondent as follows: "Nor is it just to say that the rule adopted, requiring the bank to know the signature of its depositor, is without an exception; for it is undoubtedly true that the neglect or knowledge of intervening parties who come into the possession of the check, and receive the money on it from the bank where it is payable, will in some instances be of such a character as to enable the bank to recover back the money."

That case was distinguished from the cases maintaining the exception to the rule, and was decided upon the circumstances surrounding it, viz., that, as the Court said: "These checks were continued to be paid during a period of nearly five months before the forgery was discovered—a fact, it seems to us, which should be decisive of this case." It is true that Edwards, Bills & N. Sec. 272, announces the rule in Price vs. Neal, *supra*, accrediting that case as the foundation of the text, but, recognizing the distinction for which we are contending, says, in section 276: "It is now settled, both in England and in this country, that money paid under a mistake of fact may be recovered, however negligent the party paying may have been in making the mistake, unless the payment has caused such a change in the position of the other party that it would be unjust to require him to refund." It will be found that, in all cases where repayment has been refused, it has been on the ground either that no negligence at all by the paying party has been shown, or that the payment by the drawee bank had placed the paying party in a worse position than he would have been had the payment been refused.

Another case cited—First Nat. Bank of Marshalltown vs. Marshalltown State Bank (Iowa) 77 N. W. 1045, after announcing the general rule, says: "The rule, however, has one qualification, introduced by some cases, and which we feel inclined to adopt. When the holder of the check has been negligent in not making due inquiry, if the circumstances were such as to demand an inquiry when he took the check, the drawee may recover." It would seem that the remark of the court was pertinent to the case at bar, for certainly it is the duty and the ordinary rule of banks, when dealing with strangers, in the payment of checks presented by them, to demand at least an identification.

Redington vs. Woods, 45 Cal. 406, announces the rule that the drawee of a check is bound, at his peril, to know the handwriting of the drawer, and that, if he pay a check in which the signature of the drawer had been forged, he must suffer the loss, as between himself and the drawer or an innocent holder to whom he has made payment. That was the case of a raised check, and is not pertinent to the discussion of the case at bar.

Levy vs. Bank, 4 Dall. 234, does not seem to us to be in point. National Park Bank vs. Ninth Nat. Bank, 46 N. Y. 77, is simply an announcement of the general rule, relying upon the case of Price vs. Neal, *supra*. Bank vs. Boutell (Minn.) 62 N. W. 327, which is asserted by the respondent to be a case in point, it seems to us is not in point, so far as the circumstances of the two cases are concerned, for there the paying bank took the precaution which the court says any prudent bank would take—to have the payee identified and the check indorsed by a responsible person. It is the allegation of the complaint in this case that the failure of the respondent to have the payee identified was an act of imprudence and negligence, and the case cited sustains this contention, in asserting that any prudent bank would have taken that precaution. So, with all the cases we have been able to find, there are none that have gone so far as to hold that, where the paying bank had been guilty of such negligence as failing to have the payee identified, or failing to make any inquiries in regard to the genuineness of the check, when presented by an absolute stranger, it could retain moneys which had been paid by the drawee bank through an inadvertence or mistake in failing to detect the forgery of the depositor's signature. But the authorities affirmatively sustaining the exception to the general rule speak with no uncertain sound.

In Ellis vs. Trust Co., 4 Ohio St. 628, the court, after mentioning the general rule, holds: "But this exception does not apply when, either by express agreement or a settled course of business between the parties, or by a general custom in the place, and applicable to the business in which both parties are engaged, the holder takes upon himself the duty of exercising some material precaution to prevent the fraud, and, by his negligent failure to perform it, has contributed to induce the payee to act upon the paper as genuine, and to advance the money upon it." The exception spoken of by the court there was the exception to the rule that money paid under a mistake of facts and without consideration may, as a general rule, be recovered back. In this case the respondent did not exercise the material precaution to prevent the fraud which the court, in Bank vs. Boutell, *supra*, said that any prudent bank would exercise. "Nor," said the court in Ellis vs. Trust Co., "does it apply in any case where the parties are in a mutual fault, or where the money is paid upon a mistake of facts, in respect to which both were bound to inquire."

In Bank vs. Bangs, 106 Mass., 441, it was held that the responsibility of a drawee, who pays a forged check, for the genuineness of the forged signature, is absolute only in favor of one who has not by his own fault or negligence contributed to the success of the fraud or to mislead the drawee; and if the payee took the check, drawn payable to his order, from a stranger or other third person, without inquiry, although in good faith and for value, and gave it currency and credit by indorsing it before receiving payment of it, the drawee may recover back the money paid. The court cited Price vs. Neal, *supra*, in support of the general doctrine therein declared, but stated: "But this responsibility, based upon presumption alone, is decisive only when the party receiving the money has in no way contributed to the success of the fraud, or to the mistake of fact under which the payment was made;" citing President, etc., of Gloucester Bank vs. President, etc., of Salem Bank, 17 Mass. 33, to the effect that, if the loss can be traced to the fault or negligence of either party, it shall be fixed upon him.

The confusion which has crept into the decisions of the court is based upon the fact that the responsibility is an absolute responsibility, instead of a presumption of negligence which may be overcome. If this doctrine is carried to its legitimate conclusion, a case might arise where the forger was so skillful that no expert would be able to detect it, and yet the paying bank might, under circumstances showing indisputable negligence and carelessness in the purchasing of such check, shift the loss which its negligence brought upon it on to an innocent party, upon the theory that the rule was ironclad and absolute, instead of being a presumption alone. In Bank vs. Allen, 59 Mo. 312, a bank, having paid to a stranger a check drawn upon a sister bank, collected from the latter the amount of the check. The paper turned out to have been forged, and, at the time of the payment, neither bank was aware of, or had reason to suspect, the fact. Next day the paying bank ascertained the forgery, and on that day or the succeeding day notified the other bank of the fact. It was held that the notification was given in reasonable time, and that the money could be recovered back. In People's Bank vs. Franklin Bank, 88 Tenn. 299, it was held that where a bank had negligently cashed a forged check purporting to be drawn upon another bank, and had, upon its indorsement of that check, received payment of the drawee bank, it was liable to the latter bank for the amount received, upon subsequent discovery that the check was forged. In that case the defendant answered, admitting that it received and cashed the check, and stating that it was unable to furnish the name of the party or parties by whom the check had been presented and to whom it had been paid; presumed that it required identification, but of this it was not certain.

In the discussion of the case, it was said: "Notwithstanding some conflict of authority upon the subject, a careful investigation of the adjudged cases and of the text-books leads us to the conclusion that the bank can recover of a party to whom payment is made on a forged check, indorsed by the party to whom paid, where the party to whom paid has been guilty of negligence in receiving and indorsing the check." First Nat. Bank of Danvers vs. First Nat. Bank of Salem, 151 Mass. 280, seems to be a case directly in point. There a forged check, purporting to be drawn upon a bank by a firm which was one of its customers, was made payable to a payee named, or bearer. Another bank, of which the firm was not a customer, when the check was presented to it by an unknown person, without attempting to identify him, and upon his indorsing it in the payee's name, cashed it, and was credited with the amount as money by the drawee. The drawee negligently failed to discover the forgery for a month or two, but then immediately notified the bank cashing the check, which was not prejudiced by the delay. Held, that the bank cashing the check must bear the loss.

The opinion in this case is written by Devens, *J.*, who, after noticing the general rule, which we have discussed, said: "This presumption is conclusive only when the party receiving the money has in no way contributed to the success of the fraud or the mistake of fact under which the payment has been made. In the absence of actual fault on the part of the drawee, his constructive fault in not knowing the signature of the drawer and detecting the forgery will not preclude his recovery from one who took the check under circumstances of suspicion, without proper precaution, or whose conduct has been such as to mislead the drawee, or induce him to pay the check without the usual security against fraud."

"The bank is bound to know the signature of its depositor, and, if it pays out money on a forged check, it cannot charge the depositor with the amount, but, as against him, must bear the loss itself. Where, however, the loss can be traced to the fault or negligence of the drawer (or holder), it will be fixed upon him." (3 Am. and Eng. Enc. Law, 222, 223.)

"But on the other hand, it may be observed that the holder who obtained payment cannot be considered as having altogether shown sufficient circumspection. He might, before he discounted or received the instrument in payment, have made more inquiries as to the signatures and genuineness of the instrument—even of the drawer or indorsers themselves; and, if he thought fit to rely on the bare representation of the party from whom he took it, there is no reason that he should profit by the accidental payment, when the loss had already attached upon himself, and why he should be allowed to retain the money, when by an immediate notice of the forgery he is enabled to proceed against all other parties precisely the same as if the payment had not been made, and consequently the payment to him has not in the least altered his situation, or occasioned any delay or prejudice. It seems that of late, upon questions of this nature, these latter considerations have influenced the court in determining whether or not the money shall be recoverable back; and it will be found, on examining the older cases, that there were facts affording a distinction, and that, upon attempting to reconcile, they are not so contradictory as might on first view have been supposed." (Chit. Bills, p. 431.)

Daniel, Neg. Inst. p. 686, under the title, "Exceptions to the Rule Holding Bank Responsible When It Pays Forged Checks," says: "Even where the general doctrine that the bank has no remedy, where it has certified or paid a forged check, against the holder, is recognized as a fixed principle of law, there are some exceptions which are insisted upon as reasonable and just.

As the responsibility of the bank is based upon the presumption that it has greater means and better opportunities to become familiar with the handwriting of depositors than are afforded the holder, it is declared to be decisive alone when the party holding the check has in no way contributed to the success of the fraud. And if the loss can be traced to the fault or negligence of any party, it will be fixed upon him. In the absence of actual fault or negligence on the part of the drawee bank, its constructive fault in not knowing the signature of the drawer, and detecting the forgery, will not preclude its recovering back the amount, or recalling its certificate, as against one who has received the money or taken the check with knowledge of the forgery, or who took the check under circumstances of suspicion without proper precaution, or whose conduct has been such as to mislead the bank, or to induce payment or certification of the check, without the usual scrutiny or precautions against mistake or fraud."

Mr. Morse, in his work on Banks and Banking (3d Ed. § 464), under the title, "The Old Rule Unreasonable," says: "The old doctrine was that a bank was bound to know its correspondent's signature. A drawee could not recover money paid upon a forgery of the drawer's name, because, it was said, the drawee was negligent not to know the forgery, and it must bear the consequences of its negligence. This doctrine is fast fading into the misty past, where it belongs, * * * for it was founded in misconception of the fundamental principles of law and common sense." In section 466 the same author says: "But it follows obviously that the payee, holder or presenter of the forged paper has himself been in default, if he has himself been guilty of negligence prior to that of the banker, or, if by any act of his own he has at all contributed to induce the banker's negligence, then he may lose his right to cast his loss upon the banker." Many of the cases go so far as to hold that the indorsement of a check by a purchasing bank is a warranty of the genuineness of the check, and that the drawee bank can recover back the money paid on such check. We are not able, however, to say that such is the weight of authority; but the overwhelming weight of (if not universal) authority undoubtedly sustains the right of the drawee bank to recover back money paid upon a forged check under the circumstances shown by the allegations of the complaint in this case.

The judgment will be reversed, with instructions to overrule the demurrer to the complaint.

RECEIVING DEPOSITS WHEN BANK INSOLVENT—STATE STATUTE—NOT APPLICABLE TO NATIONAL BANKS.

Supreme Court of the United States, Feb. 2, 1903.

JAMES H. EASTON, PLAINTIFF IN ERROR vs. THE STATE OF IOWA.

A State statute forbidding banks to receive deposits when the bank is insolvent, and making such action a penal offense on the part of the officers of the bank, can have no application to National banks located in such States.

In 1898, in the District Court of Winneshiek county, State of Iowa, James H. Easton was indicted, tried and found guilty, and sentenced to imprisonment in the penitentiary of Iowa at hard labor for a term of five years, under the provisions of a statute of that State, for the offense of having received, as President of the First National Bank of Decorah, Iowa, a deposit of one hundred dollars in money in said bank, at a time when the bank was insolvent and when such insolvency was known to the defendant.

At the trial it was contended, on behalf of the defendant, that the statute of Iowa, upon which the indictment was found, did not, and was not intended, to apply to National banks, organized and doing business under the National bank acts of the United States, or to the officers and agents of such banks; and that, if the State statute should be construed and held to apply to National banks and their officers, the statute was void in so far as made applicable to National banks and their officers. Both these contentions were overruled by the trial court, and thereupon an appeal was taken to the Supreme Court of the State of Iowa, and by that court, on April 12, 1901, the judgment of the District Court was affirmed. The cause was then taken to the Supreme Court of the United States.

Mr. Justice SHIRAS delivered the opinion of the court.

Those portions of the Iowa statute whose validity is the question in this case consist of sections 1884 and 1885 of the code of that State, and are in the following terms:

"Sec. 1884. No bank, banking house, exchange broker, deposit office, firm, company, corporation or person engaged in the banking, brokerage, exchange or deposit business, shall, when insolvent, accept or receive on deposit, with or without interest, any money, bank bills or notes, United States Treasury notes or currency, or other notes, bills, checks or drafts, or renew any certificate of deposit.

Sec. 1885. If any such bank, banking house, exchange broker, deposit office, firm, company, corporation or person shall receive or accept on deposit any such deposits, as aforesaid, when insolvent, any owner, officer, director, Cashier, manager, member or person knowing of such insolvency, who shall knowingly receive or accept, be accessory, or permit, or connive at receiving or accepting on deposit therein, or thereby, any such deposits, or renew any certificate of deposit, as aforesaid, shall be guilty of a felony and, upon conviction, shall be punished by a fine not exceeding ten thousand dollars, or by imprisonment in the penitentiary for a term of not more than ten years, or by imprisonment in the county jail not more than one year, or by both fine and imprisonment."

At the trial evidence was adduced tending to show, and the jury found, that the defendant, being engaged in the banking business, as an officer, to wit, President of the First National Bank of Decorah, on August 21, A. D. 1896, did, as President of said bank, receive and accept on deposit in said bank the sum of one hundred dollars in lawful paper money and of the value of one hundred dollars, from one John French, the bank being then and there insolvent, and the defendant then and there well knowing that the said bank was insolvent.

It will be observed that National banks or banking associations are not specifically named in the statute; and hence it was argued, on behalf of the defendant, that such institutions are not within the enactment. As, however, the State courts, following a previous decision of the Supreme Court of Iowa, in the case of State vs. Field (98 Iowa, 748), held that the statute was applicable to all banks, whether organized under the laws of the State or the acts of Congress, we must accept that construction as correct, and confine our consideration to the question whether, as so construed, the act is within the jurisdiction of the State.

It is obvious that the two sections of the statute, above quoted, must be read together as one enactment. If section 1884, regarded as applicable to National banks, is a valid exercise of power by the State, then the penalties declared in section 1885 can be properly enforced; but if section 1884 must be held invalid as an attempt to control and regulate the business operations of National banks, then the penal provisions of section 1885 cannot be enforced against their officers. In other words, the validity of the mandatory and of the penal parts of the statute must stand or fall together.

What, then, is the character of a State law which forbids National banks, when insolvent, from accepting or receiving on deposit, with or without interest, any money, bank bills or notes, United States Treasury notes or currency, or other notes, bills, checks or drafts, or renewing any certificate of deposit?

The answer given by the Supreme Court of Iowa to this question is as follows:

"The acts of Congress provide no penalty for the fraudulent receiving of deposits, and the statute under consideration operates upon the person who commits the crime. And it is not a material question to determine whether it will be necessary to investigate the financial condition of the bank to prove that the bank was insolvent when the deposit was received. This statute is in the nature of a police regulation, having for its object the protection of the public from the fraudulent acts of bank officers. The mere fact that in violating the law of the State the defendant performed an act pertaining to his duty as an officer of the bank does not in any manner interfere with the proper discharge of any duty he owes to any power, State or Federal. Surely, it was not intended by any act of Congress that officers of a National bank should be clothed with the power to cheat and defraud its patrons. National banks are organized and their business prosecuted for private gain, and we can conceive of no reason why the officers of such banks should be exempt from the penalties prescribed for fraudulent banking."

We think that this view of the subject is not based on a correct conception of the Federal legislation creating and regulating National banks. That legislation has in view the erection of a system extending throughout the country, and independent, so far as powers conferred are concerned, of State legislation which, if permitted to be applicable, might impose limitations and restrictions as various and as numerous as the States. Having due regard to the national character and purposes of that system, we cannot concur in the suggestion that National banks, in respect to the powers conferred upon them, are to be viewed as solely organized and operated for private gain. The principles enunciated in McCulloch vs. Maryland (4 Wheat. 425), and in Osborne vs. United States Bank (9 Wheat. 738), though expressed in respect to banks incorporated directly by acts of Congress, are yet applicable to the later and present system of National banks.

In the latter case it was said by Chief Justice Marshall:

"The bank is not considered as a private corporation whose principal object is individual trade and individual profit; but as a public corporation created for public and national purposes. That the mere business of banking is, in its own nature, a private business, and may be carried on by individuals or persons having no political connection with the Government, is admitted; but the bank is not such an individual or company. It was not created for its own sake or for private purposes. It has never been supposed that Congress could create such a corporation. The whole opinion of the court in McCulloch vs. Maryland is founded on, and sustained by, the idea that the bank is an instrument which is necessary and proper for carrying into effect the powers vested in the Government of the United States."

A similar view of the nature of banks organized under the National bank laws has been frequently expressed by this court. Thus, in Farmers' National Bank vs. Dearing (91 U. S. 29), it was said:

"National banks organized under the act are instruments designed to be used in aid of the Government in the administration of an important branch of the public service. They are means appropriate to that end."

Such being the nature of these national institutions, it must be obvious that their operations cannot be limited or controlled by State legislation, and the Supreme Court of Iowa was in error when it held that National banks are organized and their business prosecuted for private gain, and that there is no reason why the officers of such banks should be exempt from the penalties prescribed for fraudulent banking. Nor is it altogether true, as asserted by that court, that there is no act of Congress prohibiting the receipt of deposits by National banks or their officers, when a bank is insolvent. It is true that there is no express prohibition contained in the Federal statutes, but there are apt provisions, sanctioned by severe penalties, which are intended to protect the depositors and other creditors of National banks from fraudulent banking. It is not necessary to quote at length those provisions, but it will be sufficient to say that banks organized under the National Bank Act are authorized to make contracts; to prescribe, by its board of directors, by-laws regulating the manner in which their general business shall be conducted, and the privileges granted by law exercised and enjoyed; to exercise by its board of directors, or duly authorized officers, all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes and drafts, bills of exchange; by receiving deposits; by buying and selling exchange; by loaning money on personal security. And they are required to deposit with the Treasurer of the United States, as security for their circulating notes, United States bonds in an amount not less than one-fourth of its capital; to report to the Treasurer of the United States twice each year the average amount of its deposits, and to pay to said Treasurer each half year a tax upon such deposits; and to make to the Comptroller of the Currency not less than five reports during each year (and special reports as often as he may require), according to such form as he may require, verified by the oath or affirmation of the President or Cashier, which reports shall exhibit in detail the resources and liabilities of the association. The Comptroller is directed to appoint suitable persons to make examination of the affairs of every banking association, who shall have power to make a thorough examination into all the affairs of the association, and in doing so to examine any of the officers or agents thereof, and to make a full and detailed report of the condition to the Comptroller. Whenever the Comptroller becomes satisfied of the insolvency of such bank he may, after due examination of its affairs, appoint a Receiver, who shall take possession of the assets of the association, wind up its affairs, and make ratable distribution of its assets. And severe penalties are imposed upon any officer or agent of such association who violates any of the provisions of the National Bank Act.

It thus appears that Congress has provided a symmetrical and complete scheme for the banks to be organized under the provisions of the statute.

It is argued by the learned Attorney-General on behalf of the State of Iowa that "the effect of the statute of Iowa is to require of the officers of all banks within the State a higher degree of diligence in the discharge of their duties. It gives to the general public greater confidence in the stability and solvency of National banks, and in the honesty and integrity of their managing officers. It enables them better to accomplish the purposes and designs of the general Government, and is an aid, rather than an impediment, to their utility and efficiency as agents and instrumentalities of the United States."

But we are unable to perceive that Congress intended to leave the field open for the States to attempt to promote the welfare and stability of National banks by direct legislation. If they had such power it would have to be exercised and limited by their own discretion, and confusion would necessarily result from control possessed and exercised by two independent authorities.

Nor can we concede that by such legislation of a State, as was attempted in this instance, the affairs of a National bank, or the security of its creditors would be advantageously affected. The provision of the State statute is express that it is the duty of the officers of the bank, when they know it is insolvent, to at once suspend its active operations; for it is obvious, that to refuse to accept deposits would be equivalent to a cessation of business. Whether a bank is or is not actually insolvent may be, often, a question hard to answer. There may be good reason to believe that, though temporarily embarrassed, the bank's affairs may take a fortunate turn. Some of the assets that cannot at once be converted into money may be of a character to justify the expectation that, if actual and open insolvency be avoided, they may be ultimately collectible, and thus the ruin of the bank and its creditors be prevented. (McDonald vs. Chemical Nat. Bank, 174 U. S. 610.) But under the State statute, no such conservative action can be followed by the officers of a bank except at the risk of the penalties of fine and imprisonment. In such a case the provisions of the Federal statute would permit the Comptroller to withhold closing the bank and to give an opportunity to escape final insolvency. It would seem that such an exercise of discretion on the part of the Comptroller would, in many cases, be better for all concerned than the unyielding course of action prescribed by the State law. However, it is not our province to vindicate the policy of the Federal statute, but to declare that it cannot be overridden by the policy of the State.

Similar legislation to that of the State of Iowa has been considered and disapproved by the supreme courts of several of the other States.

[The court here examined the following cases: Commonwealth vs. Ketner (92 Pa. St. 372); Allen's Appeal (119 Pa. St. 192); People vs. Fonda (62 Mich. 401); Cone vs. Felton (101 Mass. 204); State vs. Menke (56 Kan. 77); Sutton Mfg. Co. vs. Hutchinson (63 Fed. Rep. 501); *In re* Waite (81 Fed. Rep. 359); *In re* Thomas (82 Rep. 304); Ohio vs. Thomas (173 U. S. 276).]

A leading case in which this court had occasion to consider the limitation of legislation by a State affecting a subject within the scope of action by Congress is that of Prigg vs. Pennsylvania (16 Pet. 539), from which we quote the following observations:

"If Congress has a constitutional power to regulate a particular subject, and does regulate it in a given manner and in a certain form, it cannot be that State legislatures have a right to interfere, and, as it were, by way of complement to the legislation of Congress, prescribe additional regulations, and what they may deem auxiliary provisions for the same purpose. In such case, the legislation of Congress, in what it does prescribe, manifestly indicates that it does not intend that there shall be any further legislation to act upon the subject matter. Its silence as to what it does not do is as expressive of what its intention is as the direct provisions made by it."

On the immediate subject of control over National banks it was said, in Farmers' Nat. Bank vs. Dearing (91 U. S. 29):

"The State can exercise no control over National banks, nor in anywise affect their operation, except so far as Congress may deem proper to permit; everything beyond this is an abuse, because it is the usurpation of power which a single State cannot give. The State has no power by taxation or otherwise to burden or in any manner control the operation of constitutional laws enacted by Congress to carry into execution the powers vested in the general Government."

This subject has received recent and careful consideration in the case of (Davis vs. Elmira Savings Bank (161 U. S. 275), twice argued in this court. The Legislature of the State of New York had provided by law that Savings banks, organized under the laws of that State, should have a preference as depositors in banks in case of the insolvency of such banks, and it was sought to apply this provision to the case of a deposit by a Savings bank in a National bank which had subsequently become insolvent. But this court held that such a provision could not be extended by a State to National banks, because it was repugnant to that provision of the National Banking Act which requires the assets of an insolvent National bank to be ratably distributed among its creditors. In the opinion of the court, by Mr. Justice WHITE, it was said:

"National banks are instrumentalities of the Federal Government, created for a public purpose, and as such necessarily subject to the paramount authority of the United States. It follows that an attempt by a State to define their duties or control the conduct of their affairs is absolutely void, whenever such attempted exercise of authority conflicts with the laws of the United States, and either frustrates the purpose of the national legislation or impairs the efficiency of those agencies of the Federal Government to discharge the duties for the performance of which they were enacted. These principles are axiomatic, and are sustained by the repeated adjudications of this court."

Our conclusions, upon principle and authority, are that Congress, having power to create a system of National banks, is the judge as to the extent of the powers which should be conferred upon such banks, and has the sole power to regulate and control the exercise of their operations; that Congress has directly dealt with the subject of insolvency of such banks by giving control to the Secretary of the Treasury and the Comptroller of the Currency, who are authorized to suspend the operations of the banks and appoint Receivers thereof when they become insolvent, or when they fail to make good any impairment of capital; that full and adequate provisions have been made for the protection of creditors of such institutions by requiring frequent reports to be made of their condition, and by the power of visitation by Federal officers; that it is not competent for State legislatures to interfere, whether with hostile or friendly intentions, with National banks or their officers in the exercise of the powers bestowed upon them by the general Government.

Cross vs. North Carolina (132 U. S. 131), was a case wherein this court pointed out the distinction between crimes defined and punishable at common law or by the general statutes of a State and crimes and offenses cognizable under the authority of the United States; and accordingly it was held that the crime of forging promissory notes, purporting to be made by individuals, and made payable to or at a National bank, was a distinct and separate offense, indictable under the laws of the State.

Undoubtedly a State has the legitimate power to define and punish crimes by general laws applicable to all persons within its jurisdiction. So, likewise, it may declare, by special laws, certain acts to be criminal offenses when committed by officers or agents of its own banks and institutions. But it is without lawful power to make such special laws applicable to banks organized and operating under the laws of the United States.

It was by failing to observe the distinction between the two classes of cases that, we think, the courts below fell into error.

The judgment of the Supreme Court of Iowa is reversed, and the cause is remanded to that court to take further action not inconsistent with the opinion of this court.

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

ACTION BY RECEIVER TO RECOVER ASSESSMENTS—COMPLAINT—NOTICE OF ASSESSMENT—EVIDENCE—AUTHORITY TO SUE—DEFENSES—PRIOR ACTION BY RECEIVER.

A complaint in an action by the Receiver of a National bank to recover an assessment from a stockholder sufficiently shows the capital stock of the bank, although not directly alleged, where it alleges that there were 500 shares, of the par value of $100 each, and that the assessment was made ratably, at $100 per share, and amounted to $50,000.

The testimony of a witness that in his capacity as Receiver of a National bank he made personal demand upon a stockholder for the payment of an assessment, and that the stockholder admitted having received notice thereof, where uncontradicted, sufficiently shows notice and demand to support an action to recover the assessment.

Specific authority given by the Comptroller to the Receiver of a National bank to bring an action against a stockholder to recover an assessment is not withdrawn or affected by a subsequent general authority to compromise or sell all the claims or assets of the bank.

An action brought by the Receiver of a National bank against a stockholder to enforce a compromise agreement entered into for the settlement of the stockholders' liability for an assessment, but in which the Receiver took a voluntary non-suit, is not a bar to a subsequent action to recover the assessment, the stockholder having failed to carry out the compromise agreement, nor did the Receiver's action in commencing such suit create an estoppel against him.

McClaine vs. Rankin, 119 Fed. Rep. (U. S.) 110.

ACT OF CASHIER—WHEN BANK NOT BOUND.

The Cashier of a bank sold cattle in which he and complainant were jointly interested, receiving payment in a draft and credit slip payable to the bank. These he deposited to his own credit, and collected and thereafter checked out the entire amount, and converted it to his own use. He transacted the entire business on behalf of both the bank and himself, and no one else connected with the bank had any knowledge of complainant's interest in the cattle or their proceeds. *Held*, that the bank was not chargeable with notice that complainant had any interest in the fund deposited, and occupied no trust relation to him which rendered it accountable for such interest.

Bank of Overton vs. Thompson, 118 Fed. Rep. (U. S.) 798.

GIFTS—CHECK—PAYMENT AFTER DEATH OF DONOR—LIABILITY OF BANK.

Where one, for the purpose of making a gift, draws and delivers a check, and asks the payee not to present it till after the donor's death, such death revokes the gift, under Civ. Code, Sec. 1147, providing that a verbal gift is invalid unless accompanied by a delivery of the thing given, or of the means of obtaining its possession and control.

A bank paying a check with notice of the drawer's death is liable to his estate.

Pullen, *et al.* vs. Placer County Bank, 71 Pac. Rep. (Cal.) 83.

GIFTS—SAVINGS BANK DEPOSIT.

A rule of a Savings bank forbidding any gift of a deposit, except by an assignment in writing, duly acknowledged, does not bind one who became a depositor before the rule was made, though she had agreed that notice as to deposits should be deemed and taken as personal notices, and though the rule had been posted in the bank for many years before her death.

Ranney vs. Bowery Sav. Bank, 79 N. Y. Supp. 487.

GUARANTY—VALUABLE CONSIDERATION—ORIGINAL OBLIGATION VOID.

The owner and holder of municipal bonds that have been sold and delivered to him by the municipality or some previous owner, who subsequently sells the same to a third party for a valuable consideration, and as a part of the contract of sale guaranties their payment, may be held liable on his guaranty, if it subsequently transpires that the bonds were illegally issued and not enforceable against the municipality. Such a contract being collateral to the contract evidenced by the bonds, and made subsequently, and resting upon an independent consideration, the general rule of law, that whatever serves to discharge a contract and render it unenforceable against the principal debtor will render it unenforceable against his surety or guarantor, has no application.

Nelson, *et al.* vs. Hinchman, 118 Fed. Rep. (U. S.) 435.

INDEBTEDNESS OF STOCKHOLDER—STOCK—ASSIGNMENT—RIGHTS OF ASSIGNEE—PAYMENTS—APPLICATION.

A bank, the charter of which provides that the total liability to it of any person "for borrowed money * * * shall at no time exceed one-tenth part of the capital stock of said bank paid in," and also that the stock of any stockholder in such bank "shall be held bound to the bank for any dues or other indebtedness by said stockholder to the bank," and it shall have a lien "upon the same superior to all other liens," has, by virtue of its charter, a lien of the highest dignity upon the stock of a stockholder to an amount not exceeding ten per cent. of the capital stock of the bank actually paid in, notwithstanding it may have violated the terms of its charter by loaning to such stockholder a sum largely in excess of that which it was thereby authorized to permit him to borrow.

Where the charter of a bank further provides that no assignment of stock shall be valid, as against it, unless a formal transfer of the same be made on its books, it is the right of the bank to treat a stockholder as the true owner of stock issued to him, and to deal with him accordingly, until it receives notice that the stockholder has assigned his stock to a third person; aliter, after notice is brought home to the bank, even though there has been no attempt on his part to secure a formal transfer of the stock upon its books.

While a bank which has violated its charter by allowing a stockholder to borrow a sum of money larger than that which it was authorized to loan him cannot, as against an assignee of such stockholder, assert a lien for a greater amount than that provided for in its charter, yet it is not the right of the assignee, if unwilling to himself pay the amount necessary to discharge the lien, to demand a transfer of the stock on the books of the bank until his assignor has fully paid all of his indebtedness to the bank which was contracted prior to the date it received notice that he had assigned his stock. (*a*) In an accounting to determine whether such indebtedness has been fully paid off, the sole inquiry should be whether or not the bank has applied payments made by the assignor as he directed, or, in the absence of any direction on his part, in the manner prescribed by law. (*b*) The assignee has no right to insist that payments shall be applied otherwise than as the assignor directed, or that a credit voluntarily given to him by the bank, to which he was not entitled, shall go to the extinguishment of a debt arising before it received notice that he had assigned his stock, rather than to the discharge of an indebtedness thereafter contracted by him.

People's Bank of Talbotton vs. Exchange Bank of Macon, 43 S. E. Rep. (Ga.) 269.

NOTES UNLAWFULLY DISCOUNTED BY BANK CASHIER.

Where the Cashier of a National bank, without the knowledge and against the orders of the other officers, discounted for the maker notes far in excess of the amount which the bank could legally loan to one person, and beyond the ability of the maker or indorser of such notes to pay, the facts that he was prosecuted and sentenced to imprisonment for misapplying the funds of the bank, and the maker of the notes for aiding and assisting him, and that the Receiver for the bank sued and recovered on the Cashier's bond the amount of the penalty therein, do not affect the validity of the notes, nor the bank's ownership thereof; and the Receiver may prove the same in bankruptcy against the estate of the indorser, where proper steps were taken to fix his liability thereon.

In re Edson, 119 Fed. Rep. (U. S.) 487.

LEASING AND IMPROVEMENT OF REAL ESTATE—POWERS OF RECEIVER.

The power conferred on National banks by Rev. St. § 5137 (U. S. Comp. St. 1901, p. 3460), to purchase and hold such real estate "as shall be necessary for its immediate accommodation in the transaction of its business," includes the power to lease real estate for such purpose, and a bank does not exceed its powers by leasing ground for a term of years under an agreement with the owner that it will erect a building thereon for its use, providing it acts in good faith, and for the purpose of obtaining an eligible location and a suitable building in which to conduct its business. Nor is it limited to the construction of a building only sufficient for its own use; but, where it has acquired property by purchase or lease for the purpose authorized by the statute, it may improve the same in any manner that other prudent owners would do, so as to render it most productive.

A lease of property by a National bank for ninety-nine years is not *ultra vires* and void because the term will outlast its corporate life. Being authorized by the statute to purchase real estate in fee simple for specified purposes, it may acquire any lesser estate or interest which is vendible.

Nor is such a lease invalid because the aggregate rental which the bank agrees to pay during the term in monthly installments exceeds its capital stock. Such an agreement does not create an indebtedness for the aggregate amount of the installments, within the meaning of Rev. St. § 5202 (U. S. Comp. St. 1901, p. 3494).

A lessor of real estate to a National bank for a long term, in which the bank covenants to erect a bank building which shall become part of the realty, cannot be held accountable to the stockholders or creditors of the bank because it may have exceeded its powers by expending more money in the erection of the building than it was authorized to do under the law, and more than was required by the terms of the lease; nor can such excessive expenditure be charged as a lien upon the property in favor of creditors after the same has passed into the hands of the lessor.

A Receiver of a National bank, appointed by the Comptroller of the Currency, is not vested, by virtue of his appointment, with all of those visitorial powers over National banks which the United States, acting in its sovereign capacity, may exercise.

A Receiver of a National bank cannot maintain a suit against a third party, based upon the alleged invalidity, as *ultra vires*, of a contract made by the bank which was fully executed ten years prior to his appointment, and to which no objection was made at the time, either by the United States or by any stockholder.

Brown vs. Schleien, *et al.* 118 Fed. Rep. (U. S.) 981.

REFEREES—SHERIFF'S RETURN—AMENDMENT—NATIONAL BANKS—DEPOSIT —INSOLVENCY—NOTES—INDORSEMENT—JOINT MAKERS.

A bank becomes the absolute owner of money deposited with it to the general credit of a depositor, in the absence of any special agreement importing a different character in the transaction, and the relationship between the parties is simply that of debtor and creditor.

The right of a bank to apply a depositor's credit balance to the satisfaction of a debt due it by such depositor is in the nature of a set-off or application of payments, which will not be required by law so as to benefit a surety liable for such debt where there is no instruction from the depositor to so apply it, nor agreement between him and the bank that it shall be done, and where the debt has not been included in the account between the bank and the depositor by the course of dealing between them.

The legal existence of a National bank is not ended by its insolvency and the appointment of a Receiver therefor by the Comptroller of the Currency, but it still continues as an entity capable of suing and being sued, notwithstanding such appointment; and where, under such circumstances, the legal title to a note, not an asset of the bank, is in its name, but the beneficial ownership in another, a suit upon such note may be maintained in its name to recover the money due thereon.

Camp, *et al.* vs. First Nat. Bank of Ocala, 33 So. Rep. (Fla.) 241.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

MONEY PAID UNDER MISTAKE OF FACT—MARKED CHECK FRAUDULENTLY ALTERED—NEGLIGENCE—NOTICE OF DISHONOR—REASONABLE DELAY.

IMPERIAL BANK OF CANADA vs. BANK OF HAMILTON (1903 Appeal Cases, p. 49).

The following is the judgment of the Privy Council, the final Court of Appeal, in this the most celebrated banking case in recent years in Canada. The judgment of the Court of Appeal for Ontario, and of the Supreme Court of Canada have been noticed in previous numbers of THE BANKERS' MAGAZINE. There were present on the hearing of the argument, Lord Magnaghten, Lord Robertson, Lord Lindley and Sir Arthur Wilson. The judgment of their Lordships was delivered by Lord Lindley.

JUDGMENT: The question raised by this appeal is whether the Bank of Hamilton is entitled to recover from the Imperial Bank of Canada a sum of $495, paid to it in respect of a check under the following circumstances:

One Bauer was a customer of the Bank of Hamilton, and he drew a check upon that bank for $5. The word five was written, and a considerable space was left between that word and the next words printed on the check. The check was dated January 25, 1897, and on that day Bauer took it to the Bank of Hamilton, and got it marked or certified with the bank's stamp; he then took it away with him. The effect of this marking or certifying was examined and explained by the Board in Gaden vs. Newfoundland Savings Bank.

The effect was to give the check additional currency by showing on its face that it was drawn in good faith on funds sufficient to meet its payment, and by adding to the credit of Bauer, who drew it, the credit of the Bank of Hamilton, on which it was drawn. The check was a good check for $5, and if it had not been altered the Bank of Hamilton would have paid it as a matter of course, and no difficulty would have arisen. But after Bauer had got it marked he wrote in the word "hundred" after the word five. The check then appeared to be a certified check for $500. There can be no doubt that the condition of the check when certified afforded opportunity for this fraudulent aleration; and if the principle laid down in Young vs. Grote could still have been acted upon, the Bank of Hamilton would, as between themselves and an innocent holder for value, be estopped from denying that the check was a certified check for $500. But after the decision of the House of Lords in Schofield vs. Earl of Londesborough it was hopeless to contend that by the law of England the Bank of Hamilton was not at liberty to prove that the check had been fraudulently altered after it had been certified by the bank.

Whether the French law, which prevails in Lower Canada, is the same in this respect as the law of this country and of Ontario has not to be determined; for the French law has no application to this case.

Bauer took the check as altered to the Imperial Bank of Canada, and opened an account with it. The check was placed to his credit; he forthwith drew checks upon the account so opened, and those checks were to be honored in the usual course of business. The check in question was passed by the Imperial Bank of Canada through the Clearing-House at Toronto, and was paid by the Bank of Hamilton on the morning of January 27, 1897, the fraud not having then been discovered.

It is proved by the evidence that certified checks, apparently in order and presented through the clearing house, are paid as a matter of course, and that it is not usual with bankers to turn to their customer's accounts on the day the marked checks are presented for payment through the clearing-house to see whether there is anything wrong before paying them. It is, however, usual to check the returns with the customer's accounts next day, and then to enter the checks paid the day before. In conformity with this practice, the Bank of Hamilton paid the check on January 27 without looking at Bauer's account in their ledger; but on the next day, *i. e.*, January 28, they turned to it, and at once discovered the fraud. The Bank of Hamilton immediately gave notice to the Imperial Bank of Canada and demanded repayment of $495, being the amount paid by the Bank of Hamilton in respect of the check, less $5 for which it was drawn and certified. This demand not having been complied with, the present action was brought by the Bank of Hamilton to recover the $495. The action was defended on three grounds; namely, first, because the Bank of Hamilton was negligent in marking the check with the blank in it; second, because the Bank of Hamilton was negligent in paying the forged check without first turning to Bauer's account; third, because notice was not given to the Imperial Bank of Canada on January 27, the day on which the check was paid.

The action was tried by MacMahon, *J.*, without a jury, and he gave judgment for the plaintiffs, namely, the Bank of Hamilton, From this judgment the Imperial Bank of Canada appealed, and the Court of Appeal affirmed the judgment of MacMahon, *J.*, but Armour, *C. J.*, dissented. From this decision the Imperial Bank of Canada again appealed to the Supreme Court, which again affirmed the decision appealed from, Gwynne, *J.*, however, dissenting. The present appeal is from their decision.

The learned counsel for the appellants did not seriously rely upon the first of three grounds of defence, feeling it to be untenable after the decision in Schofield vs. Earl of Londesborough to which reference has already been made. They relied upon the second and third grounds, on which alone there was any difference of opinion in the courts below.

As regards negligence in paying the check: It cannot be denied that when the Bank of Hamilton paid the check on January 27 it had the means of ascertaining from its own books that the check had been altered. But means of knowledge and actual knowledge are not the same; and it was long ago decided in Kelly vs. Solari that money honestly paid under a mistake of fact could be recovered back, although the person paying it did not avail himself of the means of knowledge which he possessed. This decision has always been acted upon since, and their Lordships consider it applicable to the present case. There was nothing on the face of the check to excite suspicion, nor to lead the clerk who cashed the check to take the unusual course of referring to Bauer's ledger account to see if all was right before cashing it. Moreover, even if negligence in this respect could be imputed to the Bank of Hamilton, such negligence did not induce the Imperial Bank of Canada to treat the check as good and to give Bauer credit for its amount. That had been done already. These were the reasons which induced the courts below to decide against the second ground of defence; and their Lordships have no hesitation in coming to the same conclusion.

There remains the third ground, which is based upon a supposed hard and fast rule referred to by Armour, *C. J.*, who said:

"In my opinion this case is governed by the rule laid down in Cocks vs. Masterman, where it is said: 'But we are all of the opinion that the holder of a bill is entitled to know on the day when it becomes due whether it is an honored or a dishonored bill, and if he receives the money and is suffered to retain it during the whole of that day the parties who paid it cannot recover it back.' This rule, rigorous though it may be, has been adhered to in England ever since (See Mather vs. Lord Maidstone; Durrant vs. Ecclesiastical Commissioners; Leeds Bank vs. Walker; London and River Plate Bank vs. Bank of Liverpool; Byles on Bills, 16th ed. 353.) The application of this rule does not at all depend upon whether the holder of the bill is or is not in fact prejudiced by the delay, for the conclusion in law is that he may be prejudiced, and this is the reason of the rule. In this case the defendants, the holders in due course of the check, presented it to the plaintiff on January 27 through the clearing-house, and it being due on presentation, the defendants were entitled to know on that day whether it was honored or dishonored. The plaintiffs paid the check through the clearing-house on that day; but this payment was, in my opinion, conditional upon their right to dishonor the check during that day, but not having dishonored the check during that day such payment became absolute, and the defendants having received the money for the check from the plaintiffs, and being suffered to retain it during the whole of that day, the plaintiffs cannot recover it back."

The prejudice which it is suggested that the Imperial Bank of Canada may have suffered, from want of notice of dishonor on January 27, consists in their inability to take proceedings on that day against Bauer for the fraud which he had committed. But no one suggests that Bauer could have paid anything if he had then been proceeded against. The bank was not deprived of any of its rights against him, nor was its position altered by reason of notice of the forgery not being given until the day after the bill was paid.

But, quite apart from the fact that the appellants were not in any way prejudiced by want of notice on the day of payment, it appears to their Lordships that the stringent rule referred to in the foregoing extract from the judgment of Armour, *C. J.*, does not really apply to this case. The check as drawn and certified, *i. e.*, for $5, was never dishonored, and no question arises as to that. The check for the larger amount was a simple forgery; and Bauer, the drawer and forger, was not entitled to any notice of its dishonor by non-payment. There were no indorsers to whom notice of dishonor had to be given. The law as to the necessity of giving notice of dishonor has therefore no application. The rule laid down in Cocks vs. Masterman and recently reasserted in even wider language by Mathew, *J.*, in London and River Plate

Bank vs. Bank of Liverpool, has reference to negotiable instruments, on the dishonor of which notice has to be given to some one, namely, to some drawer or indorser, who would be discharged from liability unless such notice were given in proper time. Their Lordships are not aware of any authority for applying so stringent a rule to any other cases. Assuming it to be as stringent as is alleged in such cases as those above described, their Lordships are not prepared to extend it to other cases where notice of the mistake is given in reasonable time, and no loss has been occasioned by the delay in giving it.

Their Lordships will, therefore, humbly advise His Majesty to dismiss this appeal, and the appellants will pay the costs.

CIVIL CODE OF QUEBEC, ART. 1570-1571—CONSTRUCTION—SIGNIFICATION TO DEBTOR OF TRANSFER OF DEBT.

BANK OF TORONTO vs. ST. LAWRENCE FIRE INSURANCE COMPANY (1903 Appeal Cases P. 59).

STATEMENT OF FACTS: This was an appeal to the Privy Council from the Court of the King's Bench for Quebec, which dismissed the appellant's action. The Bank of Toronto sued to recover $2,500, being the amount of the claim which the John Eaton Company, Limited, was entitled to receive from the respondents under a fire policy, which claim had been, on May 22, 1897, sold by the company to the bank, which alleged a due signification of the act of sale and delivery of a copy of it to the respondents.

The five judges of the Court of the King's Bench were of the opinion that notice of the fire and sworn proofs of loss had been duly delivered to the insurance company. Their judgment turned upon one point, namely, whether the transfer of the Eaton Company's claim against the insurance company had been properly signified to the insurance company before the institution of the action by the bank. Upon this point the judges differed, the majority confirming the judgment of the Superior Court.

There were present in the hearing of the argument the Lord Chancellor, Lord Magnaghten, Lord Davey, Lord Robertson and Lord Lindley. The judgment of the court was delivered by Lord Magnaghten.

JUDGMENT: The John Eaton Company, Limited, were the owners of a large dry-goods store in the city of Toronto. Their stock was insured in a number of offices, and among others in the office of the St. Lawrence Fire Insurance Company, of Montreal, to the amount of $2,500. On May 20, 1897, the store and its contents were entirely destroyed by fire. The value of the goods burnt exceeded the aggregate amount of the insurance upon them.

It is not disputed now that the respondent company would have been liable for the sum intended to be secured by the policy effected in their office, if the interest in that policy had remained vested in the John Eaton Company. It appears, however, that the John Eaton Company were under large advances to the Bank of Toronto, and that they had given the bank an undertaking that in the event of their goods being damaged by fire they would hold the policy moneys in trust for the bank, and would, if required, assign all the policies to them. On May 22, 1897, two days after the fire, the John Eaton Company assigned to the bank their interest in all the insurances on their stock, including moneys payable under the policy effected with the St. Lawrence Company.

Notice of the assignment was given to the several offices concerned, and due proof of loss was furnished. The respondent company was requested to concur with the other offices in the adjustment of the claim. The solicitors of the bank wrote several letters to the respondent company and pressed for an answer to their applications or at least for an acknowledgment of their communications. The respondent company, however, systematically disregarded all communications, whether oral or written, and did not answer or acknowledge a single letter written to them on behalf of the bank—a course of conduct so little in keeping with the usages of business men that one of the learned judges of the Court of the King's Bench, whose view of the facts is accepted as correct by all his colleagues, did not hesitate to describe it as being, "to say the least, rather devious."

By the terms of the policy all claims under it were to be barred at the expiration of six months. So in November, 1897, when the period was just running out, the bank served the respondent company with a formal notice of the assignment, and at the same time furnished them with a copy of the assignment itself. Later on the same day this action was brought. The respondent company set up several defences, of which one and one only was seriously argued at the bar. It was strenuously contended, and the contention had already found favor with the Superior Court and a majority of the Court of the King's Bench, that the action must fail because the bank has not duly made "signification," as required by the Civil Code, "of the act of sale" which gave rise to their claim. It was not disputed that there had been a transfer of the debt, that notice of the transfer had been given to the respondent company, and that a document which purported to be and was in fact a copy of the transfer had been furnished to them. But they maintained that "signification" must be made by a notary, and that the copy ought to have been authenticated or certified, and that for a want of these formalities the notification of the transfer was without legal effect. Upon this point their Lordships have had the advantage of considering the reasons given by Wurtele, *J.*, for dissenting from the majority of the court. His judgment, in which Hall, *J.*, concurred, seems to their Lordships to be a careful and accurate exposition of the law, and their Lordships are satisfied to adopt it as the basis of their judgment. It will, therefore, not be necessary for them to do more than state briefly the grounds on which they think the decision under appeal ought to be reversed.

It appears to their Lordships that the question must depend simply upon the provisions of the Civil Code, without introducing or importing requirements which, though necessary under the custom of Paris or under the modern French law, are not found in the Code as it stands. Now, the provisions of the Code as regards the sale of debts are contained in Arts. 1570-1571. Article 1570 provides that "the sale of debts ——— is perfected between the seller and the buyer by the completion of the title, if authentic, or the delivery of it if under private signature." Then Art. 1571 declares that, "the buyer has no possession available against the third persons until signification of the act of sale has been made and a copy of it delivered to the debtor," except in case the transfer is accepted by the debtor himself, as mentioned in Art. 1571.

There is nothing in the Civil Code to show that the intervention of a notary is required. It is certainly not prescribed in terms, nor is there in their Lordships' opinion any room for implication in this matter.

The view of Wurtele, *J.*, in which their Lordships concur, is confirmed by the provisions of Art. 1571 *A*, added by the Revised Statutes of Quebec (1880), which explains how "the signification of the sale required by Art. 1571," may be effected whenever "the debtor has left or never had his domicile in the province." It received further confirmation from the exceptional provisions made in the Revised Statutes "for the assignment and transfer of consolidated rents replacing seignorial dues." Those provisions, which are embodied in Art. 5610, do require "a notarial act in authentic form." Apparently this requirement would have been necessary if a notarial act had been the universal rule.

Their Lordships do not stop to inquire whether the debtor is a "third person" within the meaning of Art. 1571, as seems to have been assumed in the court below, and is stated expressly by Sir A. Lacoste, *C. J.* The question is not material in the present case. It appears, however, to their Lordships that if the point should hereafter arise it would require further consideration.

There is one point which their Lordships cannot leave unnoticed. Some of the learned judges who have taken part in the case express a strong opinion that it is not competent for the assignee of a debt to bring an action for the purpose of enforcing his claim against the debtor until "signification" of the act of sale has been made and a copy of it delivered to the debtor. This view is in accordance with a recent ruling of the supreme court (Murphy vs. Bury), though until that decision was pronounced the general opinion seems to have been the other way. It appears to their Lordships that the institution of an action against the debtor to recover the debt is of itself a sufficient signification of the act of sale, and their Lordships agree with Wurtele, *J.*, in thinking there is nothing in the Code which requires the signification of the act of sale and the delivery of a copy of it to the debtor to be made at one and the same time.

For these reasons their Lordships are of opinion that the judgment under appeal must be reversed, and that an order should be pronounced condemning the respondent company to pay the bank the amount secured by the policy in question, with interests and costs in the Superior Court of the King's Bench.

Their Lordships will humbly advise His Majesty accordingly.

The respondent company will pay the costs of the appeal.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

SUFFICIENCY OF DESCRIPTION IN MORTGAGE.

Editor Bankers' Magazine: JOLIET, Ill., February 17, 1903.

SIR: We have taken a mortgage as collateral for a claim which we have against one of our customers, which describes as the property covered one acre of land in the northeast corner of the west half of the northeast quarter of a certain section. Is that a good description?

H. L. T.

Answer.—The description is a good one. The court will construe your mortgage as covering a square acre of land in the corner of the quarter section designated by you.

RELIEF OF THE GUARANTOR OF A NOTE.

Editor Bankers' Magazine: BEATRICE, Neb., February 12, 1903.

SIR: One of our merchants here, and a customer, just previous to the holiday purchasing season, desired to replenish his stock, and take advantage of the cash discount from the wholesalers. To do this, he requested us to loan him enough to take care of his purchases. We declined to do this unless he obtained a satisfactory guarantor. This he did, and we made the loan. The note matured, and as it was not convenient for the maker to pay it, the guarantor came to us and secured an extension. We gave him a blank note to take to the maker for his signature. He secured the signature and returned the note to us. We retained the guaranty, which was on a separate paper, but surrendered the first note. He now raises the point in a friendly way that we have released him by this conduct, and we desire to know the law upon this point. VICE-PRESIDENT.

Answer.—The guarantor is not released by the acts of which you speak.

INTEREST UPON BANK DRAFT ILLEGALLY DRAWN.

Editor Bankers' Magazine: SIOUX CITY, Iowa, February 5, 1903.

SIR: A banker in a neighboring State settled his personal obligations on the purchase of stock in a local bank, by draft upon the deposit of his bank held in Chicago. Shortly after, and before there had been a settlement with corresponding bank in Chicago, he became a defaulter in his home bank and absconded. His bank, upon presentation of the draft for a settlement, immediately repudiated it, and it was returned to the bank here. The question now arises whether only the bank here is compelled to refund what it received upon this draft, and if it is entitled to deduct interest upon the amount? F. L. M.

Answer.—Yes, we believe that interest is properly allowed upon this draft.

LIABILITY OF GUARANTOR FOR INTEREST.

Editor Bankers' Magazine: ATLANTA, Ga., February 27, 1903.

SIR: Is a guarantor of prompt payment of notes and accounts arising out of the purchase of goods to a certain amount, liable for interest upon that amount? A merchant here purchased goods in Savannah, and our Cashier guaranteed the payment for all goods bought of Savannah wholesalers. TELLER.

Answer.—The Cashier is liable for interest from the time demand is made for payment, only. Interest is only allowable, as a rule, when there is some default in an obligation to pay money. There is no liability to pay interest until there is such default, and there can be no default in the case you suggest, until the guarantor is cognizant of the obligation, and until he fails to perform that obligation. His liability can only arise when the original obligor refuses to pay or fails to pay; and then upon a demand made upon him. It is not ascertained until that time that there is an obligation or what the amount of it is.

NECESSITY FOR DEMAND OF AN ENDORSER OF A CERTIFICATE OF DEPOSIT.

Editor Bankers' Magazine: COLUMBUS, O., February 13, 1903.

SIR: A depositor in our bank took a certificate of deposit, payable to his order, one year after date with interest for the time specified, and containing a provision that, if desired by him, the sum was payable in six months. During the six months he bought some property and endorsed the certificate of deposit to the vendor. While it is of no practical importance now, but might be in case of the insolvency of the bank, can the endorser be held unless demand should be made for payment at the expiration of the six months' period? CLERK.

Answer.—No. We are of the opinion that the certificate does not mature until twelve months have expired, and that the provision for payment at the expiration of six months is a mere proviso for the benefit of the depositor, and does not affect the maturity of the certificate. That is, the certificate does not become due at the end of six months, so that a demand and protest is necessary to hold the endorser. The endorser only becomes liable when the maker is in default upon his obligation, and the maker is not in default until the maturity of his contract, that is, the bank was not in default until the certificate of deposit had matured.

RIGHTS OF BONA FIDE HOLDER OF CHECK.

Editor Bankers' Magazine: PEORIA, Ill., February 26, 1903.

SIR: A check on our bank was presented for payment by the endorsee. The drawer had in the meantime stopped payment upon the check, so that we refused to pay the money. The drawer says that the check was procured by fraud, and claims that payment may not be made. The endorsee, however, contends that he is a *bona fide* holder, and that either the bank or the maker of the check must pay him. Is this true? CASHIER.

Answer.—Yes, in the absence of proof of notice of a defense existing between prior parties. He is presumed to be the *bona fide* purchaser for full value without notice, of any such defense, and he is entitled to recover this amount.

BANK AS BONA FIDE HOLDER OF CHECK.

Editor Bankers' Magazine: SPRINGFIELD, Ill., February 2, 1903.

SIR: A check drawn upon our bank was a preferential payment by an insolvent. It was deposited by a customer of another bank in his bank, and credit was given in his commercial account therefor. Is the bank which received the check entitled to the rights of a *bona fide* holder? L. L. K.

Answer.—Yes. When a bank receives a check on another bank as a deposit of money, it is entitled to the same rights as any other holder for value.

OWNERSHIP OF PROCEEDS OF SALE OF BANK STOCK—UNPAID SUBSCRIPTIONS.

Editor Bankers' Magazine: LOGANSPORT, Ind., February 3, 1903.

SIR: A bank here exercised its rights under our statute to sell the stock of one of its shareholders to make good an unpaid balance of his subscription to capital stock. After the sale was made, and before the proceeds had been appropriated by the bank to the deficiency in the subscription, they were attached by another creditor of the shareholder. Now the question arises, whether they may be held upon the attachment? N. A. C.

Answer.—We are of the opinion that they may be so held, although the law is not entirely clear upon the subject. It has been repeatedly held that such proceeds belong to the shareholder, but although upon principle, if they are property of the shareholder, that may be subjected by his creditors. Nevertheless the question does not seem to have been distinctly passed upon.

LIEN OF BANK ON DEPOSIT FOR NOTE.

Editor Bankers' Magazine: ELMIRA, N. Y., February 12, 1903.

SIR: A customer of a bank became insolvent with a considerable balance to his credit, but owing it upon a note not yet due. His creditors attempted to take the amount on deposit. The question is, Has the bank such a lien upon the deposit as will permit it to hold the same as against the creditors until the note is paid? I. B. T.

Answer.—We do not believe the bank has such a lien. It may not hold the deposit as security for the note, because it was not yet due. Had the note been due or had there been a balance due upon the general account, the bank would have had a lien upon any funds in its hands belonging to the depositor.

LIABILITY OF BANK FOR DEPOSITS RECEIVED IN ESCROW.

Editor Bankers' Magazine: CHARLESTON, S. C., February 25, 1903.

SIR: A former Cashier of a local bank took a sum of money from a county customer to pay over a portion of it to the owner of a piece of land, upon the making of a warranty deed of same. The land was to be measured, its acreage determined, and the price settled upon to be paid. Its acreage was found to be considerably less than was expected, and, as a result, a much larger sum was left in the Cashier's hands, which he deposited in the bank. Before the customer came to look after his money, the bank failed and the other creditors of the bank say that he should not participate with them, but that his demand, if any, is a personal one upon the Cashier. Is this true, or is the bank liable? S. D. Y.

Answer.—We believe this to be, within the decisions of your State, an obligation of the bank; that the taking of the money, under the circumstances detailed by you, was within the scope of authority of the Cashier, and bound the bank.

RIGHT OF BANK TO CHARGE NOTE TO MAKER'S ACCOUNT AFTER MATURITY.

Editor Bankers' Magazine: BERKLEY, Va., February 26, 1903.

SIR: If a depositor having a note due upon a certain date should not have sufficient funds to his credit to pay the same on the day the note was due, would the bank have a legal right to charge the note to his account after holding the same over for a day or two without protest, if he should then have enough to his credit to pay the note? R. M. G., JR.

Answer.—Yes. Protest is not necessary to hold the maker, and he is indebted to the bank for the amount of the note. The bank, on the other hand, becomes indebted to him in the amount of his deposit; and one debt can be set off against the other. (Eyrich vs. Capital State Bank, 67 Miss. 60; Windisch-Mulhauser Co. vs. Bank of Marysville [Ohio] 33 N. E. Rep. 1054.) Besides, the bank has a lien upon the moneys of the depositor for his indebtedness to it. (Commercial Nat. Bank vs. Armstrong, 148 U. S. 50; National Bank vs. Insurance Co. 104 U. S. 54; Miller vs. Farmers and Mechanics' Bank, 30 Md. 392.)

CORRECTING MISTAKE IN CANCELLING AND DELIVERING WRONG NOTE.

Editor Banker's Magazine: VELASCO, Texas, February 25, 1903.

SIR: A's bank sent to B's bank two vendor lien notes; one maturing January 1, 1903, and the other maturing January 1, 1904. It was intended that the one maturing this year should be collected, but B's bank in error cancelled and delivered to the maker the note maturing next year. What proceeding should be taken to make corrections? CASHIER.

Answer.—If the maker should refuse to return the note, the proper course would be to bring a suit in equity to correct the mistake and require him to return the note delivered to him. The holder, in such case, would have to show, however, that the mistake was mutual, and that it was the intention of the maker, as well as of the bank, that the note to be paid was the one first maturing. The holder would also have to offer to deliver the note meant to be discharged.

LIABILITY FOR DRAFT LOST IN MAIL.

Editor Bankers' Magazine: VICKSBURG, Miss., February 25, 1903.

SIR: A is a cotton factor; B does a general banking business. A presents drafts with bills of lading attached, on eastern points, at B's bank and receives credit on his account for same and pays the usual rate of exchange. B does not send drafts direct to drawee city but mails to his eastern correspondent and pays postage. After the usual time, B finds that the letter did not reach its destination but was lost or miscarried in the mails. Can B charge draft back to A's account? SUBSCRIBER.

Answer.—We think not. The paper having been treated as cash by the parties, the title passed to the bank. (Metropolitan National Bank vs. Loyd, 90 N. Y. 530; Briggs vs. Central National Bank, 89 N. Y. 182; Clark vs. Merchants' Bank, 2 N. Y. 380.) In the case first cited, the Court of Appeals of New York said: "It is true no express agreement was made transferring the check for so much money, but it was delivered to the bank and accepted by it, and the bank gave Murray credit for the amount, and he accepted it. That was enough. The property in the check passed from Murray and vested in the bank. He was entitled to draw the money so credited to him, for as to it the relation of debtor and creditor was formed, and the right of Murray to command payment at once was of the very nature and essence of the transaction. On the other hand, the bank, as owner of the check, could confer a perfect title upon its transferee, and therefore, when by its directions the plaintiff received and gave credit for it upon account, it became its owner and entitled to the money which it represented." In the case stated in the inquiry, therefore, the drafts were the property of the bank, and were at the risk of the bank, and the amount cannot be charged back to the account of the customer.

LOOSE-LEAF LEDGERS AS EVIDENCE.

Editor Bankers' Magazine: ANACONDA, Montana, February 24, 1903.

SIR: Is the use of the loose-leaf ledger of questionable propriety in a bank? Are the ledgers accepted as evidence in court on the same footing as were the old-style ledgers? Have there been supreme court decisions against them?

M. B. GREENWOOD, *Vice-President.*

Answer.—We do not know of any decision directly upon this point. But we do not see why ledgers in the form mentioned should be any less competent as evidence than the old-style ledgers. Of course it would have to be shown by sworn testimony that they were in fact the ledgers of the bank; but this evidence is necessary in any case. After this preliminary requirement has been satisfied, we know of no reason why the loose-leaf ledger might not be used to prove any fact which could be established by ledgers in the ordinary form. But it might be more difficult to establish the correctness of the new style of ledgers; and also where the question is one of the weight of the evidence, and not its admissibility, a bound ledger might have greater probative force.

ENDORSEMENT OF COMMERCIAL PAPER BY RUBBER STAMP.

Editor Bankers' Magazine: LUDINGTON, Mich., February 30, 1903.

SIR: If a bank purchases from time to time from one of its customers commercial paper upon which the endorsement is simply by a rubber stamp and proceeds are placed to customer's credit, can there be any question as to the legality of the endorsement? Would it be the same if paper was discounted and proceeds paid in cash, the endorsement being made in the same manner?

W. L. HAMMOND, *Cashier.*

Answer.—An indorsement stamped upon an instrument, if placed there by the indorser himself, or by some one authorized to do so on his behalf, is just as effective in law as if made in his own handwriting. The only difficulty is with the proof; for in case of a contest, it would be very much more difficult to prove that the stamp was put upon the paper with due authority than it would be to prove the indorser's signature.

* THE PRACTICAL WORK OF A BANK.

DISCOUNTS, LOANS AND INVESTMENTS.

VII.

A close study of the average system of bank credits reveals the extreme laxity with which the loaning of the bank's funds is regarded. The placing of the bank's funds should be considered with more care and guarded more zealously than one's own.

It is a fact, well known to the banking fraternity, that the very backbone of a bank's business is the savings and the hoardings of the poorer classes. The deposits made by the man who is saving up for a rainy day, to buy a home or to pay a certain debt; the constant and inactive balance that constitutes the basis for a lucrative income to the bank; so that the bank not only represents the hard-earned savings of the needy, but statistics show that sixty per cent. of the capital stock of the banks of the United States is owned by women and children. It follows that a bank failure means ruin, not to one, but to hundreds and perhaps thousands, and among the unfortunate victims of the careless or incompetent bank officer are found helpless women and children who are thrown upon their own resources or are forced to choose between the lamentable alternative of charity or starvation.

There is no position a business man can hold that calls for more energy, thoroughness, perspicacity and constant forethought, and there are few positions wherein a man can more clearly demonstrate his originality, inventiveness, sound judgment and power to subordinate established customs and methods that are antiquated and "red-tape" rules, to the demands of existing conditions and thus properly cope with the constant changes in the economic position of a healthy, progressive and powerful nation.

NEED OF A WELL-ORGANIZED CREDIT DEPARTMENT.

The more I study bank credits the more convinced I become of the need of a well-organized credit department being attached to each bank, under the management of some studious and astute executive officer, who can be relied upon to make careful investigations of the financial strength of all names referred to him.

A statistical record should be kept in such manner that it could be easily referred to when needed and capable of being added to from time to time. Information could thus be compiled that would be invaluable, as a history of men's affairs, and would often prevent a startling denouement, showing that the bank's money had been loaned and lost in a most indifferent and careless manner.

It is surprising to know how often advances are made upon mere hearsay knowledge, without making any careful inquiry as to the credit and financial strength of the borrower. Unfortunately, there is no statistical record kept showing what percentage of the liabilities of bankrupt concerns throughout the country is due to banks, but it is the observation of the writer that it is fully fifty per cent. and that is putting it, if anything, too low. And where a failure proves complete, it generally involves every bank in the community or at least every one that can be induced to make advancements, in which case it will be found that the larger portion of the liabilities is due to banks.

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

This fact may not be so patent to the general public, for only in extraordinary cases, where the failure is sensational in character, are such losses a subject of especial comment, either by word of mouth or in the press, the larger portion being passed by unnoticed or unknown outside of the bank's directory. A failure occurred not long ago that serves as an illustration of the foregoing matter. The failed concern was situated in a small town, having five banks with capital aggregating $800,000. When it failed its liabilities were shown to be $120,000, $86,000 of which was due to the five banks. The concern paid only eleven per cent. on its general indebtedness, thus entailing a loss of $76,540 to the five banks, or fully ninety-five per cent. of their combined net earning capacity for one year; and it was an institution that was known to have been in a bad shape financially for several years before its final collapse; and one of the banks, without going into the detail of its trouble, had discounted some of its accommodation bills within six months previous to the concern's failure in order to get a part of its business.

Instances of this kind can be cited by every bank officer of experience, and it proves that with the right amount of study and foresight, together with a proper system of credits, such losses could be almost entirely eliminated.

During the year 1900 there were 10,774 failures in the United States that were strictly commercial in character, with liabilities amounting in the aggregate to $138,495,673; just how much of this amount was due to banks no one knows, but we do know that all commercial enterprises borrow from banks to a considerable extent, even when in a solvent and prosperous condition, and when weak and on the verge of collapse banks are their principal source of life. So that it is not improbable that one-half of this amount, or $69,247,886, was due to banks.

Many borrowers have an aversion to having their credit investigated and this is especially true in the smaller cities, but they should look upon a bank as having a commodity to sell, as in the case of dry goods, shoes, hardware, etc., and furnish the bank with a statement of condition with the same readiness as they would to wholesale jobbers in mercantile lines, and any reluctance to do so should be regarded with suspicion and no consideration given their application for loans. At best, for one reason or another, fully fifty per cent. of the applications for discounts cannot be accepted.

The most important step, therefore, to be taken in minimizing bank losses, is to organize a systematized credit department, and the most important as well as the first step to be taken in organizing a credit department is a well-drawn application for discounts, accompanied by a detailed and frank statement of the resources and liabilities of the applicant, given over his signature.

This application should state that it is for the purpose of obtaining discounts and of establishing and procuring credit from time to time, for negotiable paper and for other claims and demands against the applicant; that the paper given fully and truly sets forth the financial condition of the borrower as of a certain date, and which may be considered full and accurate, unless notified of any change that would reduce the pecuniary responsiblity.

This statement should show, first, the list of assets in the order given below:

OFFICE OF JOHNSON, HEWITT & CO.,
New York.

To Tenth National Bank of New York:

The undersigned, for the purpose of obtaining advances from you, of establishing and procuring credit from time to time, for negotiable paper and for other claims and demands against the undersigned, hereby furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 14th day of August, 1902, which statement you may consider as continuing to be full and accurate unless you receive notice from the undersigned. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

Assets.			
Cash on hand	$	760	41
Cash in Tenth Nat. Bank	4	863	90
Bills receivable, all good, due from customers $20,841			
Less bills receivable, discounted and sold 2,500			
Balance of bills receivable, all good, on hand	18	341	00
Bills and accounts due from partners	5	000	00
Accounts receivable, all good, due from customers	26	968	30
Accounts and bills receivable, doubtful, estimated worth (face value, $1562.49)	1	000	00
Merch. at actual cash value (of which $40,000 in warehouse)	320	642	38
Machinery and fixtures	2	860	00
Real estate belonging to firm, est'd market value $20,000			
Less mortgages 8,000 net	12	000	00
All other assets and of what composed: Judgments (estimated worth)		540	00
Total	$392	975	99

Liabilities.			
Bills payable for merch.	$ None		
Bills payable negotiated to own banks	25	000	00
Bills payable otherwise disposed of	5	000	00
Open accounts payable not due	18	550	62
Open accounts payable past due	None		
Deposits of money with us by relatives, friends, or employees of which $1,500 is on time and $500 is on demand.	2	000	00
Liens and encumbrances on merch. or other assets besides real estate mortgages	None		
All other liabilities and of what composed: Damage suit pending in Court of Appeals on which judgment rendered in lower court for	5	000	00
Total liabilities	$55	550	62
Net worth	337	425	37
Total	$392	975	99

Contingent liability:

Upon accommodation endorsement $10,000

For guarantees 5,000

Upon notes exchanged with others None

For bonds None

Specify any of the above assets or liabilities pledged as or secured by collateral and state collateral None are secured by collateral

Total sales for year ending Dec. 31, 1901 — $2,000,000.00

Cash collections for year ending " 1,964,841.30

Note collections for year ending " 15,000.00

Average term of sales

Individual worth of partners outside of the business $250,000.00

Are there any individual debts or obligations of members of firm Yes

Amount About $10,000.00

Names in full of general partners W. P. Johnson, A. Hewett, J. K. Logan

How is capital divided One-third each

Names in full of special partners, and amounts contributed by each, and until when None

Date of organization of partnership July 1, 1898

Connections of each partner in other business, if any No other business

When was your last inventory taken July 1, 1902

How often do you take inventory of stock Semi-annually

Give basis of statement; if on actual inventory, state by whom taken and date Actual cost. Taken by Johnson & Hewett & clerks, July 1 1902

If based on estimate, state by whom made and date Close estimate (Johnson) 8/12/02

Have above statement and inventory been personally verified by firm and how Statement made by firm & inventory under their supervision

What amount, if any, of accounts and bills receivable is charged off, is past due, extended or renewed Nothing charged off; $1542.40 past due; nothing extended

Is this amount collectible Considered worth $1,000.

How do you treat doubtful accounts Charge them off if past due six months or more

Amount charged off of bad debts last year $1256.0

Amount recovered during same time ......$480..................................

Insurance carried on merchandise..$350,000......on real estate..$20,000........

Where is real estate located, what is its nature, and in whose name is it held...No. ——— Street; brick & metal store building in firm's name......

What portion of real estate has been acquired through bad debts.........None.........

Is real estate held in fee simple..........Yes..................................

On what assets is mortgage above stated a lien.......real estate.........

Percentage of gross profits on total sales preceding year..........29 1/2 %........

Withdrawn by partners during preceding year.......$18,000..........................

Percentage of expense of conducting business preceding year (exclusive of amount withdrawn by partners) on total sales ....6 1/2 %.................................

Give names and location of all banks where accounts are kept Tenth Nat. N. Y....

What credits have you with foreign banks and bankers.............None...................

Amount of drafts thereon outstanding at the present time.......————.............

Value of imported goods now held by you received under trust receipts.......None.......

Amount of money in your hands which is proceeds of sale of goods received under trust receipts, not yet applied to drafts made under banker's credits..............None...............

Give last date you were out of debt to banks and for paper sold......April 8, 1902

At what time in the year are your liabilities the largest...Aug. & Feb.................

The lightest.......November & May...

Do you or your firm ever exchange notes, drafts, or checks with any person, firm or corporation..........................No...

Do you or your firm ever endorse paper for the accommodation of any person, firm, or corporation...Not outside firm...

Are there any suits pending againt you, and if so for what amount.......Damage done employee by explosion; Judgment pending ($5000)....

State last date of taking a trial balance, and if same proved...Aug. 1, 1902; yes...

Regular time of balancing books...first of each month...

Sign here...Johnson, Hewett & Co...

By (member of firm)...W. P. Johnson...

Date signed...August 14, 1902

This statement should be signed by the borrower and should show the financial condition based on the last inventory.

Other matters should be taken into consideration that bear upon the borrower's business, as to whether or not it is hazardous; or if it is a business that is affected by the fashions; or in which it is an established custom to grant long-time credits; or if the situation of their business house is relatively a good one—if it is in easy reach of custom, etc.

About the same statement should be made by a corporation engaged in the same line of business, only a few changes being made as to inquiries regarding authorized capital, amount subscribed, amount paid in, when and what dividend was last paid, or any set of inquiries, the answers to which would go to show the true financial condition of the applicant for advances.

After this statement is procured then comes the question, of how large a line of credit is this particular firm or individual entitled to and upon what basis should such credits be granted?

With interior banks this question is not so hard to settle, as the business community is small and every bank is fully informed as to the general character of its customers and their respective callings, etc. But in large city banks, where each has thousands of local and out-of-town customers, the question is considerably complicated and one must be guided by the facts laid before him.

In the first place every bank customer is entitled to pecuniary advances in proportion to the average balance that he carries and to his responsibility. Every bank must know about what proportion of its deposits is likely to lie idle and how many times the customer's average balance it can afford to loan him. His responsibility is indicated by his net worth, taken from his statement of condition, which is the most important point; and then the risk he assumes in his undertakings; if the business engaged in is not hazardous and his responsibility great, his credit should be gauged accordingly.

Then we should consider his success in life. If he has ever failed, under what circumstances, and what settlement did he make with his creditors? What are the habits of his private life? The answer to the latter question will be the true index to the character of the real man. Are his morals of a high standard, and are his habits such that he lives beyond his means, and has he any extravagant or speculative habits?

I do not believe in delving too deeply into a man's private affairs, but where it can be done, it is well to observe his domestic relations. If he is a man of domestic habits and enjoys pleasant home life, he is the more apt to be successful in business, other things being equal.

Then we should consider the promptness with which he meets his obligations, and his standing in the business he represents; his ability, reputation for honesty and whether or not he is in a prosperous condition. The satisfactory settlement of these questions should indicate his true position and his claims to credit and how much.

Analysis of Borrower's Statement.

I give above a sample applicatton for loans and statement of condition, to be filled out and signed by the applicant.

Let us now make a critical analysis of each item contained in that statement, in regular order, taking first the assets.

The first item, "cash," of course needs no elaboration, as it means money on hand or in a certain bank.

The bills receivable. The statement here calls for bills receivable, all good, due from customers, less bills receivable discounted and sold in order that the net worth of good bills actually available may be ascertained. The value of this asset is largely determined by the custom of the trade. In many lines of business it is an established custom to grant long terms of credit and often to irresponsible people and accept small partial payments until the debt is liquidated; for instance, in the piano and organ business. I am informed that purchasers of the heavier farm implements, such as wheat-drills, binders, wheat-thrashers, etc., meet their obligations pretty much as they please. In the jewelry business we find not only long-time sales, but many extended credits, all of which goes to lessen the value of such bills; and where a statement contains a large proportion of long-time bills receivable it would indicate a weakened condition of the borrower. The customs of the trade under examination, therefore, should be observed.

The value of accounts receivable depends upon the ability of the credit man and of the care of the collector. In examining a statement this item should be gone into in order that the bank may ascertain the size of the largest accounts and compare them with the creditor's ability to pay. No one person or firm should owe to one house, on account, over twenty-five per cent. of their entire worth.

But under the management of a competent credit man and an efficient collector, this asset should be considered as good as one-name bills receivable, except where a firm is known to be liberal in its credits, then this asset should be regarded as being worth not exceeding sixty per cent. of its face value, taking the different trades on an average.

Next we will consider merchandise. Here is where the bank is most likely to be deceived. Aside from the ease with which a merchant may accumulate old stock, the danger lies in the kind of stock carried and its character and situation. In lines like groceries, the staple articles, such as sugar, coffee, provisions, tea, etc., could be easily disposed of at from actual cost to a concession of not exceeding ten per cent. from the current market quotations. In other lines like leather, iron, wool, rubber, raw silk and grain, where the stock is well kept, they could be sold at the current market quotations. The liquidating value of a stock of hardware, when in good condition, is about seventy-five per cent. of its cost. Dry goods, consisting of linens, muslins, dress goods, calicoes, lawns, sheeting, etc., is about sixty-five per cent. Boots and shoes, when not over stocked with fashionable lasts, about sixty-five per cent. A well assorted stock of furniture, sixty-three per cent. Cigars and manufactured tobacco, sixty per cent. Lumber and woolens, seventy-five per cent. Queensware and carpets, fifty per cent. A well selected stock of liquors consisting of good brands of whiskies, brandies, wines and liquors, should be made to bring eighty per cent. of their par value. The liquidating value of any stock of goods, however, depends upon how it is handled, the amount of old stock on hand and whether or not it is affected by fashions, like the silk trade.

These estimates are based on the claimed value of stocks by applicants for loans and show what should be realized from them under forced sale, when properly managed, and bear the proportion of real value to what the owner considers them to be worth.

The next item on the statement we find to be machinery and fixtures. This asset cannot, of course, be taken into consideration as a basis of credit, but it should be scrutinized, as depreciation, wear and tear should be charged off each year to the extent of at least five per cent. of its cost.

Real estate as a bankable asset is not especially prepossessing; the main cause of complaint being that it is hard to realize on in stringent times. There is very little property in the possession of man that fluctuates more violently or is susceptible of greater changes for the worse, when conditions are adverse to it. On general principles, when real estate is encumbered, it should not be considered.

As this completes our consideration of the assets, let us now consider the liabilities as they appear.

No properous merchant will give notes in payment for merchandise unless it is the custom of that particular trade to do so; and in analyzing a statement it would be well to ascertain that fact. But if this item is not too large it is not especially dangerous, as the item bills payable for merchandise has more elasticity than almost any form of credit. Where bills are payable to the bank that is the custodian of the firm's funds, here again we find a flexible credit, for one's own bank extends credit by way of renewals from time to time, and frequently, until it is convenient for the customers to pay it. But where bills are sold in open market, that is "bills otherwise disposed of" and held by disinterested persons, payment is liable to be unconditionally demanded at maturity and the merchant deprived of his credit and probably embarrassed in times of stringency or panic. But bills payable to own banks should not be in the form of a continuous line of discounts and thus be in the form of capital furnished by the bank; it is not good banking to furnish fixed capital for any business.

Open accounts are, of course, merchandise liabilities with considerable elasticity at the time of maturity, granting that the creditor is financially strong. But the bank should know the strength and position of such creditors and the custom of their trade in the granting of credits, for it is well to know their degree of liberality in order to understand what facilities the applicant has in addition to those offered by the bank. In giving a statement of open accounts, those that are due should be kept from those that are past due, if any, for much light will thus be thrown on the promptness and reliability of a firm, to say nothing of their methods of transacting and attending to their business affairs.

As to deposits of money by employees relations or friends; the amount and nature of such a liability should be accuratly ascertained, for in the event of a failure, this is almost certain to be a preferred claim.

Mortgages or liens on real estate should be considered as a part of a firm's liabilities; for in case of failure, where the real estate is not sufficient to pay off its encumbrances, the amount remaining will become a general claim against the assets and then when this item is not called for in the statement, many applicants will disregard liens and encumbrances and give the equity in real estate, allowing it to show in their list of assets.

After considering the liabilities in detail, there are many other points about a statement that need careful consideration. Information about partners, as to their financial responsibility outside of their business; if they have good property in other lines the fact should be known, as to whether it is respectively their individual property and therefore at the risk of the business or in their respective wives' names. This carries great weight in granting credit.

Then other important questions should be delved into, such as insurance on real estate, the volume of business; the gross and net earnings; the capital employed and the rate per cent. of the expenses of the business based on its volume. The expense account should not bear too large a proportion to the business transacted and should not be over seven and one-half per cent. of the annual volume as a rule, and all losses from bad or doubtful accounts should be charged off and should be deducted from the gross earnings.

An exhaustive analysis of these questions, together with such others as may suggest themselves to the bank officer, would about determine the value of paper offered for discount, and if such investigations were vigorously carried out should greatly aid in the minimizing of bank losses.

LOANS TO OFFICERS AND DIRECTORS.

In the further loaning of the bank's funds, we have the questions of loans to officers and directors to deal with. There should be a law passed prohibiting loans, either to officers or directors, when they are of any size, without having first passed the scrutiny and sanction of the board of directors. Such loans should be made upon written application of the officer or director and when passed upon by the board the applicant should not be present; or a better way still, would be to have the board of directors fix a limit of liability to the bank for each officer or member of the board, to which limit they would be at liberty to draw at will upon the deposit of certain security. But neither the written application nor the limit fixed by the board should be in excess of the amount allowed by law. Such a law was recommended by Comptroller of the Currency Dawes, in his report for 1900 and is a most excellent suggestion.

Elsewhere in the Comptroller's report, he shows that since the passage of the National Bank Law to June 29, 1900, there have been 370 National bank failures; of this amount sixty-two, or seventeen per cent. of the total failures, were attributed to excessive loans to officers and directors and to fraudulent management.

The large percentage of these failures attributed to improper loans to officers and to directors, led to the investigation of all such loans then outstanding in the National banks of the United States. This investigation shows that up to the time of the Comptroller's report (June 29, 1900) there were in actual operation 3,732 National banks with 28,709 directors, of whom 18,534 were directly or indirectly indebted to the banks under their management. The aggregate indebtedness of these 18,534 borrowing directors, and 2,279 officers and employees who were not directors, was $202,287,441, or 7.71 per cent. of the total loans and discounts of the National banks of the country.

The capital stock of the National banks of the United States, on that date, aggregated $621,536,461. The liability of the borrowing directors and officers was, therefore, 32.55 per cent. of that sum, which was unquestionably excessive.

In order to keep the funds of large banks profitably and constantly employed and to form a basis of quick assets, about one-third of a bank's deposits should be invested in securities immediately available; such as high-class railroad bonds, stocks, etc. This gives substantiality to a bank in two ways; as a quick asset, being easily realized upon in case of need, and absorbs what might otherwise be unemployed funds, preventing to a large extent going into speculative markets to buy paper, which too often results in loss.

Thus in banking, as in other fields of endeavor, it is that same eternal vigilance that is the price of victory. There is no success that is not the result of hard labor, concentration of purpose and a mastery of detail, with a disregard for the inconvenience that arises from long hours of work. This is the day of huge combinations of capital, close margins of profit and skillful business management, so one must necessarily master the technique of business and lose no opportunity to progress and improve in order to get the best results from the capital employed.

Success in loaning and investing in this day and time means method and technical skill.

W. H. I., JR.

NOTICES OF NEW BOOKS.

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

TRUST COMPANIES IN THE UNITED STATES. By GEORGE CATOR. Baltimore: The Johns Hopkins Press.

The literature in regard to trust companies is somewhat meagre, and this monograph will be welcomed for the extent and variety of the information it contains in regard to the growth and development of these institutions.

Mr. Cator finds that the rapid increase in the number of trust companies and the remarkable enlargement in the volume of their resources in recent years are due in part to the scope of the powers possessed by these organizations and still more perhaps to the absence of restrictions imposed on the banks, particularly those which issue notes. The function of note issuing affords no adequate profit to compensate for these restrictions, and the trust companies being less fettered than the National banks, have been in a position to reap the full benefits of the great profits accruing to institutions of deposit and investment. The great growth of the country's wealth, and the strict conditions imposed upon banks of issue, have made the business of deposit and discount far more profitable than the issue of circulation.

Mr. Cator has made a thorough study of the trust companies, and has collated much interesting and profitable information concerning them.

THE WORK OF WALL STREET. By SERENO S. PRATT. Price $1.25; postage 12 cents additional. New York: D. Appleton & Co.

This volume constitutes one of the admirable Business Series being issued by this old and well-known publishing house. It explains fully all the details of Stock Exchange operations and has a number of chapters dealing with other subjects closely related to banking and financial transactions. The text is illustrated with numerous facsimiles of the various instruments used in Wall Street, and the exposition of the different subjects under consideration is lucid and enlightening. Mr. Pratt has extended his researches to practically all matters affecting the money market and the value of securities, and the results of his investigations will be found worthy of careful study.

In treating of the banks, the author says (page 78):

"Practically the cash reserves of the National banks form the basis on which rests the vast output of all credit."

This statement is far too sweeping, as the State banks do not occupy so subordinate a place as this would seem to imply. Again (page 178):

"The National Banking Law creates what are known as central reserve and reserve cities, New York being the most important of these. The National banks there are obliged to maintain at all times a reserve in specie and legal tenders equal to twenty-five per cent. of the total deposits. But they are permitted to receive as deposits, on which interest is paid, one-half of the legal reserves which National banks in other parts of the country are required to keep. These country banks, therefore, have the advantage of earning interest on one-half their reserves."

This is not exactly accurate, as the banks outside either class of reserve cities may deposit three-fifths, instead of one-half, their reserves as stated by the author, with banks in the reserve or central reserve cities. Again (page 178):

"When any section of the country is in financial need by reason of harvested crops that must be moved to markets, or by any other cause, it is New York that furnishes most of the relief."

The relief that New York actually furnishes at such times is probably not very great, as most of the money sent out on these occasions really belongs to the Western banks.

But these criticisms in no wise indicate a lack of carefulness of statement on Mr. Pratt's part. There are few, if any, men in the country who can deal with all phases of American banking without falling into errors of statement, and the author of the above volume, in the quotations we have cited, does not widely depart from the facts. Any man who could go into the details of our banking system without making any slips would be required to have at his command a fund of information quite as voluminous, and as useless, as that necessary to pass a Chinese civil-service examination.

The ramifications of American banking extend more and more each year in directions requiring a broader knowledge of the principles and practices of the great financial markets. In "The Work of Wall Street," Mr. Pratt has given to banking students a vast fund of accurate and practical information relating to things about which every one must either keep posted or be left behind in the progressive movement which characterizes the present development of American banking and general business.

MORSE ON BANKS AND BANKING—A TREATISE ON THE LAW OF BANKS AND BANKING. By JOHN T. MORSE, JR. Fourth edition, revised and carefully edited by Frank Parsons, of the Boston University School of Law. Two volumes, octavo; price, $12 net. Boston: Little, Brown & Co.

From its first appearance, Mr. Morse's Law of Banks and Banking has steadily increased in favor. There is no book on the subject quoted so frequently, or with so great a measure of approval, by Bench and Bar. Nearly every court of last resort in the country, from the Supreme Court of the United States down, has referred to it as the highest authority in its department. The publishers were fortunate in retaining as editor Mr. Frank Parsons, whose work on the third edition was of such importance, increasing the book to two volumes by entirely necessary enlargements, and more than doubling the number of cases cited. Mr. Parsons has had the assistance of careful men in verifying citations and hunting down authorities, the extent of the work making it too much for one man, even in the three years of its preparation, but the last revision has always gone through the hands of the editor himself, and to it he has given the closest attention.

In preparing this edition, the third has been carefully revised throughout, and about 1,800 new cases have been added. A brief statement of fact, decision, and reason being made in each case where additional light or valuable illustration could be secured by so doing. The new cases are most numerous in the chapters relating to checks, insolvency, Cashier, directors, collection, payment of deposit, lien and set-off, stocks and stockholders, title to deposit by gift, etc. The banking laws of the United States since 1887 down to and including that of 1902 have been inserted. References to "Conflict of Laws" have been reinforced by references to and citations from Minor's treatise on that subject. The parallel citations of cases in the National Reporter System have been added to the ordinary methods of citation.

While no banker can be his own lawyer, he may by some observation and study acquire at least a working knowledge of the general legal principles governing his business. Indeed, no one to whom the management of a bank is committed can afford to be ignorant of these principles. We know of no compilation of banking laws so complete and reliable as Morse on Banks and Banking. It is a requisite part of the equipment of a carefully managed bank.

ANNUAL REPORT OF THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK.

To the Legislature:

Fifteen trust companies, having a combined capital of $7,900,000, and nearly an equal amount of paid-in surplus, were organized during the year ended September 30, 1902, and in the same time previously authorized trust companies increased their capital in the sum of $4,100,000. Besides this, one company with a capital and paid-in surplus aggregating $2,000,000 was authorized in October, two companies are at present proceeding to increase their capital, and a dozen or more applications to establish trust companies have been submitted to me, either tentatively or formally, several of which have been denied, while others remain under consideration. This has been conspicuously the noteworthy feature in the business of the department for the year, and the tendency which it denotes demands most careful consideration.

It is impracticable to make a comparison of the condition of the trust companies as of the close of one fiscal year with another, these companies being required to report to the department only as of the first days of January and July. From July 1, 1901, to July 1, 1902, the increase in capital was nearly $6,000,000, in surplus and undivided profits over $15,000,000, and in total resources over $100,000,000—nearly all of which, as to the last two items, was made in the latter half of the year: neither the deposits nor the aggregate resources of these companies have changed materially from July to January. The increase in capital, surplus and undivided profits, however, was nearly proportionate for each period. Prosperity was enjoyed by the companies generally for the entire year, and still continues. In this respect there seems to be no ground for apprehension in any quarter, but that all of the companies of recent organization are prosecuting business along lines which consist with dignity and that non-interference with other institutions—particularly Savings banks—which ought to obtain, is not so sure.

I refer particularly to an unseemly striving by a small number of trust companies of comparatively recent organization to gain deposits of a character belonging properly to Savings banks only. Not only should trust companies not have these accounts, but the methods employed in some instances to attract them reflect upon the institutions by reason of having a tendency to cheapen them in the public estimation. Theoretically, at least, trust companies are established mainly to fill a field within which banks can not act, and their transactions are naturally expected to be on a large scale. For them, then, to betray an anxiety to multiply accounts of only a dollar or two, or even of five or ten dollars each, and almost to canvass from house to house for them, is a sort of business that must humiliate, and which, if the law gave power to me in the premises, I would certainly require to be discontinued.

In nearly every city, except New York, where a trust company has been organized of late, and which contains a Savings bank, the withdrawals of money from the Savings banks in the few months following the beginning of business by the trust company have exceeded the deposits. In some cases this showing results undoubtedly from a transfer of investment accounts from the Savings banks to the trust companies, which is not only quite legitimate, but altogether desirable. Accounts of this character ought never to have been taken by Savings banks, and I have endeavored throughout my administration to bring about their elimination. But for trust companies to solicit deposits that are savings, and to bid against the Savings banks for them, violates the spirit of the law certainly, and in a degree discredits the trust company and constitutes a possible danger to it. The depositors who open such accounts are peculiarly susceptible to alarm and panic, and when their fears are once aroused it becomes impossible soon to allay them. They are incalculably more liable than the average business men to start a run, and, having started it, will continue it longer and with more violent demonstrations. The Savings banks have abundant means of protection against such demonstrations, by reason of their power to require a sixty days' notice of intention to withdraw a deposit, but let a crowd of wild and excited men and women present themselves at the doors of a trust company, and it would be marvelous if it were able to escape suspension.

Banks of Deposit and Discount.

The year's record as to banks of deposit and discount has been quite different from that in respect to trust companies, not indeed as regards safety and prosperity, for I doubt if the State banks of New York, taking them as a whole, have ever been stronger and freer from practices open to criticism. But a variety of causes has contributed to a decrease in their number, and also to an apparent reduction in their total assets. The New York State Banking Company of Syracuse was closed by me September 18 last, because a heavy loss made it inexpedient and unsafe that it should continue business. The bank had been under close surveillance for some months previously, and its management was required to keep in closest touch with the department. Its embarrassment was thus communicated to me even before a public suspicion had been excited in regard to it, and I was in possession before any run had been made. Promptly thereafter an arrangement was effected with another bank in Syracuse, whereby the failed bank's assets and business were taken over, and payment in full of every liability of the New York State Banking Company, except to its stockholders, was guaranteed. The money of depositors was in this way released within less than ten days, and the losses of the stockholders fixed at the minimum. One other bank was found during the year to have its capital impaired as the result of losses extending over a period of several years, and the impairment was made good by an assessment upon the stockholders, which they fully paid, and so put the institution on a better footing than it had been in a long time. Otherwise, none of the banks of the State have given occasion for anxiety during the year.

As explaining the decrease in the number of banks, and in the aggregate of their resources, three were taken over by National banks, three were absorbed by trust companies which were organized to succeed them, five were merged into other State banks, and four went into the national system by conversion. Two of these latter were the largest State banks in the State outside of New York city, having an aggregate of resources considerably exceeding $20,000,000. The understanding is that they effected the change solely that they might qualify themselves to receive moneys from the United States Treasury on deposit. No other sufficient reason could be assigned to induce the change. It may perhaps be true that in the smaller cities and villages the name "National" in connection with a bank comprehends some popular prestige over that of "State," but otherwise the one system has little or no advantage over the other, either as regards safety or the possibility of earnings. In the case of the two banks referred to, they had been too long established, and their character for strength and sagacious and accommodating management was too well assured, to require that they should make any change merely for a possible effect upon the public mind.

Besides these changes, three other banks which had continued to report to this department, though they had long before ceased to do an active business, are now formally entered in the list of closed banks.

Thirteen State banks were organized during the fiscal year, six of which are located in the City of Greater New York. Their combined capital is $975,000. In addition, three banks which were merged into other State banks were continued as branches of the surviving institutions, and ten other branches were opened. The whole number of branches of banks in New York at the close of the fiscal year was thirty-seven, of which fourteen were maintained by the Corn Exchange Bank, which was the first to enter the field, and which has found its operations therein very satisfactory. A number of branches have been authorized since October 1. Reports are required to show separately the deposits in each of these branches, but, of course, in calculating the number of banks only the parent institutions are included.

The number of discount banks which reported to this department in September, under the final call in the fiscal year, was one hundred and ninety-four, which, however, included four that had some time before ceased to do active business, and two that closed before the end of the month, while one that had not then begun business is not included. The aggregate capital of the banks reporting was $26,715,700, their combined surplus and undivided profits $29,811,018, and their aggregate resources $351,716,184, which is almost exactly the amount shown by the reports of corresponding date in 1900, but is $52,000,000 below the aggregate in September, 1901, when it was the largest, with one exception, that had been reported in a period of thirty-six years. Allowing for the amount of assets of the banks that went out of the system during the year, the condition of those remaining approximates very closely to that reported by them the year before.

During the same period there were seventeen National banks organized in this State, having a combined capital of $4,500,000, and seven, with a capital of $1,950,000, went into liquidation. The whole number of National banks engaged in business in New York September 15, the date of reporting, was three hundred and fifty-two, whose aggregate capital was $126,-058,340, surplus and undivided profits $128,740,537, and total resources $1,598,712,277. The gain in resources during the year was $111,452,238, or $63,000,000 less than the increase for the preceding year. Three National banks were chartered in New York between the date of the September report and the close of the month, making a total of three hundred and fifty-five in existence in this State September 30.

SAVINGS BANKS.

One hundred and twenty-seven Savings banks reported July 1, 1902, a reduction of one from the number reporting six months before. The Empire State Savings Bank in Buffalo, which was formerly the National Savings Bank, and which was ascertained ten years ago to have lost twenty-two per cent. of its resources, or over $400,000, by the thefts of one of its officers, has gone into liquidation with arrangements to pay its depositors in full. After the defalcation the bank's liability to depositors was scaled by order of the supreme court to make it equal to its assets, and a hard struggle was made to recover confidence and to gain new business. It was not successful in a degree calculated to encourage a continuation of it, and in June the trustees decided to close the bank, and arranged later with a trust company, under exceedingly advantageous terms, to liquidate the affairs of the institution and to pay the depositors upon demand all that was due them. According to the reports of the remaining Savings banks on July 1, 1902, the amount due depositors had apparently increased in one year by the sum of $64,037,378 to $1,051,689,186, but, since the Empire State Savings Bank is not included, the real increase was $65,428,825. Only twice in the history of the Savings banks of this State has a larger growth been made in any year, and but for two factors it might perhaps have stood unexampled. There has been a considerable diversion of deposits from Savings banks to trust companies, as explained earlier in this report, and as the result of disclosures made through examinations by this department a large number of duplicate or excessive accounts in Savings banks have been reduced to the legal limit.

The Savings banks have now paid taxes for two years under the law imposing a franchise tax upon them equal to one per centum on the par value of their surplus, and by comparison with the rates of dividends which they reported as having paid during the year 1900, before the act imposing the tax was passed, with those paid during the first half of the current calendar year, I find that one hundred and two institutions made no change, that three increased, that changes by three others appear to have been only a new equalizing of rates paid to different classes of depositors, and that nineteen made reductions. Of these last all but two were decreases from four per cent., which brought them into line with the movement in this direction that had been proceeding on the part of nearly all Savings banks for some years previously, and which was merely an adjustment of dividends to earnings, made imperative by the downward tendency in interest rates on high-class securities that has prevailed for a generation. Included in the nineteen is the largest Savings bank in the State, which had paid in 1899 only the rate that it now maintains, and which afterward advanced its rate for two or three periods, but with no expectation of being able to hold to it. It is entirely safe to say that in every case where a reduction has been made it would have taken place exactly as it has done had no tax been imposed, for that tax amounts only to one-fourteenth of one per cent. upon the deposits, and the par value surplus of the banks, according to its determination by the Comptroller for the purposes of taxation, shows an increase from 1901 to 1902 amounting to $3,189,208, which, of course, represents net earnings after the payment of dividends. The policy of taxing Savings banks is undoubtedly fairly open to a difference of opinion, but there can be no excuse for representing that because of any tax imposed by the State of New York the depositors in the Savings banks are receiving less return than they would enjoy otherwise. It is pertinent to add also that the taxation of Savings banks is not practiced in New York alone. Every State in New England has levied such a tax for years past, and all of them at rates considerably higher than that which obtains in New York—some of them nine or ten times higher.

But while this taxation is to be recognized, and should be gracefully accepted, as the established policy of the State, it should be regarded also as a covenant with the banks and their depositors that the present rate is all that they ought to be made to bear, and that it will not be increased. This understanding may be best promoted by avoidance on the part of the banks of any appearance of attempting to evade payment of a single dollar which can properly be claimed from them under the law, and by scrupulously excluding from their depositors those who would use the Savings banks for investment funds, and with the aim of escaping taxes which otherwise they might be compelled to pay.

Mortgage, Loan and Investment Company.

The first domestic company to organize under Article VII of the Banking Law, provision for which was made in 1896, was chartered in April last. Its title is the New York Mortgage and Security Company, and its capital is $1,000,000. Its certificate of incorporation states the purpose for which the corporation is formed to be to exercise the powers enumerated in the statute, which in substance are: To sell, offer for sale or negotiate bonds or notes secured by deed of trust or mortgages on real property, or choses in action owned, issued or guaranteed by it, to receive money or property in installments or otherwise, and to enter into any contract, engagement or undertaking for the withdrawal of such money or property at any time, with any increase thereof, or for the payment of any sum of money at any time, either fixed or uncertain. But the corporation can not do a general deposit business until it shall have deposited with the Superintendent of Banks bonds of the value of ten per centum of its capital, to be held by him in trust for the security of its depositors and creditors.

Personal Loan Associations.

Some of the results following the amendment in 1902 of the act for the incorporation of associations for lending money on the pledge or mortgage of personal property have been interesting and somewhat surprising. Until March last, such associations were under no official supervision, and their privileges under the law were so broad that their charges to borrowers were seldom less than at the rate of fifty to sixty per cent. per annum, and in some instances ran up to three or four hundred per cent. It was, of course, intolerable that such exactions should be permitted, and upon the face of it even approved by the State; and, wisely, the Legislature proceeded to require that the interest rates and other charges which these associations might exact from borrowers should be less exorbitant, and to subject the associations to official supervision and examination. They are now forbidden to take any greater interest or discount for a loan than two per centum per month, but they may charge also a fee of one dollar if the loan is for fifty dollars or less, and two dollars if over that sum, for the first examination of the property pledged or mortgaged, and for drawing and filing the necessary papers, and for all other expenses, which charge, however, shall not, upon any pretext whatever, be repeated within one year upon any renewal or extension of a loan. Undoubtedly the business which most of these associations prosecute is not of an alluring character to men of fine sensibilities, and it comprehends unusual hazards. Yet it would seem that a rate of interest four times higher than that sanctioned by law in ordinary business transactions, with authorization to make in addition a special charge on each loan for examination of the security, would assure a margin of profit calculated to tempt certain types of lenders of money, and to be regarded even by them as reasonably remunerative. But, so far as ascertained, seventy of the one hundred and ten of these associations which were in business when the amendatory act was passed have either gone into voluntary dissolution, or have ceased operations, and practically abandoned their charters. The number can not now be stated with exactness, for my examiner to whom commissions were issued for examination of all of these associations reports that in some cases he has been unable to locate the offices of associations, or to discover any one who would admit a connection with them, and letters mailed from this department to their last known addresses are returned undelivered because the addressees can not be found. Reports are received almost weekly from associations claiming that they have gone out of business. The real test of the number which have discontinued will come next month, when renewal bonds must be filed by those intending to continue operations. Those which have been dissolved, and those which have simply abandoned business, claim that, with the losses which are necessarily incident to their operations, they can not live at the rates which the present law permits them to charge. It is represented that cleverness in its bad signification and rapacity are not confined wholly to those who make the loans, but that these latter are many times made the victims of deliberately planned attempts to defraud, such as giving the same chattel as security for more than one loan, and even of obtaining loans on chattels the ownership of which is vested in some one other than the borrower. However careful the lenders may be, the percentage of their losses to the whole amount they loan is said to be large. Such associations as were organized, and are conducted primarily, to extend relief in the spirit of charity to those "deemed in need of pecuniary assistance," with the reservation that nevertheless some reasonable return must be earned on their invested capital, appear to be able under the amended law to accomplish both of the objects specified; but those which are looking only to the employment of their money so that its increment shall be the last farthing that it is possible to extort have apparently found this field insufficiently attractive and fruitful, and many of their managers are believed to have turned from corporate to individual loaning of the same character, notwithstanding the latter is unlawful. In some cases loans of the character under consideration purport now to be made from without the State.

Regarding the net results of the amendment of the law, so far as they bear upon the terms to which borrowers of the class whom it is intended to benefit have to submit, it is not certain that these fare better now than was formerly the case. Of course, not all of them are the very poor. On the contrary, there are included among them not a few who are well to do, but who, because of not having an established credit status, or perhaps because of desiring to conceal the fact of their borrowing, prefer to go to such an association rather than to a bank.

But no matter of what classes they may be, or whether the rates they pay have been increased or diminished, the amended law has taken from the State the stigma of sanctioning practices in comparison with which, in some instances, robbery would have been almost preferable, and cruel rapacity in this direction can no longer cloak with respectability those who practice it, nor continue the pretense that it is exercised in the name of charity. The amended act should stand unchanged, at least until experience under it by deserving associations shall have had time to test its provisions thoroughly and determine with certainty whether it is practicable to earn under them a reasonable percentage above expenses on their capital.

BANKING LAW AMENDMENTS.

The amendments made in 1902 to the Banking Law and other statutes relating to institutions subject to the supervision of the Superintendent of Banks are herewith summarized:

Section five of the Banking Law was amended to authorize the appointment in the banking department of a second deputy, whose duties are "especially with reference to the supervision, under the direction of the Superintendent, of building and mutual loan corporations or associations, co-operative loan associations, and mortgage, loan or investment corporations." In effect this simply gives the clerk heretofore in charge the status of a deputy, and adds nothing to the expense of conducting the department.

An amendment to section one hundred and sixteen of the Banking Law adds Los Angeles, California, to the list of cities whose bonds New York Savings banks may purchase, and increases the amount which these institutions may loan on bond and mortgage on real estate from fifty to sixty per centum of the value of the property underlying the loan; it also further extends the list of railroad bonds in which the Savings banks may invest a portion of their deposits, and increases such portion from twenty per cent. to twenty-five per cent., with the right to purchase admissible bonds of New York State railroads up to ten, instead of five, per cent. of the whole amount due depositors.

The Penal Code was amended so as to extend the penalty it imposes for receiving deposits in an insolvent institution, when it is known by its officers or agents to be insolvent, to private bankers. The section had theretofore referred only to incorporated banks, individual bankers, and Savings banks.

Chapter seventy-eight of the Laws of 1902 amends somewhat radically the act for the incorporation of associations lending money upon a pledge or mortgage of personal property in certain counties of the State. The Superintendent of Banks is required by the terms of the amended law to cause an examination of every such corporation at least once in every year, for the expense of which specific service the corporations are to reimburse the department, as they are required also to pay each an equitable share of the office expenses incurred on their account. The restrictions contained in Chapter seventy-eight of the Laws of 1902 are more severe than were formerly imposed upon such associations, reducing the rates of interest which they may charge upon loans, and forbidding, under any pretext whatever, more than one charge within a year for the examination of the property to be pledged or mortgaged, or for drawing or filing papers, or for any services or expenses.

ROSTER OF THE DEPARTMENT.

The list of officers and employees of the department on October 1, 1902, with the rate of compensation of each, is shown herewith:

Frederick D. Kilburn, Superintendent	$7,000
William J. Youngs, Deputy Superintendent	4,000
George I. Skinner, Second Deputy Superintendent	4,000
Frederick J. Seaver, Confidential Clerk and Private Secretary to Superintendent	3,000
John D. Moriarty, Chief Clerk and Examiner	2,700
James S. Love, Clerk and Examiner	1,500
T. M. Romeyn, Clerk and Examiner	1,200
Anna G. Bristow, Stenographer	1,000
A. I. Rand, Stenographer and Clerk	1,200
C. J. Wilkinson, Stenographer	1,200
Carrie M. Clancy, Stenographer	1,000

	Per diem when actually employed.
B. S. W. Clark, Examiner	$18 and railroad fare.
G. S. Leonard, Examiner	18 and railroad fare.
A. C. Judson, Examiner	18 and railroad fare.
E. H. Thompson, Examiner	15 and railroad fare.
M. W. Hutchins, Examiner	15 and railroad fare.
David O. Batterson, Examiner	14 and railroad fare.
Ezra White, Examiner	12 and railroad fare.
Arthur Wilson, Examiner	12 and railroad fare.
A. T. Campbell, Examiner	12 and railroad fare.
S. L. Slade, Examiner	10 and railroad fare.
H. J. Young, Examiner	10 and railroad fare.
C. W. Hermans, Examiner	10 and railroad fare.
W. S. Allen, Examiner	10 and railroad fare.
J. S. McMaster, Examiner	10 and railroad fare.
P. B. Warner, Examiner	10 and railroad fare.
R. W. Humphrey, Examiner	8 and railroad fare.
N. T. Killip, Examiner	8 and railroad fare.

Total Resources.

The total resources of the several classes of institutions under the supervision of this department, as shown by their reports as of the dates indicated, are as follows:

Banks of deposit and discount, September 6, 1902	$351,716,184
Savings banks, July 1, 1902	1,167,683,337
Trust companies, July 1, 1902	1,078,212,685
Safe deposit companies, July 1, 1902	5,964,372
Foreign mortgage companies, January 1, 1902	5,347,563
Building and loan associations, January 1, 1902	56,726,941
Total	$2,665,651,082
The gain over the previous year is	119,749,161
And since January, 1896, the time I became Superintendent of Banks,	1,124,273,516

New Banks.

Thirteen new banks were organized during the fiscal year, or five more than in the previous year, and eleven more than during the fiscal year 1900-01. They are as follows:

Name and Location.	Date of authorization.	Capital.
Bank of Washington Heights, New York	October 24, 1901	$200,000
The Bank of North Hempstead, Port Washington	December 30, 1901	25,000
Cattaraugus County Bank, Little Valley	January 2, 1902	25,000
The State Bank of Seneca Falls N. Y., Seneca Falls	February 26, 1902	50,000
International Banking Company, New York	February 28, 1902	100,000
Coney Island and Bath Beach Bank, New York	April 15, 1902	100,000
Centre Moriches Bank, Centre Moriches	April 28, 1902	25,000
The Borough Bank of Brooklyn, Brooklyn	May 6, 1902	100,000
Stuyvesant Heights Bank, Brooklyn	May 13, 1902	100,000
The Farmers' Bank of Springville, Erie County, N. Y., Springville	July 14, 1902	50,000
Citizens' State Bank, Fredonia	July 29, 1902	50,000
The Royal Bank of New York, New York	July 30, 1902	100,000
Bank of Steuben, Hornellsville	August 28, 1902	50,000
Total		$975,000

Closed Banks.

Nominally there were nineteen banks closed during the year, but three of the number had ceased to do business long before, and three closed only to reopen as branches of other banks into which they had been merged.

(Some of the banks in this list have been reorganized as National banks.—Editor.)

Name and Location.	Date of closing.	Capital.
Bank of the State of New York,* New York	February 8, 1902	$120,000
The Mechanics and Traders' Bank of Brooklyn, Brooklyn	January 14, 1902	100,000
Ellicott Square Bank,* Buffalo	February 25, 1899	300,000
Park Bank of Albany, Albany	March 15, 1902	100,000
The Marine Bank of Buffalo, Buffalo	March 31, 1902	200,000
Manufacturers and Traders' Bank, Buffalo	April 2, 1902	1,000,000
Kings County Bank of Brooklyn, Brooklyn	April 3, 1902	150,000
Eleventh Ward Bank, New York	April 25, 1902	100,000
Merchants' Bank, Buffalo	April 28, 1902	300,000
The Lumber Exchange Bank, *North Tonawanda	April 27, 1897	100,000
Buffalo Commercial Bank, Buffalo	April 30, 1902	250,000
Union Bank, Buffalo	June 5, 1902	200,000
Schenectady Bank, Schenectady	June 14, 1902	100,000
Union Square Bank of the City of New York, N. Y.	July 7, 1902	200,000
White Plains Bank, White Plains	July 24, 1902	100,000
Empire State Bank, New York	July 24, 1902	100,000
German-American Bank of Tonawanda, *Tonawanda	August 3, 1898	100,000
City Bank of New Rochelle, New Rochelle	September 17, 1902	100,000
New York State Banking Company,† Syracuse	September 18, 1902	100,000
Total		$3,720,000

*In liquidation. †Failed.

Increase of Capital Stock.

Name and Location.	Date of increase of capital.	Increase of capital.
Manufacturers and Traders' Bank, Buffalo	March 12, 1902	$100,000
Union Bank of Brooklyn, Brooklyn	April 3, 1902	100,000
Corn Exchange Bank, New York	May 6, 1902	600,000
White Plains Bank, White Plains	May 6, 1902	50,000
State Bank of Tonawanda, North Tonawanda	May 20, 1902	100,000
The Mechanics and Traders' Bank, New York	June 5, 1902	300,000
Bank of the Metropolis, New York	June 10, 1902	700,000
City Bank of New Rochelle, New Rochelle	August 29, 1902	50,000
Jefferson Bank, New York	September 17, 1902	200,000
Total		$2,200,000

Assets and Liabilities.

The condition of the banks of deposit and discount, as reported by them September 6, 1902, is summarized in comparison with their condition as shown by their reports of corresponding date in 1901:

Assets.	1901.	1902.
Loans and discounts, less due from directors	$220,779,330	$217,779,773
Liability of directors as makers	8,804,560	7,308,078
Overdrafts	172,063	172,637
Due from trust companies, banks, bankers and brokers	32,937,955	28,723,381
Real estate	11,239,914	10,624,966
Mortgages owned	3,935,028	4,187,257
Stocks and bonds	28,798,519	25,472,772
Specie	33,700,288	25,625,191
United States legal tenders and circulating notes of National banks	18,090,514	14,463,319
Cash items	43,506,242	15,619,187
Assets not included in any of the above heads	1,512,235	1,798,989
Add for cents	643	634
Totals	$403,477,311	$351,716,184
Liabilities.		
Capital	$28,245,700	$26,715,700
Surplus fund	18,218,537	19,629,616
Undivided profits	10,958,231	10,181,402
Due depositors on demand	291,110,981	244,345,629
Due to trust companies, banks, bankers and brokers	38,035,164	35,535,025
Due to Savings banks	13,596,749	12,573,330
Due to the Treasurer of the State of New York	2,763,476	1,732,105
Amount due not included in any of the above heads	548,166	1,003,069
Add for cents	307	308
Totals	$403,477,311	$351,716,184

Securities and Cash Held in Trust.

Securities and cash had been deposited with the Superintendent of Banks in trust by the several banks, individual bankers and trust companies, and were held by him at the close of the fiscal year, as herewith shown:

United States 2 per cent. bonds	$135,000
United States 3 per cent. bonds	18,000
United States 4 per cent. bonds	171,000
United States 5 per cent. bonds	2,000
New York State 3 per cent. bonds	3,000
New York State 3½ per cent. bonds	100,000
New York county 3 3-10 per cent. bonds	50,000
New York city 2½ per cent. bonds	500,000
New York city 3 per cent. bonds	717,400
New York city 3½ per cent. bonds	4,620,000
Brooklyn city 3 per cent. bonds	220,000
Brooklyn city 3½ per cent. bonds	$350,000
Brooklyn city 4 per cent. bonds	100,000
Niagara Falls city 4 per cent. bonds	20,000
Rochester city 3½ per cent. bonds	50,000
Rochester city 6 per cent. bonds	30,000
Middletown city 3½ per cent. bonds	20,000
Albany city 3½ per cent. bonds	41,750
Jamestown city 4 per cent. bonds	20,000
Bonds and mortgages	50,000
Cash	378
Total	$7,218,528

RECOMMENDATIONS.

Miscellaneous.

No corporation formed under or subject to the Banking Law is required to file its certificate of incorporation in the office of the Secretary of State, and yet section forty-six of the Stock Corporation Law provides that a duplicate of every certificate of increase or reduction of the capital stock of such a corporation shall be filed in that office, and omits to require its filing in the office of the Superintendent of Banks, where duplicates of the certificates so amended are filed, and where, if records are to be kept complete and unbroken, and if there is to be the certainty of knowledge on the part of the Superintendent which should be had concerning operations in this direction by the institutions under his charge, all changes from the original should be filed.

There can be no good reason why they should be filed with the Secretary of State at all, or that these corporations should be put to the annoyance and expense which such a useless filing imposes. It is therefore recommended that section forty-six of the Stock Corporation Law be amended so as to omit from it the requirement for such filing with the Secretary of State by banking corporations, and to provide that these certificates be filed instead in the office of the Superintendent of Banks.

Section one hundred and fifty-nine of the Banking Law provides, among other things, that no trust company "shall hold stock in any private corporation to an amount in excess of ten per cent. of the capital of the corporation holding such stock." Because the caption of the section is only, "Investments of capital and deposits," there are good lawyers who interpret the quoted restrictions as not applying at all to the investment of surplus, and who contend that a trust company may lawfully invest its entire surplus, regardless of the amount thereof in comparison with its capital, in the stock of any single private corporation.

That construction seems to me quite untenable; nor, in my opinion, should any trust company have so great a latitude in its operations as could be exercised thereunder. The only active trust companies to which trouble, or the shadow of it, has come within the past two or three years suffered such experience by reason of having locked up unwarranted proportions of their assets in single lines of securities.

The existing limitation, as I construe it, might, however, be extended without harm so as to permit investments of the kind in question up to ten per cent. of the combined capital and surplus of the holding institution; but in any event the meaning of the section should be made so plain that there can be no possible room for dispute concerning it.

Foreign Trust Companies.

Whether a foreign trust company may come into this State to do any business whatever is difficult to determine under the statutes as they now stand. The General Corporation Law requires that every foreign stock corporation, other than a moneyed corporation, desiring to do business in this State must first procure from the Secretary of State a certificate in such form as to make it amount to a license.

As to moneyed corporations there is provision requiring foreign insurance companies to be licensed by the Superintendent of Insurance, and the Banking Law authorizes specifically the Superintendent of Banks to license foreign mortgage, loan or investment companies and foreign building and loan associations to come into New York and do business here. But nowhere in the law is there even a suggestion that the Superintendent of Banks may under any conditions extend such privilege to any foreign discount bank, foreign Savings bank, foreign safe deposit company, or foreign trust company. Is it supposable when the State has been thus careful to require of the classes of foreign corporations to which it affirmatively extends the advantages of its markets and natural resources, and the protection of its laws and access to its courts, that they shall not prosecute operations in the State except by express authorization of some one of its officials, it could contemplate that the particular classes of corporations which, when organized under its own laws, it supervises most closely and restricts most rigorously, should be free to establish offices and transact business here without authorization, and subject to no requirement to pay taxes, file reports, or submit to visitation?

To ask the question is, it seems to me, to answer it. Such a privilege is apparently nowhere contemplated in any statute of New York, and in view of the increasing tendency of foreign trust companies to open and maintain offices in the State, and especially in the metropolis, it would seem advisable that the Legislature make the implied prohibition express and absolute. Not only do such companies involve the banking department in expense to investigate them, which often proves a very difficult labor, but they frequently have corporate titles so similar to those of domestic corporations nominally of the same class as to cause annoyance and confusion, if not such as to be calculated to deceive.

More than one complaint based upon such grounds has come to me, and there is a strong sentiment on the part of our own corporations that they are entitled to protection in the exclusive enjoyment of names which they have taken with the State's sanction, and under which they have built up enviable reputations and a prosperous business. But the matter is one which can not be controlled if foreign moneyed corporations are to be suffered to open offices at will in New York, and advertise for business there. It is, however, but one of the arguments for legislative prohibition of the practice, and, in my judgment, foreign moneyed corporations chartered with powers, or with corporate titles suggesting powers, akin to those possessed by our domestic trust companies should be excluded by an express enactment from coming into this State to do any business whatever. That course would, I think, be but an affirmative declaration of what has always constituted the purpose and policy of the State in this direction, and it would serve to prevent contention and to make the course to be pursued by the Superintendent of Banks clear, and not open to defiance or even dispute.

But if the Legislature should, in its wisdom, deem this prohibition impolitic, then I think it should provide expressly that such companies may maintain offices and do business in this State only upon the condition that they procure licenses, renewable annually, from the Superintendent of Banks, which licenses shall specify the nature of the business they may do under a precise definition of the powers they may enjoy, to be contained in the statute itself. Such statute should prohibit them unqualifiedly from taking deposits, or acting as trustee, guardian, executor or administrator in this State, and should prohibit to them also the use of any name which, in the opinion of the Superintendent of Banks, is sufficiently like that of any domestic trust company as to be likely to cause confusion. The statute, further, should subject companies so admitted to do business in New York to examination by the Superintendent of Banks, and oblige them to report to him.

The Matter of Authorization of Trust Companies.

The Clearing-House Association in New York adopted new rules some months ago which were interpreted quite generally as amounting to a declaration of belief by that body that the organization of new banking institutions, and especially of trust companies, in the metropolis was proceeding at too rapid a rate, and should be checked. The new rules provided, among other things, that no institution should thereafter be permitted to clear through a member of the association until it shall have been in actual operation for one year, and also that no institution thereafter chartered shall be entitled to clear unless it maintains such a legal reserve as the clearing-house may prescribe. So vast is the power of this association, and so advantageous the facilities and the support which it affords, that upon the announcement of these rules it was widely assumed that there would not soon be many additions to the list of banks and trust companies in New York city, but nevertheless, seven trust companies have since been authorized, and the completion of two other similar organizations is in process.

In granting such authorizations in New York city, however, I am not to be understood, as explained in a former report, as affirming a confident belief that they are needed there, My position in this matter has been simply that it is quite impossible for me to determine intelligently, especially in the great financial district of the commercial metropolis of America, with its throbbing financial life and multiform gigantic interests, that there is not a field for still another company in which capitalists of the highest character, proven shrewdness and wise judgment, and intimately associated with business interests there, are willing to join their names and invest their money; and therefore that it would be presumptuous and a mere arbitrary exercise of power to assume to do so. The exercise of the discretion which the Banking Law commands the Superintendent to employ in determining whether to grant or deny an application for authorization of a trust company is thus comparatively easy in that particular district, but is often exceedingly difficult and perplexing elsewhere.

In the consideration of such applications made from outside the district named, no hard and fast rule has been followed, but each case has been weighed on its own particular merits, and decisions rendered which seemed to me to be just and most likely, upon the whole, to promote "the public convenience and advantage." If mistakes have been made in any of these determinations, I am confident that they do not consist in rejections nor in any preference that has been shown as between two sets of applicants.

Ordinarily I have been averse to authorizing a trust company where it was manifest, in my opinion, that it would gain no legitimate trust business, but must make its operations almost exclusively of a banking character: and this view has been held the more strongly if it appeared that the banking capital already employed in the locality was adequate to its commercial and industrial demands. Nothing can be clearer to my mind, though applicants for trust company charters often close their eyes to it, than that it would not promote "the public convenience and advantage" to permit the multiplication of banking institutions and the creation of a competition between them to the degree that their safety might be impaired or even that their strength be diminished.

The claim that the people would be benefited by creation of conditions which would bring about the practice of the payment of interest on deposits carries no weight. Safety is the one pre-eminent characteristic which should distinguish banking institutions. If the banks pay interest on commercial deposits they must suffer in prosperity or charge higher rates on loans and discounts; and of distinctly savings accounts a discount bank or trust company is not the proper custodian.

This statement carries the key to the matter in which I should be disposed generally to exercise my discretion regarding the authorization of trust companies if the law is to stand unchanged. But I am inclined to believe that no such discretion should be given to any official, and to recommend that the statute be amended in a manner to make the organization of trust companies as free as that of banks has been for nearly three-quarters of a century, except that the Superintendent of Banks be still required to be satisfied, before issuing his certificate of authorization, that the proposed corporators possess "general fitness for the discharge of the duties appertaining to such a trust," and that they "command the confidence of the community in which such trust company is proposed to be located."

Present requirements in this respect are exceedingly unsatisfactory. They impose upon the Superintendent the determination not only of facts which a faithful regard for his obligations must make both arduous and a cause of anxiety, but also of consequences which he can not possibly be sure that he measures correctly, but which, nevertheless, he must under the law assume to foresee and make a basis of his conclusion. The attitude of applicants for charters is not calculated to lighten such burdens. They can not, or will not, see why their petitions should not be granted as a matter of course, and are so persistent, even in the face of a rejection, that they exact more of the Superintendent's time and attention than he ought to be required to give to such business.

If, however, the course here suggested be adopted, there should be provision increasing the minimum capital that a trust company is required to have to at least $300,000, and obliging every such company capitalized at less that $500,000 to keep a legal reserve equal to that which is required of banks. Whether it would have been wise originally to have established a requirement for a reserve in all trust companies, it can not be profitable here to discuss. At least, it is not now expedient to impose it as to such institutions in New York city, for to do so would withdraw so many millions of dollars from circulation that a financial disturbance would follow, with perhaps panic proportions and consequences.

The clearing-house rules may be depended upon to direct a salutary restraint in this matter upon new companies within the territory where its great power is exercised, and elsewhere the matter may be controlled by statute without apprehension of serious ill effects even temporarily, and with the reasonable certainty of ultimate benefits.

Branch Offices of Trust Companies.

The Banking Law is silent upon the question of the right of trust companies to have branch offices except for the following provision, contained in subdivision eleven of section one hundred and fifty-six:

"No such corporation shall transact its ordinary business by branch office in any city not named in its certificate of incorporation as the place where its business is to be transacted."

Of course this at least implies the converse, that in the city named in its charter it may have a branch or branches; but as to whether the consent of the Superintendent of Banks must first be obtained to the opening of a branch, nothing is said. However, since the same question of promotion of the public convenience and advantage is in a measure involved as to a branch that obtains with regard to an original authorization of a trust company, it has been my interpretation of the statute that no trust company organized under the Banking Law could open and conduct a branch office without my approval. At least one specially chartered company claims the legal right, however, to open branches in the city where its principal office is located without my consent, and a former Attorney-General of the State held in a formal opinion that its power in that direction is undoubted.

I do not think that it is in the public interest that any one trust company or any group of such companies should possess powers in this respect which are not enjoyed by all, and considerations of efficient supervision of such institutions and of a prevention of a too eager competition between them, which might lead to the employment of unwise or even unsafe practices, persuade me that control in these matters should be expressly vested in the Superintendent of Banks, both as regards companies specially chartered and those organized under the general law. Subdivision eleven of section one hundred and fifty-six of the Banking Law should, therefore, in my judgment be amended to provide that no trust company, however chartered, shall open a branch office without first gaining the consent of the Superintendent of Banks, which he may grant or withhold in his discretion.

Unauthorized Savings Banks.

A grave and vexing problem demanding legislative attention is involved in the growing practice among discount banks and trust companies, private bankers and even mercantile associations or firms, of virtually soliciting and receiving deposits "as Savings banks." Of course none of these venture so far as to represent that they are actually Savings banks, but in very many instances the methods they employ and the inducements they advertise are substantially identical with those which are of the essence of the Savings bank system, except that they lack the all-important guarantee of safety which distinguishes the investments of the latter.

As suggested in an earlier part of this report, engagement in this character of business by banks and trust companies does not appeal to me as appropriate or judicious even from the standpoint of consideration alone of what is best for such institutions themselves, and in its broader aspect it is open to criticism as against the real interests of those who make small savings, and as an improper interference in a field which the State has apparently intended to reserve exclusively to the Savings banks. And if it be not best that it be permitted to institutions of this class, which are under official supervision, and as to which the double liability of stockholders obtains, how much more to be reprehended is the same practice on the part of private bankers who are under no restrictions regarding the uses to which they may put such moneys, or of department stores which subject the deposits made with them to the risks and vicissitudes of trade, and with no security whatever beyond that of the bare capital which the business may represent.

Legislation should be had to stop this practice if possible. Satisfactory and sufficient restrictions in regard to it might more easily be determined upon if only the State had jurisdiction of the National banks as it has of its own corporations, and yet, though this difficulty may stand in the way of accomplishing all that is to be desired—for the State must not impose conditions upon its own institutions which might place them at a disadvantage with National banks—the framing of a law is feasible which will at least better some of the existing conditions.

The supreme idea underlying the Savings banks system is to establish as surely as possible the safety of the deposits. The purpose to encourage frugality and thrift and to stimulate self-reliance and independence of character on the part of the depositors is there, too, of course, but the undeviating policy of the State for half a century has been to omit no safeguard that could contribute to prevention of loss. Supervision has been from time to time made more comprehensive, and the line of investments permitted has been drawn rigidly to exclude all but the highest classes of securities. It will not be disputed that this course has been justified by its fruits, nor that the Savings banks have not failed to repay in public benefits, through the better citizenship which their service and influence develop in their depositors, and in other manifold ways, all of the exemptions and fostering care that the State has accorded them.

The importance of not permitting confidence in these institutions to be shaken can hardly be overstated, and the probability can not wisely be overlooked that failures of concerns operating similarly to them would tend very strongly in that direction. Both with the aim of averting that possible calamity and of guarding the inexperienced and the helpless from loss of their savings, credulously placed with comparatively irresponsible establishments, the State should broaden and make more searching the prohibition contained in the Banking Law against advertising or putting forth a sign as a Savings bank, or in any way soliciting or receiving deposits as a Savings bank.

The employment of distinctively Savings bank methods—such, for illustration, as the issuing of pass books only upon the presentation of which money can be drawn, the crediting quarterly or semi-annually of interest and compounding the same, and the advertising of rules that moneys deposited within a specified number of days from the first of a month shall be entitled to interest dating from the first—ought not to be permitted to any bank, trust company, person or persons, firm, association or corporation other than a Savings bank. If, however, it be thought that this can not be done without placing State banks at a disadvantage with National banks, there should be at least an enactment forbidding any business corporation, firm, association, person or persons, to solicit or receive deposits of the character suggested, which would cure perhaps the worst phases of the matter, inasmuch as it would serve to prevent mercantile establishments, and also private bankers, who are under no official supervision, and are irresponsible beyond their own means, from engaging in or continuing the practice.

Merchandising and banking as a joint business do not properly or safely go together, and private bankers should confine their operations along other lines. Those of them who have colossal fortunes, which might make their deposits safe, would not touch small savings accounts, and those whose safety is not so well assured ought not to be permitted to do so. Savings which represent toil, denial and sacrifice have taken something out of the lives of those by whom they were accumulated, and they stand often as the source of hope for larger opportunities for the little ones, and as provision against penury in old age, and even against burial at the hands of charity. They are thus in a sense sacred, and the State should do its utmost to erect every reasonable safeguard within its power for their protection.

Respectfully submitted,

F. D. KILBURN, *Superintendent of Banks.*

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

MASSACHUSETTS.

OFFICE OF THE BOARD OF COMMISSIONERS OF SAVINGS BANKS,
STATE HOUSE, BOSTON, January 7, 1903.

To the Honorable the Senate and House of Representatives in General Court assembled.

The Board of Commissioners of Savings Banks respectfully submits Part 1 of its twenty-seventh annual report, showing the condition at close of business, October 31, 1902, of 186 Savings banks and thirty-eight trust companies in operation on that date.

At the end of the year covered by the report the board had supervision over 357 active institutions, with assets exceeding $866,300,000, and nine others whose affairs were in liquidation.

During the year the following-named institutions have commenced business: Adams Trust Company, Boston; City Trust Company, Boston; B. F. Butler Co-operative Bank, Lowell; Bridgewater Co-operative Bank, Bridgewater.

SAVINGS BANKS.

Aggregate Statement of Liabilities and Assets, October 31, 1902, showing Increase or Decrease, as compared with Statement of October 31, 1901.

LIABILITIES.	*Amount Oct. 31, 1902.*	*Increase.*	*Decrease.*
Deposits	$586,937,084	$26,231,331	....
Guaranty fund	26,075,414	1,311,096	....
Undivided earnings	11,722,821	1,404,187	....
Due on incomplete mortgage loans	121,798	....	$92,150
Sundry liabilities	88,456	....	3,709
Total	$624,945,574	....	....

ASSETS.	*Amount Oct. 31, 1902.*	*Increase.*	*Decrease.*	*Percentage of investments to total assets.*
Public funds	$69,826,629	$368,929	....	11.17
Loans on public funds	1,276,373	....	$156,811	.20
Bank stock	18,003,737	....	2,145,512	2.88
Loans on bank stock	1,199,716	4,213	....	.19
Railroad bonds	93,943,176	8,077,519	....	15.03
Loans on railroad bonds	1,663,300	1,040,950	....	.27
Loans on railroad stocks	594,210	....	129,010	.10
Boston Terminal Company bonds	11,244,072	....	4,637	1.80
Real estate (for banking purposes)	5,832,336	1,350,525	....	.93
Real estate by foreclosure	3,792,879	111,697	....	.61
Loans on real estate	255,116,780	9,461,613	....	40.82
Loans on personal security	129,344,333	10,901,241	....	20.70
Loans to counties, cities and towns (notes)	14,670,139	1,375,756	....	2.35
Loans on depositors' books	50,115	2,928	....	.01
Sundry stocks, bonds and notes taken to secure indebtedness	228,630	7,176	....	.04
Expense account	197,885			
Premium account	379,402			
Furniture and fixtures	63,673	....	193,957	.13
Sundry assets*	177,744			
Cash on hand—				
In banks, on interest $15,573,945				
In banks, not on interest 454,389				
In office 1,312,103				
	19,340,438	....	1,143,867	2.77
Total	$624,945,574	....	....	......

* Consisting of interest and suspense accounts, taxes and insurance paid, real estate expenses, etc.

LIABILITIES.

The item of deposits show an increase of $26,231,331, and, with one exception, is the largest of any one year in the history of the banks.

The total amount of deposits, $586,937,084, is divided among 1,660,814 open accounts, being an average of $353.40 to each, or $1.56 greater than at the corresponding period last year.

The guaranty fund now amounts to 4.44 per cent. of the amount due depositors, as compared with 4.42 per cent. a year ago.

The increase in the undivided earnings of $1,404,187, when compared with the increase of less than $300,000 the preceding year, is indicative, to some extent, of the successful year which the institutions have enjoyed, and is undoubtedly owing, in a great measure, to the higher rates which have prevailed in the money market for some considerable portion of the year.

ASSETS.

The most noticeable changes in the list of assets are the decrease of over $2,000,000 in the amount invested in bank stocks, and an increase of nearly $11,000,000 in the amount loaned on personal security. The former is occasioned almost wholly by the liquidation or consolidation of many of the National banks during the year, in some of which the Savings banks were large owners of the stock; while the latter may be partially attributed to the attractive rates in the money market previously alluded to.

Of the total amount loaned on personal security, nearly $83,000,000, or sixty-four per cent. thereof, is secured by the pledge of marketable collaterals, in addition to the sureties which the law requires.

A gratifying feature of the statement is that disclosing the comparatively small increase in the amount of real estate held by foreclosure, being the smallest for the past nine years, notwithstanding the amount invested in loans on real estate has been augmented over $70,000,000 during the same period.

UNCLAIMED DEPOSITS.

Under the provisions of section 56 of chapter 113 of the Revised Laws, returns have been received from the banks of all deposits, in excess of $25, that have remained dormant for more than twenty years, and the details thereof will be incorporated in a supplementary report as authorized by law, and submitted later in the session.

DIVIDENDS.

During the year covered by the reports—

5	banks declared dividends at the rate of				3	per cent.
1	bank	"	"	"	3¼	"
90	banks	"	"	"	3½	"
9	"	"	"	"	3¾	"
81	"	"	"	"	4	"

The total amount of dividends declared was $19,924,927, being $611,134 in excess of the amount for the previous year.

The average rate of dividends is 3.71+ per cent., as compared with 3.75 per cent. in the preceding year.

During the year seven institutions have been added to the list of those paying dividends of less than four per cent. per annum, making 105 banks, out of 186, whose dividend rates are less than four per cent.

Following the custom of former years, the following tables are appended:

DIVIDENDS DECLARED DURING THE YEAR ENDING OCTOBER 31.	1901.	1902.
Banks paying at the rate of 3 per cent.	2	5
" " " 3¼ "	6	1
" " " 3½ "	70	90
" " " 3¾ "	20	9
" " " 4 "	88	81
	186	186

5 banks	paid	1½	per cent. the	first term,	1½	per cent.	the second	term.
1	"	1½	"	"	2	"	"	"
1	"	1¾	"	"	1½	"	"	"
89	"	1¾	"	"	1¾	"	"	"
4	"	1¾	"	"	2	"	"	"
5	"	2	"	"	1¾	"	"	"
81	"	2	"	"	2	"	"	"

Statistics of Business.

	Oct. 31, 1902.	Increase.
Number of open accounts	1,660,814	67,175
Average amount to the credit of each account	$353.40	$1.56
Number of deposits	1,689,413	144,254
Number of withdrawals	1,243,608	19,195
Amount deposited (not including dividends)	$101,542,069.27	$5,010,590.42
Average of deposits	60.10	2.37†
Amount withdrawn (including dividends)	95,234,951.56	300,751.25†
Average of withdrawals	76.58	1.45†
Amount of expenses	1,374,564.27	41,041.06
Total earnings	26,367,176.73	949,968.23
Total ordinary dividends	19,924,927.32	611,134.33
Number of loans of an amount not exceeding $3,000	70,022	306
Number of loans upon real estate*	83,130	1,420

* Averaging $3,068.89. † Decrease.

From the information given in the above table may be culled at least two features worthy of comment: first, that, while the number of withdrawals is 19,195 more than last year, yet the total amount withdrawn is over $300,000 less and the average amount withdrawn is $1.45 less; second, the number of deposits, exceeding the number last year by 144,254, average $2.37. These two factors would seem to indicate that the business of the banks during the year, in these particular channels, has been, to a large extent, with those people whom the institutions were designed to serve.

The increase in the expenses of the institutions is no more than commensurate with their growth, as the ratio of expenses to the total deposits is less than a year ago.

Securities Taken to Secure Indebtedness.

To such of the banks as may now hold stocks, bonds or other securities which were acquired (in settlements effected to secure loans or indebtedness) on or before March 8, 1898, attention is called to the requirements of the tenth clause of section 26 of chapter 113 of the Revised Laws, which provides, in substance, that, in order to hold the same after February 1, 1903, the permission of the board is necessary.

Trust Companies.

Two companies have commenced business during the year, making thirty-eight now in operation, of which sixteen maintain trust departments in addition to their ordinary banking departments.

The consolidated balance sheets of both the banking and trust departments, showing the condition at the close of business, October 31, 1902, are as follows (cents omitted):

Trust Departments.

Assets.		Liabilities.	
United States bonds	$237,882	Trust accounts	$18,206,214
State bonds	53,724	Income	155,810
City, county and town bonds	150,943	Taxes	400
Boston Terminal Company bonds	1,162	As executors, administrators, etc.	415,907
Bank stocks	366,413		
Railroad bonds	1,402,925		
Railroad stocks	3,319,995		
Loans on real estate	6,926,164		
Manufacturing stocks	637,131		
Annuities	20,800		
Notes, with collaterals as sureties	120,222		
Notes of individuals	75,815		
Notes of corporations	142,465		
Real estate owned	2,350,580		
Cash on hand	271,761		
Gas stocks	7,200		
Deposits in Savings banks	155,435		
Miscellaneous stocks and bonds	2,095,756		
Sundry assets	441,950		
Total	$18,778,332	Total	$18,778,332

Banking Departments.

Assets.	
United States bonds	$50,500
Commonwealth of Massachusetts bonds	6,378,154
City, county and town bonds of New England States	552,000
Other municipal bonds	147,189
Loans to counties, cities and towns (notes)	1,836,902
Bank stocks	307,642
Railroad stocks	483,942
Railroad bonds	8,823,585
Miscellaneous bonds	7,017,046
Miscellaneous stocks	3,512,550
Loans on real estate	17,227,856
Real estate owned	3,307,150
Real estate by foreclosure	46,149
Loans to corporations	17,546,640
Time loans with collaterals	55,247,553
Demand loans with collaterals	25,095,387
Notes of individuals or firms	12,364,711
Expense account	304,053
Premium account	6,266
Taxes paid	2,530
Interest paid	63,536
Furniture and fixtures	48,134
Safe deposit vaults	324,714
Overdrafts	15,941
Due from banks	20,269
Revenue stamps	3,572
Sundry assets	76,123
Cash—	
In office	4,409,744
In banks	26,478,800
Total	$191,148,650

Liabilities.	
Capital stock	$14,725,000
Surplus fund	12,255,784
Guarantee account	160,699
Interest	1,478,910
Discount	310,712
Commissions	48,499
Earnings undivided	2,898,531
Profit and loss	2,296,422
Deposits—	
Subject to check	140,605,656
For payment of coupons, etc.	5,008,718
Certificates of deposit	6,839,728
Certified checks	361,870
Treasurer's checks	389,608
Sinking funds, railroads	633,755
Sinking funds, corporations	1,259,013
Sinking funds, safe deposit vaults	7,400
Dividends unpaid	13,589
Rents, boxes and vaults	6,357
Due to banks and bankers	61,194
Special trusts	831,623
Annuities on lives	1,415,340
Reserve for taxes	30,067
Reserve for dividend	4,000
Sundry liabilities	1,196
Total	$191,148,650

STARKES WHITON,
WARREN E. LOCKE,
JAMES O. OTIS,
Commissioners of Savings Banks.

PROPOSED FINANCIAL REMEDIES.—In discussing the proposals put forth to prevent monetary crises, Prof. Frederick A. Cleveland, of the University of Pennsylvania, says, in an article published in the March number of "The Annals of the American Academy":

"The most remarkable feature about current discussion of dangers involved and remedies proposed is this: That while devices are suggested for still further enlarging credit issues of banks, by a system of 'assets currency,' and by propositions to secure the 'deposits of government revenues,' as a means of providing a larger reserve for 'individual deposits,' not a suggestion is made that the banks themselves should strengthen their capital equipment. During the recent autumn and winter strain syndicates were organized to float new combinations involving hundreds of millions of new capital; strong capital support was collected for temporary aid to banks—to strengthen money reserves till the market should become settled; but not an effort is recorded to increase the permanent capital support for credit funds necessary to increased commercial demands. Each proposition made for stronger money reserves for the redemption of credit issues has come from those outside of banking circles. On the other hand, leading bankers are proposing a remedy whereby the capital of commercial banks may be still further reduced—the adoption of a system of 'branch banking.'"

TRUST COMPANY RESERVES.

ACTION OF THE NEW YORK CLEARING-HOUSE ASSOCIATION.

At a meeting of the New York Clearing-House Association, February 11, the resolution presented a week previous to that date to require trust companies to keep a cash reserve if they desire the facilities of clearing through a member of the association, was unanimously adopted.

Following are the resolutions in full:

Resolved, That section 19 of the constitution of the New York Clearing-House Association as amended April 26, 1882, be further amended by the adoption of the following resolution:

Resolved, That the clearing-house committee shall not refer to the committee on admission under this section any application for admission into the association by any bank unless the amount of its unimpaired capital and surplus shall equal at least the amount of $500,000.

Resolved, That the amendments to section 25 of the constitution of the New York Clearing-House Association as to the making of exchanges through the clearing-house for non-members, adopted April 14, 1890, and December 21, 1896, be supplemented by the following additional amendment, to take effect immediately, namely: "The New York Clearing-House Association permits its members after March 1, 1903, to make exchanges through the clearing-house for banks or other institutions not members of the association, only upon the following terms:

1. No member of the association shall make exchanges through the clearing-house for any bank or other institution whose exchanges have not heretofore been so made through a member, unless the same shall have been actually doing business for at least one year, nor until the making of such exchanges by a member shall have been approved by the clearing-house committee after an examination of such bank or institution made by the clearing-house committee, or by some other committee of the association duly appointed for that purpose.

The consent of the clearing-house committee shall also be necessary to the transfer of the making of the exchanges for a non-member by one member to another member.

2. On and after January 1, 1904, every non-member bank or institution now or hereafter sending its exchanges through a member of the association shall pay to the association the amount of $1,000 annually in advance.

3. Every non-member bank or institution now or hereafter sending its exchanges through a member of the association shall submit, whenever required by the clearing-house committee, to the same examinations as are now required of members of the association.

4. Every non-member bank or institution now or hereafter sending its exchanges through a member of the association shall furnish to the Manager of the clearing-house, at the close of business on each Friday, a weekly statement of its condition in such form as shall be prescribed by the clearing-house committee from time to time as to any class of non-members.

5. Every non-member institution (not a bank required by law to maintain a specified reserve) now or hereafter sending its exchanges through a member of the association, shall, on and after June 1, 1903, keep in its vaults a cash reserve equal to five per cent. of its deposits; and on and after February 1, 1904, such cash reserve shall be at least seven and one-half per cent. of its deposits, and on and after June 1, 1904, such cash reserve shall be such percentage as shall from time to time be fixed by the clearing-house committee, but not less than ten nor more than fifteen per cent. of its deposits. The reserve hereby required shall be an average reserve as against the average deposits as shown upon its weekly statements.

If any non-member bank or institution or party now or hereafter sending its exchanges through a member of the association shall fail to comply with any of the foregoing requirements applicable to such non-member, or upon examination shall be found in an unsatisfactory condition, the clearing-house committee may suspend any privilege previously given to members of the association to make exchanges or redemptions for such non-member; such suspension to take effect upon the completion of the exchanges of the morning following the giving of notice of such suspension by the Manager to the members of the association.

Nothing contained in section 25 of the constitution, or in the amendments thereto, shall be construed as making a bank, institution or other party sending its exchanges through a member, in any sense or to any extent a member of this association."

Remarks by J. Edward Simmons.

Before the adoption of the resolutions, J. Edward Simmons, President of the Fourth National Bank, made the following remarks in explanation of the resolutions:

"Before asking the members of this association to vote on the adoption of the proposed amendments to the constitution, it might be well for me, a member of the clearing-house committee, to make some explanation of the conditions that have grown up among us, and to give some of the reasons that have governed the committee in formulating the report which is now before you for consideration.

For many years the officers of the banks associated in the New York Clearing-House have felt that the financial strength of the banking and commercial community was endangered by the fact that large financial institutions in this city were practically carrying on the business of banking without keeping or being compelled by law to keep any reserve of money in their own vaults as against the deposits held by them, which deposits were largely payable upon demand.

Present Reserves Inadequate for Both Banks and Trust Companies.

Believing that, in times of financial stringency, the reserves required by statute of National and State banks would necessarily be called upon to withstand all drains, upon not only the deposits with banks, but also upon the deposits with other financial institutions, they felt that the bank reserves might be found inadequate for this purpose. They knew that the Bank of England, which largely carries the reserves of all other English banks, had in recent years increased its traditional minimum reserve from thirty per cent. to forty per cent. They knew that the Bank of France kept quite as large a reserve against both its deposits and its circulation, and that other European financial institutions found it necessary to keep increasing percentages of reserve. They felt, therefore, that the total percentage of reserves kept in this metropolitan city should be gradually increased rather than gradually diminished, as had been the case, in view of the fact that other institutions, not members of the clearing-house, were holding deposits in growing amounts without keeping any cash reserve whatsoever against the same.

A resolution was, therefore, adopted at a meeting of the clearing-house association, held in October, 1901, referring to the clearing-house committee for consideration the question of reserves.

This important question was promptly taken up by the members of the committee, who carefully informed themselves as to the facts of the situation, and after a long and earnest consideration of the subject and after consultation with leading financial authorities and experts, the committee have reported to the clearing-house association for adoption the amendments to the constitution which are before you to-day for final action.

The average amount of deposits of the banks which are members of the clearing-house is now $940,000,000, against which these banks keep an average reserve of twenty-five per cent., or $235,000,000 in cash.

The average amount of deposits of non-member banks making their exchanges through the clearing-house is nearly $84,000,000. Against these deposits these non-member banks are required by statute to keep reserves, amounting in the case of State banks to fifteen per cent., and in tqe case of National banks to twenty-five per cent. of their deposits. It may be considered, therefore, that these banks generally keep a reserve of about $20,000,000 in cash.

The average amount of deposits of trust companies whose exchanges are made through the clearing-house is about $447,000,000, of which less than $68,000,000 are what are termed by them trust or time deposits. These trust companies keep only a trifling amount of cash in their own vaults, say about $1,000,000 in the aggregate, according to their last statement made to the Manager of the clearing-house. They keep also on deposit with the banks with which they have bank accounts an average of about $52,000,000 against which the banks have to carry a reserve of, say, $13,000,000.

Other trust companies in this city whose exchanges are not made through the clearing-house have deposits aggregating $267,000,000, of which about $132,000,000 are called by them 'trust deposits.'

Ignoring the deposits kept by those trust companies, whose business is larely of such a character as not to require the making of their exchanges through the clearing-house, we find that if the deposits held by the trust companies who do clear, amounting, as has been said, to about $447,000,000—if these deposits were held by banks, there would be kept a cash reserve of about $110,000,000 against the same in addition to the $235,000,000 now kept by the clearing-house banks and the $26,000,000 kept by the non-member banks, thus increasing the total reserves on the present average amount of deposits, which is $040,000,000, from $255,000,000 to $365,000,000.

The fact is, however, that substantially no cash reserve is kept anywhere as against these $447,300,000 of trust companies' deposits, although at least eighty-five per cent. thereof are payable on demand. This situation, as before remarked, subjects the reserves of the clear-house banks to a severe strain in times of financial stringency such as to some extent exists at certain periods of every year, and it may, unless remedied, seriously jeopardize the interests of the banks in times of financial panic.

WESTERN LOANS ON CALL.

Another course of business which has recently arisen among us makes it even more important that bank reserves should be strengthened at every possible point. Western and other out-of-town banks have of late years inaugurated a practice of loaning money on call directly in this city, instead of depositing surplus moneys with their New York correspondents, who make loans based upon these additional deposits. The amount of money thus loaned by out-of-town institutions directly upon collateral security in this city has averaged in favorable times fully the amount of $150,000,000. At all periods of financial stringency, most of these loans are called, and the money to pay the same, in whole or in part, has to be shipped from New York, thus making a sudden and large depletion from the bank reserves in this city.

This situation appeared to be fraught with danger to all our commercial and financial interests, and it seemed to the clearing-house committee to call for a remedy, which remedy the committee felt should be applied gradually and in a manner and at periods not to seriously affect the general business welfare.

The amendments to the constitution, offered to-day by the clearing-house committee, provide, therefore, that all non-member banks and institutions making their exchanges through the clearing-house should furnish weekly reports to the Manager of their average deposits and loans, and provide further that every non-member institution, using the clearing-house (not a bank required by statute to keep a reserve), shall keep in cash in its own vaults a reserve against its average deposits, amounting after June 1, 1903, to five per cent., after February 1, 1904, to 7½ per cent., and after June 1, 1904, to at least ten per cent. of its deposits.

This action of the clearing-house, it will be observed, does not require from the trust companies the same percentage of reserves as the statutes require from banks. Trust companies using the clearing-house will be obliged to keep, after June 1, 1904, in their own vaults a reserve of only ten per cent. upon their average deposits. On the basis of their present deposits this reserve would amount to $40,000,000, and to that extent the resources of this city would be strengthened against periods of financial stringency and panic.

Every effort made in good faith by this clearing-house association to make the financial strength of New York city equal to the demands of its metropolitan position should be welcomed and approved by every banker and merchant who is engaged in business here.

In other States, such as Illinois and Indiana, statutory measures have been taken, or are proposed, looking to a similar result as to the business of trust companies. While it is true that the business of the New York banks may have been somewhat unfavorably affected by the growth of and competition of the trust companies doing substantially a purely banking business, still the action proposed by the clearing-house association is not based on any narrow ground, but wholly upon a profound conviction that the trust companies, with from $400,000,000 to $700,000,000 of deposits, both those clearing and those not clearing through the clearing-house, should keep an adequate reserve, and thereby contribute their part to the financial stability and safety of the general public."

Speeches were made by Gen. James, President of the Lincoln National Bank, and A. B. Hepburn, Vice-President of the Chase National Bank.

Financial Investigation by the Senate.—The following resolution was recently passed by the United States Senate:

Resolved, That the Committee on Finance be, and they are hereby, authorized and directed, by sub-committee or otherwise, to make an investigation of internal revenue, customs, currency and coinage matters, and to report from time to time to the Senate the result thereof; and for this purpose they are authorized to sit, by sub-committee or otherwise, during the recess or sessions of the Senate, at such times and places as they may deem advisable, to send for persons and papers, to administer oaths, and to employ such stenographic, clerical and other assistance as may be necessary, the expense of such investigation to be paid from the contingent fund of the Senate.

PROPOSED INTERNATIONAL BANKERS' CONFERENCE IN LONDON.

[From the London "Bankers' Magazine."]

So far as may be judged from the auspices under which the scheme has originated, the international conference of bankers, which it is proposed shall be held in London in the course of the coming summer, is likely not only to take place, but to be highly representative and successful.

The Institute of Bankers and the Central Association of Bankers are the joint promoters of the scheme, and it is believed that the idea originated with the present president of the Institute, Mr. J. Herbert Tritton, who is also the honorary secretary of the London Clearing Bankers and the deputy chairman of the Central Association. Lord Avebury is the chairman of the prelinary joint committee, which includes, in addition to Mr. Tritton, Lord Hillingdon, of Glyns, a past president of the Institute; Mr. Schuster, of the Union and Smiths; Mr. E. B. Faber, M. P., chairman of the English Country Bankers' Association; Mr. R. B. Martin, M. P., of Martin's. These are the representatives of the purely English banks for the most part, although Lord Hillingdon may claim to represent Australian banking to some extent, by virtue of his connection with the Union Bank of Australia. The Chinese banking community is also represented on the committee, together with India, by Mr. J. Howard Gwyther, of the Chartered Bank; Canada by Mr. Lang, of the Bank of Montreal, and South Africa by Mr. Smart, manager of the London office of the Staudard Bank of South Africa, and himself a banker with considerable South African experience. These gentlemen, with the additional representatives which the principal banks have been asked to appoint, will form a strong committee, and this is well, for the tasks which will have to be faced are by no means easy of performance.

The question of who should be invited to take part in the conference is not a difficult one: the difficulty will rather be to know whom to omit from the list of invitations. It may, of course, be taken for granted that prominent bankers from foreign countries will be asked, as well as representatives of the banks established in our colonies and dependencies. This is desirable, both for our own sake and for theirs, for we have yet something to learn from Continental bankers, as they undoubtedly have from us. This brings us to what we consider by far the most important point about the conference, apart from the feelings of international *camaraderie* which such gatherings, properly conducted, tend to promote, and that is, the subjects which will be discussed. A prominent place should be found in the programme for a discussion on the American banking and currency system, and it should be initiated by one of the five financiers appointed by the New York Chamber of Commerce to report upon a plan to remedy the acknowledged shortcomings of that system. A paper (which would provide English bankers with something practical to ponder over) should be read on the working of the German Bank Act and the applicability of the "elastic limit" to this country. This is a matter which might well be dealt with by a German banker in collaboration with an Englishman, and we should like to nominate the Englishman. The advantages and drawbacks of the branch bank system might be discussed, with a Canadian (or Scotch—it is the same thing) banker as champion of the system. Another subject which we should much like, to hear debated, but which, we fear, is not likely to be, is the possibility of the extension of the bank amalgamation movement from domestic to international areas—a movement which is not inherently less feasible, and which would provoke less antagonism, than the absorption, for instance, of whole lines of British steamers by transatlantic combines. For British bankers the most important every-day question at the present time is how to so limit the increasing and incessant competition between banks that the public, on the one hand, shall not suffer, and that the banks, on the other, shall not cut each other's throats and foster unsound business. This, however, is more a domestic question, and should perhaps be considered among ourselves. Greater uniformity of practice with regard to advances on shipping documents, and greater uniformity in the documents themselves, are points which want attention, as are also the question of days of grace on bills of exchange, the mode of compiling balance sheets, the more general adoption of the check system and other modes of economizing the use of coin and notes in business transactions, the certification of checks, safeguards against fraud, gold reserves, economical and efficient staffing, inspection systems and—a matter of real and increasicg moment—the technical education of bankers. Let us hope, above all things in connection with the conference, that whatever problems may be discussed will be problems of practical importance having an immediate bearing upon banking business, and not fads and theories only remotely connected therewith. To arrange this will not be easy, since the faddist and the theorist are always to the fore.

SAVINGS BANKS IN THE STATE OF NEW YORK.—Statement of their condition by counties January 1, 1903. Compiled from the official reports.

County.	No. of Banks.	Total Resources.	Due Depositors.	Other Liabilities.	Surplus on market value of stocks and bonds.	Open Accounts.	Accts. opened and reopened year 1902.	Accounts closed year 1902.	Deposits during year 1902, not including interest.	Amount withdrawn during year 1902.	Amount of interest credited and paid for year 1902.	Salaries and expenses for 1902.
Albany	9	$63,981,581	$58,999,244	$90,462	$4,891,874	90,206	15,849	13,169	$13,522,920	$14,086,176	$1,941,685	$167,800
Broome	2	4,119,871	3,902,134	....	217,737	15,469	3,751	2,760	2,022,362	1,714,920	106,360	19,497
Cayuga	2	7,201,985	6,580,082	....	621,903	19,089	3,800	2,996	2,919,447	2,683,368	211,970	26,838
Chemung	1	225,285	222,568	....	2,716	1,206	707	454	178,876	188,184	5,860	1,615
Columbia	1	3,818,939	3,471,993	....	346,946	8,466	1,698	1,183	948,329	769,335	109,762	11,602
Cortland	1	2,393,705	2,283,444	330	109,930	8,105	1,771	1,357	999,808	886,927	70,885	5,671
Dutchess	7	16,165,436	14,859,163	19,302	1,286,969	32,792	4,106	2,901	2,735,534	2,967,249	512,588	32,692
Erie	3	63,367,968	57,312,487	....	6,055,480	112,373	25,266	20,768	19,216,234	17,834,111	1,835,629	239,835
Greene	1	2,504,493	2,279,534	....	224,959	5,620	1,010	543	673,648	527,430	70,959	5,848
Jefferson	2	6,632 688	6,244,449	....	388,239	21,422	4,583	2,518	2,456,157	1,858,244	198,230	18,532
Kings	16	188,423,945	166,656,853	66,138	21,700,953	366,590	68,692	53,264	45,916.143	42,860,948	5,302,070	556 926
Madison	1	1,669,191	1,520,337	9,812	139,041	5,327	1,119	848	508,919	442,501	46,029	5,977
Monroe	4	43,951,619	39,615,879	160,013	4,175,726	89,762	18,507	14,231	10,403,062	10,980,486	1,364,977	168,179
Montgomery	1	2,540,957	2,416,659	30	124,267	8,382	2,171	1,389	1,092,227	841,890	70,842	6,302
Nassau	1	910,294	856,474	150	53,670	1,979	350	180	234,073	142,707	29,034	1,649
New York	27	641,044,331	580,210,471	212,926	60,620,934	1,147,691	230,038	176,842	150,297,067	131,760,966	18,794,702	1,574,350
Niagara	2	3,219,808	2,983,507	....	236,301	8,293	2,415	1,911	1,652,843	1,588,493	90,555	18,388
Oneida	3	15,899,788	14,013,882	5,503	1,880,402	36,829	7,586	5,220	3,978,447	3,078,787	437,300	50,643
Onondaga	3	33,380,201	30,859,016	14,599	2,506,585	72,001	13,752	11,555	10,414,505	9,896,552	1,012,515	129,864
Orange	6	14,377,444	12,862,632	....	1,514,812	32,130	4,200	3,217	2,514,460	2,358,888	450,640	43,865
Oswego	3	5,341,137	4,952,092	69	388,975	18,683	3,622	2,790	2,260,158	2,057,368	160,168	22,716
Putnam	1	444,017	402,955	....	41,061	1,522	354	272	93,156	83,234	12,465	2,059
Queens	4	7,713,648	7,104,701	....	608,947	23,636	6,825	4,533	3,060,021	2,408,570	224,651	34,385
Rensselaer	1	11,115,105	9,823,649	80,676	1,210,779	22,065	4,168	3,248	2,364,022	2,075,288	314,607	38,706
Richmond	2	2,780,842	2,569,984	....	210,857	9,820	2,379	1,827	1,275,908	1,037,561	73,627	18,983
Schenectady	1	3,983,041	3,791,394	....	191,647	14,182	5,007	3,231	2,301,960	1,923,778	107,675	10,209
Seneca	1	411,342	381,198	....	30,144	2,087	551	405	188,943	171,189	10,354	2,467
Suffolk	4	9,322,628	8,384,416	....	938,211	16,593	2,245	1,279	1,905,468	1,334,725	291,478	30,020
Tompkins	1	2,378,067	2,091,599	....	286,468	8,044	2,178	1,666	994,747	890,235	59,921	12,166
Ulster	6	10,563,356	9,797,615	40	765,700	24,745	3,882	2,821	2,462,816	2,058,644	309,913	38,556
Westchester	10	21,447,846	19,933,319	....	1,514,527	55,265	10,243	6,652	6,442,859	5,175,347	686,951	131,063
Totals, January 1, 1903	127	1,191,330,573	$1,077,383,743	$660,054	$113,286,775	2,275,383	451,817	345,525	$296,024,624	$266,550,112	$34,911,413	$3,412,864

REDEMPTION OF BANK NOTES.

Editor Bankers' Magazine:

SIR: The presumption of success for the plan outlined in the article "Redemption of a Credit Currency" in the January BANKERS' MAGAZINE seems ill founded when it is recalled that the mere fact that the proposed emergency notes, under that plan, can be paid out only by the original bank of issue, strips such notes of their rights as ordinary money and encumbers them with all the handicaps of out-of-town checks, subject to various charges for collection according to the facilities possessed by the bank approached.

Further, even though the law as provided by the Fowler bill, should compel all National banks to accept such notes at par, it must not be forgotten that money can be equally discredited by State and private bankers and trust companies. These notes could not successfully run the gauntlet of the latter.

The owner of a hundred dollar note of this character, wishing change, could ordinarily secure it from a National bank, but what if he happened to be where there were no National banks? The note tendered to a State bank would, on the foreign check basis, net face less ten or fifteen cents, the cost of collection. Does that indicate the length of time such notes would maintain the reputation now enjoyed by all the paper money in circulation?

No matter what bill authorizing asset currency is enacted into law, to assure successful operation the restriction suggested—that notes can be paid out only by the original bank of issue—must be eliminated. The redemption must be brought about in some other way. Why not compel the bank of issue, the one that derives the most benefit from the issue of the note, to pay into the Treasury, aside from what may be required for the safety of such notes, a small tax on the issue which shall inure to the benefit of the bank presenting the note for redemption? This plan would not, as some others do, ignore the fact that banks are in business primarily each for the benefit of its own stockholders.

A system modelled on these general lines, under proper regulation, would insure the notes being issued when necessary, their passage at par among the people and at the banks, and their redemption when the necessity for their existence ceased. These things accomplished, asset currency has served its purpose of securing to us a more elastic currency—one permitting expansion and insuring contraction, each according to the exigencies of the case.

CORYDON, Ind., March 6, 1908. WILSON E. COOK.

Our correspondent objects to a law forbidding bank notes to be paid out except by the original bank of issue, on the ground that this "strips such notes of their rights as ordinary money." It would seem difficult to force the redemption of a credit currency without depriving it of some of the attributes of money. Properly, a bank note is not money but a credit instrument, though that fact seems to have been lost sight of by the present generation of bankers, who are accustomed to handling Government money only. But in Mr. Fowler's bill the restriction on paying out notes is not so narrow as that indicated above, but merely requires that a bank shall not pay out notes issued outside its own redemption district. The utility of the notes in ordinary transactions would be much greater than in the case of checks.

It hardly appears probable that State banks and trust companies—which would be under no prohibition in respect to paying out the notes—could discredit them, and they would not be interested in discrediting any part of their funds. Like other business concerns, the State banks and trust companies would be apt to take at par any kind of currency good for its face value in ordinary transactions.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on Sept. 15, Nov. 25, 1902 and Feb. 6, 1893. Total number of banks: Feb. 6, 1903, 4,766; Nov. 25, 1902, 4,666; Sept. 15, 1902, 4,601.

Resources.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$3,280,127,480	$3,303,148,091	$3,350,897,744
Overdrafts	34,111,552	43,522,543	35,721,746
U. S. bonds to secure circulation	324,253,760	341,328,820	342,071,460
U. S. bonds to secure U. S. deposits	124,685,150	131,376,700	134,339,030
Other bonds to secure U. S. deposits	....	19,705,749	17,665,067
U. S. bonds on hand	8,008,100	5,364,030	9,414,750
Premiums on U. S. bonds	12,218,347	13,783,389	14,189,052
Stocks, securities, etc	493,109,726	491,921,929	511,260,365
Banking house, furniture and fixtures	92,652,268	95,093,525	100,010,991
Other real estate and mortgages owned	21,558,989	21,515,274	21,398,452
Due from National banks	264,616,195	275,897,193	271,988,371
Due from State banks and bankers	89,993,517	88,228,677	92,465,790
Due from approved reserve agents	465,640,578	436,820,873	479,724,850
Internal-revenue stamps	286,587	211.075	148,847
Checks and other cash items	24,501,107	21,332,144	23,845,816
Exchanges for clearing-house	327,762,581	236,990,495	214,496,241
Bills of other National banks	22,861,873	23,168,903	23,394,425
Fractional currency, nickels and cents	1,378,296	1,407,269	1,633,212
Specie	366,236,120	391,281,660	417,572,146
Legal-tender notes	141,757,618	142,310,109	153,025,573
Five per cent. redemption fund	15,799,678	16,661,574	16,660,945
Due from Treasurer U. S.	2,369,383	3,021,887	2,848,275
Total	$6,113,928,912	$6,104,091,916	$6,234,773,157
Liabilities.			
Capital stock paid in	$705,535,417	$714,616,353	$731,275,237
Surplus fund	326,393,953	335,763,730	351,140,285
Undivided profits, less expenses and taxes	169,216,512	181,723,772	165,831,828
National bank notes outstanding	317,991,809	336,505,993	335,226,236
State bank notes outstanding	42,781	42,781	42,781
Due to other National banks	648,885,530	607,044,194	673,090,724
Due to State banks and bankers	285,221,529	281,071,701	298,878,012
Due to trust companies and Savings banks	235,220,608	230,041,156	269,502,545
Due to approved reserve agents	31,013,564	36,735,916	30,795,257
Dividends unpaid	968,559	1,025,534	1,291,510
Individual deposits	3,209,273,893	3,152,878,796	3,159,534,591
U. S. deposits	117,097,769	138,464,809	140,493,423
Deposits of U. S. disbursing officers	6,846,033	8,353,604	7,341,264
Bonds borrowed	....	39,254,256	42,219,112
Notes and bills rediscounted	9,041,080	7,640,449	6,068,612
Bills payable	24,859,807	25,728,041	16,853,225
Liabilities other than those above	26,320,060	7,200,825	5,188,508
Total	$6,113,928,912	$6,104,091,916	$6,234,773,157

Changes in the principal items of resources and liabilities of National banks as shown by the returns on Feb. 6, 1903, as compared with the returns on Nov. 25, 1902, and Feb. 25, 1902:

Items.	Since Nov. 25, 1902.		Since Feb. 25, 1902.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$47,749,653	....	$222,270,650	....
U. S. bonds	7,755,690	....	40,709,360	....
Due from National banks, State banks and bankers and reserve agents	43,232,269	....	9,230,090	....
Specie	26,290,485	....	10,489,983	....
Legal tenders	10,715,464	....	....	$1,657,119
Capital stock	16,658,884	....	63,894,006	....
Surplus and other profits	....	$515,388	67,366,569	....
Circulation	....	1,279,757	20,787,556	....
Due to National and State banks and bankers	117,373,571	....	....	6,671,775
Individual deposits	6,655,795	....	177,045,291	....
United States Government deposits	1,016,273	....	35,538,169	....
Bills payable and rediscounts	....	10,446,653	7,717,500	....
Total resources	130,681,240	....	391,724,436	....

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—At some future time the capital of the Market and Fulton National Bank willl be increased from $900,000 to $1,000,000, the increase having been authorized at a meeting of the shareholders on February 17.

—Charles C. Thompson, formerly Assistant Cashier of the Seaboard National Bank, was recently elected Cashier to succeed J. F. Thompson, resigned, to become Vice-President of the Bankers' Trust Company. Frank Dean, recently elected a Vice-President of the Seaboard National, has also become a member of the board of directors.

—On February 16 a certificate was filed at Albany, showing that the capital of the Borough Bank of Brooklyn had been increased from $100,000 to $200,000.

—Gilman, Son & Co., who suspended in October last, will be reorganized as a corporation with $100,000 capital, and business will be resumed in a short time. It is expected that arrangements will be made for paying off all liabilities in full.

—Charles H. Hackett, of the firm of Hackett, Carhart & Co., succeeds Theodore Rogers as President of the Bank of the Metropolis, Mr. Rogers being made chairman of the board of directors.

—New York, Baltimore and St. Louis capitalists are said to be organizing a new trust company in the financial district. It is to be known as the Gibraltar Trust Company, and will have a capital of $500,000 and a surplus of $500,000.

—It is reported that control of the National Shoe and Leather Bank has been purchased by the International Banking Corporation. W. L. Moyer, formerly Vice-President of the Western National Bank, and his friends have had control of the Shoe and Leather Bank, and not long ago also became interested in the International Banking Corporation, of which Mr. Moyer was elected President.

—The directors of the New York National Exchange Bank recently adopted resolutions calling a meeting of the stockholders for March 31, to vote on a new issue of stock at 200, making the bank's capital $1,000,000 and the surplus $750,000.

—It is understood that, as a result of the connection of various financial interests with the recently consolidated Western National Bank of the United States, the latter will become the clearing-house agent of the Morton Trust Company. Heretofore the National Bank of Commerce has acted as such.

—A new State bank is said to be in process of organization, with $100,000 capital and $50,000 surplus, to do business on Thirty-fourth street, between Seventh and Eighth avenues. Irving M. Shaw and A. E. Stilger, of the North River Savings Bank, are reported to be among those interested in the new bank.

—The Federal Bank, of 590 Broadway, will open a branch next month at Grand and Orchard streets. East Side merchants have taken $75,000 of the new stock issued by the bank.

— Benjamin G. Talbert has been elected chairman of the New York Stock Exchange in place of McPherson Kennedy, resigned. Mr. Talbert has been a member of the exchange since August 17, 1873, and has been a partner in the brokerage firm of John H. Davis & Co. His salary will be $10,000 a year, which is more than any chairman before him has received, the salary heretofore having been $7,000.

— On March 4 D. Leroy Dresser resigned as President of the Trust Company of the Republic.

NEW ENGLAND STATES.

Worcester, Mass.—The Central National Bank and the City National Banks were merged into the Worcester Safe Deposit and Trust Co. on February 24. Under the arrangement for merging the institutions, officers of the banks will be prominently connected with the management of the trust company. It is believed that stockholders and depositors of the merged banks will be benefited by the change.

Appointed a Bank Clerk.—The "Boston Globe" of recent date says:

"To Augustus G. Kellogg, the only son of Commander Augustus G. Kellogg, stationed at the navy yard, Boston, is accorded the honor of being the first American appointed to the staff of one of the largest private banking houses in the world, the Hongkong and Shanghai.

This banking house was originally started in Hongkong, but has grown until there are thirty branches, in almost every quarter of the globe. The bank has the old style of conducting its business. Those employed are divided into two classes, the senior and junior. The former comprises the manager solely, while the latter includes the rest of the staff. Apartments are furnished by the bank as well as meals.

One year in every five is given to the men as a vacation, with pay of three-quarters the regular amount received. Each man serves an apprenticeship of three years with a nominal salary, and at the end of this time rises in rank as vacancies occur.

Augustus G. Kellogg is about twenty years of age, a graduate of the St. Augustine School at Staten Island, and Princeton University. He refused to take an appointment at the Naval Academy at Annapolis only last summer, as well as two commissions that were offered him, one in the marine corps and the other in the army.

Mr. Kellogg is a son of Commander Augustus G. Kellogg, USN., who is known in the service as of the 1860 class."

MIDDLE STATES.

Baltimore.—On Thursday evening, February 26, Baltimore Chapter of the American Institute of Bank Clerks held a smoker and musicale at Music Hall. It was one of the most successful and best attended events in the history of the chapter. There were nearly 400 persons present, including the officers of nearly all the banks of the city. The president of the chapter, James C. Fenhagen, presided, and outlined the history and work of the institute.

Charles C. Homer, President of the Second National Bank, was then introduced, and after dwelling briefly on the various systems of asset currency that have been brought before the country, including the Baltimore plan and the plan of the Indianapolis Monetary Convention, introduced the speaker of the evening, Hon. Cornelius A. Pugsley, Congressman from New York. Mr. Pugsley reviewed the provisions of the Aldrich and Fowler bills, recently before Congress.

Philadelphia.—Stockholders of the Girard National Bank met on February 18 and approved the proposed increase of the capital from $1,500,000 to $2,000,000, the new stock to be issued at $225 a share. The Girard National recently absorbed the Mechanics' National Bank.

Rochester. N. Y.—The capital of the German-American Bank has been increased from $200,000 to $500,000.

Meeting of Pennsylvania Bankers.—The meeting of Group 5 of the Pennsylvania Bankers' Association, composed of Adams, Cumberland, Dauphin, Franklin, Fulton, Juniata, Lancaster, Lebanon, Mifflin, Perry and York counties, was held in the parlor of the Lochiel Hotel, Harrisburg, Pa., Tuesday afternoon, February 17.

About twenty-five members were present, also Hon. S. J. M. McCarrell and James I. Chamberlain as guests, Chairman James Brady, Cashier of the First National Bank, of Harrisburg, in the chair. Secretary F. K. Ployer, Cashier of the Second National Bank of Mechanicsburg, read the minutes of the last meeting and also the treasurer's report, which were approved. The election resulted as follows: Chairman, F. K. Ployer, Cashier Second National Bank, Mechanicsburg; secretary and treasurer, C. W. Few, Cashier First National Bank, Lebanon; executive committee, J. H. Shook, Cashier First National Bank, Greencastle; E. A. Rice, Cashier Western National Bank, York; J. J. Nissley, President Hummelstown National Bank, Hummelstown; D. W. Sohn, Cashier Commercial National Bank, Harrisburg; James T. Alter, Assistant Cashier First National Bank, New Bloomfield.

A banquet followed the business meeting. Hon. S. J. M. McCarrell made a very interesting toastmaster, and speeches were made by James J. Chamberlain and others. On the whole, a very pleasant time was had.

New Jersey Bankers' Association.—Bankers of the State of New Jersey have recently organized a State bankers' association, with the following officers:

President, Hon. E. C. Stokes, President Mechanics' National Bank, Trenton; Vice-President, Uzal H. McCarter, President Fidelity Trust Co., Newark; treasurer, Oscar L. Gubelman, Secretary and Treasurer Commercial Trust Co., Jersey City; secretary, Wm. J. Field, 15 Exchange Place, Jersey City.

Trustees—President, Vice-President and Treasurer, *ex-officio*. One year—E. S. Campbell, President National Newark Banking Co., Newark; J. E. Hulshizer, President New Jersey

Title Guarantee and Trust Co., Jersey City; H. H. Pond, Cashier Vineland National Bank, Vineland. Two years—Samuel Freeman, President Morristown Trust Co.; Wm. F. Arnold, Cashier City National Bank, Plainfield; Carlton Godfrey, President Guarantee Trust Co., Atlantic City. Three years—H. G. Parker, Cashier National Bank of N. J., New Brunswick; W. F. Rose, Cashier National State Bank, Camden; E. F. Bell, President First National Bank, Paterson.

Washington.—Milton E. Ailes, Assistant Secretary of the Treasury, will soon resign to become Vice-President of the Riggs National Bank, the largest and wealthiest bank in Washington. It recently increased its capital stock from $500,000 to $1,000,000, and a large block of the additional stock was taken by the National City Bank, of New York, of which Frank A. Vanderlip, formerly Assistant Secretary of the Treasury and a close personal friend of Assistant Secretary Ailes, is one of the Vice-Presidents.

Mr. Ailes is about thirty-five years old. He came to Washington about fifteen years ago, and was employed in a subordinate position in the Treasury Department. He was promoted many times, and became private secretary to Lyman J. Gage in 1897 and Assistant Secretary of the Treasury in 1901.

SOUTHERN STATES.

Louisiana Bankers' Association.—The next annual convention of the Louisiana Bankers' Association will be held at Shreveport in May.

Bonds to be Issued.—The city of Monroe, La., will shortly offer for sale $60,000 of serial bonds for the purpose of buying a water plant. This is part of an issue of $155,000, the other $95,000 having been sold about two years ago. These bonds bear five per cent. interest, payable semi-annually in New York.

A Successful Country Bank —The First National Bank of Honey Grove, Texas, recently completed its first twenty years of existence and renewed its charter for a similar period.

The bank commenced business in January, 1883, with a paid-up capital of $50,000 which at the time was more than sufficient to supply the business requirements of the community, and the office force consisted of two men. The capital and surplus have been added to from year to year to keep pace with increased demands until now, on its twentieth anniversary, it employs a capital and surplus of $250,000 and has a force of six active young men.

During this long period the bank has been closely identified with every movement looking to the advancement of the interests of the town and community, and every worthy enterprise has received the material aid of the bank and its shareholders. The business has been conducted along liberal lines with a due regard for the conservative principles of legitimate banking.

During these twenty years it has passed through several money panics of more or less severity and in each instance came out with flying colors, and is to-day one of the best and most favorably known country banks in the State.

Although several of its shareholders were comparatively old men when the bank started they are still in line and in good health.

Charleston, S. C.—This city is growing so that better facilities have been found necessary to handle the large volume of banking business, and to meet these demands the banks have organized a clearing-house association, the members being as follows: Bank of Charleston National Banking Association, People's National, First National, Carolina Savings Bank, South Carolina Loan and Trust Co., Miners and Merchants' Bank, Exchange Bank and Trust Co., Enterprise Bank and the Columbia Banking and Trust Co. Henry P. Williams, Cashier of the Carolina Savings Bank, was elected President; E. H. Pringle, President of the Bank of Charleston, Vice-President; W. King McDowell, Cashier of the Exchange Bank and Trust Co., Secretary and Treasurer; E. H. Sparkman, Cashier of the People's National Bank, Manager, and Julian B. Calder, Assistant Cashier of the People's National Bank, Assistant Manager.

WESTERN STATES.

Indianapolis, Ind.—The American National Bank, which commenced business February 4, 1901, and had on deposit at the close of the second day's business $366,371, has been growing at a most remarkable rate since that time. On February 25, 1902, the total deposits had increased to $2,697,301, and on November 25, 1902, the amount was $3,959,109, and in the short period of time between November 25, 1902, and February 6, 1903, the deposits of the bank rose to the sum of $5,048,562. Such a record of business growth probably has few parallels in the history of banking institutions in this country.

But the bank has been increasing its strength as well as its size. In addition to the capital of $1,000,000 and a shareholders' liability of $1,000,000, there is $243,183 surplus and profits. The strong position of the bank is further shown by its demand collateral loans amounting to $702,000; United States bonds (other than those to secure circulation), $1,000,100; cash and due from banks, $2,003,544.

Profits have also steadily grown. From February 4, 1901, to March 31, 1901, profits were earned at the rate of 4¼ per cent. per annum; from April 1, to December 31, 1901, at the rate of five per cent.: from January 1, 1902, to July 31, 1902, at the rate of 7⅝ per cent.; from August 1, 1902, to November 25, 1902, at the rate of 9¾ per cent. In the interval from September 15, 1902, to November 25, 1902, the profits were at the rate of 11 per cent. per annum.

A considerable share of the growth and prosperity of the American National Bank is very properly attributed to the strong local support it receives. There are 150 Indianapolis business men among the shareholders, and they own more than nine-tenths of the stock.

Denver, Colo.—Increased business has made it necessary for the First National Bank to enlarge its banking rooms, which is being done at a cost of about $10,000.

—D. H. Dougan, heretofore Cashier of the National Bank of Commerce, has been elected President. W. B. Morrison succeeds Mr. Dougan as Cashier.

Missouri Bankers' Association.—A call has been issued by the secretary of the Missouri Bankers' Association stating that the annual convention of the association will be held in St. Louis May 20 and 21.

Milwaukee, Wis.—The Wisconsin Fidelity, Trust and Safe Deposit Company has issued some interesting and attractive booklets fully describing the advantages of the company's several departments. In point of printing, binding, paper and contents, these booklets may serve as models of advertising for similar institutions.

Michigan Bankers' Association.—This year's meeting of the Michigan Bankers' Association will be held at Saginaw in June. Col. F. E. Farnsworth, of Detroit, is secretary of the association.

Grand Rapids, Mich.—On the evening of February 2 between 350 and 400 of the business and professional men of this city paid their respects to Harvey J. Hollister, at a reception given for him by his son, Clay H. Hollister.

Harvey J. Hollister has been engaged in banking continuously at Grand Rapids for fifty years, having been associated with private banks at first and later with the First National Bank and its successor the Old National Bank, serving as Cashier, and only recently resigning to accept the less active duties of the Vice-Presidency. He is one of the best-known bankers of the State, and has a wide acquaintance among bankers all over the country.

Mr. Hollister modestly attributes his success in banking to continuity of effort and to the fact that he has been fortunate in always being associated with good men.

Chicago.—It is expected that the new Hamilton National Bank will begin business April 1 in the rooms formerly occupied by the Merchants' National Bank. Charles B. Pike will be President of the new bank, and D. W. Buchanan, Vice-President. Its capital will be $500,000 and the surplus at starting $125,000.

PACIFIC SLOPE.

San Francisco, Cal.—Through the courtesy of Manager Charles Sleeper, the MAGAZINE is furnished with a copy of the twenty-seventh annual report of the San Francisco Clearing-House.

The clearings for the year 1902 were $1,373,362,025.31, and for 1901 they were $1,178,169,536.30, making the gain for the past year $195,192,489.01, or 16 4-7 per cent.—an average daily gain of $656,990.26. On March 26, 1902, the clearing, $14,151,000 and accompanying balance, $2,189,000, were the largest in the record of the clearing-house.

Balances in 1902 were 12.1 per cent. of the clearings and amounted to $166,234,644.08. They were paid as follows: U. S. gold coin $48,984,644.08, or 29.47 per cent.; U. S. Treasury gold certificates $117,250,000, or 70.53 per cent.

The average balance for 1902 was $548,629.19, and for 1901 $455,644.70, an average daily increase of $92,984.49.

The clearing-house resumed the use of U. S. Treasury gold certificates in the settlement of balances on August 19, 1899, since which time to December 31, 1902, the balances have amounted to $470,237,650.06, of which $129,177,650.06, or 27.5 per cent., was paid in gold coin, and $341,090,000, or 72.5 per cent., in certificates. By the use of certificates a fourfold handling of an equal amount of gold coin was saved, the fourfold weight of which would be over $5,028,-000 pounds avoirdupois.

Thirty banks, trust companies and banking firms now belong to the association. At the annual meeting, February 10, the following officers were elected: President, Wm. Alvord; Vice-President, H. Wadsworth; Secretary, Frederick W. Zeile. The clearing-house committee is made up of the following members: Chairman, Wm. Alvord, President Bank of California; Ign. Steinhart, Manager Anglo-Californian Bank, Ltd.; S. G. Murphy, President

First National Bank ; Wm. H. Crocker, President Crocker-Woolworth National Bank ; H. M. J. Michael (Secretary), Agent Bank of British North America. Chas. Sleeper is the Manager of the association and J. T. Burke, Assistant Manager.

— During the past year business in this city has been good, with large increase in real estate transactions. Population, State, city and suburban, has largely increased.

— The Germania National Bank recently opened for business with $300,000 capital. W. A. Frederick is President and F. Kronenberg, Jr., Cashier.

— According to the report of the State Board of Bank Commissioners upon the condition of 277 State banks doing business in California on December 31, 1902, the total assets aggregate $426,923,996. The capital paid in is $40,736,143, with deposits amounting to $335,415,822. The increase in the assets of these banks since the statement of December 31, 1901, is $55,376,024, while the increase in deposits amounts to $45,339,783. The report upon the condition of the 171 commercial banks in the interior of California at the close of business December 31, 1902, shows resources aggregating $99,490,751. The deposits amounted to $67,343,234. There has been a gain in the deposits of these banks from December 31, 1901, to December 31, 1902, of $14,399,762 with an increase of $17,153,818 in assets during the same period.

Washington State Banks.—In his annual report for 1902 John D. Atkin, State Auditor of Washington, says:

"Under the present law all State banks are required to make an annual report to the State Auditor of all business done. There are in the State of Washington certain State banks which continually neglect or refuse to make this report. The best, staunchest and most responsible of these banks make this report, and desire that all the others be compelled to do so, but as the law stands to-day there is no penalty attached, by which these banks can be compelled to report. I therefore suggest that a penalty be enacted of $25 per day for each and every day that such report is delayed, with suitable provisions for putting the same into effect, providing no new and better banking legislation is enacted. I believe, however, that it would be for the best interests of the State to have a new and regular banking law enacted, such as is now in force in the State of New York, and other Eastern States, and which laws are well known to be very effective, and necessary for the best business interests and financial stability of commonwealths in general."

CANADA.

Reported Bank Merger.—It is reported that the Halifax Banking Company will be absorbed by the Canadian Bank of Commerce, and that the capital of the latter bank will be raised from $8,000,000 to $10,000,000.

Increase in Capital.—The Eastern Townships Bank will increase its capital from $2,000,000 to $3,000,000.

— The Bank of Toronto has increased its capital from $3,000,000 to $4,000,000.

Montreal.—The $2,000,000 new stock of the Bank of Montreal will be allotted to shareholders at a premium of seventy per cent. on the par value. When the new stock has been disposed of the capital of the Bank of Montreal will amount to $14,000,000. The premiums on the new stock will raise the reserve fund to $9,400,000, which, it is estimated, will be augmented from balance of profit and loss account at the close of the current year so as to make the surplus fully $10,000,000, thus giving the bank $24,000,000 as the amount of its combined paid-up capital and reserve fund.

Royal Bank of Canada.—Through the courtesy of Mr. S. H. Voorhees, the Agent at New York, THE BANKERS' MAGAZINE has received a copy of the Thirty-third Annual Report of the Royal Bank of Canada. The head office of the bank is at Halifax, and it has forty branches in the Dominion of Canada. Since 1890 the paid-up capital of the bank has been increased from $1,100,000 to $2,481,000; the reserve from $375,000 to $2,500,000, and the deposits have grown from $3,277,605 to $13,929,120. The bank was incorporated in 1869. Quite recently 5,000 shares of the bank's stock were sold to American capitalists, as an investment, at $250 per share. This does not indicate any change in the control and management, which will be held in Canada as heretofore.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

National Banks Organized.

6592—Germania National Bank, San Francisco, California. Capital, $300,000.
6593—First National Bank, East Palestine, Ohio. Capital, $25,000.
6594—First National Bank, New Carlisle, Ohio. Capital, $30,000.
6595—First National Bank, Clarksdale, Mississippi. Capital, $25,000.
6596—First National Bank, Nederland, Texas. Capital, $25,000.
6597—First National Bank, Belen, New Mexico. Capital, $25,000.
6598—First National Bank, Crescent City, Illinois. Capital, $25,000.
6599—First National Bank, New Salem, Pennsylvania. Capital, $25,000.
6600—Central National Bank, Kearney, Nebraska. Capital, $50,000.
6601—First National Bank, Edmore, North Dakota. Capital, $25,000.
6602—Farmers' National Bank, Vinita, Indian Territory. Capital, $25,000.
6603—First National Bank, Boswell, Pennsylvania. Capital, $30,000.
6604—Old National Bank, Oshkosh, Wisconsin. Capital, $300,000.
6605—First National Bank, Lone Oak, Texas. Capital, $25,000.
6606—First National Bank of St. Mary's, Leonardtown, Maryland. Capital, $25,000.
6607—Caldwell National Bank, Caldwell, Texas. Capital, $25,000.
6608—First National Bank, Chatfield, Minnesota. Capital, $25,000.
6609—Fairfield National Bank, Fairfield, Illinois. Capital, $60,000.
6610—First National Bank, Grafton, Iowa. Capital, $25,000.
6611—First National Bank, Gilmore, Iowa. Capital, $25,000.
6612—First National Bank, Walter, Oklahoma. Capital, $25,000.
6613—City National Bank, Plattsburgh, New York. Capital, $100,000.
6614—First National Bank, Caldwell, Texas. Capital, $60,000.
6615—Hoblitzell National Bank, Hyndman, Pennsylvania. Capital, $25,000.
6616—First National Bank, Sanford, North Carolina. Capital, $25,000.
6617—Farmers and Merchants' National Bank, Los Angeles, California. Capital, $1,000,000.
6618—Citizens' National Bank, Belington, West Virginia. Capital, $40,000.
6619—First National Bank, Belington, West Virginia. Capital, $30,000.
6620—Mt. Gilead National Bank, Mt. Gilead, Ohio. Capital, $50,000.
6621—National Bank of Barnesville, Barnesville, Ohio. Capital, $100,000.
6622—First National Bank, Pikeville, Kentucky. Capital, $50,000.
6623—Farmers' National Bank, Dodge Center, Minnesota. Capital, $30,000.
6624—Bridgeport National Bank, Bridgeport, Ohio. Capital, $100,000.
6625—First National Bank, Corydon, Indiana. Capital, $25,000.
6626—Midway National Bank, Midway, Pennsylvania. Capital, $50,000.
6627—Stone Fort National Bank, Nacogdoches, Texas. Capital, $25,000.
6628—First National Bank, Dunkirk, Ohio. Capital, $25,000.
6629—National Bank of Wyoming, Wyoming, Illinois. Capital, $25,000.
6630—First National Bank, Oriskany Falls, New York. Capital, $25,000.
6631—First National Bank, Alden, Minnesota. Capital, $30,000.
6632—First National Bank, Oak Harbor, Ohio. Capital, $25,000.
6633—First National Bank, Douglas, Arizona. Capital, $50,000.
6634—Belington National Bank, Belington, West Virginia. Capital, $25,000.
6635—Hannibal National Bank, Hannibal, Missouri. Capital, $100,000.
6636—First National Bank, Bridgeville, Pennsylvania. Capital, $50,000.
6637—Ivanhoe National Bank, Ivanhoe, Minnesota. Capital, $25,000.
6638—First National Bank, Stoneboro, Pennsylvania. Capital, $25,000.
6639—National Bank of Commerce, Paul's Valley, Indian Territory. Capital, $25,000.
6640—Mount Pleasant National Bank, Mount Pleasant, Ohio. Capital, $50,000.
6641—First National Bank, Wanette, Oklahoma. Capital, $25,000.

6642—First National Bank, Smithfield, Pennsylvania. Capital, $25,000.
6643—First National Bank, Augusta, Kansas. Capital, $25,000.
6644—First National Bank, Elgin, Oregon. Capital, $25,000.
6645—Merchants' National Bank, Allentown, Pennsylvania. Capital, $200,000.
6646—Capital National Bank, Jackson, Mississippi. Capital, $200,000.
6647—City National Bank, Cordell, Oklahoma. Capital, $25,000.
6648—First National Bank, Dallastown, Pennsylvania. Capital, $50,000.
6649—First National Bank, McLeansboro, Illinois. Capital, $25,000.
6650—Farmers' National Bank, Primghar, Iowa. Capital, $30,000.

Applications to Organize National Banks Approved.

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

First National Bank, Frederick, Oklahoma; by C. T. Herring, *et al.*
First National Bank, Grand Ridge, Illinois; by Thomas D. Catlin, *et al.*
First National Bank, Willow City, North Dakota; by F. M. Rich, *et al.*
First National Bank, Sour Lake, Texas; by A. L. Williams, *et al.*
First National Bank, Wimbledon, North Dakota: by A. L. Ober, *et al.*
American National Bank, Washington, D. C.; by Robert N. Harper, *et al.*
First National Bank, Toccoa, Georgia; by W. S. Witham, *et al.*
Pana National Bank, Pana, Illinois; by C. W. Bainbridge, *et al.*
First National Bank, Findlay, Illinois; by J. E. Dazey, *et al.*
Dodge County National Bank, Dodge Center, Minnesota; by Norman Evans, *et al.*
First National Bank, Perry, Arkansas; by G. B. Colvin, *et al.*
First National Bank, Brackettville, Texas; by W. A. Bonnet, *et al.*
First National Bank, Foxhome, Minnesota; by L. H. Standring, *et al.*
Cherokee National Bank, Enid, Oklahoma; by C. J. West, *et al.*
First National Bank, Deep River, Iowa; by H. W. Hatter, *et al.*
First National Bank, Pond Creek, Oklahoma; by J. C. McClelland, *et al.*
Farmers' National Bank, Sunbury, Pennsylvania; by Harry S. Knight, *et al.*
New Freedom National Bank, New Freedom, Pennsylvania; by Geo. F. Miller, *et al.*
Farmers and Merchants' National Bank, Red Lion, Pennsylvania; by David A. Miller, *et al.*
American National Bank, St. Paul, Minnesota; by Joseph Lockey, *et al.*
Farmers' National Bank, Tulsa, Indian Territory; by Luther D. Marr, *et al.*
First National Bank, Elmore, Ohio; by H. W. Nieman, *et al.*
First National Bank, Hallock, Minnesota; by T. M. George, *et al.*
Citizens' National Bank, Fertile, Minnesota; by M. T. Dalquist, *et al.*
Farmers' National Bank, Mullica Hill, New Jersey; by Thomas Borton, *et al.*
Woodruff's National Bank, Dunkirk, Ohio; by Irwin Woodruff, *et al.*
First National Bank, Weston, Ohio: by W. R. Noyes, *et al.*
First National Bank, Loudonville, Ohio; by S. A. Raridon, *et al.*
National City Bank, Akron, Ohio; by George W. Crouse, *et al.*
City National Bank, Eastland, Texas; by J. M. Wagstaff, *et al.*
First National Bank, Laurel Mississippi; by Geo. Bacon, *et al.*
First National Bank, Houtzdale, Pennsylvania; by Edward Pidgeon, *et al.*
Citizens' National Bank; Cleburne, Texas; by M. M. Pittman, *et al.*
Hamilton National Bank, Chicago, Illinois; by Chas. Burrall Pike, *et al.*
First National Bank, Patchogue, New York; by Smith W. Conklin, *et al.*
Samuels National Bank, Aubrey Texas; by H. G. Musgrove, *et al.*
First National Bank, Columbia, Kentucky; by C. B. Epperson, *et al.*
National Citizens' Bank, Lake Benton, Minnesota; by Alfred Soderlind, *et al.*
First National Bank, Aitkin, Minnesota; by Benjamin R. Hassman, *et al.*
Clinton County National Bank, Lock Haven, Pennsylvania: by Edgar P. Geary, *et al.*
Commercial National Bank, Saint Paris, Ohio; by Lambert Pond, *et al.*
Lindsay National Bank, Lindsay, Indian Territory; by J. H. Knox, *et al.*
First National Bank, Wheatland, Wyoming; by Geo. S. Stewart, *et al.*
First National Bank, Dalhart, Texas; by J. E. George, *et al.*
Coffeyville National Bank, Coffeyville, Kansas; by C. E. Bryan, *et al.*
First National Bank, Beckley, West Virginia; by D. H. Johnston, *et al.*
Farmers' National Bank, Montrose, Pennsylvania; by Wm. A. Wilcox, *et al.*
First National Bank, Carmen, Oklahoma; by A. H. Geissler, *et al.*
First National Bank, Martinsville, Illinois; by J. I. Brydon, *et al.*
First National Bank, Clarkston, Washington; by W. P. Hurlbut, *et al.*
First National Bank, Hart, Michigan; by A. S. White, *et al.*
Wapanucka National Bank, Wapanucka, Indian Territory; by W. L. Richards, *et al.*

Campbell National Bank, La Rue, Ohio; by Fred E. Cuthrey, *et al.*
First National Bank, Bokchito, Indian Territory; by C. L. Sawyer, *et al.*
West Texas National Bank, Big Springs, Texas; by J. M. Cunningham, *et al.*
First National Bank, Shreve, Ohio; by L. J. Alcorn, *et al.*
Citizens' National Bank, Rockwall, Texas; by T. L. Keys, *et al.*
Selbyville National Bank, Selbyville, Delaware; by W. R. McCabe, *et al.*
City National Bank, Big Springs, Texas; by C. L. Alderman, *et al.*
People's National Bank, Laurel, Delaware; by Andrew J. Horsey, *et al.*
First National Bank, Addison, Pennsylvania; by Manliff H. Dean, *et al.*
First National Bank, Fountain, Colorado; by Gordon Jones, *et al.*
First National Bank, Newport, Arkansas; by Thomas J. Graham, *et al.*
Rockwall National Bank, Rockwall, Texas; by Geo. W. Riddle, *et al.*
Seacoast National Bank, Asbury Park, New Jersey; by James F. Ackerman, *et al.*
American National Bank, Rensselaer, Indiana; by J. C. Paxton, *et al.*
First National Bank, Sharpsville, Pennsylvania; by J. A. Langfitt, *et al.*
People's National Bank, Salisbury, Maryland; by E. S. Adkins, *et al.*
First National Bank, Morrisonville, Illinois; by Geo. E. Maxon, *et al.*
First National Bank, Lake Arthur, Louisiana; by T. H. Winn, *et al.*
First National Bank, Eagle Lake, Texas; by B. L. Vineyard, *et al.*

Application for Conversion to National Banks Approved.

State Savings Bank, Klemme, Iowa; into First National Bank.
Citizens' Bank, Baker City, Oregon; into Citizens' National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

Pine Apple—Bank of Pine Apple; capital, $15,000; Pres., Wm. H. Lloyd; Cas., H. S. Du Bore.

ARKANSAS.

Brinkley—Bank of Brinkley; capital, $25,000; Pres., H. C. Strong; Cas., W. S. Kilpatric.

Magazine—Bank of Magazine; capital, $10,000; Pres., R. P. Chitwood; Cas., Lafayette Thomasson.

ARIZONA.

Douglas—First National Bank; capital, $50,000; Cas., L. C. Hanks.

CALIFORNIA.

Cambria — Bank of Cambria (successor to Agency Commercial Bank); Pres., R. Dodson; Cas., James F. Stewart.

San Francisco—Germania National Bank; capital, $300,000; Pres., W. A. Frederick; Cas., Fred. Kronenberg, Jr.——Commercial Bank and Trust Co.

Los Angeles—Farmers' and Merchants' National Bank; capital, $1,000,000; Pres., Isaias W. Hellman; Cas., Charles Seyler.

Monrovia—Monrovia Savings Bank; Pres., John H. Bartle; Sec. and Cas., W. A. Chess.

Riverside—Citizens' Bank; Pres., S. H. Herrick; Cas. and Treas., W. B. Clancy; Asst. Cas., Carl W. Derby; Sec., D. W. McLeod.

GEORGIA.

Clarksville — Habersham Bank; capital, $10,000; Pres., E. P. West; Cas., W. R. Asbury.

Donaldsonville—Bank of Donaldsonville; capital, $25,000; Pres., J. S. Shingler; Cas., J. W. Thurmond.

Lavonia — Vickery Banking Co.; capital, $15,000.

Tifton—Citizens' Bank; capital, $2,500; Pres., E. A. Buck; Cas., J. M. Paulk; Asst. Cas., J. H. Scales.

IDAHO.

Culdesac—Bank of Culdesac; capital, $15,000; Pres., J. S. Martin; Cas., Geo. G. Martin.

ILLINOIS.

Antioch—State Bank; capital, $25,000; Pres., Geo. D. Paddock; Cas., W. F. Ziegler.

Augusta — Farmers' State Bank; capital, $30,000; Pres., D. P. Coffman; Cas., S. P. Lemmon.

Beechwood—Bank of Beechwood (Bristow, Boswell & Co.).

Crescent City—First National Bank (successor to Bank of Crescent City); capital, $25,000; Pres., Peter McDermott; Cas., W. W. Parkman.

Fairfield—Fairfield National Bank (successor to Pendleton, Johns & Co.); capital, $60,000; Pres., Adam Rinard; Cas., Ulla S. Staley.

Magnolia — Magnolia Bank (Ames, Ward & Co.); capital, $10,000.

McLeansboro—First National Bank; capital, $25,000; Pres., James R. Campbell; Cas. J. H. Lane.

Rio—Bank of Rio (John Taze & Son); capital, $25,000.

Wyoming—National Bank of Wyoming; capital, $25,000; Pres., W. H. Colgan; Cas., T. D. Ryan.

INDIANA.

Akron — Citizens' Bank; capital, $25,000; Pres., Jerry Drudge; Cas., Howard B. Harter.

CORYDON—First National Bank; capital, $25,000; Pres., James M. Andrew; Cas., Victor J. Bulleit.

MODOC—Citizens' Banking Co.; capital, $10,000; Pres., Thomas F. Whelan; Cas., D. C. Moore.

INDIAN TERRITORY.

MULDROW—Muldrow State Bank; capital, $15,000; Pres., John W. Breedlove; Cas., G. R. Scott.

PAULS VALLEY—National Bank of Commerce; capital, $25,000; Pres., Wm. J. Long; Cas., Chas. J. Walterhouse.

VINITA—Farmers' National Bank; capital, $25,000; Pres., F. M. Smith; Cas., J. M. Smith.

WAPANUCKA—Wapanucka Banking and Trust Co.; Pres., H. G. Beard; Cas., Clem. White.

IOWA.

DAVENPORT—Union Trust Co.; Pres., F. H. Bartenmeyer; Sec. and Treas., S. L. Ely.

DELTA—People's Saving Bank; capital, $11,000; Pres.; W. A. Cornwell; Cas., Geo. F. McCarter.

ELK HORN—Elk Horn Bank; Pres., John Peterson; Cas., S. C. Pederson.

EXIRA—Farmers and Merchants' Bank (successor to Stuart Bank); Pres., F. M. Leet; Cas., J. E. McGuire.

GILMORE—First National Bank; capital, $25,000; Pres., C. P. Bratnober; Cas., C. B. Fitch.

GRAFTON—First National (successor to Farmers' Exchange Bank); capital, $25,000; Pres., Charles Christians; Cas., O. H. Christians.

MCGREGOR—State Bank; capital, $25,000; Pres., W. F. Daubenberger; Cas., J. A. Ramage.

MODALE—State Savings Bank (successor to Bank of Modale); capital, $15,000; Cas., H. M. Silsby.

PRIMGHAR—Farmers' National Bank; capital, $30,000; Pres., G. R. Whitmor; Cas., R. Hinman.

SAC CITY—Farmers' Bank; capital, $10,000.

KANSAS.

AUGUSTA—First National Bank (successor to Augusta State Bank); capital, $25,000; Pres., J. H. Butts; Cas., W. H. Anderson.

CHANUTE—Home State Bank; capital, $15,000; Pres., H. L. Freeman; Cas., J. L. Robinson; Asst. Cas., G. McFadden.

ROSEDALE—Rosedale State Bank, capital, $10,000; Pres., A. J. Poor; Cas., Bert Chronister.

KENTUCKY.

BARLOW—Bank of Barlow; capital, $7,500; Pres., J. W. Meshew; Cas., D. Laffoon.

PIKEVILLE—First National Bank (successor to Bank of Pikeville); capital, $50,000; Pres., J. W. Ford; Cas., J. C. Bowles.

MARYLAND.

LEONARDTOWN—First National Bank of St. Mary's; capital, $25,000; Pres., L. E. Mumford; Cas., L. J. Sterling; Asst. Cas., Francis V. King.

MICHIGAN.

CAMDEN—Bank of Camden (successor to Bank of O. D. Chester); Cas., B. R. Alward; Asst. Cas., Eber M. Lash.

CLIFFORD—Carson, Ealy & Co. (successors to Clifford Commercial Bank).

MARINE CITY—Home Savings Bank (successorts to G. W. & F. T. Moore); capital, $35,000; Pres., Fred T. Moore; Cas., Charles L. Doyle.

MINNESOTA.

ALDEN—First National Bank (successor to State Bank); capital, $30,000; Cas., Ralph O. Olson.

CHATFIELD—First National Bank (successor to Chatfield Bank); capital, $25,000; Pres., A. L. Ober; Cas., Sidney Burnap; Asst. Cas., F. C. Lovell.

DODGE CENTER—Farmers' National Bank; capital, $30,000; Pres., Norman Evans; Cas., Wilmot G. Brown.

HOLLAND—Holland State Bank (successor to Bank of Holland); capital, $10,000; Pres., A. T. Serrurier; Cas., P. M. Serrurier.

IVANHOE—Ivanhoe National Bank; capital, $25,000; Pres. Hans. Lavesson.

LONDON—Bank of London (Fred Machacek & Co.).

RUSSELL—First State Bank (successor to Bank of Russell); capital, $15,000; Pres., E. N. Baily; Cas., G. W. Cochrane.

ST. VINCENT—Bank of St. Vincent; Pres., John Burkholz; Cas., Robert E. Bennett.

MISSISSIPPI.

CLARKSVILLE—First National Bank; capital, $25,000; Pres., J. W. Cutrer; Cas., W. P. Wildberger.

COLDWATER—Bank of Coldwater (successor to Coldwater Branch Bank of Batesville); capital, $10,000; Pres., F. F. Veazey; Cas., A. L. Jagoe.

GREENVILLE—Bank of Washington; capital, $100,000; Pres., J. B. Watt; Cas., W. P. Kretschmar.

JACKSON—Capital National Bank; capital, $200,000; Pres., R. W. Millsaps; Cas., W. M. Anderson.——Mississippi Bank and Trust Co.; capital, $100,000; Pres., Robert B. Mims; Cas., A. C. Jones; Asst. Cas., D. H. Holder.

NEW ALBANY—Merchants & Farmers' Bank; capital, $30,000; Pres., W. B. Robbins; Cas., R. H. Patterson.

MISSOURI.

FESTUS—Farmers and Merchants' Bank; capital, $15,000; Pres., W. H. Waggener; Cas., C. R. Honey.

GALT—Galt State Bank; capital, $12,000; Pres.; H. M. Pettit; Cas., W. A. McCracken.

HANNIBAL—Hannibal National Bank (successor to Bank of Hannibal); capital, $100,-

000; Pres., S. M. Carter; Cas., James P. Hinton; Asst. Cas., W. J. Dakin.

MANCHESTER—Citizens' Bank; capital, $10,000; Pres., John Strasser; Cas., Edouard Archmard.

MILLER — Bank of Miller; capital, $5,000; Pres., John E. Adamson; Cas., J. N. Moore.

NEBRASKA.

KEARNEY — Central National Bank; capital, $50,000; Pres., W. F. Auld; Cas., A. U. Dann; Asst. Cas., F. B. Garrison, Jr.

OMAHA—Burns-Haskell Co.

NEW MEXICO.

BELEN—First National Bank; capital, $25,000; Pres., M. W. Flournoy; Cas., R. A. Frost.

NEW YORK.

ORISKANY FALLS — First National Bank; capital, $25,000; Pres., C. W. Reynolds; Cas., C. W. Clark; Asst. Cas., C. K. Clark.

PLATTSBURG—City National Bank (successor to Vilas National Bank); capital, $100,000; Pres., John F. O'Brien; Cas., H. G. Baker.

NORTH CAROLINA.

SANFORD—First National Bank; capital, $25,000; Pres., Richard M. Nelson; Cas., A. W. Huntley.

WALLACE — Bank of Duplin; Pres., H. C. McQueen; Cas., A. L. McGoura.

NORTH DAKOTA.

EDMORE—First National Bank (successor to State Bank); capital, $25,000; Pres., David H. Beecher; Cas., John A. Honey; Asst. Cas., Chas. C. Honey.

PENN—Penn State Bank; capital, $5,000; Cas., C. E. Fresch.

STARKWEATHER—State Bank; capital, $10,000; Pres., W. P. Massuere; Cas., J. D. Larson.

OHIO.

BARNESVILLE — National Bank of Barnesville (successor to People's National Bank); capital, $100,000; Pres., J. S. Ely; Cas., O. P. Norris.

BEAVER—Citizens' Bank; Pres., W. A. Russell; Cas., James W. Hutcheson.

BRIDGEPORT — Bridgeport National Bank (successor to First National Bank); capital, $100,000; Pres., J. J. Holloway; Cas., F. W. Henderson.

DUNKIRK — First National Bank; capital, $25,000; Pres., S. A. Hageman; Cas., M. A. Boyer.

EAST PALESTINE—First National Bank; capital, $25,000; Pres., Wm. C. Wallace.

FELICITY—Citizens' Bank (successor to First National Bank); capital, $15,000; Pres., D. H. Hoover; Cas., S. F. Waterfield.

JEFFERSON — Jefferson Banking Co.; capital. 22,600; Pres., C. N. Royce; Treas., J. E. Hurlburt.

MOUNT GILEAD— Mount Gilead National Bank; capital, $50,000; Pres., H. H. Harlan; Cas., J. G. Russell.

MOUNT PLEASANT—Mount Pleasant National Bank; capital, $50,000; Pres., R. W. Chambers.

NEW CARLISLE—First National Bank; capital, $30,000; Pres., I. K. Funderberg; Cas., Lee Sutton.

OAK HARBOR — First National Bank; capital, $25,000; Cas., Geo. L. Wells.

ORRVILLE—Orrville Savings Bank; Cas., C. R. Musser.

WEST LAFAYETTE — West Lafayette Bank Co.; capital, $25,000; Pres., J. B. Burt; Cas., H. A. Sicker.

OKLAHOMA.

CORDELL — City National Bank; capital, $25,000; Pres., L. G. West.

WALTER — First National Bank (successor to Bank of Walter); capital, $25,000; Pres., Geo. W. Graham; Cas., B. S. Coleman.

WANETTE—First National Bank; capital, $25,000; Pres., Wm. S. Search.

OREGON.

ELGIN—First National Bank; capital, $25,000; Pres., J. A. Masterson; Cas., J. B. Thorson.

PENNSYLVANIA.

ALLENTOWN — Merchants' National Bank; capital, $200,000; Pres., Fred E. Lewis; Cas., Chas. O. Schantz.

BOSWELL—First National Bank; capital, $30,000; Pres., Thomas T. Boswell; Cas., M. L. Hoffman.

BRIDGEVILLE—First National Bank; capital, $50,000; Pres., Geo. W. Poellot; Cas., J. D. Meise.

DALLASTOWN—First National Bank; capital, $50,000; Cas., E. R. Heisey.

HYNDMAN—Hoblitzell National Bank; capital, $25,000; Pres., J. J. Hoblitzell; Cas., W. T. Johnson; Asst. Cas., J. W. Madore.

MIDWAY—Midway National Bank; capital; $50,000; Pres., D. G. Bamford; Cas., R. M. Donaldson.

NEW SALEM—First National Bank; capital, $25,000; Pres., John C. Neff; Cas., Charles S. Hempstead.

SMITHFIELD—First National Bank; capital, $25,000; Pres., H. B. Guiber; Cas., Wm. O. Foley.

STONEBORO—First National Bank; capital, $25,000; Pres., Theo. N. Houser.

SOUTH CAROLINA.

CONWAY—Bank of Horry; capital, $25,000; Pres., Robert B. Scarborough; Cas., Will A. Freeman.

FOUNTAIN INN—Bank of Fountain Inn; capital, $15,000; Pres., D. M. Garrett; Cas., Robert W. Davis.

SOUTH DAKOTA.

HILL CITY—Hill City Bank; capital, $10,000; Pres., C. E. McEachron; Cas., D. W. Webster.

SIOUX FALLS—Security Savings Bank; capital, $12,500; Pres., J. N. Weston; Cas., C. L. Norton.

WOLSEY—Stock Growers' State Bank; capital, $10,000; Pres., W. J. Kass; Cas., R. D. Whorton.

TENNESSEE.

JACKSON—Union Bank and Trust Co.; capital, $50,000; Pres., J. C. Edenton; Vice-Pres., Walter L. Brown; Cas., I. B. Tigrett.

TEXAS.

CALDWELL—Caldwell National Bank; capital, $25,000; Pres., J. J. Lane; Cas., E. B. St. Clair; Asst. Cas., T. Kraitchar, Jr.——First National Bank (successor to Wm. Reeves & Co.); capital, $60,000; Pres., Wm. Reeves; Cas., E. Studemann; Asst. Cas., H. R. Kelly.

LONE OAK—First National Bank; capital; $25,000; Pres., C. G. Barnes; Cas., W. C. Dowell.

NACOGDOCHES—Stone Fort National Bank; capital, $25,000; Pres., E. S. Woodfin; Cas., H. H. Howell.

NEDERLAND—First National Bank; capital, $25,000; Pres., A. Bursen; Cas., E. Rockhill.

UTAH.

MURRAY—Murray State Bank; capital, $25,000; Pres., J. B. Cosgriff; Cas., A. F. Savage.

VIRGINIA.

ASHLAND—Hanover Bank; capital, $2,500; Pres., Walter Sydnor; Cas., W. L. Foy; Asst. Cas., J. B. Hall.

LAWRENCEVILLE—Bank of Brunswick; capital, $25,000; Pres., E. P. Buford; Cas., J. H. Drewry.

WASHINGTON.

CENTRALIA—Field & Lease State Bank; captal. $25,000; Pres., John A. Field; Cas., J. E. Lease.

WILSON CREEK—State Bank (successor to Bank of Wilson Creek); capital, $25,000; Pres.. Donald Urquhart; Cas., N. E. Swanson; Asst. Cas., N. E. Swanson.

WEST VIRGINIA.

BELINGTON—Belington National Bank; capital, $25,000; Pres., F. P. Rease; Cas., B. B. Rohrbough.——Citizens' National Bank (successor to Citizens' Bank); capital, $40,000; Cas., H. H. Jones.——First National Bank; capital, $30,000; Cas., Geo H. Balsley.

LUMBERPORT—Lumberport Bank; capital, $25,000; Pres., I. E. Boggess; Sec., L. C. Oyster.

OCEANA—Bank of Wyoming; capital, $10,000; Pres., John Ball; Cas., James H. George.

WISCONSIN.

BOYD—State Bank; capital, $15,000; Pres., Albert Butscher; Cas., Charles Nelson.

FAIRWATER—Fairwater State Bank; capital, $25,000; Pres.; A. W. Bonesteel; Cas., C. S. Griffith.

JUDA—Bank of Juda; capital, $10,000.

OSHKOSH—Old National Bank (successor to National Bank of Oshkosh); capital, $300,000; Pres., Edgar P. Sawyer; Cas., Charles Schriber.

CANADA.

MANITOBA.

BALDUR—Union Bank of Canada; Frank Schultz, Mgr.

WINNIPEG—Eastern Townships Bank; Wm. Spier, Mgr.

ONTARIO.

HAVELOCK—Sovereign Bank of Canada; R. A. Williams, Mgr.

TRENTON—Ontario Bank; B. H. Siddall, Mgr.

QUEBEC.

ST. ROMUALD—Quebec Bank; E. Lamontagne, Mgr.

NORTHWEST TERRITORY.

LEDUC—Merchants' Bank of Canada; W. J. Manning, Mgr.

OLDS—Merchants' Bank of Canada; C. R. Young, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ARIZONA.

PHŒNIX—Phœnix National Bank; H. J. McClung, Cas. in place of Thomas W. Pemberton, Act. Cas.

ARKANSAS.

FORT SMITH—American National Bank; E. H. Stevenson, Act. Pres. in place of Wm. Blair, deceased.

CALIFORNIA.

LOS ANGELES—First National Bank; A. C. Way and E. S. Pauly, Asst. Cas.

STOCKTON—First National Bank; F. D. Nicol, Pres. in place of H. H. Hewlett, deceased.

COLORADO.

IDAHO SPRINGS—First National Bank; L. Hanchett, Pres. in place of Henry Plummer, deceased.

SILVERTON—First National Bank; B. B. Allen, Asst. Cas. in place of B. B. Galvin.

TELLURIDE—First National Bank; no Cas. in place of R. H. Woods.

CONNECTICUT.

HARTFORD—Security Company; Charles Edward Prior, Jr., Asst. Treas.

DISTRICT OF COLUMBIA.

WASHINGTON—Lincoln National Bank; Albert S. Galley, Asst. Cas.

GEORGIA.

AUGUSTA — National Exchange Bank; capital increased to $300,000.

FORSYTH—First National Bank; W. C. Hill, Cas. in place of Walker White; no Asst. Cas. in place of W. P. Bloodworth.

SAVANNAH — Germania Bank; capital increased to $300,000.

ILLINOIS.

BROCTON — Brocton Bank; D. B. Handly, Cas.; G. J. Kaericher, Asst. Cas.

CISCO — M. Croninger & Co.; Mahlon Croninger, deceased.

KEWANEE—Union National Bank; no Asst. Cas. in place of John Green.

ROCHELLE—Rochelle National Bank; F. J. King, Asst. Cas. in place of W. P. Graham.

INDIANA.

GREENCASTLE—First National Bank; Alfred Hirt, Pres. in place of Thomas C. Hammond; W. D. Denman, Cas. in place of Jerome Allen.

LOWELL—State National Bank; no Cas. in place of F. E. Nelson.

IOWA.

CENTERVILLE—Centerville National Bank; Guy C. Gilchrist, Asst. Cas. in place of R. M. Hicks.

CRESTON—Creston National Bank; L. G. Armstrong, Asst. Cas. in place of W. J. Dowlin.

FAIRFIELD—First National Bank; R. F. Wilson, Asst. Cas. in place of S. L. Dana.

LONE TREE—Lone Tree Savings Bank; D. Bestor, Cas., deceased.

PERRY—First National Bank; H. M. Pattee, Asst. Cas.

ROCKFORD — First National Bank; R. C. Mathews, Pres. in place of O. H. Lyons; B. H. Quackenbush, Cas. in place of Edward Billings.

TIPTON—First National Bank; Paul Heald, Asst. Cas. in place of Nellie Woods.

KANSAS.

BASEHOR—Basehor State Bank; R. M. Petherbridge, Cas. in place of E. F. McNamara.

BURRTON—Burrton State Exchange Bank; consolidated with Burrton State Bank.

OTTAWA—First National Bank; C. H. Estabrook, Pres. in place of Horace J. Smith; A. W. Benson, Vice-Pres. in place of C. H. Estabrook.

KENTUCKY.

LEXINGTON—Third National Bank; W. J. Loughridge, Pres. in place of J. W. Berkley; J. D. Purcell, Vice-Pres. in place of W. J. Loughridge.

OWENSBORO—First National Bank; E. W. Wood, Pres. in place of J. D. Powers; A. Rosenfeld, Vice-Pres. in place of E. W. Wood; C. B. Elliott, Asst. Cas.

STANFORD — First National Bank; W. H. Wearen, Asst. Cas.

MAINE.

CALAIS—Calais National Bank; Geo. Downs, Pres. in place of Geo. H. Eaton.

MASSACHUSETTS.

ADAMS—Greylock National Bank; Frank Hanlon, Cas. in place of Julius C. Anthony, deceased.

BOSTON — National Exchange Bank; F. Houghton, Cas. in place of C. A. Price; H. W. Anderson, Asst. Cas. in place of F. Houghton.

WORCESTER—City National and Central National Banks; consolidated with Worcester Safe Deposit and Trust Co. under latter title.

MICHIGAN.

DETROIT—Union Trust Co.; Gerald J. McMecham, Asst. Sec. in place of Howard J. Lesher.——Detroit Trust Co.; Howard J. Lesher, Mgr.

MINNESOTA.

BLOOMING PRAIRIE—State Bank; capital increased to $20,000.

CASS LAKE—First National Bank; F. P. Leisen, Cas. in place of H. E. Reed.

MANKATO—National Citizens' Bank; no Cas. in place of H. E. Swan.

SLAYTON—First National Bank; A. Neuru, Cas. resigned; R. V. Reed, Asst. Cas.

MISSISSIPPI.

CARROLLTON—Bank of Carrollton; capital increased to $50,000.

WEST POINT—First National Bank; J. A. Crawford, Pres. in place of P. B. Dugan.

MISSOURI.

LEBANON—Bank of Lebanon; Sam R. Farrar, Pres.; J. L. Diffenderffer, Asst. Cas.

NEVADA—First National Bank; Theo. Lacaff, Pres. place of H. L. Tillotson.

POPLAR BLUFF—State Bank; D. P. Bacon, Pres. in place of DeWitt Eskew.

SAVANNAH—First National Bank; J. A. Hardin, Pres. in place of A. M. Lewellen.

TARKIO—First National Bank; E. N. Rames and J. W. Hanna, Asst. Cas.

NEBRASKA.

BEATRICE—Beatrice National Bank; W. Robertson, Asst. Cas.

LINCOLN—City National Bank; L. J. Dunn, Cas. in place of J. H. Auld, deceased.

SEWARD—First National Bank; no Asst. Cas. in place of L. C. Diers.

SUPERIOR — First National Bank; C. E. Adams, Pres. in place of D. Bosserman, deceased; A. C. Felt, Cas. in place of C. E. Adams; I. L. Adams, Asst. Cas. in place of A. C. Felt.

NEW HAMPSHIRE.

BERLIN—Berlin National Bank; W. H. Gerrish, Cas. in place of Q. A. Bridges.——Berlin Savings Bank and Trust Co.; Q. A. Bridges, Treas.

PITTSFIELD—Pittsfield National Bank; John

A. Goss, Pres., deceased; also Treas. Farmers' Savings Bank.

NEW JERSEY.

BRIDGETON—Bridgeton National Bank; Jas. W. Trenchard, Pres. in place of Thomas U. Harris; B. H. Minch, Vice-Pres.; Samuel H. Hitchner, Cas. in place of James W. Trenchard; no Asst. Cas. in place of Samuel H. Hitchner.

NEWARK—Dime Savings Institution; Thos. Smith, Pres., deceased.

NEW YORK.

BROOKLYN—Borough Bank; capital increased to $200,000.

CANDOR—First National Bank; J. W. McCarty, Pres. in place of E. A. Booth, deceased.

NEW YORK—Kingsley, Mabon & Co.; Ezra M. Kingsley, deceased.——Gilman, Son & Co.; incorporated preparatory to resumption of business.——Post & Flagg; W. A. Flagg, deceased.——Bank of the Metropolis; Charles H. Hackett, Pres., in place of Theodore Rogers.——Trust Company of the Republic; D. Le Roy Dresser, Pres., resigned.

RICHFIELD SPRINGS—First National Bank; Norman Getman, Pres., deceased.

ROCHESTER—German-American Bank; capital increased to $500,000.

OHIO.

CLEVELAND—Forest City Savings Bank Co.; title changed to Forest City Savings and Trust Co.——Cleveland National Bank; P. M. Spencer, Pres. in place of S. S. Warner; N. O. Stone, Vice-Pres.

COLLEGE CORNER—First National Bank; W. E. Bake, 2d Vice-Pres.; Chas. W. Sylvester, Asst. Cas., in place of C. W. George.

PAINESVILLE—Painesville National Bank; F. H. Murray, Pres., in place of C. O. Child; H. T. Smart, Vice-Pres., in place of F. H. Murray.

SO. CHARLESTON—Bank of So. Charleston; John Rankin, Pres., deceased.

IRONTON—Citizens' National Bank; H. A. Marting, Pres., in place of J. D. Foster.

SPRINGFIELD—First National Bank; Geo. W. Winges, Asst. Cas.

XENIA—Xenia National Bank; John A. Nisbet, Asst. Cas.

YOUNGSTOWN—Dollar Savings and Trust Co.; John I. Williams, Pres., resigned.

OREGON.

BAKER CITY—First National Bank; A. L. James, Asst. Cas., in place of Charles Hussey.

PENNSYLVANIA.

BETHLEHEM—Lehigh Valley National Bank; Truman M. Dodson, Pres. in place of Robert P. Linderman, deceased; G. B. Linderman, Vice-Pres.

CHESTER—Delaware County Trust Co.; John F. Challenger, Treas. in place of John D. Goff, resigned; Wm. K. Foley, Asst. Sec.

CLARION—Second National Bank; J. M. Shannon, Pres., in place of T. J. Payne; T. J. Payne, Vice-Pres. in place of J. M. Shannon.

PHILADELPHIA—Girard National Bank; capital increased to $2,000,000.

PITTSBURG—Merchants and Manufacturers' National Bank; John Caldwell, Vice-Pres. in place of Geo. A. Kelly; J. D. Ayres, Asst. Cas. in place of J. M. Russell.

PUNXSUTAWNEY—First National Bank; W. A. Sutter, Asst. Cas. in place of J. E. Pantall.

ROCKWOOD—First National Bank; H. F. Berkebile, Cas. in place of James M. Cover.

WASHINGTON—Union Trust Co.; capital increased to $500,000.

RHODE ISLAND.

PAWTUCKET—Slater Trust Co; Andrew E. Jencks, Treas. and Sec. in place of Charles H. Newell.

SOUTH CAROLINA.

CHARLESTON—Charleston Clearing-House Association; Henry P. Williams, Pres.

SOUTH DAKOTA.

BROOKINGS—First National Bank; H. F. Haroldson, Asst. Cas. in place of D. H. Campbell; Geo. B. Huber, additional Asst. Cas.

CANTON—First National Bank; Thos. Thorson, Pres. in place of Charles E. Judd; J. V. Conklin, Vice-Pres. in place of O. S. Gifford; no Asst. Cas. in place of M. A. Hansall.

HOWARD—First National Bank; D. A. McCullough, Cas. in place of C. L. Oleson.

TENNESSEE.

CHATTANOOGA—Chattanooga Savings Bank; Walter A. Sadd, Pres.

JACKSON—First National Bank; John A. Greer, Pres., deceased.

TEXAS.

DALLAS—National Exchange Bank; A. V. Lane, additional Vice-Pres.; Nathan Adams, Cas. in place of A. V. Lane; Howard Claibone, Asst. Cas. in place of Nathan Adams; Louis B. Torrey and Geo. H. Pitman, additional Asst. Cas.

BRENHAM—First National Bank; Heber Stone, Pres. in place of H. K. Harrison; H. K. Harrison, additional Vice-Pres.

COLORADO—Colorado National Bank; W. J. Hatch, Asst. Cas. in place of Thomas B. Van Tuyl.

GREENVILLE—First National Bank; W. H. Bush, Pres. in place of J. M. Clymer; J. L. Lovejoy, First Vice-Pres. in place of W. H. Bush; no Second Vice-Pres. in place of J. L. Lovejoy.

HONEY GROVE—First National Bank; John A. Underwood, Cas. in place of T. U. Cole.

LUFKIN—Angelina County National Bank; G. M. Cumings, Asst. Cas.

NEW BOSTON—First National Bank; W. Lewis

Tapp, Vice-Pres. in place of T. A. Fuller; D. A. Chambers, Cas. in place of W. E. Stewart; Robert L. Witt, Asst. Cas.

ROCKPORT—First National Bank of Aransas Pass; title changed to First National Bank of Rockport.

VERMONT.

BARRE—National Bank of Barre; Geo. Howland, Pres. in place of B. W. Braley; D. M. Mills, Vice-Pres. in place of D. S. Allen.

MANCHESTER CENTER—Factory Point National Bank; E. L. Wyman, Vice-Pres.; J. H. Whipple, Asst. Cas.

RUTLAND—State Trust Co.; P. W. Clement, Pres.

VERGENNES—National Bank of Vergennes: Chas. H. Strong, Cas. in place of Andrew Ross; no Asst. Cas. in place of Charles H. Strong.

VIRGINIA.

DANVILLE—Commercial Bank and People's Savings and Trust Co.: M. P. Jordan, Pres., deceased.

WINCHESTER—Union Bank: Lee R. Grim, Cas. in place of M. H. G. Williams, deceased.

WISCONSIN.

OSHKOSH—German National Bank; Charles H. Krippene, Cas., deceased.

RIPON—German National Bank: capital increased to $75,000; James L. Stone, Cas.; no Asst. Cas. in place of James L. Stone.

WAUSAU—First National Bank; John Ringle, additional Vice-Pres.; H. E. Smith, Asst. Cas. in place of John Ringle.

WYOMING.

CHEYENNE—First National Bank; T. A. Cosgriff, Pres. in place of T. B. Hicks; A. D. Johnston, Asst. Cas. in place of J. H. Loomis; R. C. Wyland, Additional Asst. Cas.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARKANSAS.

NASHVILLE—Howard County Bank.

MASSACHUSETTS.

BOSTON—A. B. Turner & Bro., assigned to F. M. Edwards, March 3.

NEW JERSEY.

ASBURY PARK—First National Bank: in hands of Receiver Feb. 13.——Monmouth Trust and Safe Deposit Co.; in hands of John E. Lanning, Receiver.

NEW YORK.

DELHI—E. R. & W. L. Bell.

PENNSYLVANIA.

PHILADELPHIA—Mechanics' National Bank; in voluntary liquidation Feb. 16.

WASHINGTON.

BALLARD—Bank of Ballard.

Failures, Suspensions and Liquidations.

Arkansas.—The Howard County Bank, of Nashville, established in 1894, suspended February 13. At the date of the last statement the deposit liabilities were $128,420.

New Jersey.—On February 13 the First National Bank, of Asbury Park, suspended, and was placed in the hands of a Receiver. Deposit liabilities were about $210,000. It is said that a considerable part of the assets is of doubtful value.

The Monmouth Trust and Safe Deposit Company, of Asbury Park, also suspended on February 13. John E. Lanning has been appointed Receiver.

New York.—E. R. & W. L. Bell, real estate brokers and bankers, doing business at Delhi, N. Y., suspended February 28. Their liabilities are variously estimated at from $30,000 to $60,000.

Foreign Holdings of U. S. Bonds.—An investigation was recently made by the Register of the Treasury in relation to the amount of Government bonds held by foreign investors. The results of the investigation are thus summarized in the Register's Annual Report for 1902:

"The present analysis shows that out of a total of $782,924,330 but $16,022,850 is held by foreigners, and of this latter amount $12,578,000 is held by insurance companies, and is on deposit with the Superintendent of Insurance in the various States of the Union. These deposits are required in order that the policy holders in the States wherein the companies do business may be secured from loss. This leaves the individual foreign holdings of United States bonds but $3,444,850."

Free Trade in the United States.—In the United States the regulation of industry is indeed left in a large measure to the Legislatures of the separate States; but, notwithstanding that, in the present political situation there is probably no more noteworthy fact with respect to the probable future of commerce than that within the limits of the United States free trade is enjoyed by eighty millions of people within a continuous territory of three millions of square miles, still comprising vast tracts of country capable of having their value enormously increased by the application of capital and labor.—Relations of Commercial Geography and Commercial History; address of Geo. G. Chisholm before London Institute of Bankers.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on February 6, 1903. These are published below in conjunction with the two preceding statements of September 15, 1902, and November 25, 1902. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$607,058,485	$607,800,045	$639,383,259
Overdrafts	218,583	677,170	448,634
U. S. bonds to secure circulation	35,835,000	46,596,500	46,096,500
U. S. bonds to secure U. S. deposits	39,783,000	33,850,500	44,757,500
U. S. bonds on hand	541,350	856,570	1,664,520
Premiums on U. S. bonds	3,254,480	3,462,018	3,449,704
Stocks, securities, etc	91,879,050	102,858,781	102,766,245
Banking house, furniture and fixtures	17,848,316	18,580,848	19,569,507
Other real estate and mortgages owned	2,351,840	2,282,693	2,382,686
Due from National banks (not reserve agents)	45,729,682	52,374,676	43,551,688
Due from State banks and bankers	5,062,215	6,483,939	8,881,910
Due from approved reserve agents	......	......	......
Checks and other cash items	5,097,596	3,535,905	4,727,040
Exchanges for clearing-house	251,269,187	167,926,503	141,485,063
Bills of other National banks	736,944	1,088,589	935,410
Fractional paper currency, nickels and cents	68,569	86,097	82,340
*Lawful money reserve in bank, viz.:			
Gold coin	4,765,847	3,876,574	4,674,013
Gold Treasury certificates	36,508,910	69,028,780	63,837,220
Gold clearing-house certificates	78,825,000	65,245,000	80,100,000
Silver dollars	85,988	91,787	83,069
Silver Treasury certificates	16,076,494	15,636,531	19,183,576
Silver fractional coin	668,111	782,275	726,138
Legal-tender notes	47,372,532	46,103,069	48,883,438
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	1,772,663	2,311,072	2,269,822
Due from U. S. Treasurer	930,502	1,262,696	1,288,385
Total	$1,293,735,350	$1,251,698,624	$1,281,197,765

LIABILITIES.			
Capital stock paid in	$90,600,000	$92,010,000	$100,550,000
Surplus fund	63,520,000	65,180,000	68,170,000
Undivided profits, less expenses and taxes paid	36,800,628	40,126,143	37,163,204
National bank notes issued, less amount on hand	34,679,177	45,855,855	44,449,085
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	248,383,238	243,024,455	267,800,429
Due to State banks and bankers	165,391,743	157,744,759	186,765,249
Dividends unpaid	66,519	70,842	71,056
Individual deposits	603,565,374	542,397,413	512,433,609
U. S. deposits	39,355,862	41,708,637	63,190,641
Deposits of U. S. disbursing officers	403,849	391,755	368,435
Notes and bills rediscounted	....	....	....
Bills payable	100,000	....	....
Liabilities other than those above stated	10,852,415	23,172,219	169,511
Total	$1,293,735,350	$1,251,698,624	$1,281,197,765
Average reserve held	24.70 p. c.	28.41 p. c.	28.49 p. c.
* Total lawful money reserve in bank	$184,302,882	$200,714,0	$217,437,450

Resources.	ALBANY, N. Y. Sept. 15, 1902.	ALBANY, N. Y. Nov. 25, 1902.	ALBANY, N. Y. Feb. 6, 1903.	BALTIMORE, MD. Sept. 15, 1902.	BALTIMORE, MD. Nov. 25, 1902.	BALTIMORE, MD. Feb. 6, 1903.	BOSTON, MASS. Sept. 15, 1902.	BOSTON, MASS. Nov. 25, 1902.	BOSTON, MASS. Feb. 6, 1903.
Loans and discounts	$14,059,922	$18,706,216	$18,845,554	$46,637,728	$46,311,209	$46,190,119	$165,896,017	$168,797,664	$166,863,765
Overdrafts	8,434	1,857	1,819	14,634	15,953	7,192	64,449	48,140	20,678
U. S. bonds to secure circulation	600,000	800,000	550,000	3,525,000	4,187,000	3,225,000	6,170,500	7,199,700	6,799,700
U. S. bonds to secure U. S. deposits	422,100	222,100	489,100	1,816,000	2,080,000	2,080,000	4,662,000	4,456,250	6,082,250
U. S. bonds on hand	......	......	......	5,780	......	12,500	100,000	1,118,000	517,000
Premiums on U. S. bonds	25,000	40,074	30,074	177,662	267,328	183,122	354,062	510,553	438,930
Stocks, securities, etc	1,546,580	1,788,023	1,576,228	5,226,888	6,210,118	6,334,000	11,351,320	10,395,618	9,732,6 8
Banking house, furniture and fixtures	205,000	215,431	245,484	2,714,008	2,644,485	2,741,097	1,708,848	1,708,778	1,702,668
Other real estate and mortgages owned	98,478	183,261	147,578	186,734	232,850	161,115	73,476	43,780	43,780
Due from National banks (not reserve agents)	4,056,486	4,104,942	3,345,657	5,472,286	5,076,531	5,187,755	14,620,091	14,840,888	13,376,631
Due from State banks and bankers	1,646,716	1,134,464	1,076,555	942,770	1,148,893	1,069,957	1,377,334	1,565,041	1,446,778
Due from approved reserve agents	3,956,234	3,055,570	2,788,964	6,025,857	5,139,533	6,402,879	31,933,769	31,296,486	28,521,178
Checks and other cash items	74,605	37,063	88,926	317,140	196,453	241,340	857,228	564,337	481,000
Exchanges for clearing-house	123,439	91,638	125,296	3,717,836	2,841,929	2,167,131	16,588,632	12,700,247	14,648,007
Bills of other National banks	46,896	45,355	50,410	191,658	205,506	239,629	1,126,467	1,510,386	1,342,404
Fractional paper currency, nickels and cents	4,635	2,968	3,995	17,661	20,198	19,279	21,548	21,365	31,016
*Lawful money reserve in bank, viz.:									
Gold coin	366,227	384,631	395,027	576,051	524,139	589,836	2,881,990	1,504,464	1,533,208
Gold Treasury certificates	254,000	368,000	205,000	1,607,370	1,467,500	1,697,600	4,112,890	9,278,818	7,869,150
Gold clearing-house certificates	150,000	......	150,000	835,000	190,000	545,000	5,500,000	3,437,000	3,555,000
Silver dollars	34,207	20,113	21,608	46,273	72,004	67,411	80,705	30,824	23,843
Silver Treasury certificates	65,000	60,000	58,000	1,154,407	1,482,116	2,240,824	1,849,689	3,206,462	3,507,900
Silver fractional coin	23,946	27,944	38,020	55,960	86,886	90,480	23,287	211,860	250,574
Legal-tender notes	1,024,581	804,762	843,998	1,085,778	934,159	1,276,168	5,336,835	5,452,209	4,982,882
U. S. certificates of deposit for legal-tenders	......	......	....	176,245	......	......	......	......	......
Five per cent. redemption fund with Treas.	30,000	40,000	27,500	42,455	206,850	161,250	298,325	359,984	339,985
Due from U. S. Treasurer	950	......	....	......	16,050	31,450	289,350	228,076	159,500
Total	$28,818,441	$27,084,432	$26,104,784	$82,019,162	$81,057,596	$82,912,150	$278,662,230	$279,978,428	$274,215,507
Liabilities.									
Capital stock paid in	$1,250,000	$1,250,000	$1,250,000	$12,403,260	$12,403,260	$12,403,260	$33,850,000	$33,600,000	$33,100,000
Surplus fund	1,420,000	1,420,000	1,420,000	6,240,594	6,240,594	6 514,400	13,113,000	13,872,700	14,477,700
Undiv. profits, less expenses and taxes paid	223,476	268,369	313,240	1,772,455	2,126,899	1,532,062	8,588,037	7,291,279	7,734,844
National bank notes issued, less am't on hand	570,647	787,747	540,550	3,490,847	4,115,547	3,200,800	5,918,282	6,990,464	6,692,040
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	12,736,075	11,766,936	11,302,458	12,987,300	12,738,077	13,028,424	41,029,237	37,363,419	38,838,094
Due to State banks and bankers	3,644,231	3,819,480	3,449,800	7,850,021	6,720,232	7,285,694	36,273,596	33,841,695	32,036,941
Dividends unpaid	856	556	3,208	71,925	56,055	74,081	8,349	15,198	10,769
Individual deposits	8,544,535	7,223,849	7,279,968	34,396,461	31,862,679	35,078,567	131,260,402	135,496,422	129,845,297
U. S. deposits	427,272	414,075	411,194	1,836,801	2,740,491	2,731,125	4,277,539	5,525,426	9,866,453
Deposits of U. S. disbursing officers	1,347	6,416	6,368	......	......	......	126,295	135,553	107,700
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	127,000	128,000	918,000	1,839,000	1,065,000	1,731,000	2,186,199	1,837,000
Liabilities other than those above stated	......	......	......	56,000	774,265	3,240	2,486,488	3,660,075	168,666
Total	$28,818,441	$27,084,432	$26,104,784	$82,019,162	$81,057,596	$82,912,150	$278,662,230	$279,978,428	$274,215,507
Average reserve held	22.42 p. c.	27.30 p. c.	25.96 p. c.	23.08 p. c.	23.76 p. c.	......	24.41 p. c.	31.04 p. c.	29.75 p. c.
*Total lawful money reserve in bank	$1,917,962	$1,665,451	$1,711,649	$4,860,839	$4,756,804	$6,507,319	$21,174,807	$23,123,637	$21,672,557

Resources.	BROOKLYN, N. Y. Sept. 15, 1902.	BROOKLYN, N. Y. Nov. 25, 1902.	BROOKLYN, N. Y. Feb. 6, 1903.	CHICAGO, ILL. Sept. 15, 1902.	CHICAGO, ILL. Nov. 25, 1902.	CHICAGO, ILL. Feb. 6, 1903.	CINCINNATI, OHIO. Sept. 15, 1902.	CINCINNATI, OHIO. Nov. 25, 1902.	CINCINNATI, OHIO. Feb. 6, 1903.
Loans and discounts	$12,968,712	$12,341,630	$12,404,123	$186,932,318	$171,850,544	$181,573,153	$37,136,131	$37,292,781	$37,636,418
Overdrafts	4,313	2,744	4,118	108,961	65,987	56,680	32,739	15,060	15,844
U. S. bonds to secure circulation	642,000	642,000	642,000	2,800,000	3,223,000	3,223,000	4,680,000	4,895,000	4,620,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	1,550,000	1,170,000	2,016,000	3,577,500	3,490,000	3,950,000
U. S. bonds on hand	......	......	......	60,730	85,970	105,190	175,820	94,470	62,870
Premiums on U. S. bonds	7,900	7,900	7,900	11,925	11,925	11,000	52,401	37,655	34,018
Stocks, securities, etc	2,778,214	2,691,063	2,616,122	16,166,113	16,337,272	16,984,095	10,097,668	10,544,250	11,786,665
Banking house, furniture and fixtures	483,550	483,550	483,250	304,136	304,136	1,013,333	483,728	483,888	484,350
Other real estate and mortgages owned	43,296	44,140	41,841	153,152	152,815	165,946	316,836	515,023	544,827
Due from National banks (not reserve agents)	70,182	76,070	66,057	38,416,457	45,607,976	48,198,097	4,660,383	4,938,798	5,475,705
Due from State banks and bankers	141,221	104,168	78,662	15,085,267	12,465,247	12,205,902	715,472	716,120	798,334
Due from approved reserve agents	1,706,585	1,615,822	2,368,523	......	......	......	5,676,704	5,049,409	7,889,279
Checks and other cash items	88,711	49,135	106,538	349,257	220,899	125,389	89,326	62,768	77,692
Exchanges for clearing-house	1,438,807	1,723,123	1,988,040	11,879,245	10,476,567	9,888,961	312,103	248,935	614,728
Bills of other National Banks	92,509	83,199	69,605	1,259,786	483,984	846,483	159,235	166,665	182,643
Fractional paper currency, nickels and cents	13,597	16,396	18,796	20,527	66,505	48,977	7,070	5,831	5,386
*Lawful money reserve in bank, viz.:									
Gold coin	347,067	437,293	411,241	10,954,810	11,412,680	10,966,717	460,444	312,561	455,189
Gold Treasury certificates	636,950	434,350	554,150	7,104,270	18,073,990	9,936,220	1,418,950	1,833,010	1,361,000
Gold clearing-house certificates	......	......	......	5,705,000	......	6,825,000	600,000	......	640,000
Silver dollars	12,500	9,000	15,229	165,124	141,218	186,941	94,105	61,977	82,920
Silver Treasury certificates	428,156	505,767	440,929	5,879,525	3,248,475	4,467,918	601,373	417,062	406,552
Silver fractional coin	70,064	80,671	64,713	254,754	218,451	269,240	40,050	43,929	47,732
Legal-tender notes	516,723	691,048	595,440	15,673,198	13,692,207	18,014,960	2,943,016	3,053,785	3,449,002
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	32,100	140,000	161,150	158,650	226,068	244,750	231,000
Due from U. S. Treasurer	17,900	5,000	....	191,700	297,114	176,900	......	10,750	8,574
Total	$22,743,014	$22,276,194	$23,204,451	$321,161,252	$309,768,067	$327,414,779	$74,887,098	$74,534,474	$80,859,728
Liabilities.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$24,750,000	$24,750,000	$25,100,000	$7,700,000	$9,500,000	$9,500,000
Surplus fund	1,900,000	1,900,000	1,950,000	11,600,000	11,600,000	12,900,000	3,290,000	3,700,000	3,725,000
Undiv. profits, less expenses and taxes paid	617,462	651,677	563,277	5,065,250	5,315,269	4,964,719	1,797,521	1,928,940	2,106,818
National bank notes issued, less am't on hand	630,400	640,900	634,000	2,696,187	3,186,297	3,091,197	4,523,267	4,845,847	4,567,097
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	237,184	218,938	196,358	92,705,429	85,886,197	98,761,170	12,386,572	11,866,727	13,843,002
Due to State banks and bankers	3,661,813	3,802,268	4,570,776	51,075,049	48,070,779	53,835,989	8,017,057	7,199,246	8,829,615
Dividends unpaid	912	794	1,483	5,284	5,762	6,889	1,262	6,669	6,367
Individual deposits	14,119,812	13,489,640	13,717,189	131,096,193	128,425,390	125,666,628	31,236,906	28,950,797	31,832,024
U. S. deposits	189,588	180,944	182,011	1,400,678	1,492,991	2,815,879	3,834,810	3,788,819	6,462,046
Deposits of U. S. disbursing officers	17,569	23,330	22,493	145,981	34,888	264,351	......	......	......
Notes and bills rediscounted	......	......	......	......	1,109,000	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	450,000
Liabilities other than those above stated	14,425	13,852	13,015	652,196	391,490	8,500	2,099,698	2,747,925	87,757
Total	$22,743,014	$22,276,194	$23,204,451	$321,161,252	$309,768,067	$327,414,779	$74,887,098	$74,534,474	$80,859,728
Average reserve held	22.79 p. c.	24.49 p. c.	27.49 p. c.	21.89 p. c.	24.38 p. c.	24.50 p. c.	24.32 p. c.	24.09 p. c.	31.06 p. c.
*Total lawful money reserve in bank	$2,011,460	$2,158,129	$2,081,702	$45,736,681	$46,787,021	$50,617,017	$6,157,968	$5,722,814	$6,442,395

	CLEVELAND, OHIO.			COLUMBUS, OHIO.			DALLAS, TEXAS.		
Resources.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$48,212,058	$46,622,686	$45,317,464	$10,671,655	$11,183,067	$10,885,309	$6,006,868	$6,813,022	$6,922,534
Overdrafts	77,055	47,009	50,806	8,871	15,658	9,013	376,111	846,560	387,162
U. S. bonds to secure circulation	4,625,000	4,575,000	4,350,000	535,000	566,000	566,000	587,500	587,500	587,500
U. S. bonds to secure U. S. deposits	900,000	1,500,000	1,900,000	400,000	575,000	575,000	625,000	625,000	625,000
U. S. bonds on hand	......	......	150,000	97,760	27,960	39,770	......	......	......
Premiums on U. S. bonds	175,032	171,790	166,951	14,616	21,470	22,261	29,000	29,000	29,000
Stocks, securities, etc	3,457,521	4,131,688	3,616,639	2,685,721	2,635,850	2,622,065	16,961	16,961	16,961
Banking house, furniture and fixtures	577,668	582,919	576,134	291,830	292,311	292,892	130,499	127,999	126,999
Other real estate and mortgages owned	121,646	121,496	125,206	88,987	87,071	86,299	88,381	88,381	87,881
Due from National banks (not reserve agents)	4,195,193	4,413,545	3,950,211	1,852,020	1,363,430	1,470,731	1,189,843	1,276,804	1,096,532
Due from State banks and bankers	1,777,419	1,592,058	1,629,215	143,597	164,719	127,523	230,152	287,408	294,541
Due from approved reserve agents	4,555,006	3,960,563	5,445,177	1,915,576	1,449,522	1,960,455	822,835	1,182,628	1,920,863
Checks and other cash items	214,000	179,992	192,872	124,943	67,998	66,166	46,912	36,196	31,818
Exchanges for clearing-house	747,813	819,530	746,710	266,613	202,136	231,150	98,928	264,685	141,971
Bills of other National banks	170,786	169,598	201,926	202,089	130,038	167,188	62,074	96,832	52,315
Fractional paper currency, nickels and cents	9,084	9,610	13,863	2,888	1,795	2,622	7,164	6,636	8,885
*Lawful money reserve in bank, viz.:									
Gold coin	1,834,360	1,254,872	1,290,682	342,192	381,738	371,530	210,745	299,780	300,545
Gold Treasury certificates	1,073,000	680,000	774,000	544,750	521,250	389,040	62,220	134,300	44,000
Gold clearing-house certificates	......	1,120,000	1,100,000	......	......	......	10,000	......	10,000
Silver dollars	218,937	154,093	212,590	34,218	56,419	62,940	26,072	32,155	62,842
Silver Treasury certificates	225,360	175,100	254,777	207,017	281,981	320,593	88,314	62,037	45,200
Silver fractional coin	58,605	59,840	57,732	14,453	14,420	19,645	10,305	11,327	12,465
Legal-tender notes	1,915,294	1,706,387	1,900,811	670,290	939,243	1,060,991	404,815	445,940	445,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	231,250	217,147	207,498	26,750	28,300	28,300	28,975	29,875	29,175
Due from U. S. Treasurer	40,009	51,205	61,002	38,600	8,600	10,500	......	5,900	3,450
Total	$75,412,101	$74,316,135	$74,292,274	$21,180,398	$21,016,002	$21,387,989	$11,154,679	$12,808,431	$13,282,643
Liabilities.									
Capital stock paid in	$12,400,000	$12,400,000	$11,900,000	$2,300,000	$2,300,000	$2,300,000	$1,050,000	$1,050,000	$1,050,000
Surplus fund	3,705,000	3,706,000	3,606,000	720,000	755,000	755,000	1,061,000	1,061,000	1,112,000
Undiv. profits, less expenses and taxes paid	1,182,568	1,022,953	1,263,994	281,139	302,688	333,339	191,108	263,964	186,700
National bank notes issued, less am't on hand	4,602,250	4,571,000	4,328,850	535,000	566,000	566,000	587,500	587,500	587,500
Due to other National banks	10,340,224	9,005,418	9,907,873	1,510,097	1,434,464	1,528,987	1,373,458	2,161,634	2,622,528
Due to State banks and bankers	13,139,221	10,753,664	12,169,635	2,703,197	2,115,067	2,449,252	326,350	340,018	455,143
Dividends unpaid	628	4,728	2,627	2,111	3,967	1,689	11	6	397
Individual deposits	27,495,807	25,640,747	25,738,909	12,704,049	12,904,951	12,823,790	5,939,532	6,718,037	6,639,421
U. S. deposits	861,979	1,737,851	3,508,524	380,482	560,224	600,812	584,923	584,570	596,106
Deposits of U. S. disbursing officers	39,193	72,225	44,044	17,316	15,638	......	38,669	39,573	27,572
Notes and bills rediscounted	......	71,329	446,000	......	......	......	......	......	......
Bills payable	100,000	2,825,000	1,065,000	......	......	......	......	......	......
Liabilities other than those above stated	1,545,228	2,505,216	310,815	27,000	58,000	......	2,126	2,126	5,279
Total	$75,412,101	$74,316,135	$74,292,274	$21,180,398	$21,016,002	$21,387,989	$11,154,679	$12,808,431	$13,282,643
Average reserve held	22.50 p. c.	24.27 p. c.	27.24 p. c.	24.83 p. c.	25.15 p. c.	28.42 p. c.	24.87 p. c.	30.00 p. c.	35.19 p. c.
* Total lawful money reserve in bank	$5,325,556	$5,150,292	$5,590,592	$1,812,921	$2,195,051	$2,224,789	$812,471	$965,539	$920,052

Resources.	Denver, Colorado.			Des Moines, Iowa.			Detroit, Mich.		
	Sept. 15, 1902.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$17,169,746	$17,287,470	$16,659,283	$5,612,391	$4,992,845	$4,898,815	$15,967,048	$16,587,524	$16,921,756
Overdrafts	119,748	125,198	126,144	21,124	46,948	27,069	5,228	24,947	13,659
U. S. bonds to secure circulation	1,750,000	1,750,000	1,750,000	489,000	450,000	450,000	1,250,000	1,250,000	1,250,000
U. S. bonds to secure U. S. deposits	1,050,000	1,050,000	1,050,000	460,000	300,000	300,000	750,000	900,000	900,000
U. S. bonds on hand	......	......	......	1,000	4,320	5,320	151,150	......	200,000
Premiums on U. S. bonds	58,687	58,437	58,187	22,608	22,966	22,080	211,763	242,420	244,575
Stocks, securities, etc	8,055,347	8,777,322	8,700,755	273,016	270,189	276,898	2,102,212	2,008,649	1,898,248
Banking house, furniture and fixtures	66,198	66,180	65,468	107,036	107,036	106,536	38,288	38,288	38,288
Other real estate and mortgages owned	334,769	313,488	319,745	48,338	46,932	40,338	74,176	63,805	58,658
Due from National banks (not reserve agents)	3,246,847	3,027,747	2,614,228	345,292	494,355	500,233	1,950,087	1,719,908	1,622,235
Due from State banks and bankers	1,201,947	926,561	1,315,979	92,760	91,460	79,086	554,546	439,608	470,891
Due from approved reserve agents	10,117,144	9,489,502	8,282,482	639,483	956,229	1,395,521	3,157,626	2,612,073	2,746,014
Checks and other cash items	35,816	50,082	45,020	14,158	25,595	15,743	37,059	33,058	22,021
Exchanges for clearing-house	810,040	585,657	575,281	73,458	69,368	111,761	562,163	476,804	490,384
Bills of other National banks	525,067	415,815	488,424	62,814	65,816	51,644	142,359	193,197	240,811
Fractional paper currency, nickels and cents	1,987	2,769	3,762	1,870	1,299	2,622	6,618	7,411	10,684
*Lawful money reserve in bank, viz.:									
Gold coin	2,199,600	2,176,745	2,375,565	141,762	146,417	189,235	1,049,840	813,627	877,252
Gold Treasury certificates	345,000	349,500	337,500	150,000	166,020	12,500	151,990	141,990	141,990
Gold clearing-house certificates	......	......	......	......	......	150,000	140,000	195,000	85,000
Silver dollars	100,577	106,325	114,004	48,950	37,686	46,976	55,539	39,434	48,078
Silver Treasury certificates	181,184	269,163	254,502	56,567	72,947	68,110	17,567	27,413	49,638
Silver fractional coin	38,620	40,560	52,184	24,444	12,615	15,928	20,994	22,268	24,832
Legal-tender notes	2,137,168	1,813,987	1,816,750	186,106	233,416	238,421	843,747	903,002	1,258,005
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	87,500	87,500	87,500	24,100	22,500	22,500	62,500	60,000	62,500
Due from U. S. Treasurer	3,634	29,534	56,434	2,000	......	2,000	37,000	28,500	16,000
Total	$49,633,633	$48,802,550	$47,149,203	$8,901,283	$8,636,970	$9,029,342	$29,339,805	$28,828,927	$29,686,523
Liabilities.									
Capital stock paid in	$2,370,000	$2,500,000	$2,500,000	$800,000	$800,000	$800,000	$3,100,000	$3,100,000	$4,100,000
Surplus fund	675,000	675,000	700,000	260,000	260,000	260,000	813,000	813,000	1,013,500
Undiv. profits, less expenses and taxes paid	988,083	1,037,771	1,023,683	60,447	103,911	51,358	247,037	283,132	272,679
National bank notes issued, less am't on hand	1,750,000	1,750,000	1,750,000	488,927	444,797	429,747	1,032,000	1,179,850	1,215,350
Due to other National banks	8,623,816	7,908,274	6,781,865	1,665,367	1,551,290	1,867,435	2,922,734	3,461,710	2,973,011
Due to State banks and bankers	4,137,905	4,961,196	4,019,246	2,140,806	2,184,170	2,499,891	6,401,439	5,840,850	6,219,631
Dividends unpaid	......	......	150	624	534	328	291	160	290
Individual deposits	30,340,319	28,939,070	29,513,286	2,867,806	2,975,468	2,820,640	14,068,713	13,055,443	12,769,116
U. S. deposits	269,499	264,431	251,364	408,364	203,351	217,432	691,082	837,627	867,901
Deposits of U. S. disbursing officers	482,059	766,805	609,607	48,090	91,699	81,761	63,507	74,542	45,043
Notes and bills rediscounted	......	......	......	160,900	21,000	......	......	......	......
Bills payable	......	......	......	......	......	......	......	30,000	210,000
Liabilities other than those above stated	......	......	......	446	746	746	......	152,610	......
Total	$49,636,633	$48,802,550	$47,149,203	$8,901,283	$8,636,970	$9,029,342	$29,339,505	$28,828,927	$29,686,523
Average reserve held	25.76 p. c.	38.13 p. c.	37.13 p. c.	19.40 p. c.	27.09 p. c.	32.78 p. c.	23.56 p. c.	24.60 p. c.	......
*** Total lawful money reserve in bank**	$5,002,149	$4,756,280	$4,950,505	$607,829	$669,102	$721,170	$2,279,677	$2,142,729	$2,484,796

Resources.	Houston, Texas. Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.	Indianapolis, Ind. Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.	Kansas City, Kans. Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.
Loans and discounts	$5,792,831	$6,119,479	$5,819,604	$16,550,885	$16,876,325	$16,001,423	$3,972,560	$4,391,642	$4,146,977
Overdrafts	925,680	1,200,542	1,064,231	1,317	855	841	26,766	17,398	8,929
U. S. bonds to secure circulation	580,000	590,000	580,000	830,000	980,000	660,000	750,000	800,000	800,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	2,966,000	3,439,000	3,739,000	......	50,000	50,000
U. S. bonds on hand	......	......	......	139,990	20,580	199,900	......	......	......
Premiums on U. S. bonds	44,518	44,518	44,385	145,853	188,877	184,676	34,392	41,802	41,892
Stocks, securities, etc	58,462	58,395	59,244	1,967,296	2,355,389	2,683,099	307,678	261,321	261,323
Banking house, furniture and fixtures	226,429	226,429	226,788	272,698	269,747	276,301	4,300	4,300	4,300
Other real estate and mortgages owned	75,849	76,135	73,353	58,724	58,688	56,737	40,884	41,085	42,234
Due from National banks (not reserve agents)	1,646,828	971,497	1,461,470	4,020,412	4,271,693	4,828,110	290,483	210,729	259,277
Due from State banks and bankers	219,764	253,233	323,849	1,750,764	1,912,444	1,970,587	28,706	82,390	82,201
Due from approved reserve agents	868,590	1,215,814	1,741,032	8,967,951	3,569,900	4,342,160	1,574,845	585,979	672,348
Checks and other cash items	4,126	3,313	2,322	32,360	34,103	36,236	73,212	116,697	104,038
Exchanges for clearing-house	32,057	150,661	84,121	600,445	755,276	475,015	239,135	162,320	208,640
Bills of other National banks	237,804	136,048	158,008	998,062	680,125	668,088	7,223	31,080	12,247
Fractional paper currency, nickels and cents	3,486	4,276	9,056	4,583	5,463	8,284	538	661	766
*Lawful money reserve in bank, viz.:									
Gold coin	296,681	336,078	269,678	859,095	903,070	1,117,595	188,485	45,190	43,677
Gold Treasury certificates	405,510	879,690	366,350	1,455,000	1,460,000	1,494,340	10,000	10,000	15,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	105,482	117,404	177,636	48,176	76,751	106,097	10,210	6,219	14,453
Silver Treasury certificates	218,142	181,285	149,611	111,128	116,582	162,039	5,000	8,255	3,000
Silver fractional coin	39,929	36,481	37,611	15,458	19,031	18,146	6,037	2,716	7,406
Legal-tender notes	729,331	648,896	809,807	822,457	1,166,215	1,390,300	1,154,723	475,835	563,040
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	28,875	28,875	28,875	39,000	46,500	30,450	37,500	40,000	40,000
Due from U. S. Treasurer	......	......	......	5,456	9,378	8,750	5	5	5
Total	$12,640,380	$12,869,055	$13,587,039	$37,663,117	$38,715,998	$40,458,180	$8,707,637	$7,385,663	$7,401,759
Liabilities.									
Capital stock paid in	$1,350,000	$1,450,000	$1,450,000	$3,450,000	$4,100,000	$4,300,000	$1,140,000	$1,180,000	$1,200,000
Surplus fund	750,000	850,000	870,000	1,207,500	1,370,000	1,540,000	260,000	260,000	265,000
Undiv. profits, less expenses and taxes paid	271,720	411,031	389,067	390,665	470,645	225,915	362,832	446,119	347,457
National bank notes issued, less am't on hand	555,000	548,300	544,800	780,000	930,000	609,950	750,000	800,000	800,000
Due to other National banks	2,213,834	2,070,812	2,893,788	7,175,670	5,949,567	6,397,219	2,225,698	1,176,173	1,416,344
Due to State banks and bankers	749,154	704,039	678,896	6,485,321	5,972,241	6,625,785	1,140,934	969,663	1,104,774
Dividends unpaid	1,266	749	8,911	138	30	73	510	380	381
Individual deposits	6,459,063	6,538,666	7,119,073	14,963,298	16,506,007	16,842,041	2,822,906	2,474,015	2,217,802
U. S. deposits	100,000	100,000	100,000	2,787,768	3,100,771	3,649,551	......	50,000	50,000
Deposits of U. S. disbursing officers	......	......	......	176,639	287,547	......	......	......	......
Notes and bills rediscounted	191,340	145,455	......	......	......	......	......	......	......
Bills payable	......	50,000	25,000	......	......	......	......	......	......
Liabilities other than those above stated	......	......	7,500	706,116	29,187	12,331	4,760	9,830	......
Total	$12,640,380	$12,869,055	$13,587,039	$37,663,117	$38,715,998	$40,458,180	$8,707,637	$7,385,663	$7,401,759
Average reserve held	36.46 p. c.	37.74 p. c.	43.81 p. c.	26.52 p. c.	34.59 p. c.	39.07 p. c.	36.29 p. c.	28.27 p. c.	33.01 p. c.
* **Total lawful money reserve in bank**	$1,795,075	$1,699,834	$1,810,694	$3,311,314	$3,741,649	$4,288,517	$1,319,405	$548,215	$666,577

	KANSAS CITY, MO.			LINCOLN, NEB.			LOS ANGELES, CAL.		
Resources.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$33,816,883	$33,534,224	$33,753,243	$2,857,496	$2,716,641	$2,623,692	$9,045,603	$9,722,754	$11,349,412
Overdrafts	485,704	230,117	416,971	21,674	26,969	23,284	110,894	111,291	104,962
U. S. bonds to secure circulation	1,845,600	1,845,600	1,845,600	160,000	160,000	160,000	1,365,000	1,365,000	1,465,000
U. S. bonds to secure U. S. deposits	1,512,000	1,764,000	1,764,000	110,000	110,000	110,000	250,000	400,000	400,000
U. S. bonds on hand	77,540	59,040	49,040	1,000	3,460	4,000	61,000	17,000	29,900
Premiums on U. S. bonds	28,237	28,237	21,937	11,986	10,828	10,870	32,246	32,618	64,397
Stocks, securities, etc	6,492,344	6,328,347	6,200,842	164,578	176,001	178,345	854,129	882,431	1,062,378
Banking house, furniture and fixture	383,361	383,361	397,361	77,186	77,531	78,158	240,282	243,696	441,746
Other real estate and mortgages owned	99,795	98,008	111,008	10,710	10,675	11,113	84,555	41,234	38,898
Due from National banks (not reserve agents)	3,132,226	3,959,859	3,899,920	677,175	325,152	508,922	897,151	701,345	1,377,460
Due from State banks and bankers	4,181,109	4,811,816	6,085,976	244,142	187,752	202,122	385,267	361,168	722,032
Due from approved reserve agents	12,843,560	9,857,911	11,709,853	416,789	380,820	647,862	1,444,857	1,647,181	2,255,667
Checks and other cash items	25,922	38,810	46,177	21,766	19,064	18,282	38,554	51,310	29,968
Exchanges for clearing-house	1,955,701	1,718,455	1,250,898	57,007	46,576	67,588	227,013	255,271	810,805
Bills of other National banks	108,620	104,477	208,572	12,868	9,265	11,690	31,489	21,992	48,830
Fractional paper currency, nickels and cents	8,257	8,180	12,172	1,683	1,771	1,319	1,883	1,845	3,214
*Lawful money reserve in bank, viz.:									
Gold coin	1,511,303	1,454,725	1,700,850	97,505	88,425	87,725	1,323,615	1,112,070	1,592,340
Gold Treasury certificates	779,820	1,428,920	987,810	......	1,000	1,200	58,460	159,460	106,900
Gold clearing-house certificates	300,000	......	300,000	......	......	......	157,000	152,000	201,000
Silver dollars	145,251	158,647	176,984	8,366	14,686	16,792	36,653	40,137	68,350
Silver Treasury certificates	638,519	562,670	917,596	838	732	2,476	144,978	71,195	34,552
Silver fractional coin	38,221	64,128	46,665	10,348	7,637	12,597	67,464	68,251	107,159
Legal-tender notes	525,000	672,530	789,855	85,319	203,692	120,273	132,652	103,387	170,525
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	92,280	92,280	92,280	8,000	8,000	8,000	68,250	68,250	70,750
Due from U. S. Treasurer	30,500	50,000	35,900	......	......	......	......	......	......
Total	$71,057,259	$69,249,348	$72,820,515	$5,056,441	$4,586,703	$4,906,315	$17,048,502	$17,630,892	$22,056,251
Liabilities.									
Capital stock paid in	$2,650,000	$2,650,000	$2,650,000	$400,000	$400,000	$400,000	$1,800,000	$1,800,000	$2,300,000
Surplus fund	838,000	868,000	1,179,000	139,000	139,000	139,000	295,000	295,000	300,000
Undiv. profits less expenses and taxes paid	1,945,160	2,033,742	1,781,697	34,250	52,620	65,944	617,278	662,730	690,063
National bank notes issued, less am't on hand	1,797,600	1,797,600	1,797,800	160,000	160,000	160,000	1,318,485	1,355,795	1,390,395
Due to other National banks	21,504,933	8,221,446	19,799,530	610,270	480,860	551,344	218,273	294,146	427,106
Due to State banks and bankers	14,214,346	25,327,548	15,961,950	1,140,549	902,013	1,013,465	673,454	844,465	800,901
Dividends unpaid	1,086	990	1,853	183	60	60	643	455	917
Individual deposits	26,453,386	26,511,770	27,855,970	2,462,269	2,342,688	2,466,828	11,870,753	11,578,416	15,246,908
U. S. deposits	1,434,286	1,701,256	1,681,043	109,293	109,245	108,811	181,732	292,949	297,574
Deposits of U. S. disbursing officers	79,542	34,359	16,858	624	715	861	67,951	106,988	102,364
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	50,000	......	......	......	......	......	......	......	......
Liabilities other than those above stated	88,916	107,634	95,311	......	......	......	4,929	100,000	500,000
Total	$71,057,259	$69,249,348	$72,820,515	$5,056,441	$4,586,703	$4,906,315	$17,048,502	$17,630,892	$22,056,251
Average reserve held	19.84 p. c.	28.90 p. c.	32.08 p. c.	18.69 p. c.	22.33 p. c.	27.66 p. c.	28.33 p. c.	29.04 p. c.	30.73 p. c.
*** Total lawful money reserve in bank**	$3,937,615	$4,341,620	$4,918,760	$202,37	$316,172	$241,063	$1,915,822	$1,706,500	$2,280,826

	LOUISVILLE, KY.			MILWAUKEE, WIS.			MINNEAPOLIS, MINN.		
RESOURCES.	Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.	Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.	Sept. 15, 1902.	Nov. 25, 1902.	Feb. 6, 1903.
Loans and discounts	$15,138,805	$15,830,419	$15,923,349	$24,663,558	$24,828,114	$25,896,850	$18,843,204	$19,948,869	$19,173,099
Overdrafts	30,342	27,931	23,908	458,505	573,811	485,745	10,695	9,487	8,139
U. S. bonds to secure circulation	4,229,600	4,600,000	4,350,000	750,000	662,500	662,500	1,100,000	1,150,000	1,150,000
U. S. bonds to secure U. S. deposits	2,578,200	2,807,300	3,810,800	1,160,000	1,210,000	1,247,500	350,000	450,000	450,100
U. S. bonds on hand	900	1,300	1,400	......	......	......	1,800	1,800	1,700
Premiums on U. S. bonds	68,001	107,937	94,437	57,750	57,750	58,662	......	4,940	4,940
Stocks, securities, etc	2,604,294	2,904,948	2,489,584	2,482,886	2,646,042	2,994,648	1,091,405	1,114,104	938,688
Banking house, furniture and fixtures	230,407	230,407	230,407	125,455	120,455	115,000	277,000	277,217	297,626
Other real estate and mortgages owned	118,640	117,046	117,046	91,272	82,239	81,401	30,000	30,000	30,000
Due from National banks (not reserve agents)	1,990,197	2,178,128	2,081,969	1,925,967	2,072,123	1,426,910	1,696,090	1,887,359	1,452,155
Due from State banks and bankers	803,882	886,235	1,087,859	906,033	1,333,107	893,088	913,094	1,002,080	753,474
Due from approved reserve agents	2,970,512	2,857,308	3,733,067	5,029,983	5,430,734	4,905,070	3,047,807	2,783,531	3,210,178
Checks and other cash items	47,638	19,340	15,384	56,210	17,734	14 993	78,798	70,905	52,435
Exchange for clearing-house	248,658	200,568	158,979	744,381	596,300	502,913	1,134,630	1,342,692	786,454
Bills of other National banks	91,248	97,319	144,899	74,484	73,175	54,843	78,877	91,926	87,253
Fractional paper currency, nickels and cents	1,815	3,307	4,180	7,175	5,745	8,163	6,335	3,051	6,151
*Lawful money reserve in bank, viz.:									
Gold coin	687,937	619,958	601,530	1,830,055	1,625,245	1,747,665	771,680	711,447	893,915
Gold Treasury certificates	307,000	270,000	155,000	650,000	550,000	550,000	305,000	466,210	264,200
Gold clearing-house certificates	......	......	60,000	......	......	......	200,000	......	200,000
Silver dollars	54,717	55,992	43,612	102,715	51,922	68,265	65,894	38,570	48,808
Silver Treasury certificates	23,679	27,242	68,252	85,083	90,231	118,702	34,000	35,000	33,283
Silver fractional coin	27,097	32,047	47,677	64,592	38,746	42,850	55,597	31,823	27,778
Legal-tender notes	1,103,382	953,236	1,470,409	880,168	1,315,596	1,166,050	730,000	595,580	815,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	208,050	230,000	217,500	37,500	33,125	33,125	55,000	57,500	57,500
Due from U. S. Treasurer	13	26,380	48,699	7,500	6,200	4,500	24,905	18,150	23,406
Total	$33,577 956	$35,084,871	$36,479,853	$42,191,277	$43,420,898	$43,579,447	$30,901,316	$32,122,224	$30,766,979
LIABILITIES.									
Capital stock paid in	$4,645,000	$4,645,000	$4,645,000	$3,750,000	$4,250,000	$4,250,000	$3,250,000	$3,350,000	$3,410,000
Surplus fund	1,785,500	1,785,500	1,792,500	1,185,000	1,285,000	1,315,000	805,000	805,000	1,055,000
Undiv. profits, less expenses and taxes paid	422,736	486,840	367,294	541,308	802,499	774,251	422,392	520,130	282,511
National bank notes issued, less am't on hand	4,161,000	4,600,000	4,345,550	750,000	662,500	662,500	1,098,650	1,078,300	1,145,950
Due to other National banks	5,656,760	5,085,893	6,018,265	4,051,554	4,352,458	4,838,549	5,256,725	5,798,166	5,965,944
Due to State banks and bankers	4,614,607	4,084,273	5,159,976	3,307,910	3,352,386	4,195,712	5,295,171	5,357,602	5,026,760
Dividends unpaid	6,593	6,573	5,524	1,842	167	1,094	1,357	1,531	1,987
Individual deposits	9,482,255	10,417,669	10,808,366	27,410,878	27,110,626	26,119,968	14,102,483	14,405,059	13,134,684
U. S. deposits	2,474,004	2,958,578	2,980,590	1,055,625	1,073,425	1,278,169	319,943	417,028	726,961
Deposits of U. S. disbursing officers	146,420	259,458	299,788	103,896	173,767	125,224	24,592	85,181	14,079
Notes and bills rediscounted	50,000	82,150	13,600	......	......	......	......	......	......
Bills payable	......	150,000	......	......	......	......	125,000	50,000	......
Liabilities other than those above stated	133,068	522,934	......	33,261	358,070	18,957	200,000	304,275	3,100
Total	$33,577,956	$35,084,871	$36,479,853	$42,191,277	$43,420,898	$43,579,447	$30,901,316	$32,122,224	$30,766,979
Average reserve held	18.69 p. c.	30.65 p. c.	34.08 p. c.	23.75 p. c.	29.56 p. c.	27.06 p. c.	22.86 p. c.	22.20 p. c.	26.38 p. c.
*Total lawful money reserve in bank	$2,203,762	$1,958,475	$2,446,480	$3,612,613	$3,671,740	$3,693,532	$2,162,171	$1,878,621	$2,282,979

	NEW ORLEANS, LA.			OMAHA, NEB.			PHILADELPHIA, PA.		
RESOURCES.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$13,984,728	$16,041,366	$15,073,072	$16,770,692	$15,633,374	$14,713,457	$153,086,371	$147,888,457	$149,039,067
Overdrafts	638,450	1,048,847	1,163,010	129,456	103,145	118,385	8,930	23,343	12,814
U. S. bonds to secure circulation	1,060,000	1,060,000	1,060,000	1,250,000	1,250,000	1,250,000	9,319,500	9,909,500	9,939,500
U. S. bonds to secure U. S. deposits	450,000	550,000	550,000	1,000,000	1,000,000	1,000,000	4,504,000	4,214,000	5,043,500
U. S. bonds on hand	133,340	9,760	3,090	10,800	9,600	10,500	9,700	9,700	9,700
Premiums on U. S. bonds	17,538	15,189	14,338	126,661	126,579	126,914	407,128	443,240	436,706
Stocks, securities, etc	2,068,166	2,121,615	2,536,144	1,350,413	1,235,308	1,782,849	27,918,959	26,724,092	28,518,672
Banking house, furniture and fixtures	466,717	466,785	596,657	795,160	777,160	577,160	3,842,107	3,826,326	3,737,618
Other real estate and mortgages owned	37,441	37,441	37,441	178,150	172,444	34,411	615,121	600,143	610,464
Due from National banks (not reserve agents)	701,874	744,051	713,475	2,105,842	1,648,262	1,540,800	21,445,421	21,886,414	21,258,236
Due from State banks and bankers	1,014,820	958,524	1,015,077	951,537	634,062	1,113,430	5,309,660	4,171,493	4,622,343
Due from approved reserve agents	2,136,220	2,210,224	2,551,419	3,341,441	2,632,990	3,416,827	32,504,466	31,044,459	32,664,527
Checks and other cash items	37,768	40,662	31,394	119,818	92,941	106,126	1,811,009	1,464,150	1,826,537
Exchanges for clearing-house	1,871,942	1,418,787	1,550,201	781,848	671,590	654,466	13,938,105	16,782,808	17,464,084
Bills of other National banks	136,332	150,720	146,165	165,576	161,980	108,477	321,066	338,887	293,186
Fractional paper currency, nickels and cents	8,712	3,970	14,588	5,184	3,128	4,766	56,940	55,051	56,255
*Lawful money reserve in bank, viz.:									
Gold coin	139,891	117,643	129,175	728,192	885,292	901,237	1,663,217	2,006,296	1,575,478
Gold Treasury certificates	234,490	798,900	506,190	224,520	125,460	177,000	4,642,540	4,072,860	1,887,630
Gold clearing-house certificates	390,000	330,000	490,000	......	......	......	7,755,000	5,595,000	11,995,000
Silver dollars	36,080	59,147	78,023	121,143	117,044	126,944	268,348	277,257	214,635
Silver Treasury certificates	406,067	556,581	582,013	333,482	440,366	373,248	3,088,963	4,207,492	3,444,467
Silver fractional coin	29,909	33,026	55,740	89,059	74,138	104,211	343,262	479,745	404,505
Legal-tender notes	567,441	497,116	657,463	1,029,742	1,225,342	1,025,112	3,106,072	3,142,758	3,048,734
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	53,000	53,000	53,000	62,500	62,500	62,500	456,750	495,475	495,725
Due from U. S. Treasurer	2,300	1,500	1,350	14,608	8,749	7,749	53,383	222,372	78,758
Total	$26,622,731	$29,324,860	$29,608,990	$31,685,832	$29,001,449	$29,286,587	$296,491,025	$289,381,272	$298,678,149
LIABILITIES.									
Capital stock paid in	$2,000,000	$2,000,000	$2,000,000	$3,450,000	$3,250,000	$3,250,000	$21,405,000	$21,405,000	$21,405,000
Surplus fund	2,800,000	2,800,000	3,025,000	518,000	545,000	565,000	21,215,000	21,055,000	21,[illegible]40,000
Undiv. profits, less expenses and taxes paid	375,626	467,768	303,916	187,860	315,519	247,037	4,36[illegible],541	4,3[illegible]5,526	4,615,182
National bank notes issued, less am't on hand	1,037,995	1,056,095	1,051,545	1,250,000	1,250,000	1,250,000	9,245,582	9,794,385	9,775,835
Due to other National banks	2,049,493	2,560,123	3,129,880	6,781,708	5,504,976	5,398,504	65,754,959	65,682,124	64,421,794
Due to State banks and bankers	1,458,941	1,642,787	1,825,424	5,422,597	4,248,629	4,192,732	34,341,015	32,523,474	41,516,653
Dividends unpaid	6,351	3,001	5,537	......	......	175	31,507	45,466	31,231
Individual deposits	15,791,289	15,571,730	16,714,223	13,074,529	12,978,502	13,385,770	13[illegible],382,061	127,341,880	139,176,280
U. S. deposits	400,000	500,000	500,000	668,476	757,935	715,988	4,310,312	4,782,670	5,606,046
Deposits of U. S. disbursing officers	9,433	9,553	10,763	332,665	245,885	286,378	240,999	228,246	235,175
Notes and bills rediscounted	100,000	150,000	50,000	......	......	......	......	......	......
Bills payable	100,000	1,274,500	100,000	......	......	......	25,000	155,000	30,000
Liabilities other than those above stated	493,600	1,289,300	872,700	......	......	......	170,445	857,500	25,000
Total	$26,622,731	$29,324,860	$29,608,990	$31,685,832	$29,001,449	$29,286,587	$296,491,025	$289,381,272	$298,678,149
Average reserve held	23.95 p. c.	28.19 p. c.	27.95 p. c.	23.99 p. c.	28.02 p. c.	31.19 p. c.	25.62 p. c.	27.[illegible]6 p. c.	[illegible].08 p. c.
*** Total lawful money reserve in bank**	$1,803,878	$2,392,414	$2,498,605	$2,526,138	$2,867,643	$2,707,752	$2,587,402	$19,781,408	$22,570,449

Resources.	Pittsburg, Pa. Sept. 15, 1902.	Pittsburg, Pa. Nov. 25, 1902.	Pittsburg, Pa. Feb. 6, 1903.	Portland, Ore. Sept. 15, 1902.	Portland, Ore. Nov. 25, 1902.	Portland, Ore. Feb. 6, 1903.	St. Joseph, Mo. Sept. 15, 1902.	St. Joseph, Mo. Nov. 25, 1902.	St. Joseph, Mo. Feb. 6, 1903.
Loans and discounts	$109,958,829	$108,422,780	$111,291,173	$4,098,804	$4,854,487	$4,557,530	$6,320,350	$6,076,918	$5,846,873
Overdrafts	193,958	55,221	113,657	286,878	317,255	245,342	37,648	34,678	31,855
U. S. bonds to secure circulation	7,035,000	6,585,000	6,735,000	625,000	800,000	850,000	215,000	265,000	450,000
U. S. bonds to secure U. S. deposits	2,704,000	3,504,000	3,504,000	1,000,000	1,000,000	1,000,070	100,000	185,680	185,680
U. S. bonds on hand	503,650	54,000	1,000	11,300	1,800	2,300	35,680	2,000	2,000
Premiums on U. S. bonds	408,955	416,251	423,413	18,906	38,250	42,784	9,850	12,897	26,637
Stocks, securities, etc	14,882,855	15,358,005	15,180,139	3,295,043	3,317,775	3,454,185	182,692	182,692	175,055
Banking house, furniture and fixtures	5,310,086	5,906,439	6,477,147	231,920	243,201	240,878	88,911	88,911	85,695
Other real estate and mortgages owned	522,601	517,606	524,250	110,185	109,391	184,870	......	......	......
Due from National banks (not reserve agents)	5,411,522	5,529,647	6,022,849	604,855	545,250	596,109	767,471	814,081	1,230,441
Due from State banks and bankers	1,473,608	1,515,467	1,284,845	164,447	171,280	431,550	345,802	280,132	330,728
Due from approved reserve agents	10,469,483	10,980,185	13,219,388	1,532,009	1,213,860	1,376,986	1,795,652	1,300,752	2,144,838
Checks and other cash items	408,123	356,564	680,316	53,382	35,911	39,167	46,312	50,056	44,571
Exchanges for clearing-house	5,166,224	4,145,829	4,888,405	225,560	123,715	183,002	240,037	241,258	124,673
Bills of other National banks	382,863	359,246	496,639	7,335	5,625	3,875	24,916	31,725	28,655
Fractional paper currency, nickels and cents	25,026	24,195	28,863	4,905	4,312	4,067	2,155	1,962	2,346
*Lawful money reserve in bank, viz.:									
Gold coin	3,583,782	3,440,170	3,845,871	1,613,275	1,557,730	1,959,040	317,420	352,470	355,812
Gold Treasury certificates	3,994,520	3,945,740	3,950,340	......	......	......	43,640	44,760	38,090
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	226,863	200,950	324,477	12,340	18,626	15,205	46,048	48,818	53,892
Silver Treasury certificates	2,274,028	2,245,040	2,908,996	11,467	11,222	1,720	199,368	218,292	207,765
Silver fractional coin	146,779	159,469	229,244	24,506	30,968	29,787	13,887	25,640	16,421
Legal-tender notes	3,456,598	3,775,195	4,719,198	28,829	26,784	16,258	350,457	261,655	232,972
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	329,125	329,250	330,900	31,250	30,982	42,500	10,750	13,250	22,500
Due from U. S. Treasurer	51,353	72,684	193,926	......	......	......	5,000	6,300	5,000
Total	$178,919,788	$177,898,940	$187,374,042	$13,971,652	$14,458,429	$15,176,110	$11,199,047	$10,489,861	$11,642,504
Liabilities.									
Capital stock paid in	$18,722,520	$19,000,000	$20,000,000	$1,100,000	$1,050,000	$1,050,000	$550,000	$550,000	$550,000
Surplus fund	18,627,930	19,780,000	20,010,000	190,000	170,000	180,000	116,000	120,000	130,000
Undiv. profits, less expenses and taxes paid	5,739,570	6,199,133	6,418,799	779,011	781,253	783,158	172,959	203,816	161,412
National bank notes issued, less am't on hand	6,743,097	6,576,847	6,665,397	625,000	607,300	839,500	215,000	258,000	450,000
Due to other National banks	20,981,447	17,798,064	20,915,106	1,453,497	1,698,506	1,684,468	1,484,567	1,154,379	1,540,987
Due to State banks and bankers	15,407,579	15,666,309	18,885,140	1,066,996	1,229,711	1,579,052	3,612,047	3,093,581	3,458,569
Dividends unpaid	31,451	42,484	48,889	362	134	1,187	......	......	......
Individual deposits	89,272,501	86,814,813	88,973,744	7,812,958	7,922,224	8,072,658	4,947,760	4,859,478	5,095,892
U. S. deposits	2,581,341	2,843,063	3,825,704	878,839	382,098	403,501	95,820	181,217	251,257
Deposits of U. S. disbursing officers	123,628	660,802	127,634	569,967	617,200	582,583	4,141	4,407	4,384
Notes and bills rediscounted	......	791,123	500,000	......	......	......	......	......	......
Bills payable	170,000	720,000	210,000	......	......	......	......	......	......
Liabilities other than those above stated	518,720	1,506,300	798,628	......	......	......	......	70,000	......
Total	$178,919,788	$177,898,940	$187,374,042	$13,971,652	$14,458,429	$15,176,110	$11,199,047	$10,489,881	$11,642,504
Average reserve held	21.12 p. c.	22.93 p. c.	25.44 p. c.	20.10 p. c.	27.21 p. c.	32.00 p. c.	23.64 p. c.	29.09 p. c.	36.66 p. c.
*** Total lawful money reserve in bank**	$13,682,520	$13,766,564	$15,978,127	$1,690,417	$1,645,330	$2,022,010	$970,815	$951,635	$904,952

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	ST. LOUIS, MO.			ST. PAUL, MINN.			SAN FRANCISCO, CAL.		
RESOURCES.	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Sept. 15, 1902.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*
Loans and discounts	$83,944,138	$82,358,313	$84,842,485	$14,514,000	$15,533,590	$14,848,514	$20,947,531	$23,518,198	$24,261,105
Overdrafts	112,047	155,046	112,559	14,019	2,027	3,796	129,930	247,557	216,472
U. S. bonds to secure circulation	11,950,000	12,420,640	12,420,640	696,000	696,000	696,000	4,300,000	4,655,000	4,730,000
U. S. bonds to secure U. S. deposits	2,879,000	2,856,360	3,103,110	1,458,000	1,458,000	1,547,000	874,000	1,424,000	1,424,000
U. S. bonds on hand	16,940	500	500	600	......	......	84,100	121,080	3,228,600
Premiums on U. S. bonds	261,252	235,700	234,700	21	......	......	192,369	282,662	580,837
Stocks, securities, etc	5,649,289	5,884,912	5,445,959	3,298,441	2,978,477	2,774,659	2,334,302	2,491,522	2,437,379
Banking house, furniture and fixtures	200,000	200,000	1,200,000	585,218	535,218	535,218	310,813	341,121	341,323
Other real estate and mortgages owned	135,005	117,910	63,098	145,089	181,694	109,884	80,962	......	......
Due from National banks (not reserve agents)	14,334,933	13,139,076	15,188,291	1,357,525	1,285,942	1,329,443	2,368,624	2,667,978	1,828,408
Due from State banks and bankers	4,883,692	4,915,619	4,526,056	404,372	543,606	361,763	3,511,379	3,706,459	4,012,826
Due from approved reserve agents	......	......	......	4,077,950	4,552,195	4,686,504	2,399,890	3,266,356	3,017,276
Checks and other cash items	345,245	371,915	502,135	159,756	284,743	187,413	58,730	84,043	18,308
Exchanges for clearing-house	2,453,835	2,006,973	3,307,814	384,309	640,758	845,252	1,681,671	944,211	1,190,351
Bills of other National banks	394,967	131,643	218,219	128,357	140,978	117,223	105,831	303,881	91,551
Fractional paper currency, nickels and cents	5,693	4,756	3,987	4,139	4,272	7,373	5,069	2,991	3,745
*Lawful money reserve in bank, viz.:									
Gold coin	2,881,990	2,757,457	1,975,315	1,522,463	1,483,708	1,672,083	4,583,647	3,532,952	4,323,640
Gold Treasury certificates	9,612,890	10,180,950	6,555,870	90,480	489,200	90,800	300,650	1,126,770	3,110
Gold clearing-house certificates	......	......	4,450,000	300,000	......	300,000	960,000	315,000	1,380,000
Silver dollars	80,705	55,379	74,672	100,900	57,690	121,820	54,384	58,654	145,006
Silver Treasury certificates	1,849,689	1,875,103	2,132,009	159,004	116,125	164,327	19,905	35,846	11,723
Silver fractional coin	23,287	19,414	23,276	23,199	52,345	36,108	130,487	87,748	170,684
Legal-tender notes	3,701,427	3,829,530	4,292,607	309,587	426,998	435,899	48,597	43,282	18,782
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	582,500	582,580	621,030	34,800	34,800	34,800	215,000	232,750	232,750
Due from U. S. Treasurer	9,000	59,000	44,800	40,120	38,285	39,400	3,850	......	......
Total	$146,307,528	$144,158,782	$151,339,083	$29,808,355	$31,486,656	$30,445,311	$45,647,897	$49,487,066	$53,667,875
LIABILITIES.									
Capital stock paid in	$14,400,000	$15,400,000	$15,400,000	$3,800,000	$3,800,000	$3,800,000	$6,200,000	$6,700,000	$6,850,000
Surplus fund	8,400,000	10,250,000	10,250,000	830,000	880,000	1,005,000	3,150,000	3,150,000	3,560,000
Undiv. profits, less expenses and taxes paid	4,210,393	4,129,333	4,456,415	635,724	667,715	513,502	911,558	1,170,519	601,422
National bank notes issued, less am't on hand	11,710,390	12,349,740	12,345,545	649,220	649,720	649,220	4,199,800	4,472,700	4,508,597
Due to other National banks	27,892,808	25,725,465	27,301,570	4,124,217	4,728,631	4,515,888	1,713,583	1,824,767	3,208,051
Due to State banks and bankers	24,277,696	23,768,126	28,385,325	3,080,052	3,540,654	3,631,379	7,151,126	7,807,964	8,508,782
Dividends unpaid	8,823	5,075	6,372	1,207	471	2,553	3,115	1,252	4,876
Individual deposits	44,548,121	48,228,153	48,824,695	15,258,516	15,777,909	14,839,625	21,405,987	22,903,240	21,675,111
U. S. deposits	2,880,252	3,044,165	4,256,389	1,023,966	944,698	1,078,269	890,090	1,433,745	4,736,278
Deposits of U. S. disbursing officers	23,389	31,220	12,131	405,451	496,855	409,873	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	5,887,928	......	......	......	......	......	......	......	......
Liabilities other than those above stated	2,067,725	1,227,502	100,638	......	......	......	22,691	22,876	25,251
Total	$146,307,528	$144,158,782	$151,339,083	$29,808,355	$31,486,656	$30,445,311	$45,647,897	$49,487,066	$53,667,875
Average reserve held	24.15 p. c.	24.90 p. c.	24.77 p. c.	24.19 p. c.	32.94 p. c.	35.57 p. c.	37.08 p. c.	34.92 p. c.	35.42 p. c.
* Total lawful money reserve in bank	$18,149,988	$18,717,833	$19,503,749	$2,505,634	$2,626,066	$2,821,032	$6,097,670	$5,200,252	$6,052,945

Resources.	Savannah, Ga. Sept. 15, 1902.	Savannah, Ga. Nov. 25, 1902.	Savannah, Ga. Feb. 6, 1903.	Washington, D. C. Sept. 15, 1902.	Washington, D. C. Nov. 25, 1902.	Washington, D. C. Feb. 6, 1903.
Loans and discounts	$1,841,421	$1,995,031	$2,041,265	$13,266,419	$13,772,481	$13,166,691
Overdrafts	7,700	152	984	20,224	14,682	7,852
U. S. bonds to secure circulation	200,000	200,000	200,000	1,219,000	1,219,000	1,219,000
U. S. bonds to secure U. S. deposits	127,000	127,000	127,000	451,000	451,000	451,000
U. S. bonds on hand	......	......	......	150,470	148,730	148,060
Premiums on U. S. bonds	1,500	1,500	1,500	67,124	67,203	67,124
Stocks, securities, etc	25,849	25,924	25,974	1,544,102	1,581,520	1,564,092
Banking house, furniture and fixtures	54,131	54,131	54,131	1,284,769	1,284,769	1,284,621
Other real estate and mortgages owned	......	29,496	29,632	115,103	106,105	106,105
Due from National banks (not reserve agents)	72,033	33,422	38,592	2,333,183	2,895,771	2,146,512
Due from State banks and bankers	15,139	9,374	8,723	437,765	464,919	364,565
Due from approved reserve agents	318,076	91,698	197,907	3,736,816	3,449,643	3,619,075
Checks and other cash items	5	......	......	193,895	133,899	209,548
Exchanges for clearing-house	......	......	17,101	346,192	307,246	290,496
Bills of other National banks	21,500	20,000	9,000	11,695	7,180	5,795
Fractional paper currency, nickels and cents	2,684	2,649	1,067	6,646	7,504	9,129
*Lawful money reserve in bank, viz.:						
Gold coin	23,000	14,000	5,500	72,063	72,583	79,765
Gold Treasury certificates	45,000	75,000	63,000	1,026,250	1,192,990	1,567,060
Gold clearing-house certificates	......	......	......	230,000	......	50,000
Silver dollars	7,500	29,500	8,000	5,156	11,331	8,075
Silver Treasury certificates	30,729	61,900	38,800	627,227	705,143	707,091
Silver fractional coin	6,100	11,500	11,181	43,966	66,104	71,647
Legal-tender notes	16,000	87,796	20,427	412,859	448,540	396,044
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......
Five per cent. redemption fund with Treasurer	10,000	10,000	10,000	55,950	55,950	55,950
Due from U. S. Treasurer	2	2	2	3,350	4,300	5,500
Total	$2,825,374	$2,880,078	$2,909,731	$27,661,230	$27,968,449	$27,600,805
Liabilities.						
Capital stock paid in	$750,000	$750,000	$750,000	$2,775,000	$2,775,000	$2,775,000
Surplus fund	225,000	225,000	225,000	1,770,000	1,905,000	1,946,500
Undivided profits, less expenses and taxes paid	138,234	152,582	135,882	565,858	490,060	445,362
State bank notes outstanding	199,995	197,395	196,095	1,112,175	1,104,275	1,084,225
Due to other National banks	146,322	122,920	298,861	354,029	819,833	517,285
Due to State banks and bankers	276,163	332,309	250,274	850,830	1,059,309	942,356
Dividends unpaid	475	460	291	5,157	4,567	6,804
Individual deposits	828,664	817,005	832,369	19,771,604	19,850,419	19,421,799
U. S. deposits	55,497	63,334	58,533	380,804	396,694	412,119
Deposits of U. S. disbursing officers	72,021	69,119	72,941	75,770	62,089	......
Notes and bills rediscounted	......	......	......	......	......	46,453
Bills payable	133,000	150,000	93	......	......	......
Liabilities other than those above stated	......	......	9	......	1,200	2,900
Total	$2,825,374	$2,880,078	$2,909,731	$27,661,230	$27,968,449	$27,600,805
Average reserve held	22.99 p. c.	29.82 p. c.	25.78 p. c.	24.81 p. c.	30.63 p. c.	34.27 p. c.
*Total lawful money reserve in bank	$128,329	$279,696	$146,855	$2,417,521	$2,496,641	$2,879,682

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, March 3, 1903.

CONGRESSIONAL LEGISLATION attracted the principal attention in financial circles during the past month. From a short session of Congress usually little is to be expected, and that the session which expires March 4, noon, has not supplied legislation which was very much wanted, is not altogether a disappointment.

There had been little hope that any currency reform measure would get through Congress; but just when there seemed the least chance of all, Senator Aldrich introduced a bill which proposed to enlarge the powers of the Secretary of the Treasury in the matter of depositing public moneys in the National banks. It also provided for the use of State, municipal and railroad first mortgage bonds as security for such deposits. The bill in all its provisions was not entirely satisfactory, but its introduction came just at a time when the necessity of some such measure was particularly pressing.

The Government, by reason of the heavy movement of imported merchandise, was drawing from the channels of circulation money which it could only store away in the Treasury vaults. At the same time the New York banks were being called upon to furnish money for the interior, and the money market began to show signs of stringency. But the painful evidence of the evil of our sub-Treasury system worked no change of heart in Congress, and the session is now closing without financial legislation, either on the lines of the Aldrich bill or of any modification of it.

Congress, however, has done some lawmaking of the anti-trust variety. Its most important action probably was the creating of a Department of Commerce and Labor, the head of which becomes a member of the President's cabinet. This department will have certain powers in connection with the control of corporations which are engaged in commerce among the several States, excluding, however, common carriers who are now under the supervision of the Inter-State Commerce Commission. Another anti-trust measure which has passed Congress permits suits brought under the Sherman Act to take precedence in court.

In intimate relationship to this effort of Congress to legislate against the trusts is a decision just rendered by the United States Supreme Court in the so-called lottery case. The court, by a divided vote, held two conclusions: (1) that lottery tickets were commerce and (2) that Congress had the constitutional right not only to regulate such commerce, but to prohibit it altogether. There is a wide variance of opinion as to the end to which the ruling of the court may lead, particularly as affecting the suppression of inter-State commerce in trust commodities. But the decision in the lottery case, at all events, has not had a stimulating effect upon Wall street. On the other hand, the United States Steel Corporation has received a very substantial endorsement of its bond substitution scheme in a decision in its favor at the hands of the New Jersey Court of Errors and Appeals in the Hodge Case. The decision leaves the corporation free to go ahead and issue its bonds to retire a part of its preferred stock.

The condition of the money market has been of especial interest during the past month. The demands for funds for the interior usually met with at this season of the year made itself felt, and at the same time the duties paid on imports were drawing from the banks money which, when it got into the sub-Treasury, had to remain there. While the deposits of the New York Clearing-House banks increased $25,-000,000 during February and loans increased $46,000,000, the actual cash reserves decreased nearly $16,000,000, causing the surplus reserve to decline from nearly $28,000,000 to less than $6,000,000.

There was no serious rise in rates for money, however, while there was a prompt response in sterling exchange to such advance as there was. While sterling had tended upwards pretty steadily, when money began to get dearer in New York there was a decline in foreign exchange, and this when the advance in the price of cotton to above ten cents had caused a disappearance of cotton bills except on old contracts.

An important action was recently taken by the New York Clearing-House Association with reference to trust companies. Certain amendments to the constitution were adopted on February 11, which provide that trust companies clearing through a member of the association shall be required, on and after June 1, 1903, to keep a cash reserve in their own vaults equal to five per cent. of the deposits, and on and after February 1, 1904, a reserve of at least 7½ per cent., and on and after June 1, 1904, such reserve as the clearing-house committee shall require, not less than ten nor more than fifteen per cent.

There are twenty seven trust companies in New York and Brooklyn and their deposits on December 31 amounted to nearly $460,000,000. Their cash reserves on that date were less than $4,000,000, while under the five per cent. reserve rule they would be about $23,000,000, and liable to be increased to $46,000,000 or possibly $69,000,000, by June 1, 1904. The effect of this action it will take time to measure. In fact, the tremendous growth of financial institutions in the last few years and the very great changes that have occurred in the methods of business have given birth to many problems for the future to solve.

Evidence of the drastic effect of the prolonged coal strike of last year is now being formulated by statistical experts. The strike lasted from May 12 to October 23, taking out more than five months from the most productive period of the coal mining industries. The result is seen in a production last year of more than 22,000,000 tons less than in the previous year, and the smallest in any year since 1884. The decrease compared with 1901 is equal to more than a full year's output prior to 1879. The annual production of anthracite coal since 1883 has been :

YEAR.	*Tons.*	YEAR.	*Tons.*	YEAR.	*Tons.*	YEAR.	*Tons.*
1883	31,793,027	1888	38,145,718	1893	43,089,536	1898	41,899,751
1884	30,718,293	1889	35,407,710	1894	41,391,200	1899	47,665,203
1885	31,623,529	1890	35,855,174	1895	46,511,477	1900	45,107,486
1886	32,136,362	1891	40,448,336	1896	43,177,483	1901	53,568,601
1887	34,641,017	1892	41,893,320	1897	41,637,866	1902	31,200,890

The loss of 20,000,000 tons in output will explain the high prices to which anthracite coal soared. The Reading suffered a decrease of 5,000,000 tons, or nearly fifty per cent. compared with 1901 ; the Lehigh Valley about 2,700,000 tons, or about thirty-three per cent.; the Central of New Jersey, 2,500,000, or forty per cent.; the Lackawanna, 2,400,000 tons, or thirty-two per cent.; the Delaware and Hudson 2,000,000 tons, or about forty per cent.; the Pennsylvania Railroad 3,060,000 tons, or fifty-three per cent., and the remaining companies 3,800,000 tons, or sixty per cent.

The effect of the strike upon the earnings of the coal-carrying roads would have been very serious had not the general business situation been so favorable. Two companies have published their earnings for 1902, the Delaware and Hudson and the Lackawanna. We give a comparative summary for both roads for the last two years :

Delaware and Hudson.

	1901.	1902.
Receipts from coal	$16,924,983	$11,064,748
Receipts from railroads	12,178,633	11,050,690
Miscellaneous	393,838	385,356
Total gross receipts	$29,497,454	$22,500,794
Operating expenses	21,894,707	16,880,892
Net earnings	$7,602,747	$5,619,902
Interest and rentals	2,998,672	3,122,027
	$4,604,075	$2,497,875
Dividends	2,425,850	2,415,000
Surplus	$2,178,225	$82,875

Delaware, Lackawanna and Western.

	1901.	1902.
Receipts from coal	$10,749,344	$8,145,920
Other earnings	12,758,290	13,252,844
Total earnings	$23,507,634	$21,398,764
Operating expenses	14,385,418	14,477,422
Net earnings	$9,122,216	$6,921,342
Other income	2,080,032	1,193,996
Total net income	$11,202,248	$8,115,338
Interest and rentals	8,172,193	8,461,989
	$3,030,055	*346,651
Dividends	1,834,000	1,834,000
Balance	†$1,196,055	*$2,180,651

* Deficit. † Surplus.

The Delaware and Hudson earned a surplus of only $82,875 against $2,178,225 in 1901, while the Lackawanna shows a deficit of $2,180,651 after paying its dividend, as against a surplus of $1,196,055 in the previous year. Both companies, however, have a large surplus upon which they can draw, so that their losses have not impaired their dividend-paying powers. The coal strike, however, has been a costly one for everybody concerned, and for the public as well.

A more favorable exhibit is made, however, by the railroads of the country, and the year 1902 was undoubtedly the most prosperous in their history. The shortage in the crop yield of the previous year and the interference with traffic caused by the coal strike failed to neutralize the benefits following an activity in general business absolutely without parallel.

The gross earnings of 147 railroads, embracing a mileage of 170,395, equal to probably eighty-five per cent. of the total mileage of the country, are reported by the "Financial Chronicle" as aggregating $1,542,725,832 in 1902 as compared with $1,449,841,005 in 1901—an increase of $92,884,827, or 6.41 per cent., while the increase in mileage was 2,754 miles, or 1.64 per cent. The same authority estimates the increase in gross earnings of all railroads in 1902 at $105,000,000. This tremendous gain follows continuous increases extending over seven years. We give its summary of gross earnings for each calendar year since 1896, as follows:

YEAR.	*Mileage.*	*Gross earnings.*	*Increase over previous year.*
1897	154,900	$974,466,753	$54,490,563
1898	157,801	1,050,895,038	77,647,719
1899	156,958	1,128,928,916	101,316,886
1900	157,401	1,216,924,951	100,915,767
1901	172,879	1,495,915,406	143,017,801
1902	170,395	1,542,725,832	92,884,827

It is estimated that the gross earnings of all the railroads in the United States were nearly $700,000,000 larger in 1902 than in 1896—an increase probably of seventy-five per cent.

A preliminary statement of the income account of the railways in the United States for the year ended June 30, 1902, has just been issued by the Inter-State Commerce Commission. It shows that the net earnings were $605,616,795 as compared with $554,221,374 in 1901. Income from other sources amounted to $82,714,492, making the total income $688,331,287, from which was paid for interest, rentals, etc., $458,459,961. More than $49,000,000 of this amount was disbursed for taxes. The railroads paid $150,685,959 in dividends, an increase of nearly $30,000,000 over the amount paid in 1901, and a surplus of $79,185,367 after paying dividends resulted from the operations of the year.

While the railroads have prospered, they have been raising a very large amount of capital. In fact, there is still a large sum of money to be raised on new issues of railway securities, negotiations now pending for marketing at least $300,000,000 of stock and bonds, while it is proposed to increase the capital stock of the Pennsylvania Railroad $150,000,000. The pendency of these capital issues is, of course, having some effect on the money situation.

Our foreign trade still commands attention by reason of its magnitude, but the growth is more rapid in our imports than in our exports. In fact, the latter are falling behind the high records made in 1901 and 1902. In January the imports were the largest ever reported in that month, while for the seven months they reached $598,000,000 as compared with $526,000,000 in 1901–2 and $340,000,000 in 1897–8. The Bureau of Statistics has called attention to the important fact that a large percentage of the increased imports consists of manufacturers' materials. It publishes the following comparative table:

IMPORTS OF MANUFACTURERS' MATERIALS AND PERCENTAGE OF TOTAL IMPORTS.

SEVEN MONTHS ENDING WITH JANUARY.	*Value.*	*Per cent.*
1887	$140,434,209	36.31
1888	145,124,669	35.41
1889	147,196,647	34.98
1890	152,116,755	34.46
1891	168,772,592	35.57
1892	157,805,341	34.41
1893	180,442,014	37.25
1894	113,928,360	30.67
1895	146,163,721	35.83
1896	196,968,017	41.56
1897	184,607,997	36.77
1898	153,803,684	45.13
1899	147,306,168	40.14
1900	213,701,939	45.17
1901	187,446,656	40.84
1902	237,369,135	45.12
1903	277,517,776	46.39

The development of the financial resources and the credit of the United States as well as of the commercial interests in recent years has been one of the most marked features of the present era of prosperity. An evidence of this development in national credit is afforded in the monthly circular of the Government Actuary of the Treasury Department showing the market prices and investment value of Government bonds.

In no instance do these bonds of the Government sell at a price which allows the investor to realize as much as two per cent. per annum upon his investment. In fact, the three per cents of 1908–18 sold so high that the investment return was only a little more more than 1½ per cent. per annum. With four per cent. bonds selling at more than 136 and two per cent. bonds at over 108, there is nothing needed to be said regarding the high position the United States Government now holds as a solvent institution. From the circular for February we make the following summary:

BONDS.	*Rate of interest. Per cent.*	*Date of maturity.*	AVERAGE PRICE IN FEBRUARY.		*Investment value. Per cent.*
			Market price flat.	*Net price.*	
Consols of 1930............	2	April 1, 1930	108.4405	108.1934	1.626
Loan of 1908-18............	3	August 1, 1908	107.5595	107.4460	1.575
Funded loan of 1907......	4	July 1, 1907	110.1012	109.6070	1.717
Loan of 1925..............	4	February 1, 1925	136.2500	136.0986	1.971
Loan of 1904..............	5	February 1, 1904	103.2262	103.0369	1.811

In 1861 six per cent. bonds of the United States having twenty years to run sold at the New York Stock Exchange at 83 @ 95¾, while five per cent. bonds having thirteen years to run sold at 75 @ 97. Gradually, as the credit of the Government improved, the prices of Government bonds advanced. In 1876 4½ per cent. bonds having fifteen years to run, issued for funding purposes, sold at 108 @ 111½. and the following year four's of 1907, having thirty years to run, sold at 101 @ 109. In 1882 bonds continued at 3½ per cent. sold at par to 103, but these bonds could be called in and redeemed by the Government at any time. Subsequently three per cent. bonds redeemable at the option of the Government sold at 104, that was in 1885.

The four per cents. of 1907 are the only bonds which are still outstanding which were quoted in 1885. In that year they sold between 121⅜ and 124¾, and in 1888 touched 130, when the price began to decline as the bonds gradually approached maturity. Now, with only about four years to run, these bonds are selling eight to nine per cent. higher than they did in 1877 when they had thirty years to run. The four per cents. of 1925 are now in the same position as to period of maturity that the four per cents of 1904 were in 1882. In that year the latter sold at 118 @ 120, now the fours of 1925 are selling at 136. Such has been the improvement in the public credit.

THE MONEY MARKET.—The tendency in the local money market has been in the direction of higher rates. The banks have been sending money to the interior while the sub-Treasury has been drawing upon the banks. While the stock market is inactive the demand for money is affected by the activity in general trade. At the close of the month call money ruled at 3 @ 4 per cent., the average rate being 3½ per cent. Banks and trust companies loaned at 3 per cent. as the minimum rate.

MONEY RATES IN NEW YORK CITY.

	Oct. 1.	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*	*Mar. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	4 —19	5 —7	4 —6	8 —12	2½–3¾	3 —4
Call loans, banks and trust companies..................................	6 —	4 —	4½—	8 —12	4 —	3 —
Brokers' loans on collateral, 30 to 60 days................................	6 @ 1%	6 —	6 —	6 —	4½—	4¾–5
Brokers' loans on collateral, 90 days to 4 months........................	6 @ 1%	6 —	6 —	6 —	4½— ¾	5 —
Brokers' loans on collateral, 5 to 7 months..........	6 —	6 —	5 —5½	5½—	4½— ¾	4¾–5
Commercial paper, endorsed bills receivable, 60 to 90 days............	6 —	5½–6	5½— ¾	6 —	4¾–5	5 —5¼
Commercial paper prime single names, 4 to 6 months..............	6 —	5½–6	5½–6	6 —	4¾–5	5 —5¼
Commercial paper, good single names, 4 to 6 months...............	6½—	6½–7	6 - 6½	6½—	5 —5½	5½—

Time money on Stock Exchange collateral is quoted at 5 per cent. for 60 days and 4¾ @ 5 per cent. for 3 to 6 months on good mixed collateral. For commercial paper the rates are 5 @ 5¼ per cent. for 60 to 90 days' endorsed bills receivable, 5 @ 5¼ per cent. for first-class 4 to 6 months' single names, and 5½ per cent. for good paper having the same length of time to run.

NEW YORK CITY BANKS.—There were very important changes in the weekly statements of the clearing-house banks during the month. Loans were increased $46,009,000 since February 1, and $78,000,000 since January 10. On February 21 the total amount was $950,208,700, the largest ever recorded, the previous high record, $938,191,200, having been made on March 1 a year ago. Deposits increased $31,000,000 in the first three weeks of the month, but fell off $7,000,000 in the last week. They are now $63,000,000 less than the maximum recorded two years ago. The banks lost about $6,000,000 specie and $10,000,000 legal tenders during the month, while the surplus reserve was reduced nearly $22,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Jan. 31...	$904,510,700	$182,672,000	$78,153,500	$931,778,900	$27,880,775	$45,184,900	$1,301,817,700
Feb. 7...	924,958,600	178,014,800	75,575,900	940,180,100	18,545,675	44,175,700	1,550,547,400
" 14...	936,233,400	181,803,400	71,808,800	952,810,100	15,529,675	43,736,900	1,240,315,900
" 21...	950,208,700	180,772,000	69,074,500	963,219,300	9,041,675	43,191,800	1,333,724,000
" 28...	950,156,300	176,700,400	68,308,100	956,206,400	5,951,900	43,279,100	1,116,623,700

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,300	9,975,925	956,206,400	5,951,900
April.........	1,004,283,200	7,870,500	965,353,300	6,965,575	....	....
May...........	970,790,500	16,759,775	968,189,600	7,484,000	....	....
June	952,398,200	21,253,050	948,326,400	11,929,000	....	....
July	971,382,000	8,484,200	955,829,400	12,978,350	....	....
August........	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Jan. 31....	$78,019,200	$83,515,400	$3,688,900	$4,269,200	$8,282,400	$2,338,000	$* 2,300,350
Feb. 7....	76,915,400	83,950,800	3,637,000	4,061,700	8,712,300	2,940,500	* 1,636,200
" 14....	77,333,300	84,455,500	3,644,200	4,230,800	8,739,500	3,067,400	* 1,412,975
" 21....	77,262,900	83,816,100	3,651,900	4,321,700	8,124,800	3,506,800	* 1,348,825
" 28....	77,462,400	85,018,100	3,671,300	4,353,500	8,690,400	3,843,100	* 696,225

* Deficit.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Jan. 31.......	$188,705,000	$202,578,000	$16,590,000	$6,652,000	$6,576,000	$121,125,500
Feb. 7.......	189,083,000	206,191,000	16,180,000	5,881,000	6,406,000	144,528,600
" 14.......	190,679,000	206,242,000	14,815,000	5,951,000	6,412,000	133,347,900
" 21.......	189,715,000	206,278,000	14,353,000	5,629,000	6,402,000	143,728,000
" 28.......	187,230,000	200,516,000	15,393,000	5,353,000	6,427,000	110,800,400

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Jan. 31..................	$185,459,000	$215,908,000	$55,147,000	$8,965,000	$120,894,919
Feb. 7..................	185,667,000	216,986,000	55,502,000	8,959,000	126,317,200
" 14..................	186,478,000	218,254,000	55,225,000	8,952,000	98,180,600
" 21..................	184,801,000	218,564,000	55,860,000	9,368,000	110,441,500
" 28..................	184,988,000	217,199,000	55,195,000	9,335,000	102,653,200

European Banks.—The banks which gained gold last month were: England, $8,000,000; France, $4,000,000 and Russia, $3,000,000. Germany lost $6,000,000, the changes in the holdings of the other institutions being unimportant. Compared with a year ago England has lost $9,000,000 and Germany $5,000,000 and Russia $29,000,000.

Gold and Silver in the European Banks.

	January 1, 1903.		February 1, 1903.		March 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£29,776,817	....	£34,382,758	....	£36,045,496	....
France............	100,768,407	£43,986,962	100,566,167	£43,863,962	101,839,418	£43,845,350
Germany..........	31,712,000	11,748,000	36,585,000	13,531,000	35,322,400	13,064,500
Russia.............	76,168,000	6,630,000	76,323,000	6,873,000	76,995,000	7,543,000
Austria-Hungary..	46,539,000	12,836,000	46,329,000	12,635,000	46,288,000	12,755,000
Spain..............	14,885,000	19,695,000	14,409,000	19,887,000	14,423,000	19,970,000
Italy..............	16,869,000	2,082,200	16,932,000	2,680,000	17,809,000	2,178,400
Netherlands.......	4,699,600	6,594,600	4,698,300	6,635,500	4,699,000	6,611,909
Nat. Belgium......	2,988,667	1,494,333	3,222,667	1,611,333	3,223,333	1,611,667
Totals..........	£323,905,891	£104,562,095	£333,437,892	£107,116,795	£335,644,647	£107,579,817

Money Rates Abroad.—Rates for money in the leading centers abroad are steady. Discounts of 60 to 90 day bills in London at the close of the month were 3½ @ 3⅝ per cent. against 3¼ @ 3⅜ per cent. a month ago. The open market at Paris was 2¾ @ 2⅞ per cent., the same as a month ago, and at Berlin and Frankfort 2¼ per cent., against 2⅛ @ 2¼ per cent. a month ago.

Bank of England Statement and London Markets.

	Oct. 15, 1902.	Nov. 12, 1902.	Dec. 10, 1902.	Feb. 11, 1903.
Circulation (exc. b'k post bills)..........	£29,649,950	£29,061,085	£28,765,260	£28,127,905
Public deposits...........................	7,291,466	8,637,687	9,464,550	11,239,705
Other deposits...........................	42,021,172	39,264,394	37,563,459	39,677,098
Government securities...................	16,348,540	16,416,132	16,012,333	15,062,127
Other securities.........................	28,199,911	26,899,956	27,873,428	28,984,448
Reserve of notes and coin...............	22,644,085	22,461,892	21,607,147	25,170,852
Coin and bullion.........................	34,119,035	33,347,917	31,597,407	35,123,757
Reserve to liabilities....................	45¾%	46¾%	44½%	49%
Bank rate of discount....................	4%	4%	4%	4%
Price of Consols (2¾ per cents.)..........	93 1-16	93⅛	92 7/16	26 1-16d.
Price of silver per ounce.................	23⅜d.	22 15-16d.	22⅛d.	....
Average price of wheat...................	25s. 5d.	25s. 1d.	26s. 1d.	....

Foreign Exchange.—Sterling exchange ruled strong throughout the month until near the close, when a stronger local money market caused sterling to decline. Offerings of commercial bills are light and the advance in the price of cotton has checked exports except on old contracts. There is a better supply of grain bills.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Jan. 31	4.8380 @ 4.8390	4.8680 @ 4.8690	4.8715 @ 4.8725	4.83⅜ @ 4.83½	4.82⅞ @ 4.83¾
Feb. 7	4.8425 @ 4.8435	4.8720 @ 4.8725	4.8760 @ 4.8770	4.83⅞ @ 4.84⅛	4.83¼ @ 4.84⅛
" 14	4.8450 @ 4.8460	4.8755 @ 4.8765	4.8800 @ 4.8810	4.84⅛ @ 4.84¼	4.83½ @ 4.84½
" 21	4.8455 @ 4.8465	4.8770 @ 4.8780	4.8810 @ 4.8815	4.84¼ @ 4.84½	4.83½ @ 4.84⅝
" 28	4.8430 @ 4.8440	4.8740 @ 4.8750	4.8795 @ 4.8805	4.83⅞ @ 4.84	4.83⅝ @ 4.84⅜

Foreign Exchange—Actual Rates on or about the First of each Month.

	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.
Sterling Bankers—60 days	4.83¼— ½	4.83½— ¾	4.83⅛— ¼	4.83¾— ⅞	4.84¼— ⅜
" " Sight	4.86⅝— ⅞	4.87⅛— ⅜	4.86½— ⅝	4.86¾— ⅞	4.87½—
" " Cables	4.87 — ¼	4.87⅝— ⅞	4.87½— ⅝	4.87⅛— ⅜	4.87⅞—88
" Commercial long	4.83 — ⅛	4.83⅛— ¼	4.82¾— ⅞	4.83½— ⅝	4.83½— 4
" Docu'tary for paym't.	4.82¾— ⅝	4.82¾— 4	4.82⅛— 3⅜	4.82¾— 3¾	4.83½— 4½
Paris—Cable transfers	5.15⅝— 3/32	5.15 3/32—16 1/16	5.15⅝—	5.15⅝—	5.15⅝— 3/32
" Bankers' 60 days	5.18¾—	5.18¾— ⅛	5.18¾—	5.18¾—	5.18¾— ⅛
" Bankers' sight	5.16¼— ⅝	5.15⅝—	5.16¼—	5.16¼—	5.15⅝—
Swiss—Bankers' sight	5.16⅞— ¼	5.16¼—	5.16¼—	5.16⅞—	5.16⅞— ¼
Berlin—Bankers' 60 days	94 1/16— ¾	94 11/16— ¾	94 11/16— ¾	94¾—	94¾— 13/16
" Bankers' sight	95⅛— 3/16	95¼— 5/16	95 3/16— ¼	95 — 1/16	95 1/16— ⅛
Belgium—Bankers' sight	5.16⅞—	5.16⅞—	5.16⅞— ¼	5.16⅞—	5.16⅞— ¼
Amsterdam—Bankers' sight	40⅛— 3/16	40⅛— 3/16	40⅛—	40⅛—	40⅛— 3/16
Kronors—Bankers' sight	26.82— .85	26.86— 89	26.82—85	26.74 —77	26.75—78
Italian lire—sight	5.15⅝—15	5.15⅝—	5.15⅝—	5.16¼—15⅝	5.15⅝ - 1/16

Silver.—There was a slight recovery in the price of silver in London last month an advance to 22 5-16d. on February 16 being recorded. The closing price for the month was 22⅛, a net advance since January 31 of ¼d.

Monthly Range of Silver in London—1900, 1901, 1902.

Month.	1901.		1902.		1903.		Month.	1901.		1902.		1903.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January	29 9/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July	28 9/16	27¾	24 9/16	24 3/16	....	....
February	28 7/16	27⅞	25⅝	25 5/16	22 5/16	21⅞	August	28 7/16	27 11/16	24 7/16	24⅛	....	....
March	28 3/16	27 5/16	25 7/16	24 13/16	....	....	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April	27 15/16	26 15/16	24⅞	23 5/16	....	....	October	30 3/16	29⅛	23 11/16	23¼	....	....
May	27⅝	27 3/16	24⅛	23 5/16	....	....	Novemb'r	29 11/16	29 1/16	23¼	21¾	....	....
June	27⅝	27¼	24 7/16	23 15/16	....	....	Decemb'r	29 15/16	29⅛	22⅛	21 13/16	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.87	$4.90
Twenty francs	3.87	3.90
Twenty marks	4.74	4.78
Twenty-five pesetas	4.78	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.55	15.65
Mexican 20 pesos	$19.55	$19.65
Ten guilders	3.95	4.00
Mexican dollars	.38	.39¾
Peruvian soles	.37	.39
Chilian pesos	.37	.39

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 22⅛d. per ounce. New York market for large commercial silver bars, 48⅛ @ 49¼c. Fine silver (Government assay), 48⅜ @ 49⅜c. The official price was 48c.

Gold and Silver Coinage.—The mints coined $7,488,510 gold in February, $1,521,000 silver and $187,370 subsidiary coin—a total of $9,196,880. There were 1,350,000 standard silver dollars coined.

COINAGE OF THE UNITED STATES.

	1901.		1902.		1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
January	$12,657,200	$2,718,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,800	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	....	....
April	18,958,000	2,633,000	3,480,315	3,388,278	....	....
May	9,325,000	3,266,000	426,000	1,873,000	....	....
June	5,948,030	2,836,185	500,345	2,464,358	....	....
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$15,123,688	$3,228,000

GOVERNMENT REVENUES AND DISBURSEMENTS.—The United States Treasury had a surplus of more than $5,000,000 in February, which brings the total for the eight months of the current fiscal year to $33,000,000. This compares with a surplus of $52,000,000 for the corresponding period of 1901–2, but there has been a reduction in taxation for the purpose of reducing the surplus. Still the receipts in the eight months were $5,000,000 more than in the previous year, but the expenditures also increased $24,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	February, 1903.	Since July 1, 1902.
Customs	$21,197,581	$195,525,269
Internal revenue	16,016,067	153,388,233
Miscellaneous	5,814,531	28,744,464
Total	$43,028,179	$377,657,966
Excess of receipts	5,277,430	33,381,377

EXPENDITURES.

Source.	February, 1903.	Since July 1, 1902.
Civil and mis	$9,203,433	$83,688,946
War	6,661,372	80,367,733
Navy	5,816,739	53,354,228
Indians	1,009,797	9,811,423
Pensions	13,216,858	95,023,997
Interest	1,842,550	22,530,262
Total	$37,750,749	$344,276,589

NATIONAL BANK CIRCULATION.—The amount of National bank notes outstanding was reduced $1,174,000 during the month of February, the amount secured by Government bonds showing a decrease of $1,927,578 while the amount secured by deposits of lawful money increased $752,877. The bonds securing circulation were reduced $738,000 and public deposits $162,000.

NATIONAL BANK CIRCULATION.

	Nov 30, 1902.	Dec. 31, 1902.	Jan. 31, 1903.	Feb. 28, 1903.
Total amount outstanding	$384,854,514	$384,929,784	$383,973,546	$382,798,845
Circulation based on U. S. bonds	341,100,411	342,127,844	340,587,939	338,660,361
Circulation secured by lawful money	43,754,103	42,801,940	43,385,607	44,138,484
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	8,670,450	8,799,850	8,843,850	8,856,350
Five per cents. of 1894	1,100,900	1,151,900	1,087,400	1,087,400
Four per cents. of 1895	2,259,600	2,239,600	2,197,100	2,195,100
Three per cents. of 1898	5,881,220	5,899,020	5,549,020	5,593,020
Two per cents. of 1900	325,105,850	326,161,750	325,276,150	324,482,800
Total	$343,018,020	$344,252,120	$342,903,520	$342,164,670

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $85,325,600; 5 per cents. of 1894, $12,146,620; 4 per cents. of 1895, $22,419,650; 3 per cents. of 1898, $9,868,750; 2 per cents. of 1900, $3,003,450: District of Columbia 3.65's, 1924, $1,621,000; State and city bonds, $18,854,000; a total of $153,229,970.

UNITED STATES PUBLIC DEBT.—While there was practically no change in the principal of the public debt last month, the net debt was reduced about $6,000,000 by an increase in the net cash balance to that amount. The total cash assets now amount to $1,344,000,000 against which are demand liabilities of $969,000,000 of which $884,000,000 are certificates and Treasury notes. The Treasury now holds a cash balance of $374,000,000, an amount sufficient to meet nearly every dollar of its obligations outside of its bonded debt. The net debt is about $938,000,000 while the total bonds outstanding are nearly $916,000,000.

United States Public Debt.

	Jan. 1, 1902.	*Jan. 1, 1903.*	*Feb. 1, 1903.*	*Mar. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	240,063,300	233,178,650	233,178,850	233,179,200
Refunding certificates, 4 per cent......	32,250	31,230	31,120	30,860
Loan of 1904, 5 per cent................	20,060,150	19,385,050	19,385,050	19,385,050
" 1925, 4 "	139,618,600	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	97,564,160	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$943,279,210	$914,541,240	$914,541,330	$914,541,420
Debt on which interest has ceased.......	1,339,790	1,255,710	1,230,910	1,230,510
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	35,003,208	42,169,652	42,908,829	43,136,981
Fractional currency....................	6,874,492	6,872,594	6,872,593	6,872,593
Total non-interest bearing debt......	$388,612,563	$395,774,109	$396,516,286	$396,744,438
Total interest and non-interest debt.	1,333,231,564	1,311,574,059	1,312,288,526	1,312,516,368
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	316,785,069	383,564,069	398,621,069	399,062,069
Silver "	456,067,000	468,957,000	465,297,000	463,431,000
Treasury notes of 1890	38,596,000	24,053,000	22,953,000	22,232,000
Total certificates and notes...........	$811,468,069	$876,574,069	$886,871,069	$884,725,069
Aggregate debt	2,144,699,653	2,188,148,128	2,199,159,595	2,197,241,437
Cash in the Treasury:				
Total cash assets	1,219,631,721	1,331,081,200	1,339,744,207	1,344,077,366
Demand liabilities.......................	898,028,443	966,671,820	971,398,244	969,533,896
Balance	$321,603,278	$364,409,380	$368,345,963	$374,543,470
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	171,603,278	214,409,380	218,345,963	224,543,470
Total	$321,603,278	$364,409,380	$368,345,963	$374,543,470
Total debt, less cash in the Treasury.	1,011,628,286	947,164,679	943,942,563	937,972,898

United States Foreign Trade.—The statement of exports of merchandise in January shows the largest total for January in any year excepting 1901. They are valued at $134,040,952, or nearly $5,000,000 more than in 1902 but $2,300,000 less than in 1901. Imports show a very large increase, being $85,000,000 in value, or $6,000,000 larger than in 1902 and nearly $16,000,000 larger than in 1901. The

Exports and Imports of the United States.

Month of January.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1898.................	$108,426,674	$50,827,714	Exp., $57,598,960	Imp., $3,834,751	Exp., $1,766,359
1899.................	115,591,446	58,239,771	" 57,351,675	" 4,636,893	" 2,251,954
1900.................	117,597,148	75,897,102	" 41,700,046	Exp., 3,698,598	" 2,424,626
1901.................	136,325,601	69,307,080	" 67,018,521	" 3,955,533	" 1,600,921
1902.................	129,145,180	79,138,192	" 50,006,988	" 567,888	" 2,416,329
1903.................	134,040,952	85,109,891	" 48,931,061	Imp., 1,710,704	" 1,683,453
Seven Months.					
1898.................	718,367,407	340,616,530	Exp., 377,750,877	Imp., 22,449,230	Exp., 14,238,859
1899.................	749,596,115	366,943,381	" 382,652,734	" 60,235,067	" 15,212,720
1900.................	800,046,486	486,419,633	" 313,626,853	" 6,422,632	" 12,359,201
1901.................	902,237,970	459,038,141	" 443,199,829	" 22,473,733	" 16,200,844
1902.................	872,668,418	526,116,998	" 346,551,420	" 9,978,309	" 13,609,169
1903.................	856,546,724	598,079,687	" 258,467,037	" 16,962,323	" 14,246,176

exports still are largely in excess of the imports, the net balance in January being nearly $49,000,000. For the seven months of the current calendar year the exports of merchandise were valued at $856,000,000, a decrease of $16,000,000 compared with 1902 and of $46,000,000 compared with 1901. Imports were valued at $598,000,000, an increase over 1902 of nearly $72,000,000 and over 1901 of $139,000,000. Compared with 1898 imports have increased $257,000,000 and exports $138,000,000. For the seven months the balance of net exports is $258,000,000 as compared with $346,000,000 last year and $443,000,000 in 1901. We imported $1,710,000 net gold in January and $16,962,000 in the seven months.

MONEY IN THE UNITED STATES TREASURY.—The amount of money in the United States Treasury increased $3,000,000 in February, but a decrease of $3,000,000 in certificates and Treasury notes outstanding made a gain of $6,000,000 in the net cash. The Treasury gained nearly $12,000,000 in net gold, the amount now standing at $259,000,000.

MONEY IN THE UNITED STATES TREASURY.

	Dec. 1, 1902.	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.
Gold coin and bullion	$610,919,798	$617,196,088	$623,818,560	$632,783,826
Silver Dollars	469,812,309	470,783,167	474,755,053	476,792,247
Silver bullion	23,667,801	23,057,667	21,940,052	20,972,163
Subsidiary silver	6,428,213	6,419,206	8,020,705	8,624,789
United States notes	2,897,475	2,910,158	6,473,503	4,288,223
National bank notes	13,302,019	16,251,253	21,569,293	16,011,286
Total	$1,127,027,615	$1,136,617,584	$1,156,577,166	$1,159,472,484
Certificates and Treasury notes, 1890, outstanding	834,179,379	833,909,877	855,756,891	852,411,726
Net cash in Treasury	$292,848,236	$302,707,657	$300,820,275	$307,060,758

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was reduced about $2,000,000 last month, a reduction of nearly $7,000,000 in gold being partly offset by gains in other forms of money. There was an increase of $2,000,000 in United States notes and of $4,000,000 in National bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Dec. 1, 1902.	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.
Gold coin	$631,410,968	$629,680,632	$629,023,915	$625,262,655
Silver dollars	78,700,912	78,810,834	75,838,448	75,151,254
Subsidiary silver	93,062,863	94,350,669	92,507,814	91,990,348
Gold certificates	345,952,024	346,418,819	376,084,814	373,182,044
Silver certificates	463,304,840	463,570,632	456,856,599	457,154,583
Treasury notes, Act July 14, 1890	24,922,515	23,920,426	22,865,478	22,125,099
United States notes	343,783,541	343,770,858	340,207,513	342,392,793
National bank notes	371,552,495	368,678,531	362,404,253	366,787,559
Total	$2,352,710,158	$2,348,700,901	$2,355,738,834	$2,353,996,330
Population of United States	79,686,000	79,799,000	79,914,000	
Circulation per capita	$29.52	$29.43	$29.48	

SUPPLY OF MONEY IN THE UNITED STATES.

	Dec. 1, 1902.	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.
Gold coin and bullion	$1,242,330,766	$1,246,876,715	$1,252,842,475	$1,258,046,481
Silver dollars	548,513,221	549,093,501	550,593,501	551,943,501
Silver bullion	23,667,801	23,057,667	21,940,052	20,972,163
Subsidiary silver	99,511,076	100,769,875	100,528,519	100,615,082
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,854,514	384,929,784	383,973,546	382,798,845
Total	$2,645,558,394	$2,651,408,558	$2,656,559,109	$2,661,057,088

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of February, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.		FEBRUARY, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	83¾—Jan. 3	89½	84¼	85½
" preferred	106⅛	95½	103⅛—Jan. 10	99 —Jan. 24	102½	99½	99¾
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	95⅛—Feb. 28	102¾	95⅛	96¼
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	93½—Feb. 25	96¾	93½	93½
Brooklyn Rapid Transit	72⅝	54¾	71⅛—Feb. 17	66⅛—Feb. 28	71⅛	66⅛	67⅞
Canadian Pacific	145¼	112¼	138¾—Feb. 10	131⅞—Jan. 3	138¾	133½	134⅝
Canada Southern	97	71	78½—Jan. 5	71 —Jan. 14	77	73	75
Central of New Jersey	198	165	190 —Jan. 19	178 —Feb. 27	184	178	182
Ches. & Ohio vtg. ctfs	57⅛	45⅝	53⅝—Feb. 10	48¼—Jan. 2	53⅝	48⅝	49
Chicago & Alton	45⅝	29½	37¼—Jan. 5	33½—Feb. 28	36¾	33½	34¼
" preferred	79	68	73½—Jan. 7	71 —Jan. 26	72	71½	71¾
Chicago, Great Western	35	22	29⅝—Jan. 9	25⅝—Feb. 28	28⅝	25⅝	26
Chic., Milwaukee & St. Paul	198¾	160½	183¼—Jan. 7	173½—Feb. 27	180¾	173½	174⅞
" preferred	200¾	186	194¼—Jan. 9	190 —Feb. 27	193½	190	190
Chicago & Northwestern	271	204⅛	224½—Jan. 14	190 —Feb. 27	222	190	190
" preferred	274½	230	250 —Jan. 7	235 —Feb. 18	235	235	235
Chic., St. Paul, Minn. & Om.	170½	140	162 —Jan. 19	150 —Feb. 28	151	150	150
" preferred	210	194⅞	194 —Jan. 5	194 —Jan. 5	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	17¼—Feb. 19	19¼	17¼	17¼
" preferred	44	29	36 —Jan. 8	31⅝—Feb. 28	35	31⅝	31⅝
Clev., Cin., Chic. & St. Louis	108⅝	93	99⅝—Jan. 6	93¼—Feb. 28	97⅞	93¼	93⅝
Col. Fuel & Iron Co.	110½	73¾	82½—Jan. 6	73 —Jan. 19	76½	73	73
Colorado Southern	35¾	14⅛	31⅝—Jan. 7	28½—Jan. 2	30⅝	28½	29¼
" 1st preferred	79½	59¼	72 —Jan. 9	69½—Feb. 27	71¾	69½	69½
" 2d preferred	53⅞	28	48 —Jan. 8	43 —Feb. 26	46	43	43
Consolidated Gas Co.	230¾	205	222 —Jan. 7	212¼—Feb. 28	221¼	212¼	212¾
Delaware & Hud. Canal Co.	184½	153½	183½—Feb. 2	171 —Jan. 20	183½	176	176
Delaware, Lack. & Western	297	231	276½—Jan. 8	255 —Feb. 27	270	255	255
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	39⅛—Feb. 28	43	39⅛	39⅛
" preferred	96¾	86½	90½—Feb. 9	87⅞—Feb. 28	90½	87⅞	87⅞
Erie	44⅝	28⅝	42⅝—Jan. 9	36⅛—Feb. 28	42¼	36⅛	37
" 1st pref	75¾	60½	74 —Feb. 5	67 —Feb. 28	74	67	68¼
" 2d pref	63¾	41½	64⅞—Feb. 5	51⅝—Jan. 2	64⅞	54½	57¼
Evansville & Terre Haute	74⅝	50	72½—Jan. 8	66 —Feb. 27	70½	66	66⅞
Express Adams	240	198	235 —Feb. 11	215 —Jan. 16	235	220	235
" American	265	210	235 —Feb. 5	220¼—Jan. 30	235	226	226
" United States	160	97	150¼—Feb. 4	139 —Jan. 23	150¼	140	145
" Wells, Fargo	251	185	249½—Feb. 6	225 —Feb. 26	249½	225	225
Great Northern, preferred	203	181½	209 —Jan. 22	200 —Feb. 26	203	200	200
Hocking Valley	106	66	106½—Feb. 20	96¼—Jan. 2	106½	101⅛	103¾
" preferred	98⅝	81⅛	99 —Feb. 25	95⅞—Jan. 6	99	97	99
Illinois Central	173½	137	151 —Jan. 10	140¼—Feb. 28	147	140¼	142⅝
Iowa Central	51¾	37⅛	48 —Jan. 12	40¾—Jan. 2	45⅞	43¼	44¾
" preferred	90⅝	65	77⅝—Jan. 12	69½—Feb. 27	74	69½	69½
Kansas City Southern	39	19	36¼—Jan. 12	31⅞—Feb. 27	34¾	31⅞	32½
" preferred	63¾	44	61¼—Jan. 22	57 —Feb. 27	60¼	57	57
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	78½—Jan. 16	82¾	79	80⅞
Lake Erie & Western	71½	40	53 —Jan. 8	47⅛—Feb. 27	49	47⅛	47⅛
" preferred	138	120	118 —Feb. 6	116 —Feb. 28	118	116	116
Long Island	91⅞	72½	83 —Jan. 7	78½—Feb. 28	80	78½	78½
Louisville & Nashville	159½	102⅛	130½—Jan. 8	122 —Feb. 27	127½	122	122½
Manhattan consol	158	128	155½—Jan. 14	139½—Feb. 28	146	139½	140⅝
Metropolitan Street	174	135	142⅞—Jan. 6	135 —Feb. 25	140¼	135	136¼
Mexican Central	31⅛	20⅝	27⅝—Feb. 25	24¾—Jan. 2	27⅝	25¼	26⅞
Minneapolis & St. Louis	115	105	110 —Jan. 9	106 —Feb. 24	107⅞	106	106½
" preferred	127¾	118½	118 —Feb. 27	118 —Feb. 27	118	118	118
Missouri, Kan. & Tex.	35¾	22½	30½—Jan. 5	27 —Feb. 27	29⅞	27	27¼
" preferred	69¾	51	63½—Feb. 10	58½—Jan. 2	63½	59¾	60¼
Missouri Pacific	125½	96¾	115⅞—Feb. 10	107⅝—Jan. 3	115⅞	110¼	111¼
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	145 —Feb. 28	151¾	145	146
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	41 —Jan. 26	44½	41¼	42
" 2d preferred	100	80	87 —Jan. 19	82 —Feb. 13	85	82	84¾
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	32 —Jan. 2	35¼	32⅝	32½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		February, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	72⅛—Feb. 28	76¼	72⅛	73⅛
" preferred	98	90	93½—Feb. 2	90 —Feb. 24	93½	90	90
North American Co.	134	88	124½—Jan. 7	118 —Feb. 4	119	113	116
Pacific Mail	49⅝	37	42¾—Jan. 7	39 —Feb. 26	42¼	39	39
Pennsylvania R. R.	170	147	157⅞—Jan. 10	146¾—Feb. 27	151½	146¾	147⅝
People's Gas & Coke of Chic.	109½	98¼	108⅝—Feb. 10	102 —Feb. 28	108⅝	102	102¾
Pullman Palace Car Co.	250	215	235¾—Jan. 14	228 —Feb. 28	235	228	228
Reading	78⅛	52¼	69¼—Jan. 2	59⅞—Jan. 13	65⅜	60	60⅝
" 1st prefered	90¼	79⅜	89⅞—Feb. 5	85½—Jan. 13	89⅞	85½	85½
" 2d preferred	80⅞	60	81 —Jan. 6	73¾—Feb. 27	78	73¾	73¾
Rock Island	50⅛	32½	53⅝—Jan. 9	46¾—Feb. 27	51½	46¾	47⅞
" preferred	85½	71	86 —Jan. 9	79½—Jan. 24	83	80	80½
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	71 —Jan. 16	90½	80	85½
" 1st preferred	90	77	88 —Feb. 20	79 —Jan. 5	88	81	83
" 2d preferred	80⅝	65½	78 —Feb. 24	70½—Jan. 19	78	72	74
St. Louis & Southwestern	39	24½	30 —Jan. 7	26½—Jan. 26	29⅝	26½	26½
" preferred	80	55¼	66 —Jan. 7	59½—Feb. 2	64	59½	60
Southern Pacific Co.	81¼	56	68⅛—Jan. 9	61½—Feb. 28	66⅝	61½	62¾
Southern Railway	41⅝	28	36⅞—Jan. 9	34 —Jan. 3	36⅝	34	34⅞
" preferred	98½	89¾	96 —Feb. 9	93¾—Jan. 2	96	94½	94¾
Tennessee Coal & Iron Co.	74⅝	49½	67⅜—Feb. 17	59¾—Jan. 2	67⅜	63	66
Texas & Pacific	54¾	37	43⅝—Feb. 10	39½—Jan. 21	43⅜	39⅝	40
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	28 —Jan. 2	30⅝	29	29¼
" preferred	49¾	35	48 —Jan. 8	43¾—Feb. 28	46¼	43¾	44
Union Pacific	113¼	93½	104⅝—Jan. 9	96¾—Feb. 28	103⅜	96¾	97⅝
" preferred	95	86⅝	95¼—Feb. 11	91⅝—Feb. 27	95¼	91⅝	91¾
Wabash R. R.	38¾	21¾	32¾—Feb. 27	28½—Jan. 23	32¾	29½	32¼
" preferred	54½	37	55¼—Feb. 24	44 —Jan. 8	55¼	44⅝	54⅛
Western Union	97½	84¾	93 —Jan. 14	88⅜—Jan. 3	90½	89	89½
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	24¾—Jan. 24	27½	25	26½
" second preferred	42⅜	28	38½—Feb. 10	34½—Jan. 22	38½	35½	37¼
Wisconsin Central	31	19½	29¼—Feb. 9	26½—Jan. 24	29¼	26½	27
" preferred	57⅜	39½	55½—Feb. 6	51⅛ · Feb. 28	55½	51⅛	51½
"INDUSTRIAL"							
Amalgamated Copper	79	53	75¼—Feb. 25	62¼—Jan. 15	75¼	66	72⅞
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	35⅞—Jan. 3	41⅜	39⅞	40¼
" pref.	93⅜	85¼	93 —Jan. 6	90½—Jan. 16	92½	91	91
American Co. Oil Co.	57¾	30½	46¼—Feb. 20	43¼—Jan. 21	46¼	44¼	44½
American Ice	31⅞	9½	11⅞—Jan. 31	10½—Jan. 5	11¾	10⅝	10½
American Locomotive	36⅞	23½	31⅝—Feb. 17	28½—Jan. 23	31⅝	28⅞	29⅜
" preferred	100¼	89	95¾—Feb. 17	93 —Jan. 23	95¾	93½	94⅞
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	42¾—Jan. 3	52⅞	46	50⅜
" preferred	100½	87½	99½—Feb. 16	93 —Jan. 5	99½	95⅝	96¾
American Sugar Ref. Co.	135⅛	113	134⅝—Jan. 8	127¼—Jan. 3	133	127⅝	130⅞
Anaconda Copper Mining	146	80	125½—Feb. 25	95 —Jan. 21	125½	100⅛	120
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	115 —Feb. 28	118¼	115	115
Corn Products	38⅜	27	34¾—Feb. 10	30¼—Jan. 2	34¾	32½	32¾
" preferred	90	79⅝	85½—Jan. 19	82 —Jan. 2	85	84	84
Distillers securities	33	27	34¾—Jan. 6	30 —Jan. 26	32¼	31	31
General Electric Co.	334	170	204 —Feb. 16	183 —Jan. 2	204	191	195
International Paper Co.	23⅝	16½	19⅞—Jan. 5	17⅝—Jan. 20	19¼	17¾	17¾
" preferred	77½	70	74¼—Feb. 6	71½—Jan. 13	74¼	72½	74
International Power	199	49	73 —Jan. 19	53 —Feb. 10	60	53	54
National Biscuit	58¼	40	47⅝—Feb. 17	45⅝—Jan. 14	47⅝	46	46¾
National Lead Co.	32	15⅝	29½—Feb. 5	26 —Jan. 15	29½	26	26⅜
Pressed Steel Car Co.	63½	39	65¾—Jan. 26	62 —Jan. 3	64	62½	62½
" preferred	96½	82¾	95 —Feb. 20	92½—Feb. 5	95	92½	93½
Republic Iron & Steel Co.	24¾	15⅝	22⅝—Feb. 18	20¼—Jan. 2	22⅝	21	22
" preferred	83⅜	68	80⅜—Feb. 18	77¼—Jan. 2	80⅜	78¾	79⅝
Rubber Goods Mfg. Co.	25⅜	17¼	30 —Feb. 16	21¾—Jan. 5	30	25	27½
" preferred	74	63	84½—Feb. 17	72¾—Jan. 2	84½	79½	83
U. S. Leather Co.	15¼	10½	15¼—Feb. 11	12⅝—Feb. 2	15¼	12⅝	13¼
" preferred	91¼	79⅞	96 —Feb. 11	88¼—Jan. 16	96	89½	91¼
U. S. Realty & Con.	32	20	28½—Jan. 2	23¾—Feb. 2	27	23¾	25⅞
U. S. Rubber Co.	19⅝	14	19½—Feb. 10	16¾—Jan. 26	19½	17	17
" preferred	64	49½	58 —Feb. 10	52 —Jan. 30	58	52⅝	54
U. S. Steel	46¾	29¾	39⅞—Feb. 5	36½—Jan. 21	39⅞	37⅛	38½
" pref.	97¾	79	89¾—Jan. 7	86¼—Jan. 2	89⅝	87	87½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	February Sales. High.	February Sales. Low.	February Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	95¼	Feb. 27,'03	96	94¾	28,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,117,500	A & O	102	Feb. 28,'03	102⅝	102	872,500
″ registered		....	A & O	102⅝	Feb. 11,'03	102⅝	102⅝	10,000
″ adjustment, g. 4's	1995	25,616,000	NOV	91½	Feb. 27,'03	92¼	91	75,500
″ registered		....	NOV	94½	Apr. 15,'02	....	....	....
″ stamped	1995	26,112,000	M & N	92	Feb. 25,'03	92½	91¾	206,500
″ serial debenture 4's—								
″ series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
″ registered		....	F & A	....		....	....	....
″ series B	1904	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series C	1905	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series D	1906	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series E	1907	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series F	1908	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series G	1909	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series H	1910	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series I	1911	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series J	1912	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series K	1913	2,500,000	F & A	....		....	....	....
″ registered		....	F & A	....		....	....	....
″ series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
″ registered		....	F & A	....		....	....	....
″ Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	93	Feb. 26,'03	94	93	203,500
″ registered			J & J	94½	Jan. 12,'03	....	....	....
″ g. 4s	1948	65,963,000	A & O	102½	Feb. 27,'03	103½	101⅝	347,500
″ g. 4s. registered			A & O	101	Feb. 11,'03	102½	101	11,000
″ ten year c. deb. g. 4's	1911	592,000	M & S	104½	Jan. 29,'03	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	91	Feb. 16,'03	91	90	12,500
″ registered			QFeb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	96	Feb. 28,'03	96¾	96	65,000
″ Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	88⅝	Feb. 28,'03	89	88¼	331,000
″ registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov. 14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	118½	Feb. 27,'03	118½	118⅛	30,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	128	Jan. 26,'03	....	....	....
″ cons. 1st 6's,	1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02	....	....	....
″ registered			J & J	....		....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	103½	Feb. 9,'03	103½	103¼	8,000
″ con. 1st & col. tst 5's	1934	7,803,000	A & O	122	Feb. 6,'03	122	122	5,000
″ registered			A & O	120½	Feb. 2,'03	120	120½	5,000
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	February Sales. High.	February Sales. Low.	February Sales. Total.
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	104	Feb. 28,'03	104¼	104	95,000
″ 2d mortg. 5's	1913	6,000,000	M & S	108⅜	Feb. 24,'03	108⅞	108⅜	17,000
″ registered			M & S	106⅝	Dec. 29,'01	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	93	Feb. 17,'03	94¼	93	11,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	107½	Dec. 29,'02	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	122½	Jan. 5,'03	....	....	....
″ registered $1,000 & $5,000			F & A	....	....	....	....	....
″ con. g. 5's	1945	16,700,000	M & N	108½	Feb. 27,'03	108⅞	108¼	128,000
″ con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
″ 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	78¾	Feb. 27,'03	79½	78	79,000
″ 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	39	Feb. 27,'03	39¾	37¼	303,000
″ 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	27	Feb. 24,'03	27	25½	95,000
″ Chat. div. pur. my. g. 4's	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
″ Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 8,'02	....	....	....
″ Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	102	June 29,'99	....	....	....
″ Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	132	Feb. 27,'03	133	132	25,000
″ registered			Q J	131½	Feb. 25,'03	131½	131½	5,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113½	Feb. 9,'03	113½	113½	1,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	104	Feb. 6,'03	104	104	1,000
″ con. extended gtd. 4½'s	1910	12,175,000	Q M	101¾	Feb. 20,'03	102¼	101¾	23,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	109⅝	Nov. 29,'02	....	....	....
″ Mortgage gold 6's	1911	2,000,000	A & O	113¾	Jan. 7,'03	....	....	....
″ 1st con. g. 5's	1939	25,858,000	M & N	118⅝	Feb. 24,'03	119	118⅜	98,000
″ registered			M & N	116	July 16,'01	....	....	....
″ Gen. m. g. 4½'s	1992	33,833,000	M & S	106	Feb. 28,'03	106¾	105¾	226,000
″ registered			M & S	103	Apr. 18,'01	....	....	....
″ Craig Val. 1st g. 5's	1940	650,000	J & J	112	Nov. 3,'02	....	....	....
″ (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	102	Feb. 18,'03	102	102	13,000
″ 2d con. g. 4's	1989	1,000,000	J & J	96	Jan. 14,'03	....	....	....
″ Warm S. Val. 1st g. 5's	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's	1903	1,671,000	M & N	101	Dec. 29,'02	....	....	....
″ refunding g. 3's	1949	29,696,000	A & O	83¼	Feb. 25,'03	83¼	83¼	25,000
″ ″ registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	77	Feb. 27,'03	78½	77	41,000
″ registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's	1903	21,699,000	J & J	101⅞	Feb. 28,'03	101⅞	101⅝	90,000
″ Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
″ Denver div. 4's	1922	5,272,000	F & A	100⅛	Feb. 25,'03	100⅛	100⅛	15,000
″ Illinois div. 3½s	1949	37,096,000	J & J	96	Feb. 27,'03	96½	96	13,000
″ registered			J & J	....	....	....	....	....
″ (Iowa div.) sink. f'd 5's	1919	2,566,000	A & O	114⅜	Aug. 6,'02	....	....	....
″ 4's	1919	8,890,000	A & O	104½	Jan. 22,'03	....	....	....
″ Nebraska extensi'n 4's	1927	25,900,000	M & N	108⅛	Feb. 27,'03	108⅛	107¾	89,000
″ registered			M & N	112¾	Apr. 17,'01	....	....	....
″ Southwestern div. 4's	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
″ 4's joint bonds	1921	215,153,000	J & J	94¼	Feb. 28,'03	94⅝	93⅞	1,564,000
″ ″ registered			Q JAN	94⅛	Feb. 20,'03	94¼	93⅞	118,000
″ 5's, debentures	1913	9,000,000	M & N	107½	Feb. 26,'03	107¼	107	15,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	117⅞	Feb. 25,'03	117⅞	117⅜	17,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	110¼	Jan. 23,'03	....	....	....
″ small bonds			J & D	112	Apr. 2,'96	....	....	....
″ 1st con. 6's, gold	1934	2,653,000	A & O	136½	Feb. 27,'03	136½	136½	1,000
″ gen. con. 1st 5's	1937	13,643,000	M & N	121⅝	Feb. 14,'03	121½	121	14,000
″ registered			M & N	120	Dec. 4,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	120⅝	120⅝	1,000
Chicago, Indianapolis & Louisville. ″ refunding g. 6's	1947	4,700,000	J & J	129	Feb. 14,'03	129	129	2,000
″ ref. g. 5's	1947	4,142,000	J & J	113½	Jan. 26,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	111½	Jan. 17,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	FEBRUARY SALES. *High.*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	2,136,000	J & J	194½	Oct. 21,'02	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	113⅛	Dec. 4,'02	....	....	....
" gen. g. 4's, series A	1989	23,676,000	J & J	111¼	Feb. 2,'03	111¼	111¼	5,000
" registered		....	Q J	111	Dec. 8,'02	...	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	121½	Oct. 31,'02	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	113¾	Jan. 28,'03	....	....	....
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	117¼	Feb. 25,'03	117¼	117	23,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111½	Jan. 23,'03	....	....	....
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	119½	Feb. 5,'03	119½	119½	12,000
" 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,132,000	J & J	183	Feb. 28,'03	185	183	30,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	116	Sept. 30,'02	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	113½	Feb. 25,'03	113½	113¼	32,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	112¾	Jan. 16,'03	....	....	....
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	116⅛	Feb. 25,'03	116⅛	116⅛	7,000
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	132½	Feb. 25,'03	133	132½	8,000
" extension 4's	1886–1926	18,632,000	F A 15	105	Dec. 30,'02	....	....	....
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	104½	Dec. 18,'02	....	....	....
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879–1929	5,753,000	A & O	115½	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879–1929	6,837,000	A & O	109⅛	Feb. 25,'03	109½	109⅛	6,000
" registered			A & O	107½	Jan. 10,'03	....	....	....
" deben. 5's	1909	5,900,000	M & N	108	Feb. 26,'03	109	108	2,000
" registered			M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's	1921	10,000,000	A & O	112	Jan. 30,'03	....	....	....
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	118	Jan. 13,'03	....	....	....
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116½	June1[illegible],'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,030,000	M & N	132⅝	Feb. 1[illegible],'03	132⅝	132⅝	7,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	121½	Feb. 25,'03	122½	121½	6,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	127	Feb. 19,'03	127	127	4,000
" registered	1917		J & J	127	Feb. 17,'03	127	127	10,000
" gen. g. 4's	1988	40,581,000	J & J	106	Feb. 28,'03	106¾	106	131,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's								
" series A	1903	1,473,000	M & N	....		....	....	....
" B	1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
" C	1905	1,473,000	M & N	100¾	July 2,'02	....	....	....
" D	1906	1,473,000	M & N	....		....	....	....
" E	1907	1,473,000	M & N	....		....	....	....
" F	1908	1,473,000	M & N	....		....	....	....
" G	1909	1,473,000	M & N	....		....	....	....
" H	1910	1,473,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,473,000	M & N	....		....	....	....
" J	1912	1,473,000	M & N	....		....	....	....
" K	1913	1,473,000	M & N	....		....	....	....
" L	1914	1,473,000	M & N	....		....	....	....
" M	1915	1,473,000	M & N	99½	July 10,'02	....	....	....
" N	1916	1,473,000	M & N	99⅜	June 28,'02	....	....	....
" O	1917	1,473,000	M & N	....		....	....	....
" P	1918	1,473,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	68,940,000	M & N	86	Feb. 28,'03	87½	86	1,548,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	98⅜	Feb. 26,'03	98⅜	98⅜	6,000
" 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4's		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st [illegible]'s	1923	2,750,000	A & O	108½	Dec. 8,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	FEBRUARY SALES. *High.*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
Chic., St.P., Minn.& Oma.con.6's	1930	14,548,000	J & D	136¼	Feb. 16,'03	136⅛	136¼	18,000
Chic., St. Paul & Minn. 1st 6's	1918	1,906,000	M & N	134¾	Jan. 6,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	762,000	J & J	137⅛	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	126⅝	Feb. 27,'03	126⅝	126⅛	12,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	84¼	Feb. 25,'03	84⅛	84	62,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	116⅝	Feb. 18,'03	116⅝	116⅝	10,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Feb. 5,'03	109	107	6,000
• con. g. 5's	1952	5,062,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111¼	Dec. 9,'01	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	115	Jan. 30,'03	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	15,650,000	J & D	100	Feb. 27,'03	101	99⅛	86,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101⅛	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100	Jan. 8,'03	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	103	Feb. 20,'03	103⅛	102¾	10,000
• registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,085,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov. 22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	102¼	Jan. 23,'03	....	....	....
• registered				95	Nov. 15,'94	....	....	....
• con. 6's	1920	668,000	M & N	107⅛	June 30,'98	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115	Nov. 8,'01	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134⅛	Jan. 7,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	131⅛	Jan. 10,'03	....	....	....
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	100	Feb. 28,'03	100	99	20,000
• income 4's	1990	4,000,000	A	81⅛	Feb. 26,'03	81¾	81⅛	21,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	80	Feb. 27,'03	80¼	79⅛	107,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	90⅛	Feb. 27,'03	91¼	90⅛	245,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	117	Jan. 20,'03	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	133¼	Jan. 21,'03	....	....	....
• 1st c. gtd 7's	1915	12,151,000	J & D	134½	Jan. 15,'03	....	....	....
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund.gtd.g.3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	131⅛	Feb. 10,'03	131⅛	131⅛	10,000
• const. 5's	1923	5,000,000	F & A	115⅛	Aug. 4,'02	....	....	....
• terml. imp. 4's	1923	5,000,000	M & N	102⅛	Feb. 13,'03	102⅛	102⅛	2,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	113⅝	Feb. 18,'02	113⅝	113¼	7,000
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	102	102	5,000
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	140¼	Dec. 4,'02	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	111¼	Feb. 27,'03	111¼	111¼	7,000
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
• registered			A & O	109⅛	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
• • 1st r 7's	1921		M & N	147⅛	June 18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	98¾	Feb. 28,'03	99⅛	98⅛	178,000
• con. g. 4½'s	1936	6,382,000	J & J	105¾	Feb. 2,'03	105¾	105¾	18,000
• impt. m. g. 5's	1928	8,103,500	J & D	107⅝	Feb. 16,'03	107⅝	107	9,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	78	Feb. 18,'03	80	78	3,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
• g. 4s	1995	1,250,000	J & D	93¼	Feb. 18,'03	93¼	93¼	1,000
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
• Ohio South. div. 1st g. 4's	1941	4,231,000	M & S	91⅝	Feb. 28,'03	91⅝	90⅛	45,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	114	Feb. 24,'03	114	114	7,000
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	113	Feb. 25,'03	113	113	2,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	114⅝	Jan. 15,'03	....	....	....

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	116⅛	Dec. 23,'02	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s	1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons. gold 7's	1920	16,890,000	M & S	139	Jan. 19,'03	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	135	Feb. 24,'03	135	135	3,000
Erie R.R. 1st con. g-4s prior bds.	1996	34,000,000	J&J	99	Feb. 24,'03	99	98	176,000
" registered			J&J	98	Jan. 2,'03	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	86⅝	Feb. 28,'03	88	86⅝	1,278,000
" registered			J&J	....		....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	91⅛	Feb. 28,'03	92½	91⅛	126,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	129¼	Feb. 19,'03	129¼	129¼	5,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	127½	Jan. 21,'03	....	....	....
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	Feb. 2,'03	134½	134½	1,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	112½	Feb. 24,'03	112½	112½	1,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	112	Feb. 2,'03	112	112	1,000
" 2d g. 4½'s	1937	453,000	F & A	103	Jan. 6,'03	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	106½	Feb. 17,'03	106½	106½	14,000
" term. 1st g. 5's	1943	2,000,000	M & N	115	Jan. 17,'03	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	111	Jan. 12,'03	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	120	Feb. 13,'03	120	120	1,000
" 1st General g 5's	1942	2,223,000	A & O	105⅛	Feb. 26,'03	105⅛	105	3,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....		....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	112	Feb. 28,'03	112½	111¼	55,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	85	Feb. 26,'03	85	85	11,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	105	Feb. 16,'03	105	105	5,000
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	111	Nov.25,'02	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	110	Feb. 18,'03	110	110	1,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	106	Feb. 24,'03	106	104	121,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	11,397,000	J & J	108	Feb. 28,'03	109	107	79,000
" " registered			J & J	....		....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	105¼	Jan. 6,'03	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	Jan. 20,'03	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	104	Dec. 13,'02	....	....	....
" registered			J&J	102½	Apr. 15,'98	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000				....		....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	103	Feb. 26,'03	103½	103	5,000
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	103	Feb. 4,'03	103	103	10,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	....		....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s	1953	14,320,000	J & J	98½	Nov. 6,'02	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87⅛	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's	1951	5,425,000	F & A	111	Jan. 13,'03	....	....	....
" registered			F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'01	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
” gold 5's, registered........			J D 15	126¼	Nov. 18,'01	....	....	....
” g. 3½'s................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
” registered................			J D 15	106¼	Aug. 17,'99	....	....	....
” Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
” registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	110	Dec. 19,'02	....	....	....
” 1st gtd. g. 5's............	1935	938,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	100½	Jan. 24,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,235,000	M & N	122½	Feb. 27,'03	123⅛	120	118,000
” 2d g. 5's................	1909	9,335,000	M & S	99¼	Feb. 27,'03	100	99	37,000
” 3d g. 4's................	1921	2,730,000	M & S	74¼	Feb. 20,'03	75	70	70,500
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	114⅛	Feb. 28,'03	115½	114	65,000
” refunding g. 4's ...	1951	2,000,000	M & S	93½	Feb. 9,'03	93½	93	4,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's......................	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	71	Feb. 28,'03	71⅛	69⅝	1,491,000
” registered....................			A & O	68¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119	Feb. 25,'03	119½	118¾	24,000
” 2d mtge. g. 5's..........	1941	3,625,000	J & J	113⅝	Feb. 18,'03	113⅝	113⅝	5,000
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	114	Feb. 7,'03	114	114	1,000
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
” registered....................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	108½	Feb. 28,'03	108½	108½	9,000
” registered....................		....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	117½	Dec. 1,'02	....	....	....
” registered....................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
” registered................	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	96	Feb. 16,'03	96	96	2,000
” registered....................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
” ” g. gtd 5's.......	1914	1,250,000	A & O	101⅛	Sept. 1,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
” 1st con. g. 4's............	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........	1938	3,000,000	J & D	101½	Feb. 26,'03	102	101¼	40,000
” Ferry 1st g. 4½'s......	1922	1,500,000	M & S	103	May 29,'02	....	....	....
” g. 4's....................	1932	325,000	J & D	102½	May 5,'97	....	....	....
” unified g. 4's...........	1949	6,860,000	M & S	100	Feb. 28,'03	100⅝	99½	14,000
” deb. g. 5's.........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
” 1st 5's....................	1911	750,000	M & S	109½	June 17,'98	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,911,000	J & D	116½	Feb. 26,'03	116½	115½	2,000
” gold 5's................	1937	1,764,000	M & N	112	Feb. 3,'03	112	112	1,000
” Unified gold 4's........	1940	29,677,000	J & J	100½	Feb. 25,'03	101½	100½	120,000
” registered	1940		J & J	83	Feb. 27,'98	....	....	....
” collateral trust g. 5's,	1931	5,129,000	M & N	112	Feb. 26,'03	112	112	7,000
” coll. tr 5-20 g 4's..	1903–1918	7,500,000	A & O	101¼	Feb. 28,'03	101¼	101	52,000
” E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	112	Dec. 29,'02	....	....	....
” L. Cin. & Lex. g. 4½'s...	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
” N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	126½	Feb. 5,'03	126½	126½	2,000
” 2d g. 6's................	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
” Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
” St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
” 2d g. 3's................	1980	3,000,000	M & S	75	June 20,'02	....	....	....
” H. B'ge 1st sk'fd. g 6's.	1931	1,621,000	M & S	....		....	....	....
” Ken. Cent. g. 4's......	1987	6,742,000	J & J	99	Feb. 24,'03	99	98¾	16,000
” L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
” N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	114¾	Jan. 20,'03	....	....	....
” Pen. & At. 1st g. g. 6's,	1921	2,550,000	F & A	111⅛	Feb. 26,'03	111⅛	110⅝	9,000
” S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
” So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	112	Sept. 29,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	102¾	Feb. 28,'03	104¼	103½	182,000
” registered..................			A & O	103⅜	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	110	Feb. 24,'03	110	110	7,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	77⅛	Feb. 28,'03	78	76⅞	106,000
" 1st con. inc. 3's	1939	20,511,000	JULY	26⅝	Feb. 28,'03	28⅞	26	766,000
" 2d 3's	1939	11,724,000	JULY	17⅛	Feb. 28,'03	18⅛	17	287,000
" equip. & collat. g. 5's	1917	700,000	A & O	....	....	....	....	....
" 2d series g. 5's	1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	95⅛	Feb. 28,'03	96¾	95⅛	20,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,068,000	J & D	....	....	....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	145⅝	Feb. 24,'03	145⅝	145⅝	10,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	116¾	Feb. 24,'03	116¾	116¾	7,000
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug. 21,'02	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	120⅛	Feb. 26,'03	120⅝	120⅛	6,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	103¾	Feb. 14,'03	103¾	103⅝	16,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,718,000	J & D	100	Feb. 27,'03	100⅛	98⅛	198,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	82⅛	Feb. 27,'03	82¾	81¾	326,500
" 1st ext gold 5's	1944	2,548,000	M & N	104⅛	Jan. 27,'03	....	....	....
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.	1942	3,597,000	M & S	105¼	Feb. 26,'03	105¼	104	28,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	105⅛	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	88⅛	Feb. 26,'03	88⅛	88	4,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	110¼	Feb. 26,'03	111	110¼	7,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121¾	Feb. 17,'03	121¾	120¾	84,000
" 3d mortgage 7's	1906	3,828,000	M & N	110¼	Feb. 27,'03	110¼	110¼	2,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	107	Feb. 27,'03	107⅝	106¼	187,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's.	1920	9,636,000	F & A	104¾	Feb. 25,'03	105	104⅛	195,000
" registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	91⅛	Feb. 27,'03	92⅛	91⅛	55,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	103	Feb. 24,'03	103⅛	103	9,000
" 2d extended g. 5's	1938	2,573,000	F & A	112⅛	Feb. 24,'03	112⅛	112⅛	5,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,258,000	A & O	115	Feb. 28,'03	115	114⅛	57,000
" stamped gtd gold 5's	1931	6,945,000	A & O	112⅛	Dec. 18,'02	....	....	....
" unify'g & rfd'g g. 4's.	1929	25,726,000	J & J	90	Feb. 28,'03	90⅛	90	185,000
" registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small		226,000	J & J	90	Feb. 4,'03	90	90	1,200
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small		500,000	......	....	....	....	....	....
Mob. Jackson&Kan.City 1st g.5's.	1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	127⅛	Feb. 24,'03	127⅛	127	15,000
" 1st extension 6's	1927	974,000	J & D	125⅛	Jan. 24,'03	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	97	Feb. 28,'03	97⅛	96⅛	9,000
" Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	115	Jan. 29,'03	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03	93	93	5,000
" collateral g. 4's	1930	2,494,000	Q F	96⅛	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	123⅝	Feb. 11,'03	123⅝	123⅛	3,000
" 1st cons. g. 5's	1928	7,412,000	A & O	113	Feb. 4,'03	113	112	5,000
" 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R.of Mex. prior lien g.4½'s.	1926	20,000,000	J & J	101⅛	Feb. 27,'03	101⅛	101	62,000
" 1st con. g. 4's	1951	22,000,000	A & O	76¾	Feb. 28,'03	77¼	76⅝	142,500
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug. 13,'94	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	FEBRUARY SALES. High.	Low.	Total.
N.Y. Cent. & Hud. R. g. mtg.3½s.1997	63,814,000	J & J	103¼	Feb. 28,'03	104	103⅛	57,000
" " registered......		J & J	105¼	Jan. 20,'03	....	....	....
" debenture 5's.....1884-1904	4,480,000	M & S	103¾	Feb. 25,'03	103⅞	103¾	8,000
debenture 5's reg.........		M & S	102⅝	Nov.28,'02	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103⅛	Apr.30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	100⅝	Jan. 13,'03	....	....	....
" registered..................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,781,000	M & N	100⅜	Jan. 6,'03	....	....	....
" registered..................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	91	Feb. 27,'03	92¾	91	128,000
" registered..................		F & A	90¼	Feb. 28,'03	91	90	56,000
Michigan Central col. g. 3.½s..1998	19,336,000	F & A	91	Feb. 13,'03	91	91	12,000
" registered..................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	107¼	Feb. 13,'03	107¼	107¼	1,000
" registered..................		J & J	106	June17,'98	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....	....	....	....	....
" registered..................		A & O	....	....	....	....	....
Carthage&Adiron. 1stgtd g. 4's1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd.g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's................1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........		F & A	....	....	....	....	....
N.Y.&Putnam1stcon.gtdg.4's.1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.2361	50,000,000	J & J	111⅛	Feb. 26,'03	111¾	110⅛	43,000
" registered..................		J & J	111⅛	Feb. 24,'03	111⅛	109⅛	33,000
Lake Shore con. 2d 7's..........1903	6,312,000	J&D	103	Jan. 13,'03	....	....	....
" con. 2d registered....1903		J&D	102¾	Jan. 9,'03	....	....	....
" g 3½s.................1997	43,820,000	J & D	105¼	Jan. 22,'03	....	....	....
" registered..................		J & D	105	Jan. 8,'03	....	....	....
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	118⅝	Dec. 4,'01	....	....	....
" 5's......................1931	3,576,000	M & S	125⅛	Jan. 22,'03	....	....	....
" 5's reg..................1931		Q M	127	June19,'02	....	....	....
" 4's......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg..................		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S..............	2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s.............1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered.........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	119½	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	122	Feb. 26,'03	122¼	122	13,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,300,000	J & J	107⅜	Feb. 2,'03	107⅜	107⅜	1,000
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	104½	Feb. 28,'03	105	104¼	28,000
" registered..................		A & O	102	Feb. 16,'03	102	102	1,000
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....$1,000	15,007,500	A & O	219½	Feb. 11,'03	219½	219½	10,000
" small certifs............$100	1,430,000	......	218	Feb. 11,'03	218	218	1,000
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	131½	Feb. 24,'03	131½	131½	4,000
New Haven and Derby con. 5's..1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's....................1905	4,000,000	J & J	106¼	Mar.18,'02	....	....	....
N.Y.,Ont.&W'n. ref'ding1stg. 4's.1992	16,937,000	M & S	103	Feb. 25,'03	103	102½	12,000
" registered.......$5,000 only.	....	M & S	101½	Nov.30,'98	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	114	Feb. 24,'03	114	114	1,000
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	133	Feb. 25,'03	133	133	2,000
" imp'ment and ext. 6's...1934	5,000,000	F & A	132	Dec. 31,'02	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	132¼	Jan. 16,'03	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996	33,210,500	A & O	101⅛	Feb. 28,'03	101⅞	101	181,500
• registered	....		A & O	100½	Jan. 13,'02	....	....	....
• small bonds	....		A & O	....	....	....	....	....
• Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	92¼	Feb. 28,'03	93	92¼	189,000
• C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
• Sci'o Val & N.E. 1st g.4's,	1989	5,000,000	J & N	100½	Feb. 4,'03	100½	100½	1,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	100,209,500	Q J	103⅛	Feb. 28,'03	103¾	103⅛	599,500
• registered	....		Q J	103¼	Feb. 28,'03	103¼	102½	35,000
• gen. lien g. 3's	2047	56,000,000	Q F	73	Feb. 28,'03	73⅞	71⅛	458,500
• registered	....		Q F	71¼	Feb. 14,'03	72¼	70¼	16,000
St. Paul & Duluth div. g. 4's...	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
• registered	....		J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	127	Feb. 5,'03	127	125	64,000
• registered certificates	....		Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	118	Nov. 6, 02	....	....	....
• 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
• 1st con. g. 4's	1968	1,000,000	J & D	97	Feb. 20,'03	97	97	12,000
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94⅛	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,692,000	J & J	115¼	Jan. 28,'03	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114	Dec. 30,'02	....	....	....
• gen. mortg. g 6's	1937	2,428,000	A & O	108⅛	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	109¼	Feb. 28,'03	111	109	15,000
Panama 1st sink fund g. 4½'s....	1917	2,386,000	A & O	102	Jan. 14,'03	....	....	....
• s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	109¾	Feb. 28,'03	110	109½	21,000
• reg	1921		J & J	109½	Feb. 7,'03	109½	109½	25,000
• gtd. 3½ col. tr. reg. cts..	1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
• gtd. 3½ col. tr. cts. ser B	1941	10,000,000	F & A	97	Jan. 30,'03	....	....	....
• Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	122¼	Feb. 9,'03	122¼	122¼	9,000
• registered	....	....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con. gtd. g. 4's.	1942	1,063,000	J & J	....	....	....	....	....
Clev. & P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
• Series B	1942	1,561,000	A & O	....	....	....	....	....
• • int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
• Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
• Series D 3½s	1950	1,983,000	F & A	....	....	....	....	....
E. & Pitts. gen. gtd. g. 3½s Ser. B..	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
• • • C..	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
• Series A	1940	10,000,000	A & O	114½	Jan. 20,'03	....	....	....
• Series B gtd	1942	8,786,000	A & O	113	Dec. 9,'02	....	....	....
• Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
• Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
• Series E gtd. g. 3½s...	1949	10,840,000	F & A	98	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
• 2d 7's	1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
• 3d 7's	1912	2,000,000	A & O	130	Apr. 11,'01	....	....	....
Tol Walhonding Vy. & O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
• 4½'s series B	1933	978,000	J & J	....	....	....	....	....
• 4's series C	1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	106	Dec. 8,'02	....	....	....
con. sterling gold 6 per cent...	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered...	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
• registered	....		Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
Allegh. Valley gen. gtd. g. 4's..	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's,	1936	1,300,000	F & A	....	....	....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Dec. 8,'02	....	....	....
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	126	Feb. 27,'03	126	126	1,000
• 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	121½	Jan. 15,'03	....	....	....
• 1st con. gold 5's	1939	2,850,000	M & N	111	Jan. 8,'03	....	....	....
• Port Huron d 1st g 5's.	1939	3,325,000	A & O	113	Jan. 8,'03	....	....	....
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 13,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	119	Nov.25,'02	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	100½	Feb. 24,'03	100½	100½	7,000
" J. P. M. & Co., ctfs., ...	8,111,000	......	100¼	Feb. 13,'03	100¼	100¼	5,000
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,762,000	J & J	97¼	Feb. 28,'03	98	97	791,000
" registered....................		J & J	92	Apr.16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	28,000,000	......	95	Feb. 27,'03	95¾	94¾	89,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's. 1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	97	Feb. 26,'03	97½	97	30,000
" mge & col. tr. g. 4's ser. A. 1949	12,200,000	A & O	92	Feb. 6,'03	92	91½	25,000
" Utah Cen. 1st gtd. g. 4's. 1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Fed. 25,'03	110½	110½	1,000
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	80½	July 3,'02	....	....	....
" guaranteed...............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s 1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's. 1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4-2.......1947	3,500,000	J & J	92	Feb. 27,'03	92	92	4,000
St. L. & Adirondack Ry. 1st g. 5's. 1996	800,000	J & J	....		....	....	....
" 2d g. 6's...............1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	996,000	M & N	106	Jan. 30,'03	....	....	....
" 2d g. 6's, Class C 1906	829,000	M & N	108¼	Aug.14,'02	....	....	....
" gen. g. 6's...............1931	3,681,000	J & J	129	Feb. 25,'03	129	129	5,000
" gen. g. 5's 1931	5,803,000	J & J	113¼	Feb. 19,'03	113¼	113¼	27,000
St. L & San F. R. R. con. g. 4's. 1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's........1947	829,000	A & O	100	Jan. 8,'02	....	....	....
" refunding g. 4's.......1951	40,514,000	J & J	88¼	Feb. 28,'03	89⅞	87⅝	7,508,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft. S. & Mem R R con g 6's 1928	13,736,000	M & N	125½	June16,'01	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g4s. 1936	12,355,000	A & O	87½	Feb. 28,'03	88	87¼	276,000
" registered................		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	97½	Feb. 26,'03	97¼	96¼	133,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	84	Feb. 27,'03	84⅝	83	91,000
" con. g. 4's.... 1932	12,054,000	J & D	85⅞	Feb. 13,'03	86	84½	123,000
Gray's Point, Term. 1st gtd. g. 5's. 1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,428,000	A & O	113¼	Feb. 24,'03	113¼	113¼	1,000
" 1st con. 6's............1933	13,344,000	J & J	134½	Feb. 17,'03	134¾	134½	4,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	20,108,000	J & J	111	Feb. 26,'03	111¼	111	6,000
" 1st cons. 6's register'd......		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,573,000	M & N	114	Jan. 28,'03	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103	Feb. 26,'03	103	102	11,000
" registered...............		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn. 1st d. 1st g. 5's..1908	4,700,000	A & O	105½	Feb. 19,'03	105½	105½	4,000
" registered...............		A & O	....		....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....		....	....	....
" registered...............		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134¼	Jan. 9,'03	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's........... 1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered...............		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered...............		J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	118¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's...............1934	2,444,000	A & O	112	Mar.17,'99	....	....	....
" St. John's div. 1st g. 4's. 1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s. 1928	2,800,000	M & N	112¾	Jan. 31,'03	....	....	....
Brunsw. & West. 1st gtd. g. 4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's. 1918	1,107,000	J & J	96½	Feb. 10,'03	96½	96	6,000
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	84	Feb. 28,'03	84⅝	84	43,000
" registered...............		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	9,968,000	M & N	103¼	Feb. 26,'03	103¼	102¾	74,000

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Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	95⅛	Feb. 17,'03	95⅛	95⅛	1,000
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s	1905	15,000,000	J & D	99¾	Feb. 26,'03	100	98⅝	98,000
" g. 4's Central Pac. coll	1949	28,818,500	J & D	91¼	Feb. 27,'03	92	91¼	248,500
" " registered			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	105⅛	Feb. 25,'03	105⅛	105⅛	2,000
Cent. Pac. 1st refud. gtd. g. 4's	1949	58,017,000	F & A	99⅝	Feb. 28,'03	101	99¼	168,500
" registered			F & A	99⅞	June 1,19'	....	....	....
" mtge. gtd. g. 3½'s	1929	18,069,500	J & D	87¾	Feb. 26,'03	88⅛	86⅝	195,500
" " registered			J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	110¼	Feb. 27,'03	110¼	110¼	5,000
" 2d g 7's	1905	1,000,000	J & D	105	Feb. 11,'03	105	105	4,000
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	109⅛	Feb. 24,'03	109⅛	109⅛	2,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	103	Aug. 18,'02	....	....	....
" 1st gtd. g. 5's	1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd	1937	2,828,000	J & J	110⅝	Feb. 24,'03	110⅝	110⅝	4,000
" con. g 6's int. gtd	1912	2,911,000	A & O	111⅛	Feb. 25,'03	111⅛	111⅛	8,000
" gen. g 4's int. gtd	1921	4,287,000	A & O	94	Jan. 28,'03	....	....	....
" W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's	1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	19,207,000	J & J	105⅛	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	18,900,000	J & J	85⅝	Feb. 25,'03	86	85	108,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	111¼	Jan. 27,'03	....	....	....
" " "	1910	4,000,000	J & J	112⅛	Aug. 7,'02	....	....	....
" of Cal. 1st g 6's ser. A	1905	29,192,500	A & O	105¾	Feb. 17,'03	105¾	105¾	1,000
" " " ser. B	1905		A & O	108	Dec. 23,'01	....	....	....
" " " C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.	1902		A & O	119¾	Feb. 20,'03	119¾	119¾	5,000
" " "	1912	....	A & O	119⅛	June 13,'01	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
" stamped	1905-1937	20,420,000	......	109¼	Jan. 28,'03	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	112	Dec. 31,'02	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's	1912	2,575,000	M & S	111⅛	Oct. 30,'02	....	....	....
" con. g 5's	1943	1,620,000	J & J	108⅛	July 29,'01	....	....	....
Southern Railway 1st con. g 5's	1994	35,304,000	J & J	117	Feb. 28,'03	118	117	120,000
" registered			J & J	117	Feb. 26,'03	117	116	20,000
Mob. & Ohio collat. trust g. 4's	1938	7,855,000	M & S	97⅛	Feb. 25,'03	97⅛	96½	18,000
" registered			M & S	....		....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	113⅛	Jan. 12,'03	....	....	....
" registered			J & J	....		....	....	....
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	98⅛	Feb. 17,'03	98⅛	97⅛	85,000
" " registered			J & J	....		....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115⅛	Feb. 20,'03	115⅛	115	4,000
" con. 1st g 5's	1956	12,770,000	M & N	119	Feb. 27,'03	119⅛	118½	29,000
" reorg. lien g 4's	1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	123⅛	Feb. 4,'03	123⅛	123⅛	5,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	124⅛	Feb. 18,'03	124⅛	124⅛	1,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	117¼	Feb. 9,'03	117¼	117¼	7,000
" equip. sink. f'd g 5's,	1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	111¾	Feb. 27,'03	111¾	110⅛	45,000
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	107	Feb. 26,'03	107⅛	107	10,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....		....	....	....
" small			M & S	....		....	....	....
" ser. B 6's	1911	1,900,000	M & S	112⅛	Jan. 6,'03	....	....	....
" small			M & S	....		....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....		....	....	....
" ser. D 4-5's	1921	950,000	M & S	112	Feb. 18,'03	112	112	1,000
" small			M & S	....		....	....	....
" ser. E 5's	1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small			M & S	....		....	....	....
" ser. F 5's	1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....

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Virginia Midland gen. 5's	1936	2,392,000	M & N	116	Feb. 25,'03	116⅛	115¾	13,000
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	116⅛	Dec. 30,'01	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Feb. 20,'03	93	93	13,000
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115⅛	Feb. 6,'03	115⅛	115½	5,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	112¾	Feb. 13,'03	112¾	112¾	2,000
• 1st con. g. 5's	1894–1944	5,000,000	F & A	118	Jan. 19,'03	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	115⅛	May 15,'02	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,941,000	M & S	101¾	Sept. 25,19'	....	....	....
• 1st gold 5's	2000	22,059,000	J & D	117	Feb. 27,'03	117¼	116⅛	127,000
• 2d gold income, 5's	2000	963,000	MAR.	99	Feb. 20,'03	99	99	2,000
• La. Div. B. L. 1st g. 5's	1931	2,661,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	112	Jan. 14,'03	....	....	....
• 1st M. g 5's West. div	1935	2,500,000	A & O	113⅞	Nov. 17,'02	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	107	Feb. 20,'03	107	107	10,000
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	97	Feb. 11,'03	97	96½	3,000
Toledo Peoria & W. 1st g 4's	1917	4,900,000	J & D	91	Feb. 7,'03	92	91	8,000
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	85	Feb. 28,'03	85¼	85	89,000
• registered			J & J	....	....	....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	78¼	Feb. 28,'03	79⅛	78	129,000
• registered			A & O	....	....	...	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98⅛	Aug. 14,'02	....	....	....
Ulster & Delaware 1st c. g 5's	1925	1,852,000	J & D	110¼	Feb. 6,'03	110¼	110¼	1,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	102¾	Feb. 28,'03	103¼	102⅝	773,000
• registered			J & J	102¼	Feb. 24,'03	103⅛	102¼	17,000
• 1st lien con. g. 4's	1911	87,259,000	M & N	105	Feb. 28,'03	106⅛	105	3,871,000
• registered			M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	101⅛	Feb. 24,'03	101¾	101⅛	58,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	124	Feb. 27,'03	124⅞	123¾	47,000
• 1st con. g. 5's	1946	12,328,000	J & J	113	Feb. 28,'03	113¾	113	44,500
• 4's & participat'g g. bds.	1927	41,000,000	F & A	94⅝	Feb. 28,'03	95⅛	94⅛	1,594,000
• registered			F & A	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	115	Nov. 24,'01	....	....	....
• g. 5's	1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	102	Feb. 28,'03	102⅛	101⅛	16,000
Wabash R. R. Co., 1st gold 5's	1939	32,433,000	M & N	117⅛	Feb. 27,'03	118	117⅛	91,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	108⅛	Feb. 25,'03	108¼	107	141,000
• deben. mtg series A	1939	3,500,000	J & J	101¾	Feb. 14,'03	101¾	101¾	1,000
• series B	1939	26,500,000	J & J	83¾	Feb. 28,'03	84¾	77⅛	16,989,000
• first lien eqpt. fd. g. 5's	1921	3,000,000	M & S	104⅛	Dec. 11,'02	....	....	....
• 1st g. 5's Det. & Chi. ex	1940	3,411,000	J & J	108⅛	Feb. 27,'03	109	108⅛	2,000
• Des Moines div. 1st g. 4s	1939	1,600,000	J & J	97	May 12,'02	....	....	....
• Omaha div. 1st g. 3½s	1941	3,500,000	A & O	85⅛	Jan. 12,'03	....	....	....
• Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	526,000	A & O	108	Feb. 25,'03	108	108	5,000
Western N. Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	118⅛	Feb. 24,'03	118⅛	117⅛	20,000
• gen g. 3–4's	1943	9,789,000	A & O	100¼	Feb. 14,'03	100¼	92⅛	16,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	114⅛	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	116½	Jan. 21,'03	...	....	....
• Wheeling div. 1st g. 5's	1928	894,000	J & J	113	Sept. 9,'02	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	111⅜	Oct. 23,'02	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,130,000	M & S	93½	Feb. 27,'03	93¾	92½	162,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,879,000	J & J	92⅝	Feb. 26,'03	92½	90⅞	486,000
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	107⅛	Feb. 24,'03	107⅛	106⅛	21,000
• Atl. av. Bkn. imp. g. 5's	1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
• City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	110	Feb. 7,'03	110	110	6,000
• Qu. Co. & Sur. con. gtd. g. 5's	1941	2,255,000	M & N	102	Jan. 8,'03	....	....	....
• Union Elev. 1st. g. 4–5s	1950	16,000,000	F & A	102	Feb. 28,'03	102⅜	101⅝	100,000
• stamped guaranteed			......	101¼	July 24,'02	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	89	Feb. 27,'03	89	87	20,000
• stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June 13,19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	918,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	FEBRUARY SALES. *High.*	*Low.*	*Total.*
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	116	Feb. 19,'03	117½	116	54,000
〃 refunding 4's..........2002	12,780,000	A & O	95½	Feb. 19,'03	96½	95½	8,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	117	Feb. 25,'03	117	116¾	25,000
〃 registered..............		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	121	Jan. 12,'03	....	....	....
〃 registered..............		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	121¼	Feb. 19,'03	121¼	121¼	8,000
〃 registered..............		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	98	Feb. 28,'03	98¾	97¾	223,000
〃 registered..............		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	119¼	Feb. 27,'03	120	119¼	32,000
Met. West Side Elev.Chic.1stg.4's.1938	10,000,000	F & A	102½	Jan. 29,'03	....	....	....
〃 registered..............		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's..............1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	114½	Nov.14,'01	....	....	....
〃 gtd. gold 5's...........1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
〃 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	106	Feb. 19,'03	106	104¾	17,000
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klynFerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	75	Feb. 28,'03	75	75	1,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De.Mac.&.Mar.ld.gt.3½'s sem.an.1911	2,771,000	A & O	93	Feb. 28,'03	95⅛	85¾	580,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	92	Feb. 26,'03	92½	92	13,000
〃 registered..................		F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s.............1901–1916	1,000,000	J & J	....	....	....	....	....
〃 E 4's...............1907–1917	1,000,000	J & D	....	....	....	....	....
〃 F 4's...............1908–1918	1,000,000	M & S	....	....	....	....	....
〃 G 4's...............1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
〃 H 4's...............1903–1918	1,000,000	M & N	....	....	....	....	....
〃 I 4's...............1904–1919	1,000,000	F & A	....	....	....	....	....
〃 J 4's...............1904–1919	1,000,000	M & N	....	....	....	....	....
〃 K 4's...............1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds........................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. BicycleCo.sink.fund deb.5's.1919	9,234,000	M & S	34	Feb. 2,'03	34	34	7,000
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	99½	Feb. 27,'03	100½	99½	19,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	98	Feb. 24,'03	98	96½	36,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	94¼	Feb. 6,'03	94¼	93	3,000
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	80	Jan. 12,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	156,518,400	F & A	63¾	Feb. 28,'03	65⅛	63½	1,537,000
〃 registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	9,240,000	A & O	74½	Feb. 27,'03	76¾	74½	545,000
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	99½	Feb. 19,'03	99½	99	30,000
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
〃 non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,326,000	F & A	108¼	Feb. 27,'03	109	107	34,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	FEBRUARY SALES. *High.*	*Low.*	*Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	93	Feb. 24,'03	93	93	1,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	94½	Feb. 25,'03	94½	94	10,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	80	Jan. 3,'03	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	64½	Feb. 13,'03	65	64	64,000
" " inc. g. 5's.1946	7,500,000	......	12¼	Feb. 25,'03	13½	10½	135,000
United Fruit Co., con. 5's........1911	4,000,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	114	Feb. 27,'03	114	114	15,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	83	Feb. 24,'03	83	82	17,000
U.S.Shipbldg.1st & fd g.5'sSer.A.1932	14,500,000	J & J	80	Jan. 16,'03	....	....	....
" collat. and mge. 5's..1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
BONDS OF COAL AND IRON COMPANIES.							
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off..................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	110½	Aug.22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,311,000	F & A	102	Feb. 19,'03	102½	102	20,000
" conv. deb. g. 5's.........1911	14,068,000	F & A	90	Feb. 28,'03	92½	89⅞	866,000
" registered......................		F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's.................1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s...................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,192,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	379,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	107¾	Feb. 13,'03	107¾	106½	5,000
" Bir. div. 1st con. 6's...1917	3,399,000	J & J	108	Feb. 28,'03	108	107¼	15,000
Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	102	Feb. 27,'03	102	101	32,500
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,993,000	M & S	81	Feb. 28,'03	81	79	246
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	116¾	Feb. 27,'03	116⅞	116¼	15,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's........1923	5,603,000	J & J	97½	Feb. 27,'03	99	96	83,000
Detroit Gas Co. 1st con.g.5's......1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.							
1st con. g. 5's...............1932	3,500,000	M & S	102⅞	Feb. 19,'03	102⅞	102⅞	5,000
Gas. & Elec.of Bergen Co, c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's.....1997	5,010,000	J & J	120	Jan. 23,'03	....	....	....
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	97⅛	Sept.19,'02	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	107	Feb. 26,'03	107½	106½	61,000
" small bonds..................			97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	15,000,000	J & D	111⅞	Feb. 25,'03	112	111¾	11,000
" registered.....................		J & D					
" purchase mny col tr g 4's.1949	20,389,000	F & A	94	Feb. 27,'03	95	94⅜	83,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	106½	Feb. 27,'04	107	106½	7,000
" 1st con. g. 5's............1995	2,156,000	J & J	119	Jan. 28,'03	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	107½	Jan. 9,'03	....	....	....
N.Y.& RichmondGasCo.1stg. 5's.1921	1,000,000	M & N	....	....	....	....	....
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	103½	Feb. 25,'03	103½	103½	3,000
" 2d gtd. g. 6's.............1904	2,500,000	J & D	102⅛	Feb. 3,'03	102⅛	102⅛	2,000
" 1st con. g 6's.............1943	4,900,000	A & O	125½	Jan. 15,'03	....	....	....
" refunding g. 5's........1947	2,500,000	M & S	105	Feb. 24,'03	105	105	8,000
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	109	Dec. 3,'02	....	....	....
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108⅛	Feb. 13,'03	108½	108½	5,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	102⅞	Feb. 19,'03	102⅞	102⅞	6,000
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	105	Feb. 16,'03	105	105	15,000
" registered....................	....	......	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	FEBRUARY SALES. *High*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110	Feb. 13,'03	110	110	5,000
{ " fundg & real estate g.4½'s.1950	14,000,000	M & N	105	Feb 27,'03	105	104	39,000
{ Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	111	June17,'02	....	....	....
{ Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	FEBRUARY SALES. *High.*	FEBRUARY SALES. *Low.*	FEBRUARY SALES. *Total.*
United States con. 2's registered...1930	445,940,750	Q J	....	....	....	....	......
" con. 2's coupon...........1930		Q J	107⅛	107⅛	107⅛	107⅛	82,500
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18	97,515,660	Q F	107⅛	107⅛	107⅛	107⅛	1,000
" 3's coupon.............1908-18		Q F	108¾	107⅛	107¼	107⅛	9,000
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	107⅛	107⅛	107⅛	107⅛	1,000
" 4's registered..............1907	233,177,400	J A J&O	110⅛	109⅛	109¾	109¾	1,500
" 4's coupon..................1907		J A J&O	110¼	109¾	110⅛	110⅛	1,000
" 4's registered..............1925	118,489,900	Q F	135⅛	135⅛	135⅛	135⅛	2,000
" 4's coupon..................1925		Q F	136	136	136	136	2,000
" 5's registered..............1904	19,885,050	Q F	....	....	....	....	......
" 5's coupon..................1904		Q F	103¼	103	103¼	103	49,000
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds.....................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's.....................1906	575,000	J & J	....	....	....	....	......
" Class C 4's.....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	....	....	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due..........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	....	....	....	....	......
" small.........................		J & J	....	....	....	....	......
" 6's...........................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's.........1913	6,681,000	J & J	97	95	96⅛	96⅜	14,000
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond.....................	362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of...........1991	18,045,897	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	8,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	11	11¾	11	80,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's...........................1908	3.000.000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	98⅝	90¼	98⅝	98⅝	3,000
Regular delivery in denominations of £100 and £200..........................	£22,357,680	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Foster.—David C. Foster, until recently President of the Poughkeepsie (N. Y.) Savings Bank, died March 1, aged ninety-three years. He had been President of the Savings Bank for almost thirty years.

Getman.—Dr. Norman Getman, President of the First National Bank, Richfield Springs (N. Y.) from the time of its organization, twice Supervisor of the town, and formerly Postmaster, died March 5.

Goss.—John A. Goss, Cashier of the Pittsfield (N. H.) National Bank and Treasurer of the Farmers' Savings Bank, died February 3.

Greer.—John A. Greer, President of the First National Bank, Jackson, Tenn., died recently.

Jordan.—Hon. Conrad N. Jordan, Assistant Treasurer of the United States at New York, died February 26. He was born in New York city April 20, 1830, and after being educated he was successively a clerk in the Hanover National Bank, Cashier of a bank in Fishkill and Cashier of the Third National Bank, New York. In 1880 he became Treasurer of the New York, Ontario and Western Railroad Co. In 1885 he was appointed Treasurer of the United States by President Cleveland. With the late Daniel Manning and others he organized the Western National Bank, in New York, Mr. Manning becoming President and Mr. Jordan Cashier. On the death of Mr. Manning Mr. Jordan was elected President, but resigned a few years later. In 1893 President Cleveland appointed Mr. Jordan Assistant Treasurer at New York, and he was reappointed by President McKinley and President Roosevelt. Mr. Jordan was held in the highest regard by the banking and financial interests of New York city.

Kingsley.—Ezra M. Kingsley, of the banking firm of Kingsley, Mabon & Co., New York city, died February 9, aged eighty-six years.

Rankin.—John Rankin, President of the Bank of South Charleston, Ohio, died February 24. He was born in Maryland in 1811, removing to Ohio with his parents in 1815. He established the First National Bank at South Charleston in 1863 and became Vice-President. In 1877 the bank reorganized as a private bank, and Mr. Rankin became President. Both as a banker and as a merchant before going into the banking business Mr. Rankin was highly successful.

Smith.—Thomas Smith, President of the Dime Savings Institution, Newark, N. J., died February 13. He was born in England in 1835. For twelve years he was a member of the board of chosen freeholders of Essex county, N. J., a member of the State Assembly for three years and had held a number of other local offices.

Williams.—Otto H. Williams, Vice-President of the Farmers and Merchants' National Bank, Baltimore, died February 23, aged eighty-five years.

Willis.—M. H. G. Willis, Cashier of the Union Bank, Winchester, Va., died February 2.

To Study Currency Reform.—Pursuant to a resolution adopted at the last convention of the American Bankers' Association, President Caldwell Hardy has appointed the following committee to consider the subject of the currency system of the United States and to make a report at the next meeting of the association:

H. C. Fahnestock, Vice-President First National Bank, New York city.
C. S. Fairchild, President New York Security and Trust Company, New York city.
Col. Myron T. Herrick, President Society for Savings, Cleveland, Ohio.
Homer S. King, President Wells, Fargo & Co.'s Bank, San Francisco, Cal.
C. B. Kountze, President Colorado National Bank, Denver, Col.
J. J. Mitchell, President Illinois Trust and Savings Bank, Chicago, Ill.
George Q. Whitney, Director Whitney National Bank, New Orleans, La.

THE

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THE RENEWAL OF REFUNDING OPERATIONS was announced in a circular issued by the Secretary of the Treasury on March 26. Under the terms of the circular three per cents of 1908–18 and four per cents of 1907 may be surrendered at prices yielding to the investor 2 1-4 per cent., the new bonds to be issued at a premium of two per cent. They are to run thirty years, bearing two per cent. interest. The total amount of the two classes of bonds to be received for refunding is limited to $100,000,000.

Perhaps the chief significance of the Secretary's action lies in the fact that it again calls attention to some of the defects of our present monetary and banking system. As Congress has refused to permit the issue of circulation except on the security of United States bonds, it becomes necessary, if the circulation is to be increased, to enlarge the supply of available bonds. In other words, under the present laws, the National debt must be perpetuated in order that the bank notes may be secured. The prices of the bonds to be refunded are so high as almost to prohibit their use as a basis of circulation. It will be remembered also that the tax on circulation on the new two per cent. bonds will be one-half of one per cent. per annum, instead of one per cent., the tax on circulation secured by the older issues.

Furthermore, the Government imposes taxes which produce large surplus revenues, but refuses to put this surplus in the banks, where it would be available for business uses, unless the banks put up a like amount of Government bonds as security for the deposits. The banks are unable to procure bonds at a price that will enable them to make use of the deposits at a profit, but after the Government extends a debt which it might easily pay off, the banks may be able to receive a larger amount of the public deposits.

The whole case resolves itself into Governmental suspicion of the banks. Nobody else—unless it be persons of the most ignorant type—

entertains any such distrust of the country's banking institutions, and anybody, outside of Congress at least, could easily select depositary banks where the public funds would be perfectly safe, even without the setting aside of any special security. That the continuation of bonded security is necessary for what expansion of note issues may be required by the growing business of the country, is also shown to be a fallacy.

The perpetuation of the public debt for the specific purpose of providing a guaranty either for bank notes or for the deposit of public funds with the banks is a costly and unwise method of providing the degree of safety which every one concedes is desirable. Besides, the frequency with which it is bulletined in Wall Street that the Secretary of the Treasury may be depended upon to "come to the relief of the money market," is a matter that must subject the Secretary to severe criticism, whether deserved or not. The present laws link the Treasury and money market together, and it is impossible for the Secretary to remain indifferent and inactive in the face of a monetary crisis. He is compelled to do the best he can in relieving a situation aggravated by antiquated laws.

There seems to be no good reason why banks whose standing and credit are of the proper sort should not be permitted to issue their notes to a limited extent without depositing bonds, nor is there any reason why the Government should not deposit the public funds in such banks precisely as any one else does.

THE DISCUSSION OF BANKING REFORM in this country has attracted the attention of bankers in other parts of the world, as is indicated by the proposition to hold an international bankers' conference in London, at which representatives of the banking systems of different countries are to expatiate on the advantages and disadvantages of their several methods of practicing the business. The wearer knows where the shoe pinches. In the United States we are well aware of the defects in our banking system. Most any one taking up the subject of banking reform, and having knowledge of the points needing change, looks over the whole field from China to Peru, and observes how they manage their monetary affairs.

Banking in some form seems to be grounded deep in human nature. Its foundations are honesty and the confidence in one's fellows that grows from honesty. In fact honesty seems to be the primitive condition of mankind, and fraud and cheating are an after growth. Explorers who have described the trading customs of undeveloped savages dwell much on the unsophisticated sense of honor with which they conduct their primitive deals. Hostile they may be in other respects, but when it comes to trading they each bring out their products and valuables, and each without protest takes in exchange what is desired. As knowledge increases chaffering and cheating creep in. But with wider knowledge honesty gradually regains a pre-eminent position. The reformer in one country sees the defects of his own banking system, and looking to other countries he finds that these defects are perhaps not visible there; he therefore expatiates on the advantages of foreign banking systems.

During the banking discussions which have been so much in evidence in this country during the last thirty and more years, the banking systems of European nations have been held up to us as examples of what our system should be, but at this proposed conference the representative bankers of each country are invited to explain the peculiar merits of their own system. Such a comparison of notes cannot fail to be of advantage, especially when it is intelligently made, taking into consideration the characteristics and customs of the several countries. It is to be hoped that this project will be carried into execution. Something of this kind was attempted in 1893, at the World's Congress of Bankers in Chicago, but the untoward financial conditions of that year prevented a large attendance from abroad. The distractions of the World's Fair were also unfavorable to a complete discussion.

THE PROPER REDEMPTION OF BANK NOTES has been continuously urged by the MAGAZINE as requisite to securing an elastic currency. This redemption of the notes after they have been issued must be by automatic means or by the application of some degree of force. In the enormous use of checks in business transactions the public has an object lesson in automatic redemption. A bank note is expected to have a longer career than a check, but nevertheless the law should provide means that this career should not last practically too long.

Under the present laws governing the National bank note the time between the issue and the redemption of the note may be, supposing it is not destroyed or irrevocably lost, the life of the Government, for the Government is the sponsor and final redeemer of all National bank notes now outstanding. The present place of redemption of bank notes is at Washington. Of course each National bank is required to redeem its notes at its own counter, but no one sends them there except by accident. Washington is not a business center, and as a city lies out of the main routes of commercial circulation. To send National bank currency there for redemption, even if the motive to get it redeemed were more pressing than it is, would be somewhat out of the ordinary lines. As a matter of fact the bank notes sent to

Washington are in very large proportion those that are mutilated, dirty or worn. To keep the currency clean is not, however, a sufficient motive to secure a redemption that will insure elasticity, although for this service the country should be thankful to the redemption agency at Washington.

The Fowler bill, recently before Congress, provides three centers of redemption where, in addition to their own counters, the National banks are required to redeem the new asset currency. These centers are New York, Chicago and San Francisco.

The plan to secure redemptions at actual money centers is one that has been advocated from the earliest history of the National banking system. FREEMAN CLARKE, the second Comptroller of the Currency, recommended that a redemption bureau should be established in New York city as the natural center to which all notes gravitated. Other Comptrollers have emphasized the importance of redemption and deplored the absence of any adequate retirement of National bank notes in this way.

The plan provided by the Fowler bill will not necessarily interfere with the bureau at Washington. That will still have enough to do in exchanging dirty and mutilated notes for coin or new notes. The new places of redemption, situated one on the Atlantic, one on the Pacific and the other in the center of the continent, will attract and return to the issuing banks the notes that temporarily are not required in business transactions.

It is believed that after the experiment has been tried with twenty-five per cent., gradual increases of the percentage limit may be made until what may be called the point of saturation is reached. With an adequate system of redemption it is probable that in normal times the aggregate circulation issued by the banks would not exceed seventy-five per cent. of the aggregate capital. That is, if there were no limit whatever, the banks would not be able to keep any greater amount in circulation. A check can easily be held on that small proportion of banks which it might be feared would be inclined to use this privilege recklessly, by a provision regulating the unsigned notes which might be furnished to the bank by the Comptroller. After an experience of a few years it would not be difficult to establish a theory of averages which would be a guide as to the amount of notes required in different parts of the country.

THE PRINCIPLE OF GOLD REDEMPTION, contained in the Fowler bill as first reported at the recent session of Congress, was finally abandoned, and a provision was substituted permitting the redemption of the asset bank notes either in gold coin or United States notes, at the option of the banks. This would tend to make the new notes fixed in volume, and operate to destroy whatever degree of elasticity they might otherwise have possessed. An emergency circulation, redeemable in the first instance in paper, is hardly a good beginning in the direction of providing an asset currency. It would be wiser to clear the ground for a bank-note currency before adopting any makeshift measures.

The legal-tender notes, to the extent of the $150,000,000 gold reserve, should be immediately converted into gold certificates, and a further sum might be converted equal to the unpledged gold held by the Treasury, this latter process going on gradually. With the legal tenders out of the way, there could be no substantial objection to making the gold certificates a legal tender, except by the Treasury. But there is a very important distinction between a gold certificate and the present legal tenders.

Until the United States notes are out of the way it seems practically impossible to provide for the proper redemption of an asset currency. The final amendments to the Fowler bill represent a concession that should not have been made.

THE ALDRICH BILL, like the Fowler bill, failed to run the Congression gauntlet. Mr. ALDRICH'S bill was intended to carry out the recommendations of Secretary SHAW, in reference to the deposit of public moneys with the banks. As the law now stands only internal revenue receipts may be deposited with the banks. No interest is exacted from the banks for these deposits and they have usually been required to deposit United States bonds as security. The present Secretary of the Treasury did relax the rule requiring United States bonds as the sole security and accepted certain State and municipal bonds. He construed the law as permitting some discretion in the acceptance of security. Whether the statute will bear this construction or not may be a question, but the Secretary's action was directly in the face of the course taken by all previous Secretaries in charge of the Treasury Department since the public moneys have been deposited with National banks.

It makes little difference whether Secretary SHAW'S construction of the law be sound or not, the precedent he has established, unless some action is taken by Congress, will be followed when the same emergency again arises and, therefore, Congress ought either to approve or disapprove this precedent by resolution or new legislation.

The Secretary in his last annual report went so far as to recommend the placing of public moneys with the banks without any security at all after due examination of the condition of the bank, and exacting interest on the deposits. In this the Secretary is doubtless right. It will be better to entrust banks selected according to their record and condition as the trusted depositories of the Government, than to entrust these moneys to all banks that can put up securities of an inferior character.

The ALDRICH proposition is to receive as security for the deposit of public moneys, which may be receipts not only from internal revenue but from all sources, State and municipal and railway bonds, as well as United States bonds. Knowing the political influences which might be, and are usually, brought to bear to secure what are considered to be public favors, it can readily be seen that the door might be opened to great abuses. United States bonds are uniform in character and credit. They cannot be divided into good, bad and worthless, as are the assets of a failed bank. On the other hand, there is no uniformity in State and municipal bonds, and much less in railroad securities. The Secretary may, as he did recently, specify the conditions under which State and municipal bonds will be accepted, but this is not only a wide discretion to be wielded by the Secretary, but with the utmost care the pressure of political influence may be brought to bear in such persistent and ingenious ways as to foist upon the Treasury securities which conform to conditions in appearance only. The success of the recent experiment proved nothing; the time was too short to permit abuses to be invented. If, however, the law permit what the Secretary seemed to do on his own responsibility, and the thing go on for a few years, it cannot be doubted that the Government might run great risks with State and municipal bonds. In a much greater degree the objections apply to railroad bonds.

The banks are the depositories for the general public, without giving security. They hold in the aggregate for their individual customers sums much greater than they will be called upon to hold for the Government. They pay interest on these deposit accounts. There seems to be no good reason why the Government cannot select its banks and deposit its money, receiving interest as other depositors.

It may in a political sense seem to be invidious that one bank is chosen and another left, because of the superior conditions of the one, and there may be the same political influences brought to bear to bolster up a weak bank in the opinion of the Secretary that would be at work to force the acceptance as security of doubtful railroad bonds. It is believed, however, that there is less danger of the Secretary of the Treasury accepting a poor bank than a poor security. The banks watch each other closely, and the publicity which is to-day given to the condition of all National banks would be more or less of a check on a Secretary even if he wished to favor a political pull. The reception of securities is a matter that can be done more quietly, no one need be the wiser as to the character of bonds deposited. The presumption would be that they conformed in reality, as they appear on their face to do, with the general requirements. There seems to be no safe middle course for the Government between adhering to security of United States bonds, exclusively, and entering into the same relations with the banks as the ordinary depositor, with the exception that for losses the United States should have a lien on the assets of the bank over all other depositors after the notes are paid. This might be some check on banks in the race to secure public moneys, as the ordinary depositor might withdraw from banks that sought for more than their real strength warranted.

THE AMOUNT OF MONEY IN THE COUNTRY is large, but there is now no means of increasing it except by the addition of gold coin and certificates based thereon and the increase of National bank circulation based on bonds. The latter method of increase is, as has been proved again and again, very precarious, and the former method may be unavailable under certain temporary conditions of trade. While the Government was purchasing silver, there was a continual increase in silver certificates and although this was a very dangerous expedient it nevertheless kept up a perennial supply of currency for domestic purposes. The addition of gold to the stock of money depends on the prosperity of the country and on our credit abroad. The addition of bank notes to the general aggregate depends on the bond market. The price of bonds rises as business increases, and thus the supply of National bank notes tends to diminish when the demand for money is the greatest.

The supply of money available depends, under the present monetary system, less on the aggregate amount than on its distribution. The scarcity or plenty of money and the rates charged for it all over the country, depend on the conditions at the monetary centers. Although the aggregate amount in the whole country may be the same one day with another, yet a falling off in the bank reserves in the great monetary center will at once be felt throughout the length and breadth of the land. The supply of money in the whole United States amounts to about $2,700,000,000, and yet a reduction of a few millions in the bank reserves of New York city will at once have a serious effect on the rates for money.

The largest part of the revenues of the Government are collected at the money centers, and it is there that the operations of the Treasury in locking up money have their first effect. But within the past decade private business transactions have so increased in magnitude that they rival those of the Government. They are not now confined to the domestic market, but include great borrowings and lendings abroad. Where twenty-five years ago there was one capitalist who could lock up money sufficient to affect the market, there are now dozens of corporations and private capitalists who singly and in combination can, if they see fit, exercise a similar power.

With all the modern financial machinery for exchange, and the great magnitude and general efficiency of its operation, no one can fail to perceive that this efficiency depends on the ability to settle balances in cash, and that the successful settlement may be rendered difficult or even impossible by a comparatively slight reduction of the reserves maintained for this purpose. With an aggregate supply of billions of cash, the disappearance of a very few millions from some particular point upsets all the markets. It is the work of high finance to keep these few millions under control, so that their presence or their lack may bring about the conditions desired. The pull on the reserves of the money markets exercised by the Treasury would be greatly reduced by the provisions of the ALDRICH bill, but the strain on the reserves liable to be felt from great private transactions, speculative or otherwise, would not necessarily be obviated. The only way in which the banks can be relieved from having their cash reserves drawn down by private business transactions is to give them the power to augment these reserves by the issue of notes upon their general credit. This was the purpose of the FOWLER bill, and it is believed that this measure would have had the effect of placing the note issues in the hands of the banks of the greatest strength and credit, although equal privileges in proportion to their strength would be given by it to all National banks.

Although both of these measures failed to meet the approval of Congress, yet great advantage has been obtained from their discussion, and from the effect this discussion has had on the public outside of Congress. Before the next meeting of Congress there will be, undoubtedly, reason to wish that the principles of these two bills had been embodied in the monetary system. But whatever may be the difficulties encountered during the coming year, which may cause people to wish that these bills had become laws, it is probable they will be more readily overcome by the belief that the next Congress will surely give relief on these lines. The weak spots in our monetary system are now generally recognized. The Secretary of the Treasury will know that in stretching a point to give relief he will have moral support, even if the law is ambiguous.

The possibilities of an increasing business during the coming year are very great. The construction of the inter-oceanic canal is an undertaking that will stimulate wonderfully all forms of productive industry. The foreign commerce of the United States is bound to increase. It is impossible that the monetary system can alone remain antiquated while every other form of industrial development is responding to modern requirements.

THE DEATH OF CONRAD N. JORDAN, late Assistant Treasurer of the United States at New York, removes one of the most skillful practical financiers who ever held office. While he never was in a position to openly have the credit of directing the monetary policy of the country, there is little doubt that the success of Mr. CLEVELAND'S two Administrations in administering the affairs of the Treasury Department was largely due to him. Under CLEVELAND'S first Administration, Mr. Jordan was Treasurer of the United States, and his advice was sought for and followed by Mr. MANNING, who was Secretary of the Treasury. It was due to Mr. JORDAN that the $100,000,000 gold reserve was distinctly separated and placed in the debt statement as a tangible item. Before that the gold in the Treasury had been lumped in one single amount, and no distinction was made between the gold reserve on legal tenders and what has since been called free gold.

Mr. JORDAN had been intimately associated with Mr. TILDEN, who was regarded as the sage of the Democratic party, and it was supposed that at the period of his becoming Treasurer of the United States he had the advice of Mr. TILDEN in regard to financial questions. Neither Mr. CLEVELAND nor Mr. MANNING had had any practical experience in national monetary affairs, and it was natural that they should be guided by the advice of one so thoroughly qualified as Mr. TILDEN. Coming into power with no special study of the subject and perhaps with no predilections, it is possible, if there had been any of the soft-money advocates of the Democratic party sufficiently in the confidence of Mr. CLEVELAND to have affected him by their advice, that there might have been a change for the worse in the policy of the Government, in the handling of the silver dollars which were then being coined under the BLAND bill. The change, if any, in the conduct of the Treasury was better, in that decided steps were taken to support and strengthen the gold standard. The preceding Administration had towards its close been seriously embarrassed by the accumulation of silver dollars and the steady diminution of the gold reserve; the endless chain had begun to work drawing gold for exportation, and the sensible diminution of the gold reserve was giving cause for alarm which would soon have caused a serious run. Mr. McCULLOCH, who had been called to take the Treasury at the close of the ARTHUR Administration, was not in a position to inaugurate any new or decided policy. It has even been asserted that there was some thought of paying out silver dollars in the redemption of legal-tender notes in order to preserve the gold. There was great danger that the Government would be forced to do this during the early part of the CLEVELAND Administration.

The separation of the $100,000,000 gold reserve in the debt statement called the attention of the whole country to the very narrow margin of free gold upon which the Treasury was running. Although the danger was great, it was not so great as it again became after the passage of the silver-purchase law of 1890, the evil effects of which law culminated during CLEVELAND'S second Administration in 1893.

In 1885, after calling attention to the waning gold reserve by the change in the debt statement, and moreover fixing more surely the status of this gold reserve in the public mind as something which must be maintained if the credit of the Government was to remain sound, Mr. JORDAN exerted himself to procure additional gold to meet the temporary pressure, by borrowing gold of the New York city banks on the security of the surplus fractional silver held by the Treasury.

In this way he procured about twenty-five millions of additional gold, which enabled the Government to tide over the immediate emergency. Mr. JORDAN also exerted himself to put in circulation an additional amount of silver dollars by securing the issue of silver certificates in denominations less than five dollars in place of the small denominations of legal-tender notes. The whole course of the Treasury Department when acting under Mr. JORDAN'S advice was in conservation of a sound monetary policy in the face of very serious difficulties.

During CLEVELAND'S second Administration Mr. JORDAN was in charge of the Sub-Treasury in New York, when Mr. CARLISLE was Secretary of the Treasury, and he warned his superior of the drain which gradually reduced the available gold until, unless a new supply had been obtained by the issue of bonds under the BELMONT-MORGAN contract, the payment of gold for legal-tender notes must have ceased and the notes, if redeemed at all, must have been redeemed in silver dollars. The force of his convictions in favor of upholding the gold standard had no doubt much to do with the prompt action which was taken to replenish the gold supply, which had been reduced until there was hardly enough on hand to continue gold redemption of legal-tender notes for twenty-four hours after. There was great doubt as to the legal right to issue bonds under existing law, and doubtless Mr. JORDAN'S conviction of the validity of action for this purpose had much to do with the construction put upon the law by the Attorney-General.

It has been claimed that Mr. JORDAN brought order out of chaos, in regard to the Treasury accounts and statements. This is claiming too much for him. These accounts and statements were clear enough before, and by no means difficult to understand. The form of statement devised by Mr. JORDAN was no clearer, but its merit was that it laid stress on the special $100,000,000 gold reserve for legal-tender notes, and was in effect a definite construction of a law by no means clear in its provisions. In the subordinate positions of Treasurer and Assistant Treasurer, he has never been surpassed. What he might have been in a higher position as Secretary of the Treasury he never had opportunity to prove.

THE CONSTRUCTION OF THE INTER-OCEANIC canal at Panama by the Government of the United States seems to be assured. Estimates of the cost of the undertaking place it at about $200,000,000. Whether this estimate is too little or too great remains to be seen. In such an enterprise there are apt to be unexpected difficulties. In any event nearly if not quite $200,000,000 in United States bonds will be issued. The prospective issue of these bonds has no doubt had its effect, and will continue to have effect, in maintaining the present laws for National bank circulation.

The credit of the United States, as influenced by the price of bonds, has been thought to depend on the use of these bonds as security both for circulation and for public moneys. Congress, therefore, may be influenced by the argument that the use of the bonds as a special security by the banks is necessary to their credit. No one will deny that the borrowing power of the United States is enhanced by the support of the banking system. The question to consider is whether the gain in interest by the Government is not offset by the loss to business interests through an imperfect bank circulation. It is at least probable that the amount of bonds necessary to construct the canal will not be sufficiently great to render bank support necessary to sustain their credit.

At the beginning of the Civil War the borrowings of the Government had been very small. The whole debt had seldom exceeded sixty million dollars. The new bonds issued to carry on the war needed every possible support. But ten years after the close of the war, the credit of the United States was so established that the bonds went to a premium that tempted the banks to reduce their circulation.

With the reduction of the debt the premium has increased, and has maintained this increase in the face of the new issues of bonds for the gold reserve and the Spanish war.

It seems at least certain that an issue of $200,000,000 in canal bonds will have little permanent effect in increasing National bank circulation. All the new bonds of the nineties, and the refunding issue of the year 1900, are now at such premiums that bank circulation is again being retired. New issues of bonds will of course have a tendency to increase bank circulation again temporarily, but with the growth of the business of the country this will bear but a small proportion to the amount that may be required.

The experience with a bank circulation based on bonds has shown very clearly that the fluctuations of the aggregate amount of such circulation bear no relation to business needs. But even if due regard to the borrowing power of the Government be an important element in devising any plan for bank currency reform, nevertheless this advantage, real or supposed, need not preclude the use of an asset currency also. The small proportion of currency unsecured by bonds would only by degrees affect the use of bonds for issues of bank notes under present laws. The present national bonded debt bears such a small ratio to the wealth and resources of the United States, even if the debt be increased for the construction of the canal, that were the bonds deprived gradually of all the advantages they now possess as a special security, the falling off in price would probably be very slight, and even from this recovery would come in a short space of time. Nevertheless the probable effect on the prices of United States bonds should be considered carefully both as affecting the Government and the banks, which now hold such large amounts of them.

THE DECLINE IN BRITISH CONSOLS during the month of March carried those securities to the lowest point reached in thirty-two years. It is said that American investors, who took a portion of the last issue during the South African war, have become dissatisfied with their investment and that it will not be easy to place these securities on the market in the future.

The question arises whether in the race among nations to show a low rate of interest on their securities the British Government has not injured the standing of its public securities. This is perhaps more of a political than a financial consideration. Money can always be borrowed by a government, by offering a sufficient inducement to borrowers, either by raising the interest rate, or what is almost the same thing, selling sufficiently below par. Where parties opposed to each other are seeking control and a precedent fixing the rate of interest at a low figure has been established, both parties are loath to raise the rate and increase the inducements.

Governments no longer have a monopoly of what may be considered first class credit. Their securities are now brought into competition with those of corporations and combinations whose credit is as good as that of many governments and that afford larger incomes from the same principal. Formerly, too, a government had a sort of monopoly within its own boundaries. Home capitalists hardly ever ventured to invest in securities of foreign nations. The willingness of capitalists of all countries to take securities outside of their immediate nations may give a wider market for the securities of each government as some compensation for the loss of the monopoly of its own capitalists, but this compensation may not be adequate. It is likely, for instance, that the capitalists of Great Britain are more apt to invest in foreign securities than those of other nations and thus to Great Britain more is lost than gained by the growth of cosmopolitan ideas.

With the general increase of average credit of business securities, government securities cannot retain such pre-eminence of credit as to maintain an interest rate so much below the average rate paid by other securities as they have hitherto done. No one doubts that the real credit of the British Government, as measured by its ability and wish to pay what it agrees, is as good or even better than ever. But even if a security is sure as certainty can make it, it must suffer if brought into competition with securities which are almost or quite as certain of payment, and have a greater income-producing power.

It is this competition of industrial and corporate bonds and stocks which in the end will compel governments to pay more for loans. When government stocks and bonds were about the only kind of security upon which cash could be realized immediately under all circumstances, the rate of interest might be considerably below the ordinary market rate, and yet they had a desirability for business purposes which created a constant demand for them. With the growth of bourses and stock exchanges, constantly increasing their lists of stocks and bonds dealt in and quoted, the liquidation of many securities of inferior credit was provided for at some price. And when the modern commercial and industrial development reached the point at which it now stands, with every prospect of still further growth, the amount of securities which can be turned into cash at almost a fixed price has become equal to the securities representing government indebtedness.

There is no doubt that within twenty-five years the borrowing power of a government was a moderately true indication of its credit, but there is every reason to believe that now the borrowing power of a government is dependent not only on its credit but also upon the degree in which its securities are brought into competition with other securities both at home and abroad. It is, therefore, very evident, as long as the securities of modern industrial enterprises, in good credit, though this credit may not intrinsically be equal to that of the best governments, return better incomes than governments that money will be invested in them in preference.

The consequence is that in order to obtain the money they require governments will have to offer inducements more equal to those of the ordinary money market. Savings banks or investment institutions paying three or four per cent. cannot hold securities from which they do not realize enough to pay the usual rates to depositors. Good credit is not the only requisite for a successful loan. Those who have money desire, either directly or indirectly, the market rates. The low rates on United States bonds are compensated for by their use as special security.

It is probable that the conditions which now prevail in the industrial and business world indicate a spirit of speculative enterprise far above anything that has hitherto been known to prevail at one time in all parts of the world. The opening of China, the near completion of the Siberian railway, the formation of great combinations of capital in all lines of production and commerce, the approaching construction of the canal between the Atlantic and Pacific oceans, all point to a greater demand for capital and higher rates for money for some time to come. If governments seek to borrow, they will have to pay the rates the markets demand. The United States cannot expect to be unaffected by these general conditions when the Panama loan of $130,000,000 at two per cent is issued. This Government has not yet offered a loan at two per cent., although it is probable that the use of the bonds as security for bank circulation and public moneys may enable them to be sold at par.

THE BANK CLERKS are taking an active interest in the discussions of the currency and banking question now going on throughout the country. In another part of this issue will be found a full report of a joint debate between New York Chapter and Alexander Hamilton Chapter of the American Institute of Bank Clerks, the subject being: "Resolved, That National banks be permitted to issue currency based on their general assets." It is interesting to note that some of the speakers on the negative declared in favor of an asset currency, but pointed out the difficulty of issuing such a currency under our present banking system. They showed, also, that it is practically impossible to establish a great central bank such as exists in most European countries. The judges, however, gave their decision in favor of the affirmative.

BOND DEALINGS BETWEEN THE TREASURY AND THE BANKS.

The methods of the Treasury in relation to the bonds deposited by the National banks in trust for the security of circulation and public deposits are often the subject of comment, showing naturally an imperfect knowledge of the different relations in which Government officials may be placed with respect to the bank, when they act in different capacities.

When a National bank fails the various attitudes in which these officials may be placed are brought out in the most distinct lights. The Secretary of the Treasury, the Comptroller of the Currency and the Receiver of the bank are all three Government officials, and yet when they have to act in the various matters growing out of the liquidation and the distribution of the assets of an insolvent National bank, they are sometimes found technically opposed to what would otherwise be interests of the Government that they presumably ought to defend. The case of a bank that has been a depository of public moneys often gives rise to complications of this kind. The public moneys held by any depository ought not to exceed the value of the security deposited in the Treasury in United States bonds. If the public moneys held by the bank are less than the value of the bonds, two courses are open to the Receiver; if he has enough cash on hand he can pay over what is due to the Government and have the bonds transferred to the account of the general assets of the bank, or if he has not cash on hand he may have the whole or a portion of the bonds sold in the open market and use sufficient of the proceeds to pay the debt to the Government, passing the surplus proceeds of the bonds, or such bonds as remain unsold, to the general account of the bank for the benefit of its creditors. If, however, as occasionally happens, the public moneys in the bank exceed the security deposited, then for the excess over the proceeds of the bonds when sold the Government is a creditor precisely like any other creditor, and must prove its claim and await pro rata dividends like any other creditor.

The Receiver, though a Government officer, is by the law defining his duties prevented from showing any favor to the Government more than to any individual creditor.

United States bonds held in trust as security are an asset that if properly dealt with may yield considerably more for the benefit of the creditors than might at first appear. The Receiver stands in the place of the corporation, during his receivership, and if the assets which come into his hands are good, it is possible he may pay all the creditors in full, and turn over the bank to the stockholders ready to commence business again if they so desire. The assets may be unproductive or uncollectible at the time of the failure, but they may improve in value and become collectible. All the interest due on the bonds at the time of failure goes into the hands of the Receiver as an asset. If held as collateral by the Treasury for public moneys the Treasury has the right to sell the bonds just as any holder of collateral for a debt, but must account for all they sold for, principal, premium and accrued interest. The Treasury cannot call the bonds its own and cancel them, until full value is given to the bank for which they are held in trust by the Treasurer. Circulating notes are also secured by bonds, but as they are in circulation they are only presented for payment gradually. When a bank fails, it takes some time to take an account of its affairs and attend to the proving up of claims against it. While this is proceeding the Receiver is collecting the assets and depositing the cash in the Treasury to the credit of the Comptroller of the Currency for the benefit of the bank. Often large sums are thus available before the claims are all presented. Even when all possible claims are known, there is a certain proportion of them which are not allowed, and which must be arbitrated or litigated before they are allowed. When claims, both proved and unproved, are all known and there is cash enough to declare a dividend of a respectable per cent., seldom less than five, this dividend is declared by the Comptroller upon all claims, both proved and unproved. It is, however, paid out only on the proved claims, and reserved on those not proved. It thus happens, in most cases of insolvent banks, that the Comptroller has considerable sums to his credit for the bank, which cannot be paid out and which he has no authority to invest in interest-bearing securities. But at the same time he has the bonds deposited for security for circulation, bearing interest. The circulation is presented from time to time, as it turns up from various quarters. Instead of providing for its redemption by selling the bonds, the Comptroller may use the cash balance and not sell the bonds. All circulation redeemed in this way releases some of the bonds, and the result is that interest is obtained, for the benefit of the creditors, on money that otherwise would be lying idle. Nor does the Government lose anything, because if the bonds were sold at once some outside holder would receive the interest which is thus obtained for the depositors of the bank.

The theory of the National Banking Law in regard to National banks which fail, is that their depositors and other creditors than stockholders become the wards of the Government, and even the stockholders are to be taken care of in their turn after the other creditors are provided for. The Government, while duly protecting its own rights, is not called upon to grab all for itself.

One of the first cases in which a public depository failed owing money not secured by bonds was that of the Cook County National Bank of Chicago. The ordinary public moneys in the bank were secured by bonds, which liquidated that debt, but in addition the post office had deposited funds with the bank, and had accepted individual bondsmen. The Government finally collected of these bondsmen, but the latter were permitted to substitute themselves in the Government's place so as to come in as creditors of the bank. Not satisfied to take the *pro rata* dividends paid to the general creditors, which were very small in the case of this bank, these bondsmen, placed by the court in the shoes of the Government, claimed payment in full, because under a United States statute passed in 1797 the Government was made a preferred creditor in all bankruptcy cases. This case was tried several times and in the lower courts decided in favor of the bondsmen. The United States Supreme Court reversed this decision, and established the principle that the Government must stand on the same basis as the other creditors in the distribution of the assets of a failed National bank. So above the amount of collateral held by the Treasury the Government has no preference over any other creditor. This suit continued for several years, and during this period there was reserved by the Comptroller from funds collected from the assets of the bank a sum amounting to several thousand dollars, sufficient to pay this claim in full had the Supreme Court sustained the decision of the lower court.

It will also be observed that both the Comptroller of the Currency and the Receiver, although Government officers, were contesting what appeared to be a Government claim. Moreover, while this claim was being contested, similar claims had accumulated in the cases of other banks in the hands of Receivers, and this was a test case deciding them all.

The case of the First National Bank of New Orleans was still more curious, in that the same person acting as a special agent of the Government collected money from the bank, which afterwards, acting as Comptroller of the Currency, he recovered from the Treasury for the benefit of the bank's creditors. This bank failed soon after the war because of the misuse of its funds by its President. John Jay Knox was sent by the Treasury Department as special agent to protect the funds of the Government and for which the Government was responsible. Before New Orleans was taken by the Northern army there was a large fleet of vessels there looking for loads of cotton. These were captured and sold by the Government, and the proceeds of the sales were placed in the First National Bank, pending proof by their owners that they were not lawful prizes of war. The fund amounted to nearly half a million dollars. When Mr. Knox arrived in New Orleans, he obtained from the President checks for the amount of this and on these checks drew out all the cash in the bank, amounting only to about $100,000, and deposited it in the Sub-Treasury. The litigation against the Government to establish claims for the vessels and property wrongfully seized went on, and many claims were allowed. When these allowed claims were paid by the Government, the amount so paid was charged up as a claim against the bank. It was at first, and until after the Cook County Bank decisions, held that these were preferred claims. When Mr. Knox became Comptroller of the Currency, although a Government officer, his duties in liquidating the affairs of the First National Bank for the benefit of the creditors, compelled him to take a different view of his action as special agent of the Treasury. As Comptroller he refused to allow the claims which the Treasury had against the bank, unless the Government would pay back the $100,000 which was wrongfully, as he now claimed, taken from the bank in his capacity as special agent. His contention as Comptroller was finally allowed and the $100,000 was paid back, except so much as was offset by *pro rata* dividends on the claims which the Government finally proved on the same basis as any other creditor.

The Treasury acts as trustee for a number of funds, and as the same officials often have to act both for the Government and for the beneficiaries of the trust, contradictory attitudes of officers are sure to arise in many cases.

GERMANY'S NEW LOAN.—Germany is to issue a new loan of $72,500,000 on April 17, bearing three per cent. interest, the issue price being 92. A syndicate of German bankers, headed by the Imperial Bank of Germany, will manage the details of the new loan.

STORED GOODS AS COLLATERAL FOR LOANS.

Early in the month of January of this year the Bureau of Foreign Commerce, Department of State, issued a one-hundred-page pamphlet of special consular reports under the above title, which should be of more than usual interest to the banking institutions and trust companies of this country. This publication contains information obtained at the request of the American Warehousemen's Association from all the commercial centres of the Old World as to the methods that obtain therein for the conversion of warehoused merchandise into a safe collateral for purposes of exchange. Many of the methods given appear cumbersome and slow when measured by American standards, but most of them are safe, all are interesting and their publication will no doubt be of assistance in the effort to arrive at a safe and uniform system by which the millions of dollars' worth of products of our farms, our mines and our manufactories, now lying inert in warehouses, may be given dynamic force in the monetary affairs of the nation.

In the hope that a brief summary of the ways and means employed abroad in the issue of commercial paper based upon this stored merchandise, contrasted with our own methods of accomplishing the same object, might call attention to and stimulate interest in this much-neglected bankable asset, this paper is written.

Great Value of Goods Held in Warehouses.

Before entering upon the discussion of methods, let us consider for a moment what the warehoused merchandise of this country means in money value. Statistics upon the subject are meagre, and at best we can but approximate the truth. In the November issue of "Ice and Refrigeration," in an unsigned article on the World's Fair, at St. Louis, it is stated that at a moderate estimate not far from $100,000,000 is invested in cold-storage plants in the United States, and that the aggregate value of the products contained within the walls of the cold stores belonging to these plants, at certain seasons of the year, has been estimated at approximately $500,000,000. The first estimate as to the values invested in the cold-storage business may not strike one ordinarily well posted in this country's economic development as greatly excessive, and in the light of the following statement, made by the "New York Sun" some months since, may even be considered reasonable:

> "Ever since 1890 there has been a marked yearly increase in the number of cold-storage warehouses in apple-producing regions, new houses with a capacity of from 10,000 to 50,000 barrels being built every year. The number of the fruit-storage houses was established in March of this year to be 600, with a total capacity of 50,000,000 cubic feet. The total estimated capacity of all the cold-storage houses, including meat-storage places, is 150,000,000 cubic feet."

The second estimate of $500,000,000 as the value of the contents of cold stores at certain seasons, is so vast in amount that it may well appear visionary and extravagant to even well-informed business men. But is it so? Let us see. We are told that during the year 1899 our poultry-raisers placed on the market sufficient eggs to bring them in $144,000,000, and dressed poultry for which they were paid $136,000,000 more; that the dairy industry received for butter alone $268,000,000, and for cheese $29,000,000, and that the slaughter-houses were paid $338,000,000 for dressed meats. These are all products that enter largely into cold-storage houses and are kept there for a term of months.

When we remember that these statistics show only values obtained by the producer, and do not approximate (excepting in the item of dressed meats) by twenty to twenty-five per cent. the wholesale values of the warehoused goods, and add to them the apples which are cold-stored in large quantities, and the miscellaneous articles such as citrus fruits, nuts, raisins, vegetables, fish, dressed and undressed and manufactured furs, woolen cloths, clothing, carpets and rugs, rubber tires, etc., the visionary character of this formidable statement vanishes and even bears the semblance of being based upon a fair knowledge of the subject.

During the twelve months of the year 1900 there was in the customs bonded warehouses of this country merchandise of the average value of $47,000,000, and in other warehouses grain, sugar, cotton, wool, whiskey, rice, coffee, pig iron, etc., machinery and manufactured articles of every description, worth at a low estimate $200,000,000 more. If these estimated values are even within fifty per cent. of the true amount, the United States must have throughout the year warehoused merchandise upon which commercial paper in the sum of $300,000,000 might be safely written.

Foreign Regulation of the Business of Warehousing.

Having now before us a fairly comprehensive view of the values involved, we can more interestedly proceed to the discussion of the methods in use for the conversion of these values into bankable assets. We learn from the publication of the State Department that in France, Algeria, Alsace-Lorraine, Austro-Hungary and Italy, warehoused merchandise is made available as collateral by essentially the same general method, consisting in the issue by the warehouses, on the owner's demand, of a warehouse receipt for goods stored in two separable parts, which is negotiable as a whole or in part. This receipt consists of :

First. A certificate of ownership, which properly endorsed carries title to the goods, subject to the lien stated.

Second. A warrant (chattel mortgage), which upon proper endorsement conveys the value of the lien only.

Inasmuch as each part of the instrument must have endorsed upon it the terms of the other, and these terms must be entered upon the records of the warehouse, the purchaser of either certificate or warrant is fully protected so far as full knowledge of the transaction on paper is concerned. The warehouseman protects himself by requiring the surrender of both parts of the receipt before delivery of the goods, or, as allowed by law, the surrender of the certificate of ownership and the deposit of the amount of the lien, plus interest thereon to maturity, stated charges, etc., necessary to satisfy the warrant when presented.

Banks Protected by Government Supervision of Warehousing.

The security of banks in making loans upon these receipts is much enhanced by the limited governmental supervision of the warehouses. This supervision under the present law in France, which may be considered typical of all, consists of an inquiry into the character of the person or corporation wishing to enter the business, the amount of capital paid in, etc., before license is granted, and the exaction of a bond to insure compliance with the law. The license is issued by prefectoral decree, issued by and with the advice of the local chamber of commerce. The amount of the bond is fixed by the same local governmental machinery within the limits of 20,000 francs as a minimum and 100,000 francs as a maximum, prescribed by national statutes. This bond may consist in whole or in part of money, Government bonds, or bonds listed on the Bourse, or in a first mortgage on the warehouse buildings. Proprietors of these warehouses can loan money upon the security of the merchandise stored with them, or issue negotiable receipts and warrants as stated above. In practice a warehouseman rarely takes advantage of his right to advance money, but contents himself with the care and preservation of the goods placed in his custody and the issue of such certificates of ownership and warrants as may be required.

THE FRENCH LAW RELATING TO WAREHOUSE CERTIFICATES.

That part of the French law of May 28, 1858, is so clear in its statement of what these certificates and warrants must contain, and the rights that they represent, that I cannot do better than quote them at length:

Art. I. " Receipts issued to owners of goods stored in warehouses must indicate the name, profession and residence of said owners; also the nature of the merchandise, and all information necessary to establish the identity and value of the said merchandise.

Art. II. To each receipt is annexed a security certificate called a 'warrant,' which should contain the same data as the receipt.

Art. III. Receipts and warrants can be transferred by endorsement, either separately or together.

Art. IV. The endorsement of a warrant separated from a receipt is a security to the lender to the extent of the merchandise covered by the warrant.

The endorsement of a receipt conveys to the grantee the right to dispose of the merchandise, provided that when the warrant is not transferred with the receipt, he will pay the amount guaranteed by the warrant, or will permit it to be paid out of the proceeds of the sale of the merchandise.

Art. V. The endorsement of a warrant separated from a receipt should also indicate the total amount, capital and interest, of the loan guaranteed, the date of its expiration, and the name, profession, and residence of the creditor.

The first grantee of the warrant should have the endorsement, with all its declarations, registered immediately on the books of the warehouse company. The registration of the endorsement must be noted on the warrant.

Art. VI. The holder of a receipt separated from a warrant can pay the amount loaned on the warrant before maturity.

If the holder is not known, or, being known, is not in agreement with the debtor as to the conditions of payment before maturity, the total amount, including interest for the whole term of credit, may be paid to the warehouse authorities, who become responsible for the payment of the loan, and the merchandise can be liberated.

Art. VII. In default of payment at maturity, the holder of a warrant separated from a receipt eight days after protest, without any legal formality, can sell at public sale the merchandise involved.

In case the first endorser has satisfied the warrant, he can sell the merchandise involved eight days after maturity of the warrant without giving formal legal notice to the holder of the receipt.

Art. VIII. The creditor is paid from the proceeds of the sale directly, without legal formality, by privilege and in preference to all other creditors, without deduction, except of

1. Internal-revenue taxes, octroi, and customs duties.

2. Expenses of sale, of storage, and those incurred for the preservation of the merchandise. If the holder of the receipt does not appear after the sale, the excess, after the holder of the warrant is paid, is turned over to the warehouse authorities, as in Article VI.

Art. IX. A holder of a warrant has no recourse against the borrower or the endorsers of the same, except after he has exercised his rights in the merchandise covered by the warrant, and then only when the proceeds of the sale are not sufficient to liquidate the amount of the loan.

A holder of a warrant in all cases loses his right of recourse against the endorsers if he does not sell the merchandise in the month which follows the date of the protest.

Art. X. Holders of receipts and warrants, in case of damage by fire, etc., have the same rights and privileges in regard to the insurance indemnities as to the merchandise insured."

In many of the cities of France warehouses are owned by the municipality and conducted by the Chamber of Commerce, under the same statutes and in the same general manner as are those belonging to private persons or corporations, and the same method of converting the merchandise into bankable collateral is followed.

Warehouse Warrants as Collateral for Bank Loans.

The warrant of one of these warehouses has an advantage over the ordinary commercial paper given it by statute, inasmuch as it may be discounted at the Bank of France or any of its branches upon the one signature of the debtor, while two signatures are required by law upon all other paper.

It will be seen that the French laws require the authorities to look into the organization of all warehouses to the extent of assuring themselves that they are in responsible hands; that their capital is all paid in; and that their bonds for honest administration are given for an equitable amount, proportioned to the business to be done and based upon valuable assets. In view of these provisions it would seem that receipts and warrants for merchandise, fully insured against fire and appraised by trusted brokers, should furnish French bankers as secure collateral for loans as could well be desired.

Loans to Farmers on the Security of Their Products.

In most startling contrast to the above abundantly safeguarded method of making loans on merchandise, our sister Republic of France has another, lately put in operation, that would delight the heart of the most ultra populist of the agricultural class. This is so ably described and commented upon by Mr. John M. Covert, our Consul at Lyons, France, in his report to the Department of State, that I take the liberty of quoting it in full:

"There is another establishment in this part of France which loans money to farmers on their products, but it has no warehouse. It is called the Bank of the Agricultural Syndicate, or the Farmers' Alliance. The Government advanced 40,000,000 francs ($8,000,000, in round numbers) as a nest egg for this bank. The money was idle in the Bank of France, having been placed there by the Government. It consisted of sums that the Government had received from various sources, a part of it being unclaimed bank deposits, bequests which had never been claimed by heirs, or gifts which had never reached the parties or were never employed for the purposes for which they were destined, and which escheated to the Government. As there was no fund to which the money could properly be credited, the Government deposited it in the Bank of France and finally placed 40,000,000 francs of it to the credit of the agricultural societies of France, as a fund for the organization of farmers' banks. The condition upon which this money can be used for the capital of a bank is that the farmers will raise fifty per cent. of the proposed capitalization. These banks now exist in nearly every agricultural region in France, and new ones are frequently being started. During the last year, the sums loaned to farmers on their products aggregated $971,538.50, at 3½ per cent. interest.

The farmer is permitted to borrow sixty per cent. of the value of the wine he may have in his cellar or the grain in his barn, as seen and certified to by an officer of the bank. He is permitted to hold the goods as long as he can pay the interest. This is a very important matter in the case of some kinds of wine, which improve with time. Instances are cited where a farmer borrowed money on his Beaujolais wine, which was worth only thirty francs ($5.79) per barrel, but which he sold a year later for sixty francs ($11.58), receiving just double what he would have been compelled to accept when his wine was made. The operation of these farmers' banks has caused considerable dismay among the large wine merchants, who were in the habit of buying large quantities of new wine and holding it for the improvement that time generally works upon certain brands. But there is only a limited number of producers who can benefit by this operation, as there are but a few brands of wine which improve with time. The farmer who attempts to hold his corn or wheat or wool on borrowed money must take the same chances that the man takes who buys on margins, and will often come out of the transaction in worse condition than if he had sold at ruling prices when his product was ready for market."

Regulation of Warehousing in Germany and Other European Countries.

Germany does not appear to have any national law governing warehouses and warehouse receipt issues throughout the Empire at all corresponding to that prevailing in France, Italy, Austria-Hungary, etc., just described, except, as stated, in Alsace-Lorraine, where it exists as a French law, made prior to the German occupation, and in Bremen, where the laws extant before the inclusion of that city into the German Empire still prevail. As the method pursued in Bremen is on the same general lines as that described as enforced in France, it will need no special mention here. In the other parts of Germany the value of the receipt issued for stored goods depends entirely upon the faith of the money lender in the integrity of the warehouseman who holds the collateral, and in this particular the conditions do not differ greatly from those obtaining in this country, except for the power that customs long held have in enforcing responsibility and increasing faith in existing institutions. In some of the cities it is true that an effort is made to inquire into the conditions under which a warehouse is to start business, and if these are not satisfactory license is refused and in some the warehouses are conducted by the municipality, but in none are bonds for proper administration required or definite lines laid down for the regulation of the business.

Warehoused merchandise of marketable character is readily and largely converted into collateral in Belgium by its storage in the name of one of the many private bankers of repute, who either advances the money required or issues in his own name a warrant showing an itemized statement of the goods, values, etc., which, when properly endorsed with the owner's promise to pay, is discountable at the National Bank. This course is taken for the reason that the laws give no special lien on goods as collateral when stored in the name of the debtor. The National Bank issues a statement from time to time, showing articles of merchandise upon which warrants will be discounted and the proportion of the adjudged value of each that will be advanced. This does not, however, preclude advances upon articles not enumerated, but places them outside of the favored class for special treatment.

The same general method prevails in Russia, where, however, the warehouseman is substituted for the banker, and the Government prescribes the maximum percentage of value that can be loaned.

In the Netherlands a considerable business is done in advancing money on stored merchandise not only by the Netherlands Bank but by private bankers and banking institutions. This is accomplished through the two latter classes of money lenders by an arrangement between the owner, the banker and the warehouseman, by which absolute title to the goods is invested in the bank. The Netherlands Bank requires, however, of all warehouses, except those of the Dutch Trading Company and the municipalities, whose receipts are received without question:

That the borrower must be known; that applications for loans must be accompanied by an estimate of value furnished by an acceptable broker; that the merchandise must be transferred to the bank; that the receipt must be issued by a warehouse having with the bank a guaranty deposit.

In the other nations of Continental Europe and Asia, from which consular reports have been received, loans are made on non-negotiable receipts issued by the warehouse having custody of the goods in the name of the person or institution advancing the money, or by bankers, who require the goods stored in their own warehouse, or in warehouses controlled by them, or in some cases by the warehouseman having the goods in custody.

It is to be regretted that the "Special Consular Reports" upon "Stored Goods as Collateral for Loans" does not include a full report of the methods that obtain in the great dock warehouses of the Thames, in and near London, and it is a matter of surprise that no report whatever from that chief mart of the world's merchandise is found in this otherwise very complete publication. We may, however, obtain a fairly representative view of the system in force there from the reports of the consuls at Bradford, Liverpool, Hull, Manchester, New Castle and Plymouth. According to these there exist in English cities two systems of procedure in the negotiation of loans on stored merchandise, both of which are apparently used largely, and both of which depend upon public confidence in the warehouseman for success. Where the merchandise is in customs warehouses, controlled by civil-service employees, the medium of exchange is usually a negotiable warehouse receipt called a dock warrant, which from the fact of Government control is as negotiable as a bill of exchange or a check. The property enumerated in these warrants passes with the warrant when properly endorsed, and is deliverable to its holder upon presentation and the payment of duties, fees, etc., that may be due, so that in case of default at maturity of loan the banker can, without further authority, obtain possession and dispose of the goods to meet his claim. When the merchandise is in other than customs warehouses it is usual, but not invariable, for the banker who advances the money to require the issue of a non-negotiable receipt for the goods in his own name, upon which, and the properly drawn obligation of the borrower, the loan is made. This method greatly assists the owner in selling his wares and the banker in releasing such portion of them as may be sold by a partial payment on the part of the one and a simple order of delivery on the part of the other, whereas partial deliveries can only be safely made in case of a dock warrant upon the presentation of the warrant to the warehouseman for endorsement of the deliveries thereon.

It appears that the common law of Scotland formerly made delivery necessary to the completion of every contract involving change in the ownership of movable goods. It was, however, altered in 1893 in the case of contracts for sales but not in cases where goods are transferred for purposes of security. Warehouse warrants and delivery orders are, therefore, not legally negotiable papers in that country in the sense that bills of exchange or the dock warrants of England are. The person holding one of these papers, in order to protect his interests, must take possession of the goods, either through actual delivery or, constructively, through notice to the warehouseman, who usually completes the transfer by taking up the old and issuing a new warrant in the name of the transferee. It follows from the above that loans are made in Scotland on non-negotiable receipts issued on the order of the owner in the name of the party with which he negotiates the loan. An excellent example of how customs may override law, even when established by decisions of the courts, is given in the report of Samuel M. Taylor, Consul at Glasgow, on the Iron Warrant System, which I quote in full:

"There is a delivery order which is in vogue particularly in the West of Scotland, the seat of the great iron market and the principal Scotch iron works. The ironmasters grant warrants somewhat as follows:

I will deliver (so many tons of iron of a specified brand) to any person who shall lodge this document with me after a certain date.

It is a warrant in favor of the bearer. These warrants are very much used, particularly in Glasgow, and pass from hand to hand without endorsement. A warrant may pass through fifty hands before it comes to the man who actually goes to the ironmaster and takes delivery of the iron. These warrants are treated in practice as if they were negotiable instruments, although in strict law and according to the old Scotch authorities they are not so. They are used, and enormous transactions depend upon their validity by the existing custom among merchants. Ironmasters, for their own interests, raise no questions as to their validity, and in that way these warrants are effectual."

The practice of advancing from fifty to eighty per cent. of the appraised value, according to the staple character of the goods, for a period of three months, at the regular interest charged on commercial paper, plus a small commission, is usual in all of the countries considered.

The consular reports are usually silent as to the volume of loans of the character under consideration, but if we are to take the statement made that in Austria-Hungary they amount to $40,000,000 annually as a fair indicator for the remaining States of Europe, the aggregate of such transactions must amount to a considerable sum.

Loans on Stored Merchandise in the United States.

In the United States loans upon stored merchandise are effected in various ways as to detail, all, however, depending in the first instance upon the faith of the lender in the integrity of the owner, but ultimately on the responsibility of the warehouse management where the merchandise collateral is stored. Probably the safest and most expeditious of these methods for all concerned, first having a responsible warehouseman to hold the collateral, is that by which a non-negotiable receipt for the goods is issued in the name of the lender, which then by the terms of the borrower's note becomes the lender's title to the collateral in case of default and evidence as well of the warehouseman's responsibility to him. By arrangement between the parties to the loan this method readily facilitates the sale of the hypothecated property in small lots, the borrower paying a part of his indebtedness and the lender releasing a certain quantity of the goods by an order on the warehonse.

Negotiable receipts are also issued in many of our cities and accepted in limited quantity from well-known holders by banks. Warehouses often make the loan to the owner on this kind of receipt and then use it as a collateral to borrow upon. In this case the trust of the bank in the warehouseman must be of a fourfold nature:

1st. As the holder of the goods represented by the receipt.

2d. As the holder of the collateral upon which his own loan is made.

3d. As the appraiser of the merchandise.

4th. As the judge of the amount that can be safely loaned upon it.

This way of using the warehouse receipts prevails, I understand, principally in the warehousing of cotton and certain cold-storage goods.

Another and a very interesting method lately coming into vogue, especially in the warehousing of the bulkier class of merchandise, such as cotton, rice, lumber, pig iron and machinery, builders' supplies, etc., deserves a more extended description. A warehousing company finds an owner of a lot of pig iron, for instance, who has no immediate sale for it and who is in want of money. This pig iron is on the premises of the owner and cannot be moved without comparatively large expense. After inquiry into the owner's character and financial standing, the warehouseman rents from him the portion of ground upon which the pig iron rests by means of a formal lease, and, constituting it a warehouse, appoints from the neighborhood a person judged competent and places him in charge of it, first bonding him in a guaranty company for the faithful discharge of duty. A negotiable warehouse receipt is then issued to the owner for the pig iron, showing quantity and quality, upon which, after it has received the indorsement of a surety company, he can negotiate a loan from one of a number of banking institutions that have entered into the arrangement. The value of the goods is obtained from a certificate of inspection from an independent source considered competent. Here the collateral is left upon the premises of the owner, who is also the borrower, in charge of a servant of the warehouse, who is under bond in a corporate company, the sufficiency of the warehouse receipt is vouched for by another corporate company, and the loan is made by still another corporate company. This method has been in successful operation for several years, and has proven of value to cotton mills and similar business institutions by enabling them to buy their year's supply of cotton, wool, grain, etc., when the prices are down; and manufacturing contractors who by obtaining options on large quantities of material used in their operations, for spot cash, are able to successfully compete for large jobs. As soon as the contract is awarded the options are closed, delivery made to the warehousing company, as illustrated above, and the bills paid largely from the proceeds of the negotiable receipt issued by them. These three methods, with slight variations, prevail in this country wherever stored merchandise is used as collateral.

It would appear from the foregoing that a non-negotiable receipt for staple products such as grain, cotton, wool, sugar, tea, coffee, flour, rice, tobacco, whiskey, etc., butter, eggs, poultry, dressed meats, etc., properly stored, issued by a responsible warehouse in the name of the bank advancing the money, accompanied by the report of a trusted broker as to quality and value, should be a most excellent short commercial paper upon which seventy-five per cent. of the value could be safely loaned; better in security and the ease of collection in case of default than most of the single-name discount paper held by banks, especially in time of trouble.

LACK OF SYSTEMATIC SUPERVISION OF WAREHOUSES IN THE UNITED STATES.

This country has, unfortunately, no method of inquiry into the character and financial responsibility of the man or company that desires to enter the warehouse business; no license to give him or them to show to the world that certain well-known provisions of law have been complied with; no requirement of bond for the faithful performance of warehouse duty except as required by the national Government on customs and internal revenue goods, and then only for the protection of the Government in the collection of taxes, and but few State laws defining and regulating the business, and those both incomplete and contradictory, to give the business the stability and standing that its importance demands. For the first time in the history of warehousing, however, a systematic, rational attempt is being made for the correction of this condition, a brief description of which may be interesting.

The American Warehousmen's Association, early in the year 1902, undertook the task of compiling the laws and decisions affecting warehouse management. This has been done, and the resulting volume of about nine hundred octavo pages will soon be published. It also, at about the same time, made the request of the Department of State that has brought into existence the volume of consular reports the title of which heads this paper. It also, and perhaps more important than both these, has enlisted the hearty co-operation of the State Boards of Commissioners for promoting Uniformity of Legislation in the United States in its efforts to secure uniform statutes throughout the States and Territories relating to warehouse matters. As yet no definite plan for further procedure has been formally adopted, the association contenting itself for the present with a careful study of the situation, as developed by the work of the past year, preparatory to writing a form of law to be submitted to the several Legislatures. ALBERT M. READ.

TO FIX SILVER RATIO.—Two of the three commissioners to initiate the project of bringing about an international agreement for fixing the ratio between silver and gold in countries on a silver basis, as provided in the sundry civil appropriation bill, have already been selected. They are Charles A. Conant, Treasurer of the Morton Trust Company of New York, and Prof. J. W. Jenks of Cornell University.

The sundry civil bill appropriates $25,000 "to enable the President to co-operate through diplomatic channels with the Governments of Mexico, China, Japan and other countries" toward bringing about such an agreement, in accordance with the recommendation of the President. The plan was first proposed in a joint note submitted to the Department of State by Ambassador Aspiroz on behalf of the Mexican Government and by Minister Wu for China. This communication was transmitted to Congress by the President with a strong representation that provision be made for bringing about some agreement.

AUSTRO-CHINESE BANK.—The Austro-Hungarian Government is supporting a powerful financial and commercial syndicate which is arranging to establish an Austro-Chinese bank at Tien-tsin with a capital of $4,800,000, to develop Austro-Hungarian trade with the Far East.

BUSINESS AND SPECULATION.

The London "Statist" has solemnly warned American financiers that every means should be taken to discourage speculation. Undoubtedly this is good advice, if speculation were a thing easily controlled. At all times every one is eager to make money by buying cheap and selling at a profit. The market is constantly scanned for opportunities. In dull times, such as have recently prevailed in foreign markets, the jobbers, it is said, go from one market to another seeking where they can secure the slightest chance for a profitable use for their money.

Who are the proper ones to discourage speculation? The banks and loaners of money, whose especial province this would seem to be, are just as anxious as any one to use the money they have on hand. When good securities are offered for loans they cannot very well refuse to make them.

Speculation, however, is a large term and when used in the sense employed by "The Statist" it seems rather to refer to new and untried enterprises—even of these many are undoubtedly of a character to insure profit. The spirit of confidence which causes active dealings seems to grow up suddenly and disappear with equal rapidity. At the present time this spirit, although not so buoyant as it was a year ago, is still much more active than in Europe. The exports of the last few years both of produce and of merchandise have brought wealth to the country. This has encouraged the consumption of all kinds of luxuries and has increased the importation of foreign goods. Prices have attained a high level. The collection of large amounts of capital under the control of comparatively small numbers of men has made it feasible to carry on undertakings that a few years ago would have been inconceivable. Dealings in securities which were as a rule formerly carried on for securing the profit there might be in the rise or fall of a few points are now more often than formerly conducted not for any such immediate profit, but in order to obtain the control of great properties and corporations by the manipulation of which millions can be at once pocketed. While these greater transactions are progressing, all guarded with more or less secrecy, the smaller speculators strive to attach themselves and their fortunes to the winning side. In this business great gains and great losses are reported as occurring, and yet there seems to be no serious injury to the general business of the country. That goes on as usual, apparently unaffected by the operations of contending financial giants.

There is no doubt much that is fictitious or made for the occasion in the huge figures that these deals seem to involve. Great bank credits are created, and the results swell the clearings, but they may not greatly alter the reserves of cash which form the margins of these deals. Where profits and losses are of less importance than the control of property, while individuals may suffer, yet the general public is not much affected. Foreigners watching the business of the United States are apt to fix their eyes on these great deals and the perturbations they cause in the narrow seas of Wall Street, and lose sight of the steady currents of production and manufacture that go on unceasingly under the encouraging conditions that now prevail. More money has probably been lost and wasted by the coal strike than has been lost in any of the great battles between railroad magnates. At least, although prices go up and down on paper, when railroads and corporations are the prizes fought for, no property is destroyed or diminished in efficiency. The railroads are traversed by their rolling stock, the trains run regularly, increasing their earnings, the manufactories continue to turn out their products, the raw materials are secured for new manufactures, nothing is interrupted by the great battle of the bulls and bears to obtain control of a few more shares. Moreover, this kind of speculation must cease some time when the control of the properties is secured by one or another set of men. The small stockholder does not care very much. The great discontent in some cases at least has been due not to serious loss, but because some stockholders have been shut out without receiving a sufficient share of profits.

But even if speculation were sure to bring disaster, and to put an end to prosperity sooner than otherwise might happen, the impossibility of stopping it must be more or less realized. Moreover, even under the most favorable conditions, there is more or less discontent, and the ups and downs of business are preferable to the monotony of a long prevalence of one kind of fortune.

The history of business shows that the fluctuation of prices, which is the basis of speculation, will always prevail and continue to tempt men to the risks which cannot always be favorably terminated. The disastrous speculation in the past has been with railroads in process of construction that had not yet developed a business, through sections of the country as yet unpopulated. The present speculation is with railroads which can earn money, whatever the fate of the speculators who manipulate their stocks. The same remarks apply to other species of property dealt in. In fact, the speculation of the present period although it may redistribute and change the possession of property, does not tend to destroy or depreciate it, and does not necessarily have any tendency to depreciate the wealth of the country. Perhaps it becomes safer and less injurious because of the very magnitude of the amounts involved.

When we compare some of the speculations which have been indulged in abroad with those which have recently attracted attention here, there seems to be less solidity of foundation and more disregard paid to the ultimate value of the property. The speculation in mining shares in South Africa, the operations of Whitaker Wright and others in London, all seem to point to a greater love for the game for its own sake than here. The properties forming the basis of speculation here seem to be kept better in hand and in paying condition by the principal speculators. In other words, there seems to have been in the speculations of our great financiers a due regard to the ultimate value of the investment notwithstanding the apparent wildness of some operations where control was aimed at.

In conclusion the speculation in other countries seems less reasonable than that which goes on in our own, because we know less about the details of the properties involved. The temperaments and customs of men differ according to their environments.

BOND SECURITY FOR GOVERNMENT DEPOSITS.

The defeat of the Aldrich bill in the shape in which it was presented was not altogether an evil. The principle of the measure permitting all public moneys alike both those from customs and those from internal revenue to be deposited with the banks, and insofar modifying the worst feature of the independent Treasury system, was in the best line of reform. But the retention of the antiquated system of requiring special bond security for the public moneys and at the same time requiring that interest should be paid on them, would have defeated the usefulness of the measure.

The banks find little enough profit in the use of public moneys to obtain which they have to deposit United States bonds. It would be but little more profitable for them to avail themselves of the privileges given to deposit certain classes of securities other than United States bonds. The competition to obtain these securities would force them to premiums as prohibitive of profit as those prevailing on United States bonds. To require the banks in addition to pay interest would wipe out the slight profit they now obtain on public moneys deposited with them. Banks may be required to give security or to pay interest, but not both.

The objection to deposits of public money without security is that banks with political influence might receive deposits greater than their real strength warranted. It is of course very difficult to determine what the real strength of a bank may be. A bank of small capital and in a section where there was a chance for a good business might, if well managed, safely use and pay interest on an amount of public money entirely disproportioned to its capital. In fact, a good management could in a favorable locality build up a good business with nothing but public money. It would, however, have to be a much more cautious business than could be conducted with deposits of an ordinary character. It would be a bank with practically one depositor who by drawing for his whole deposit at once could bring the institution to a standstill. Such a deposit could not be made on ordinary conditions. The ability of any bank to meet the demand of any depositor at any time depends on the fact that the amount of any one deposit bears a comparatively small proportion to the whole amount of the deposits. Few or none of the numerous depositors are likely to draw for their whole deposit at once, but in the ordinary running of a bank as many depositors increase their accounts as diminish them.

The amount of public moneys which can be safely placed in any bank should not much exceed the amount deposited by the average depositor. Then the bank would be prepared to meet the demands of the Government from its reserves without notice just the same as it met those of any other depositor. This should be the rule where no security is required and no interest is paid. If interest is paid on public moneys, then the amount deposited might be somewhat larger, as large as the average amounts of deposits on which interest is paid to the ordinary depositor. Usually in smaller banks when interest is paid on deposits there is some understanding that the money is to be left a certain time or that notice of withdrawal shall be given by the depositor. Considerations of this kind should govern the deposit of public moneys with banks of the average capital and deposits. But it is well known that as the capital and deposit line of a bank increase the greater its reserve power becomes. A bank with ordinary deposits amounting to $1,000,000 could more safely handle $200,000 of public moneys than a bank with $100,000 deposits could handle $10,000.

In the days of the pet banks, after the public moneys were removed from the Bank of the United States, the banks demanded deposits from the Government more on account of their weakness than their strength, just as many incompetents ask for and often obtain Government salaries, because they are poor and need them.

With a due regard to the strength of a bank as determined by its average business, there is no reason why a small bank should not be trusted with public moneys as well as a large one.

With these precautions there is no reason to believe that public moneys deposited without security would not be as safe in the banks selected as are ordinary individual deposits in those banks. The requirement of the payment of interest would check many demands to be made depositories, and there might be cases where small amounts might be deposited for special purposes without the payment of interest. The convenience of the Government and the character of the drafts to be made would have much to do with the selection of the depositories.

The independent Treasury should not be abolished; the law as to the use of the banks as public depositories should be permissive only. There may be times when it would be both expedient and wise to keep all the money in the Treasury, but the permission to use the banks would prevent the dangerous locking up of money. It is hardly to be expected, however, that Congress will shake off its fear that prejudice may be excited by permitting public moneys to be deposited without security given by the banks, although one would think the requiring them to pay interest sufficient guarantee that no undue favor was shown to the bankers.

Export of Silver Coins From Nicaragua Prohibited.—Consul A. L. M. Gottschalk sends from San Juan del Norte, February 26, 1903, translation of a recent decree, which provides:

The President of the Republic, considering that there has been no possible means of counteracting the export of coined silver, whose exit from the country injures the public treasury, and, further, considering that lack of circulation of the above-mentioned silver currency is the chief cause of the depreciation of national paper currency, and, with the object of establishing a fixed relative value for both the currencies aforesaid, decrees:

From the date of publication of this decree, the exportation of coined silver shall be prohibited; in consequence, it shall be considered as contraband and come within the scope of the law for such offenses.

New Reserve Cities.—The Comptroller of the Currency has designated Dubuque, Iowa, and Wichita, Kansas, as reserve cities under the provision of the new act permitting cities of 25,000 population to be so designated. Heretofore a population of at least 50,000 was required.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

LIABILITY OF STOCKHOLDERS—WHEN NOT LIABLE AFTER SALE OF STOCK.

Supreme Court of the United States, January 19.

GEORGE H. EARLE, JR., RECEIVER OF THE CHESTNUT STREET NATIONAL BANK vs. SUSAN CARSON.

Where a stockholder in a National bank has made a *bona fide* sale of his stock, and has performed every duty which the law imposes on him in order to secure a transfer on the registry of the bank, he ceases to be liable as a stockholder.

The liability does not continue merely because at the time of the transfer the reserve of the bank was below the amount required by law, and such fact was known to the seller of the stock.

Nor does the liability continue merely because the person to whom the stock is sold is at the time insolvent, and unable to respond to an assessment, when such fact is known to the seller.

In error to the circuit court of appeals for the third circuit to review a judgment which affirmed a judgment of the trial court in favor of defendant in a suit to enforce the liability of a shareholder in a National bank.

When the Chestnut Street National Bank of Philadelphia suspended payment and its doors were closed, there stood on the stock register ten shares in the name of the defendant in error. A call having been made by the Comptroller for the sum of the double liability, this suit was commenced to recover the amount. The defense was: First, that prior to the suspension of the bank the defendant had, in good faith, sold the stock standing in her name for a full market price, which had been paid her; second, that, in consummation of such sale, she had, by her agent, delivered to the proper officer of the bank in its banking house, at the place where such transfers were made, the stock certificate, with an adequate power of attorney to make the transfer, and requested that the stock be transferred; third, that the officer of the bank said that the transfer would be made as requested, and the defendant was ignorant of the fact that the officer had failed to discharge his duty; fourth, that, as the defendant had done everything which the law required her to do to secure the transfer, she had ceased to be a stockholder, and was not responsible.

In submitting the case to the jury the court instructed: First, that the presence of the name of the defendant on the stock register created a presumption of liability. This, however, the jury was informed, was not conclusive, but might be rebutted. Such rebuttal, the court charged, would result if it was proved that the defendant had made a *bona fide* sale of her stock, and had, at the proper time and place, handed to the proper officer of the bank a power to transfer the same, although the officer of the bank had neglected to fulfil his duty in the premises. Second, after charging fully and accurately as to the proof essential to show a *bona fide* sale of stock in a National bank, the court having, during the trial, applied a like rule in passing on the admissibility of evidence, instructed the jury if the evidence established that a sale of such character had been made while the bank was a going concern, the defendant would not be liable, because, unknown to her, the bank was, at the time of the sale, in fact insolvent. And the same principle was applied to the unknown insolvency of the person to whom the stock was sold. There was verdict and judgment for the defendant, which was affirmed by the circuit court of appeals; thereupon this writ of error was prosecuted.

Mr. Justice WHITE delivered the opinion of the court:

Treating the facts as foreclosed by the verdict, the circuit court of appeals held that the trial court rightly instructed that the presumption of liability begotten by the presence of the name on the stock register would be rebutted if the jury found the fact to be that a *bona fide* sale of the stock had been made, and that the defendant had performed every duty which the law imposed on her in order to secure a transfer on the registry of the bank. The correctness of this ruling is not open to controversy (Matteson vs. Dent, 176 U. S. 521; Whitney vs. Butler, 118 U. S. 655).

But it is urged the court erroneously assumed the *bona fides* of the sale to have been concluded by the verdict, since the trial court mistakenly refused to instruct the jury that the sale of the stock, though in every other respect lawful, could not be so treated by the jury if, as a matter of fact, it was found that at the time of the sale, to the knowledge of the defendant, the reserve of the bank was below the limit fixed by law. (Rev. Stat. 5191, U. S. Comp. Stat. 1901, p. 3486.) To sustain this contention it is argued that, by operation of law, when the reserve of a National bank falls below the maximum provided in the statute, every transfer of stock made by a person having knowledge of the fact creates a legal presumption of bad faith, and, therefore, in the event of the future suspension of the bank, avoids the transaction. But the statute creates no presumption of inability to continue business as a consequence of the reduction of the reserve below the legal requirement. On the contrary, the statute expressly contemplates the continuance of business by a bank, although its reserve may have fallen below the standard, since it merely forbids the making by a bank of certain enumerated transactions during the period when the reserve is impaired.

Whether the provisions just referred to are mandatory or directory, we are not called upon to determine, but certainly, in either event, they clearly refute the construction of the statute which would be necessary in order to sustain the proposition. True, the law confers authority on the Comptroller, in his discretion, to require a bank, whose reserve has fallen below the legal limit, to restore the reserve within thirty days, and moreover gives power to the Comptroller, with the approval of the Secretary of the Treasury, to appoint a Receiver when the bank fails to comply, after the thirty days, with the demand made. These provisions, however, but add cogency to the view that it cannot be implied that the mere reduction of the reserve below the legal limit, as a matter of law, suspends the business of a bank, or, what would be tantamount thereto, affects with a legal presumption of bad faith all transactions made with or concerning the bank during the period while the reserve is impaired.

2. The proposition which arises under this head is that it was erroneously ruled that the insolvency of the bank when the sale of stock was made was irrelevant unless the fact of insolvency was known to the seller, and the sale was made to avoid impending liability—that is, in contemplation of insolvency. It is undisputed that at the date when the stock was sold the doors of the bank were open, and it had not failed in business. Hence, the proposition is this: Although a National bank has not suspended payment, all sales of its stock, whatever may be the good faith with which they are made, are void if it develops that at the date of the sale the assets of the bank, if they had been then realized on, would have been insufficient to pay its debts. The proposition is supported by what is assumed to be the essential nature of a stockholder in a National bank and the time when such liability, by operation of law, becomes irrevocably fixed. Passing for a moment an analysis of the premises upon which the argument proceeds, let us determine the result to which it necessarily leads. Proceeding to do so, it becomes clear that the effect of maintaining the argument would be to virtually prevent the exercise of the power to transfer stock "like other personal property," which the statute gives in express terms. (Rev. Stat. 5139, U. S. Comp. Stat. 1901, p. 3461.) That such would be the result if the validity of every sale of stock depended, not upon the good faith of the seller, but upon the condition of the bank as subsequently developed is, we think, obvious. Certainly, it cannot in reason be said that the power would exist to sell stock like any other personal property if, before the power could be exercised, the seller must examine the affairs of the bank, marshal its assets and liabilities in order to form an accurate judgment as to the precise condition of the bank. But it has long since been pointed out (First Nat. Bank vs. Lanier, 11 Wall. 377, 20 L. ed. 174), that—

"The power to transfer their stock is one of the most valuable franchises conferred by Congress on banking associations. Without this power, it can readily be seen the value of the stock would be greatly lessened, and, obviously, whatever contributes to make the shares of stock a safe mode of investment, and easily convertible, tends to enhance their value. It is not less the interest of the shareholder than the public, that the certificate representing his stock should be in a form to secure public confidence, for without this he could not negotiate it to any advantage.

It is in obedience to this requirement that stock certificates of all kinds have been construed in a way to invite the confidence of business men, so that they have become the basis of commercial transactions in all the large cities of the country, and are sold in open market the same as other securities. Although neither in form nor character negotiable paper, they approximate to it as nearly as practicable."

And in the same case (p. 376, L. ed. p. 374), attention was called to the fact that the purpose of Congress in making the certificates transferable had been clearly manifested by the repeal, in adopting the National Banking Act of 1864 (13 Stat. at L. 99, chap. 106), of § 36 of the act of 1863 (12 Stat. at L. 665, 675, chap. 58), which subjected any transfer of stock in a National bank to debts due to the bank by the seller of the stock. To maintain the proposition, then, would compel us to give an interpretation to the statute which would destroy one of its essential features, under the guise of giving effect to another provision of the same statute; in other words, to destroy the law under the pretext of enforcing it. But the controlling principle is that, when reasonably possible, a statute should be so interpreted as to harmonize all its requirements by giving effect to the whole.

Moreover, when other parts of the statute are brought into view the *reductio ad absurdum* to which the proposition leads is additionally shown. Thus, it is provided (Rev. Stat. § 5242, U. S. Comp. Stat. 1901, p. 3517), that—

"All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or all deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of the shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another except in payment of its circulating notes, shall be utterly null and void."

This, by a negative affirmative, establishes the validity of all contracts, otherwise lawful, made by the bank concerning its assets before its failure, albeit at the time such contracts were made the bank was insolvent, unless the contracts come within the restrictions which the section imposes—that is, those entered into after the commission of an act of insolvency or in contemplation thereof, or made with a view to prevent the application of the assets of the bank in the manner prescribed by law, or with the purpose of giving a preference to one creditor over another. If the proposition were sustained it would thus come to pass that the power of stockholders to freely transfer their stock like any other personal property would be burdened with a restriction arising from the unknown insolvency of the bank, while such limitation would not apply to any other contract concerning the property or affairs of the bank. This would be to hold that the statute had conferred the lesser freedom of contract where it was its avowed purpose to give the greater. It would, besides, require us to say that a limitation resulting from unknown insolvency was made effective upon a stockholder in transferring his stock, when such restriction was not made operative on the bank and its officers when they entered into contracts. But this would cause the unknown insolvency to restrict the power of the person less likely to be aware of its existence, and to cause it not to be controlling where knowledge was most apt to obtain.

Taking into view the whole act—the provision conferring the power to transfer stock; the one already referred to, which avoids contracts made in contemplation of insolvency; the authority conferred upon the Comptroller to constantly test the condition of a National bank; the right given him to suspend the business of such bank when the exigencies of its situation require it; and the double liability imposed on the registered stockholders—we think it results that the power to transfer stock, like other personal property, is not limited by the mere fact that at the time of the transfer the bank, which was a going concern, was insolvent in the sense that its assets, if liquidated, would not discharge its liabilities, unless it be shown that the seller was aware of the fact, and had sold his stock to avoid the double liability which was impending.

Let us come, however, to consider the matter in the light of authority. It is clear that the assertion that the power to transfer the stock was limited by the unknown insolvency of the bank rests, not upon any express provision of the statute, but is deduced from mere implications which it is deemed must be drawn from the statute as a whole. But the settled rule hitherto eunciated by this court, in accord with the rule obtaining in the English courts is, that, where an express power is given to transfer stock, such power may not be rendered nugatory by implication. This general principle, however, is, by the decisions of this court, subjected to a limitation which does not prevail in England; that is, that the exercise of the power to transfer stock in a National bank is controlled by the rules of good faith applicable to other contracts. The qualification just stated gives no support to the proposition that where a sale of stock in a National bank is made in good faith, nevertheless the consequences of the sale are avoided if subsequently it develops that the bank was insolvent at the time of the transfer, in the sense that its assets were then unequal to the discharge of its liabilities, when such fact was unknown to the seller of the stock at the time of the sale. Without undertaking to refer to the numerous cases in which the subject has been variously considered since the adoption of the National Banking Act in 1863, we advert to some of the leading authorities.

[The court here examined a number of cases.]

The proposition under this head is that, as the person to whom the stock was sold in the case before us was in fact insolvent, and hence unable to respond to the double liability, the sale was void, although the fact of such insolvency of the buyer was unknown to the seller. But this, in its last analysis, merely again reiterates the proposition which we have previously disposed of, since it but insists that the validity of the sale of the stock is to be tested, not by the good faith of the seller, but upon the unknown financial condition of the buyer.

The rule on this subject was clearly stated in the passage which has already been excerpted from Bowden vs. Johnson, 107 U. S. 251, where in declining to follow the English rule upholding a real, or out-and-out sale, even if the purpose was to avoid impending liability, the court said that "the transfer must not be to a person known to be irresponsible, and collusively made, with the intent of escaping liability and defeating the rights given by the statute to creditors"—a principle which has been since expressly reiterated in Matteson vs. Dent, 176 U. S. 521, 531. Here, again, support for the proposition is sought to be derived from the concluding sentence in the passage from the opinion in Stuart vs. Hayden.

But in any event the observation relied upon was not essential for the decision of the case of Stuart vs. Hayden, and moreover its meaning is clearly shown by the context of the opinion, in which the difference between the American and English rule is pointed out.

When this is borne in mind it will be seen that the expression in Stuart vs. Hayden referred to but stated that difference, and, being taken in connection with other clauses of the opinion in that case, must be understood as implying that a real, or out-and-out, transfer would not be adequate to relieve the seller from his liability as a stockholder if the sale was made by him to escape his impending liability, and to a person whom he knew, or had reason to know, was financially irresponsible.

As the views hitherto expressed are conclusive of the meaning of the act of Congress, we deem it unneccessary to refer to the many cases from State courts of last resort construing State statutes referred to in the argument.

Affirmed.

SUIT BY RECEIVER AGAINST STOCKHOLDER—AUTHORITY TO SUE—PRIOR ACTION.

United States Circuit Court of Appeals, Ninth Circuit, Nov. 10, 1902.

McCLAIN VS. RANKIN.

Specific authority given by the Comptroller to the Receiver of a National bank to bring an action against a stockholder to recover an assessment is not withdrawn or affected by a subsequent general authority to compromise or sell all the claims or assets of the bank.

An action brought by the Receiver of a National bank against a stockholder to enforce a compromise agreement entered into for the settlement of the stockholders' liability for an assessment, but in which the Receiver took a voluntary nonsuit, is not a bar to a subsequent action to recover the assessment, the stockholder having failed to carry out the compromise agreeme t, nor did the Receiver's action in commencing such suit create an estoppel against him.

Before Gilbert, Ross, and Morrow, Circuit Judges.

This was an action by the Receiver of the First National Bank of South Bend, Washington, to recover a delinquent assessment. The cause was tried before the court without a jury, and judgment was rendered against the defendant.

GILBERT, *C. J.* (omitting part of the opinion): It is contended that it affirmatively appears from the evidence that the Receiver had no authority from the Comptroller of the Currency to bring the present action. It is not denied that the record shows that there was originally authority to commence such an action, but it is contended that, inasmuch as authority was given subsequently to compromise the demand or to sell the same, it operated to retract the authority to sue. We think this assignment of error requires no extended discussion. The authority to bring the action was in no way curtailed or withdrawn by the authority to compromise or to sell the cause of action. The latter authority, so given, was a general power "to compromise and compound or sell at private sale all of the assets of said bank," including "claims due upon assessment of the capital stock." It was an authority entirely consistent with the specific authority previously given to bring suit. The Receiver had the power to take either course so permitted by the Comptroller.

It is contended, further, that the present action was brought for the purpose of enforcing the compromise which had been agreed upon between the Receiver and the plaintiff in error at the time of the dismissal of the first action. It had been agreed as a compromise of said demand for said assessment that the plaintiff in error would convey to the Receiver certain lots in South Bend, Wash., as a payment of the sum of $415.83, $215.83 whereof was to pay an account due to the bank from one Morgan, and the remaining $200 was to be credited to the plaintiff in error on said assessment, and that thereafter the plaintiff in error would pay the remainder of his assessment in certain installments, all of which were to fall due within a year from the date of the compromise. It appeared that this agreement was not carried out by the plaintiff in error, except that he conveyed the lots to the Receiver and received the stipulated credit therefor. In order to enforce the compromise the Receiver brought the action upon the agreement, but before proceeding to judgment he took a voluntary nonsuit, which he had the right to do. We cannot see how that proceeding affects his power to prosecute the present action. The plaintiff in error failed to carry out his part of the agreement. The Receiver has in the present action credited him with the $200 so paid on account. We find no error in the ruling of the trial court in denying to this agreement of compromise the effect of a bar to the present action.

Equally without merit is the contention that the court erred in denying the motion of plaintiff in error for a judgment at the close of the trial, upon the ground that by instituting proceedings in the second action to enforce the compromise the Receiver had elected that remedy and had thereby waived his right to pursue another. There is no question here of the right of election. Election refers to a choice between different forms of action based upon the same facts. These two actions relate to different states of fact. The former was brought to enforce an agreement of compromise. The Receiver took a nonsuit therein, possibly for the reason that, as the answer of the plaintiff in error in the present action alleges, the compromise agreement had never been authorized or ratified by the Comptroller. But, whatever may have been the reason, the Receiver had the right to regard the compromise as abandoned, and to sue upon the assessment. He chose that course. He was not estopped to do so by reason of having instituted an action upon the compromise agreement.

NOTICE TO INDORSER—WHEN SUFFICIENT.

Supreme Court of Nebraska, December 17, 1902.

OAKLEY vs. CARR.

Notice of dishonor of a promissory note is sufficient, if sent to the last indorser by the first mail the day following dishonor, even though such indorser is an agent for collection, merely, and he is entitled to one additional day to notify the indorser immediately preceding him.

Where such last indorser receives the notice of dishonor on Saturday, his notice to the next prior endorser is timely if served on the following Monday.

The notice served by the last indorser need not be actually prepared by him, but he may adopt and utilize for that purpose a notice sent him by the protesting officer, addressed to the next prior indorser.

LOBINGIER, *C.:* This is an action on a promissory note executed and delivered by one U. O. Anderson, of Seward, Neb., to defendant in error, who is a resident of Lincoln, and who, before maturity of the note, indorsed it in blank and sold it to plaintiff in error. By its terms, the note became due December 5, 1890; the three days of grace expiring December 8. Some time before the first-named date it was deposited for collection with the First National Bank of Lincoln, which forwarded it to a correspondent bank at Seward, having first indorsed as follows: "Pay any bank or banker or order. First Nat. Bank, Lincoln, Nebr. H. S. Freeman, Cashier." On the last day of grace, a notary employed by the Seward bank presented the note for payment at the maker's office and residence, and, not finding him at either place, the note was duly protested. On the same day the notary mailed a notice of protest to the maker at Seward, another to the First National Bank of Lincoln, and a third directed as follows: "John Carr, Lincoln, Nebr. First

National Bank"—all of these notices being deposited in the Seward post office not later than the evening of December 8. The first mail from Seward to Lincoln, if on time, was delivered at the Lincoln post office about 11, and there was a regular delivery by carriers about 12. The mail of the First National Bank, however, was delivered by its own special messenger; and the letter addressed to Carr was by this messenger carried with the bank's other mail, and appears to have reached the bank some time after noon of the 9th, which was Saturday. The Cashier of the bank testifies that before 2 o'clock on that day a notice of dishonor from the Lincoln bank was mailed to defendant in error, but the latter testifies that he never received it. The notice from the notary at Seward, however, was given to the messenger of the Lincoln bank, and by him delivered to the defendant in error on Monday forenoon at 10:40; one of the clerks having previously noted in pencil on the envelope defendant in error's address, "52 Brownell Block." This action is brought against the indorser alone, and the sole defense is that the notice of dishonor was not served in time. There was a trial to the court, a jury being waived, and a judgment for defendant, of which plaintiff now seeks a reversal by error proceedings.

At common law, by the weight of authority, the indorser of a dishonored note or bill was entitled to notice thereof on the day following the dishonor, if he resided in the same town with the maker; and, if he resided elsewhere, the notice was required to be posted by the first seasonable mail sent on the day following dishonor. The rule was not universal. In Bank vs. McKnight, 1 Yeates, 145, an indorser living in the same city with the maker was held, though not notified until the second day after dishonor. Moreover, we have in this State a statute governing such cases, which provides "that notice of non-payment or non-acceptance thereof to the indorser within a reasonable time shall be adjudged due diligence." (Comp. St. c. 41, § 3.)

Whether this statute enlarges the common-law liability of the indorser, and restricts his rights as to notice, or whether it is intended merely to re-enact the rule of the *lex mercatoria*, is a question which we need not here determine, because, as we view it, the case at bar is governed by a different principle, presently to be discussed. Suffice it to say that the cases relied upon in the able and ingenious argument for defendant in error were decided in jurisdictions which are without such a statute as ours. But the same law merchant which required the notice of dishonor to be given or sent on the day following non-payment also limited the duty of the holder or protesting officer in this regard to a notification of the last indorser, who in turn was allowed an additional day to send notice to the indorser immediately preceding him, and so on until all had been notified. (3 Rand. Com. Paper, § 1261.)

Thus in the case before us the notary was not legally bound to notify Carr at all. It would have been sufficient had he simply sent the one notice to the First National Bank, which was the last indorser, and the latter would have had until the following business day to notify Carr. As the bank received its notice on Saturday, it would, under this rule, have until the following Monday to send its notice to defendant in error, for in such cases the intervening Sunday is not to be counted. (Bank vs. Chapin, 3 Pick. 180; Agnew vs. Bank, 2 Har. & G. 478; and many cases cited in 7 Cent. Dig. § 1169.)

It is claimed, however, that this doctrine should not be applied to a case like this, where the last indorser had received and indorsed the note simply for collection. It will be remembered that the indorsements themselves were not such as to disclose that the Lincoln bank was an indorsee for collection only. Carr had indorsed the note in blank, and the Lincoln bank had indorsed it merely so that its correspondent might collect, and there was nothing to indicate to the notary but that the Lincoln bank was the holder as well as the last indorser. But aside from this, no authority is cited for the exception contended for by the plaintiff in error in the case of indorsers who hold for collection only.

On the other hand, there is ample support for the proposition that it is sufficient to notify such indorsers in the same way as other last indorsers are notified, and that prior indorsers may be held by virtue of the usual notice from them.

Carmena vs. Bank, 1 La. Ann. 369; Bank vs. Hathaway, 5 Metc. (Mass.) 212; Brown vs. Ferguson, 4 Leigh, 39, 24 Am. Dec. 707; Linn vs. Horton, 17 Wis. 151; 3 Rand. Com. Paper, §§ 1241, 1262; Boyer vs. Richardson, 52 Neb. 156, 71 N. W. 981, cited by defendant in error, in no way conflict with the foregoing. The court there was simply considering the effect of an indorsement for collection on the title to a note, and held that such an indorsee acquired no right of action against a prior indorser.

But it is contended that the "First National Bank has never so notified Carr. * * * They simply attended to the courtesy of seeing that Carr finally got a letter that was sent to them in their care, without even knowing its contents."

If it had developed that the letter which the bank delivered to Carr by its messenger was not in fact a notice of dishonor, and none other had been sent, he, of course, would have been released from liability. In taking the course it did, the bank might have been assuming some risk, though it must be remembered that its agent claimed to have mailed a separate letter to Carr, and testified that it was their custom, out of ample caution, to adopt in such cases both methods of notification.

But since the letter delivered to Carr was complete and sufficient notice of dishonor, we are unable to see how it can profit defendant in error that it was not actually prepared by the clerks or officers of the Lincoln bank. The latter had a right to employ such agencies as it saw fit, both in the preparation and delivery of the notice. Among others, it had a right to adopt and utilize the work of the notary employed by its correspondent bank at Seward. The form of the notice and the time of its delivery are the important elements. Who may have prepared it, provided it was done by authority, we deem unimportant. It seems to us, therefore, that this letter from the notary, received by the Lincoln bank in the due course of mail, and sent by it with a notation of his office address to defendant in error on the next business day, was a sufficient compliance with the rules of the law merchant, as well as with the requirements of our statute.

* * * * * * * * *

Where a note or bill is sent by the holder to an agent in another town for presentment to the maker, the agent is allowed one day to post the notice of dishonor to his principal, and the latter is entitled to an additional day to send notice to the last indorser, and the agent is not required to notify the indorser directly, though this would afford them earlier notice. (Ellis' Adm'r vs. Bank, 7 How. [Miss.] 294, 40 Am. Dec. 63; Lawson vs. Bank, 1 Ohio St.

206; Church vs. Barlow, 9 Pick. 547; Bank vs. Goddard, 5 Mason, 366, Fed. Cas. No. 917; Bank vs. Ayers, 7 N. J. Law, 130, 11 Am. Dec. 535; Rand. Com. Paper, § 1262.)

If, therefore, in the case at bar, the notary had sent the notice of dishonor directly to the plaintiff in error, and she had received it in the due course of mail, and presented her notice to defendant in error by the time the bank's messenger reached him, she would have been within the letter of the *lex mercatori.* Can it make any legal difference that her place in the transaction was taken by her agent, the First National Bank? The Seward notary might well have thought that he was complying with this rule in sending the notice to the Lincoln bank, for the indorsements were such as to indicate that it was the holder.

And as was well stated by Ross, *J.*, in Bank vs. Wood, 51 Vt. 471, 31 Am. Rep. 692, where a notice of dishonor, sent to the wrong address, and thence forwarded, was held sufficient: "All the rules requiring the holder to use diligence to ascertain the residence of the indorser, and to leave notice at his place of business or residence, when they reside in the same town, or to mail notice as soon as the day following the day of the maturity of the note, addressed to him at his place of residence, when they reside in different towns, are made and enforced, that the indorser may be informed that his liability on the note has not been discharged by the party whose duty it was to pay the note at maturity. When, therefore, the indorser in fact receives notice in due season that the note has been duly presented for payment and protested, the purpose of the law has been accomplished, although the holder of the note has not complied with one of the established rules in regard to the use of diligence in giving notice."

It seems to us that in this case both the purpose and the letter of the law have been complied with, and we are forced to the conclusion that the learned trial judge erred in finding for the defendant. We recommend that the judgment be reversed, and remanded for further proceeding according to law.

PROTEST—NOTING—DESTRUCTION OF MEMORANDUM.

Court of Appeals of Kentucky, January 21, 1903.

MORELAND'S ADM'R., *et al.* vs. CITIZENS' SAVINGS BANK.

If the instruments of protest are not written shortly after the demand and protest, the noting of initial protest is necessary as a basis for the same.*

Where a notary indorsed on a bill of exchange the words "Protested for non-payment," and added the day of the month and year, and affixed his official signature; *Held*, a sufficient noting.

After the formal protest has been filled out a destruction of the original memorandum will not invalidate the protest.

This was an action upon bills of exchange, for $5,000, $3,000, and $3,200 respectively, and the persons sought to be held liable were the accommodation drawer and indorser, who claimed that the law was not observed in noting protest, giving notice of protest, and writing the instruments of protest by the notaries public. As to one of the bills the claim was made

* The Negotiable Instruments Law provides, "When a bill has been duly noted, the protest may be subsequently extended as of the date of the noting."

that it was not protested until the day after maturity. I. N. Parish, notary public, protested the bills for $5,000 each on the days of their maturity, and indorsed on them, "Protested for non-payment," and, in addition to that gave the day of the month and year, to which indorsement he affixed his official signature. W. H. Moore was the notary who protested the bill for $3,000 and the one for $3,200. No memorandum noting the protest was left attached to either of the bills by the notary, nor was such indorsement made upon them. Either on the day the bills were protested or on a subsequent day the instruments of protest were written, but the notices of protest were duly mailed to the drawer and indorser of the several bills on the days they were protested.

PAYNTER, *J.* (omitting part of the opinion): The first thing we will consider is whether the noting by Parish was sufficient. The authorities seem to be agreed that the noting or initial protest was unknown to the law as distinguished from the protest, but that it has grown into practice within recent years. It seems to be well established that, if the instruments of protest are not written shortly after the demand and protest, the noting or initial protest is necessary as a basis for the instrument of protest. (2 Dan. Neg. Inst. [4th Ed.] § 939.)

This court in Read vs. Bank, 1 T. B. Mon. 93, 15 Am. Dec. 86, had under consideration the question as to the necessity of noting. The Court said: "The protest was drawn up so soon as the ordinary course of business would permit, or at least in sufficient time to supersede the necessity of noting the bill at the moment."

The court seemed to be of the opinion that, if the instrument of protest was written as soon as the ordinary course of business would permit, or at least in sufficient time to supersede the necessity of noting the bill at the moment, then those sought to be held liable were bound. We are of the opinion that the indorsements which Parish made on the bills were sufficient.

The facts as to the bills protested by Parish differ somewhat from those protested by Moore. We will not go into the discussion of the question of the competency of evidence to prove the course of business of notaries in protesting paper; neither is it necessary for us to determine whether the instruments of protest were written on the day the bills matured, or on a subsequent day; hence the necessity is obviated of determining whether the proof is sufficient to impeach the dates of the instruments of protest, they bearing dates that the bills matured. If the noting of protest was made, the instruments of protest could have been prepared thereafter. Moore testified that when he protested the bills he attached to each of them a memorandum showing the protest, but when the instruments of protest were written he destroyed it, as he had no further use for it.

Counsel for appellee urges that the preservation of these slips was essential to the validity of the protest *in extenso*, as they form a necessary part of the record in establishing the steps that must be taken in order to fix liability upon the drawer and indorser. The object of noting is to have a record from which the instrument of protest can be written, so a notary will not be required to rely upon his memory as to the facts. If the noting was made, the destruction of it, whether it was purposely or accidently done, could not invalidate the instrument of protest which was based upon it. It preserves the right of the notary to prepare that instrument, and, when done, the essential steps have been taken to fix the liability upon the accommodation drawer and indorser.

The bill having been protested for non-payment and notice having been given to the drawer and indorser, the noting having taken place, and the instrument of protest having been executed, the liability of the drawer and indorser was fixed. The destruction of the paper upon which the noting was made could not relieve them of the liability that had attached by the necessary act of the notary.

DELAY IN PRESENTING CHECK—WHEN NOT A DEFENSE.

Supreme Court of Iowa, February 12, 1903.

FITZ vs. KENNEDY.

Delay in presenting a check given for the price of property purchased is no defense in an action to recover the value of such property in the absence of proof of injury caused by the delay.

This was an action to recover the value of a horse.

WEAVER, *J.* (omitting part of the opinion): It is next urged that the check received by plaintiff was not presented for payment in due time, and that the court erred in not so charging the jury. It must be remembered that the plaintiff's claim is based on the allegation that he sold the horse to defendant, and not to Arnheim, and that he received Arnheim's check simply as conditional payment of the purchase price; and this, under the issues and instructions of the court, the jury found to be true.

The defendant's answer is a simple denial. There is no plea that plaintiff, by any delay in presenting the check for payment, has worked any loss or injury to the defendant, nor any claim that an earlier presentation would have resulted in its payment.

It should also be remembered that the action is not brought upon the check, nor is it sought to charge defendant as a drawer or indorser of such instrument. The action, as we have seen, is against the defendant as the purchaser for the contract price. To that charge we have simply a denial—no plea of payment, or counterclaim for damages for failure to present the check in due time.

Upon the only issue presented, the jury has found for the plaintiff; and, upon such finding, we see no reason why he is not entitled to recover. It is said, however, the court should have directed the jury that, unless they found the check was presented for payment within a reasonable time, there could be no recovery.

We think there was no error in this respect. It appears, without dispute, that the check was received late in the afternoon of Friday, and that plaintiff, who lives in the country, brought the check to town on Monday, and put it in course of collection—the bank on which it was drawn being in another county—and that, on being presented, payment was refused for want of funds.

Failure to promptly present a bill of exchange for payment works a discharge of the indorser, without reference to the resulting damage or prejudice, but this rule does not hold good with reference to ordinary bank checks.

If a man buys property and pays for it by a bank check, some prejudice must be shown, before a mere delay in presenting it for payment will operate to discharge the debt. (Stewart vs. Smith, 17 Ohio St. 83; Bradford vs. Fox, 38 N. Y. 289; Burkhalter vs. Bank, 42 N. Y. 538; Parsons' Bills & Notes, 72–74; Henshaw vs. Root, 60 Ind. 220.)

If the bank upon which the check was drawn had closed its doors during the alleged delay, with a balance applicable to the payment of such check due to the drawer, then there would be a presumption of prejudice to him; but if the check is dishonored for want of funds, and there is no pretense that an earlier demand would have been honored, or where the drawer has himself withdrawn the deposit against which the check was made, then there is no such presumption. Men cannot buy property and pay for it in legal presumptions of that kind. (Bell vs. Alexander, 21 Gratt 1; Shaffer vs. Maddox, 9 Neb. 205; Pack vs. Thomas, 51 Am. Dec. 138; Emery vs. Hobson, 63 Me. 32; True vs. Thomas, 16 Me. 36; Daniel on Neg. Inst. Sec. 1589; Fletcher vs. Pierson, 69 Ind. 281, 35 Am. Rep. 214.)

Plaintiff having shown that he did present the check, and that there were no funds on deposit to meet it, we think he made a *prima facie* case, entitling him to recover, in the absence of a plea or proof that any loss or damage had been occasioned by want of an earlier presentation.

KNOWLEDGE OF CASHIER—WHEN NOT IMPUTED TO BANK.

United States Circuit Court of Appeals, Eighth Circuit, November 3, 1902.

BANK OF OVERTON vs. THOMPSON.

The Cashier of a bank sold cattle in which he and complainant were jointly interested, receiving payment in a draft and credit slip payable to the bank. These he deposited to his own credit, and collected and thereafter checked out the entire amount, and converted it to his own use. He transacted the entire business on behalf of both the bank and himself, and no one else connected with the bank had any knowledge of complainant's interest in the cattle or their proceeds. *Held*, that the bank was not chargeable with notice that complainant had any interest in the fund deposited, and occupied no trust relation to him which rendered it accountable for such interest.

One G. S. Hardinger, who was the Cashier of the Bank of Overton, sold certain stock of which he was the joint owner with one Thompson, and received the money therefor, which he deposited in the bank to his individual account, and afterwards withdrew and applied to his own purposes. About the same time he embezzled moneys belonging to the bank, and afterwards ceased to be its Cashier.

Before Sanborn and Thayer, Circuit Judges and Lochren, District Judge.

Lochren, *D. J.* (omiting part of opinion): It is claimed on behalf of the complainant that as Hardinger certainly had full knowledge of complainant's interest in the cattle, and in the money for which Hardinger sold them, and as he was the Cashier of the defendant bank, when, as such, he took into that bank the deposit made there by himself as an individual depositor, his knowledge of all the facts connected with the rights of the complainant to that money is imputable to that bank, under the well-settled general rule that the knowledge of an agent, or notice to an agent, while acting within the scope of his authority, is notice to his principal, because within that scope he is the *alter ego* of the principal, and because the law will presume that the agent performed his duty to disclose to his principal all notice to himself necessary to his principal's protection or guidance. The officer of a corporation, like a Cashier of a bank, is such agent. There are, however, well-settled exceptions to this rule, where notice or knowledge on the part of the agent will not be imputed to the principal, and one of these is "where the agent's relations to the subject-matter, or his previous conduct, render it certain that he will not disclose it." (Mechem, Ag. § 721.) "In such cases the presumption is that the agent will conceal any fact which might be detrimental to his own interests, rather than that he will disclose it." (*Id.* § 723; Koehler vs. Dodge, 31 Neb. 329,336, 47 N. W. 913, 28 Am. St. Rep. 518; Bank vs. Sharpe, 40 Neb. 123, 127, 58 N. W. 734; Benton vs. Bank [Mo.] 26 S. W. 975; Bank vs. Lovitt, 114 Mo. 519, 21 S. W. 825.) In the case last cited it is said:

"An officer of a banking corporation has a perfect right to transact his own business at the bank of which he is an officer, and in such transaction his interest is adverse to the bank, and he represents himself, and not the bank. The law is well settled that, when an officer of a corporation is dealing with it in his individual interest, the corporation is not chargeable with his uncommunicated knowledge of facts derogatory to his title to the property which is the subject of the transaction."

Notwithstanding some dicta and one decision (Bank vs. Blake [C. C.] 60 Fed. 78) to the contrary, it is fairly well settled that knowledge of an agent, actually concealed from his principal, while the agent is dealing with the principal on his own account, is not to be imputed to the principal, even though the agent, assuming to act as such, did whatever was done on the part of the principal in the transaction with himself, if disclosure of the matter concealed would have had a tendency to defeat his purposes. His position would be as antagonistic to his principal, and his motive for concealment as great as, and easier of accomplishment than, if he were dealing with the principal directly, or with another agent. In Innerarity vs. Bank, 139 Mass. 332, 1 N. E. 282, 52 Am. Rep. 710, the court says:

"While the knowledge of an agent is ordinarily to be imputed to the principal, it would appear now to be well established that there is an exception to the construction or imputation of notice from the agent to the principal in case of such conduct by the agent as raises a clear presumption that he would not communicate the fact in controversy, as where the communication of such a fact would necessarily prevent the consummation of a fraudulent scheme which the agent was engaged in perpetrating. (Kennedy vs. Green, 3 Mylne and K. 699; Cave vs. Cave, 15 Ch. Div. 639; *In re* European Bank, 5 Ch. App. 358; *In re* Marseilles Extension Ry. Co. 7 Ch. App. 161; Bank vs. Harris, 118 Mass. 147; Loring vs. Brodie, 134 Mass. 453.) One of the most recent cases on this point is Dillaway vs. Butler, 135 Mass. 479. A, to whom B was indebted, advised C to lend money to B on the security of a mortgage of personal property, and acted as C's agent in completing the transaction. With the money thus obtained, B paid A the debt he owed him. Both A and B acted in fraud of Gen. St. c. 118, §§ 89, 91, but C had no knowledge of the fraud. It was held that the knowledge of A was not, in law, imputable to C, although A had acted for C in the negotiation."

* * * * * * * * * *

In the present case, Hardinger, for his own purposes, and without the knowledge of any one else connected with the defendant bank, deposited the proceeds of the sale of the cattle, as his own money, in defendant bank, and, while the facts remained wholly unknown to any one connected with the bank but himself, by his own act he withdrew the same money from the bank. As depositor, both in making and withdrawing the deposit, his interests were adversary to the bank. If he was engaged in defrauding the complainant, the presumption is that he would not disclose to the bank his fraud, or complainant's interest in the fund, and the evidence of the actual fact corresponds to this presumption. The bank had no knowledge of any interest of complainant in the fund, and was under no obligation to him. The complainant, by authorizing Hardinger to sell the cattle, authorized him to receive the money for them and to care for it. In caring for it, he placed it temporarily in defendant bank, but retained, as he properly might, the control over it, and afterwards resumed, as he had a right to, the possession of it. If it was a trust fund, Hardinger was the complainant's trustee. He might put it in a bank, and remove it at his discretion to another bank, or put it in his pocket.

DRAFTS DRAWN BY AGENT—WANT OF AUTHORITY—DUTY OF BANK.

Supreme Court of Nebraska, January 21, 1903.

BAESCHLIN, *et al.* vs. CHAMBERLAIN BANKING HOUSE.

In case of a draft made through a bank by an agent on a plea by the drawee of bad faith upon the bank's part, and when there is evidence showing knowledge by it of the relations of the drawer and drawee, evidence tending to show a misappropriation of the proceeds of the draft by the agent for the bank's benefit, and with its knowledge, should be admitted.

Where a former agent, without actual authority, and with nothing due him, has drawn on his former principal through a bank instructed by the principal to pay such drafts, it is the bank's duty, as soon as it learns of the agent's lack of authority, to retain any proceeds of the draft which have not been paid out.

In a suit by a bank to recover for the amount paid on such a draft, it can recover only the amount paid before receiving notice of the agent's want of authority. That the remainder had been previously placed to the agent's credit in the bank is not sufficient.

(Syllabus by the Court.)

This was an action on a draft drawn by one House upon the defendants, Baeschlin & Shuman, and alleged by plaintiff to have been cashed for the defendants at their request, and under an agreement that they would honor and pay such drafts by House, who was their agent at Tecumseh, Neb., in the purchase of poultry.

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

LIABILITY OF STOCKHOLDER TO BANK—TRANSFER OF STOCK—WHEN KNOWLEDGE OF OFFICER NOT IMPUTED TO BANK—LIEN UPON STOCK.

Supreme Court of Georgia, Dec. 13, 1902.

PEOPLE'S BANK OF TALBOTTON vs. EXCHANGE BANK OF MACON.

1. A bank, the charter of which provides that the total liability to it of any person "for borrowed money * * * shall at no time exceed one-tenth part of the capital stock of said bank paid in," and also that the stock of any stockholder in such bank "shall be held bound to the bank for any dues or other indebtedness by said stockholder to the bank," and it shall have a lien "upon the same superior to all other liens," has, by virtue of its charter, a lien of the highest dignity upon the stock of a stockholder to an amount not exceeding ten per cent. of the capital stock of the bank actually paid in, notwithstanding it may have violated the terms of its charter by loaning to such stockholder a sum largely in excess of that which it was thereby authorized to permit him to borrow.

2. Where the charter of the bank further provides that no assignment of stock shall be valid, as against it, unless a formal transfer of the same be made on its books, it is the right of the bank to treat a stockholder as the true owner of stock issued to him, and to deal with him accordingly, until it receives notice that the stockholder has assigned his stock to a third person; *aliter*, after notice is brought home to the bank, even though there has been no attempt on his part to secure a formal transfer of the stock upon its books.
3. A corporation is not to be charged with notice of facts of which its president acquires knowledge while dealing in his private capacity and in his own behalf with third persons; nor is knowledge on his part thus acquired imputable to the corporation when, acting through another official, it deals with him at arm's length, as with any other individual representing himself alone.
4. While a bank which has violated its charter by allowing a stockholder to borrow a sum of money larger than that which it was authorized to loan him cannot, as against an assignee of such stockholder, assert a lien for a greater amount than that provided for in its charter, yet it is not the right of the assignee, if unwilling to himself pay the amount necessary to discharge the lien, to demand a transfer of the stock on the books of the bank until his assignor has fully paid all of his indebtedness to the bank which was contracted prior to the date it received notice that he had assigned his stock. (*a*) In an accounting to determine whether such indebtedness has been fully paid off, the sole inquiry should be whether or not the bank has applied payments make by the assignor as he directed, or, in the absence of any direction on his part, in the manner prescribed by law. (*b*) The assignee has no right to insist that payments shall be applied otherwise than as the assignor directed, or that a credit voluntarily given to him by the bank, to which he was not entitled, shall go to the extinguishment of a debt arising before it received notice that he had assigned his stock, rather than to the discharge of an indebtedness thereafter contracted by him.

(Syllabus by the Court.)

This action was brought to compel the People's Bank of Talbotton to transfer on its books certain shares of its stock, owned by one Estes, who had pledged the same with the Exchange Bank of Macon as collateral security. The People's Bank defended on the ground that Estes was indebted to it in a large sum, and that by its charter it had a lien upon his stock for such indebtedness. The points decided are stated in the official syllabus given above.

CONDENSED LEGAL DECISIONS OF INTEREST TO BANKS.

ACTS OF CASHIER—DEPOSITS IN OTHER BANKS—MISAPPROPRIATION—CASHIER'S AUTHORITY—REPUDIATION—ESTOPPEL—ACTIONS—INSTRUCTION.

Where the Cashier of plaintiff bank had directed defendant bank to apply plaintiff's deposit to the payment of a loan to the Cashier, and there was no evidence of any understanding between the Cashier and any of the defendant's officers when the deposit was made that it should be so applied, an instruction, in an action to recover the deposit, that if plaintiff's deposit account with defendant was begun and agreed to be made on the part of the Cashier, and was accepted on the part of defendant's officers, with the intention or understanding on the part of the Cashier and any one of defendant's officers that the deposit should be used to satisfy the loan made or to be made by defendant to Cashier, then the jury should find for plaintiff, was properly refused.

Where there was no proof that defendant bank had any knowledge of the want of authority of plaintiff's Cashier to direct the application of plaintiff's deposit with defendant to the Cashier's own indebtedness to defendant, and there was positive evidence that defendant's officers knew nothing of the Cashier's misappropriation of the money, and defendant claimed that plaintiff was estopped to recover the money so applied, it was not error for the court to fail to condition such estoppel on the fact of defendant's ignorance as to the Cashier's authority.

Plaintiff's Cashier, who was insolvent, instructed defendant bank to apply plaintiff's deposit in payment of his individual notes, which was done; and at the end of the month defendant sent plaintiff a statement showing the payment. It was the duty of plaintiff's bookkeeper and teller to examine such statements, and the bookkeeper and at least one director examined the statement; and the director questioned the Cashier in regard to the items, and testified that he was not satisfied with the answers given. The Cashier remained with plaintiff at least six months thereafter, and several months later became a fugitive from justice, subsequent to which, plaintiff sued defendant to recover the money misapplied. *Held*, that it was the duty of plaintiffs officers to examine defendant's statement, and to have notified defendant of any want of authority of the Cashier within reasonable time, and that plaintiff, by its failure so to do, was precluded from recovering the money.

Iron City Nat. Bank of Llano vs. Fifth Nat. Bank of San Antonio, 71 S. W. Rep. (Tex.) 612.

COLLECTIONS—DEBTOR AND CREDITOR—APPEAL—RECORD—CONCLUSION OF FACT.

Plaintiff drew a draft on its debtor, and sent it to defendant's assignor, a banker, for collection. The drawee paid it with a check on the bank of such banker, where the drawer had sufficient funds to meet it, and the amount was charged to the account of such drawer, and a draft issued on another bank, and mailed to plaintiff. Before such draft reached plaintiff, the banker assigned to defendant, and the bank on which the draft was drawn refused to pay it. When the bank failed money more than sufficient to pay such draft passed to the assignee. There was no evidence of course of dealing between plaintiff and defendant's assignor, or of any instructions given by plaintiff. *Held*, that the relation between plaintiff and defendant's assignor was merely that of debtor and creditor, and plaintiff had no claim to the money received by defendant as assignee of a trust fund.

Peters Shoe Co. vs. Murray, 71 S. W. Rep. (Tex.) 977.

PROMISSORY NOTES—CONSIDERATION—CONTEMPORANEOUS PAROL AGREEMENT.

Code, Art. 13, § 75, relative to negotiable instruments, provides that in order to constitute notice of an infirmity in an instrument, or defect in the title of the person negotiating the same, the person to whom it is negotiated must have had knowledge of the defect. *Held*, that in an action on a note by an indorsee thereon, a plea interposed by the maker that the notes were procured by the fraud of the payee, and delivered to the plaintiff in breach of faith, was insufficient, for failing to charge that plaintiff took the notes with the knowledge of fraud or breach of faith.

Recovery by an indorsee of a note, as against the maker, could not be defeated by showing an agreement between the original parties that the same was not to be negotiated, whether the agreement was written or oral.

One to whom notes are delivered by the payee as collateral is presumed to be a holder for value.

Under the express provisions of Code, Art. 13, § 48, the maker of an accommodation note is liable to a *bona fide* holder, notwithstanding such holder at the time of taking the instrument knew him to be only an accommodation party.

Breach of an agreement which forms the consideration of a note is no defense against an indorsee who took the note for value before maturity, though he had knowledge of the contract, unless he was also informed of the breach.

Notes indorsed by the secretary and treasurer of a corporation were properly received in evidence as indorsed by the corporation, where it was shown that the corporation was accustomed to receive notes, checks, and drafts which were habitually indorsed by the secretary and treasurer under the same circumstances and in the manner that the notes in question were indorsed.

Notice to a director of a banking corporation privately, or acquired by him generally through channels open to all persons, and which he does not communicate to his associates in the management of the corporation, is not binding on the same.

Where in an action on notes, it appeared that they had been pledged by the payee, and indorsed to the plaintiff by the pledgee, and the defendant, on direct examination of plaintiff's Cashier, had inquired into the circumstances under which plaintiff took the notes sued on, it was proper, on cross-examination, to permit plaintiff to show witness the note for which the notes sued on were pledged as security, and to admit the same in evidence.

On an issue whether a certain note had been discounted by a bank, it was error to admit a letter which accompanied the note when it was sent to the bank, and which tended to show that it had been discounted; the effect of such a letter being to admit the unsworn statement of a third party.

Such error was harmless; the party claiming that the note was not discounted not having objected to the subsequent admission of another letter in answer to the former, which tended to show that the note had been discounted.

In an action on notes which had been pledged to secure certain other notes, and indorsed by the pledgee to plaintiff, it was proper to admit in rebuttal evidence as to what had been paid on the principal note.

The issue being whether the note sued on by plaintiff bank had been sold to plaintiff, by another bank, or merely discounted, the passbooks of the maker with the first bank were properly admitted in evidence.

It was error to allow an employee of the first bank, who had not made any entries in the passbook, to state that he understood that the entries therein showed a discount; the inference to be drawn from the entries being for the jury.

In an action by a banking corporation on a note, against the maker, it is no defense that the bank had no authority to purchase the note.

Black vs. First National Bank of Westminster, 54 At. Rep. (Md.) 88.

RAISED DRAFT—CERTIFICATION—PAYMENT—LIABILITIES—INSTRUCTIONS.

A bank negligently certified a raised draft, which was thereupon deposited with another bank, which, relying on the negligent acts of the former bank in certifying, accepting, and paying the draft, parted with the moneys on the demand of its depositor. *Held*, that the first bank could not thereafter recover the amount back as moneys paid by mistake.

Where a bank negligently certified a raised draft, and paid the amount of it to a bank with which the draft had been deposited, and which, with reliance on the acceptance, payment, and retention of the instrument by such bank, paid the depositor, its liability rests on the estoppel arising from its subsequent acts, and from its negligence until it was too late to protect the bank with which the draft was deposited or itself from loss, and not on the mere certification.

Whether a bank which paid a depositor on the faith of a raised draft which had been certified by another bank and sent to the clearing-house acted in good faith in paying such draft to its depositor, is a question for the jury, to be determined on the rules of the clearing-house and the evidence.

Continental Nat. Bank of New York vs. Tradesmen's Nat. Bank of New York, 65 N. E. Rep. (N. Y.) 1108.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

DEBTOR AND CREDITOR—PREFERENCE—COLLUSION—PRESSURE—THE BANK ACT—COMPANY LAW—MORTGAGE BY DIRECTORS—RATIFICATION—B. C. COMPANIES ACTS.

ADAMS & BURNS vs. THE BANK OF MONTREAL (32 Supreme Court Rep., p. 719).

STATEMENT OF FACTS: The action was to set aside a mortgage by the Kootenay Brewing, Malting and Distilling Company to the bank, and assignment of book debts by the company to the bank, and a judgment recovered by the bank against the company, on the grounds that (1) The mortgage was voluntary, fraudulent and void under the statute of Elizabeth; (2) that it was void as a fraudulent preference; (3) that it had not been executed in accordance with the provisions of the Companies Act; (4) that the assignment of debts was void for the same reasons, and also as being in contravention of the Bank Act; (5) that the judgment was voluntary, fraudulent and void under the statute of Elizabeth; and it was contended that the moneys received by the bank on sale of the assets and collections of the book debts were exigible under the executions of the plaintiffs. An order was claimed against the bank for the payment of the amount to be levied under the executions.

JUDGMENT: The courts below held that as there was good consideration for the mortgage, and as it was given under pressure, that it should not be set aside, although it comprised the whole of the debtor's property and was given at a time that the mortgagor was in insolvent circumstances to the knowledge of the mortgagee and the mortgage had the effect of depriving other creditors of their remedy. It was also held that the mortgage, which had been made by the directors without proper authority, had been legally ratified by a subsequent resolution of the shareholders of the company. The plaintiffs appealed. After hearing counsel for the parties the court reserved judgment and on a subsequent day dismissed the appeal with costs.

TRESPASS—CUTTING AND REMOVING TIMBER—MEASURE OF DAMAGES—WRONGFUL AND WILFUL ACTS.

UNION BANK OF CANADA vs. RIDEAU LUMBER COMPANY (4 Ontario Law Reports, p. 721).

STATEMENT OF FACTS: This was an action brought by the plaintiffs for an injunction and damages against the defendants. The plaintiffs held the licenses of certain timber limits as security of the indebtedness of a firm—Messrs. McCrae Bros. & Company. The defendants, after express notice given to them by the plaintiffs, had entered upon the premises covered by the licenses, and had cut and removed considerable quantities of timber. Judgment was given in favor of the plaintiffs for an injunction with reference to damages which had been assessed on the principle applicable to the case of an innocent trespass. On appeal it had been directed that the plaintiffs were entitled to damages on the more severe principle applicable where the trespass was a wilful and wanton one. Upon this appeal judgment was taken to the Court of Appeal.

JUDGMENT: The judgment was delivered by GARROW, *J. A.*

The defendants have been guilty of a wilful and wanton trespass, inasmuch that the action complained of was committed after actual notice given on the ground to the defendant's manager and jobbers that they were trespassing. Measure of damages, therefore, must be according to the more severe principle, and the proper rules to apply in ascertaining the damages in the present case are:

(1) The value of the timber after it was severed and manufactured, as far as it was manufactured, while on the timber limits of the plaintiffs, immediately before the defendants removed it. Such value may be conveniently ascertained by taking into account the amount for which the defendants afterwards sold the articles, less the cost of carriage, and excluding the cost of severing and manufacturing.

(2) Such sum (if any) as represents the extent to which the timber limits themselves may have been injured for the purpose of working or selling them, by reason of their having been partially denuded by the acts of the defendants, because it may well be that, over and above the value of the timber taken, a serious injury may have been done to the value of the timber left, and, in order that the plaintiffs may be fully compensated, this should be taken into account.

(3) Such further and other damages as the plaintiffs may show, or have shown in case no further evidence is offered, resulted to the timber limits in question by the acts of the defendants; such, for instance, and by way of illustration, as wasteful methods in cutting, manufacturing, and otherwise using or destroying, not merely the trees taken, but those left, if those left were cut down or injured; also damages, if any, for using the surface to pass and repass, and for cutting and making roads, etc., all of which were of course wrongful and included in the trespasses complained of, and are not necessarily included in the value of the articles themselves, the chief element in determining the plaintiff's compensation.

PROMISSORY NOTE—DURESS—VERDICT OF JURY.

WESTERN BANK OF CANADA vs. WILLIAM McGILL (32 Supreme Court Reports, p. 581).

STATEMENT OF FACTS : This was an action brought by the plaintiffs against the defendant, William McGill, for the amount of three notes totaling $20,400. McGill had been the manager of plaintiff's branch at Port Perry where heavy losses had been met with under the circumstances set out in the judgment of Mr. Justice Mills. The General Manager of the bank, apparently in orer to protect himself with his directors, had by threats of dismissal and criminal proceedings, induced McGill to sign the three notes sued upon, and to procure responsible endorsers therefor. Subsequently McGill refused to pay the notes on the ground that there was no valuable consideration for them, and that he had been induced to sign the notes under duress.

JUDGMENT: The judgment of the court, delivered by Mr. Justice MILLS, was as follows:

In this case Mr. McGill had been local manager of the Western Bank in Port Perry, for a period of several years. His difficulties began very shortly after his appointment. After he had entered upon his duties, application was made by Paxton, Tait & Co. for credit at the bank. They had been previously customers of the Bank of Ontario, and were, at the time they made the application to the Western Bank, indebted to the Bank of Ontario for the sum of $20,000. McGill informed McMillan, who was the General Manager of the Western Bank, that he did not think that Paxton, Tait & Co., were likely to prove desirable customers on account of their seriously embarrassed circumstances. But Mr. McMillan, who knew the circumstances of Paxton, Tait & Co., nevertheless instructed McGill to give them credit to the extent of $5,000, and if their account proved satisfactory it might be increased to $10,000. McMillan received a fortnightly report of the business done at this branch, so that he knew exactly what the state of the various accounts were, as well as the financial standing of the parties. There were no specific instructions written by him to McGill, forbidding further advances or further accommodation of this company. High rates of interest were charged by the bank on these unsatisfied accounts, and the indebtedness grew very rapidly, not because of further advances having been made to them, but by reason of the high rate of interest charged. McMillan seems to have been a man violent in his language and imperious in his disposition, and he constantly addressed Mr. McGill as though he were in some way a very serious offender against the bank. His communications to McGill were based on this assumption, and so he succeeded in making McGill assume the responsibility of the indebtedness of Paxton, Tait & Co. and of Laing & Meharry, although McGill had no responsibility for these accounts, nor had he in any way profited by the advances which the bank made to the parties.

McGill swears that McMillan had instructed him to credit Paxton, Tait & Co. with advances to the amount of $15,000 or $20,000 when he well knew what the financial standing and circumstances of this company were. McGill testified that in April, 1888, this company was largely indebted to the Bank of Ontario, and he did not know how their indebtedness of $20,000 to that bank could be satisfied out of the advances amounting to $5,000 or $10,000 made by the Western Bank. McMillan terrorized McGill into giving his own note for $9,200 for the indebtedness of Paxton, Tait & Co. with good endorsers, to whom he was instructed by McMillan to represent the note as a private loan for a private venture of his own, and upon this representation, he succeeded in getting Curts, Carnegie & Ross, to become his indorsers. In December, 1893, he was intimidated into giving the bank another note for $4,000, for a debt of Laing & Meharry who were customers of the bank, and in 1897 he became liable for $7,200 more. In none of these transactions had he any interest whatever; so that McMillan had intimidated him into making himself liable to the bank for upwards of $21,000. In fact, this seems to have been done by McMillan solely for the purpose of escaping any criticism by the directors in reference to these accounts.

Mr. McGill was an officer of the bank at a salary which, for some time, was about $800 a year, and which at no time ever exceeded $1,000 a year, and it was a most unusual proceeding that he should have been pressed by a superior officer into making himself a surety for customers to whom large advances had been made. He was dependent for his continuance in the service in the bank upon Mr. McMillan, and it would seem that this officer did not hesitate to use his power over McGill to force him to become surety for the accounts of customers of questionable financial soundness. McGill's testimony was that he had been charged by McMillan with having grossly violated his duties, that he was accused of having made himself criminally liable by what he had done. His own testimony was that he had discharged his duties to the best of his ability, and that he was not aware of any failure of duty on his part, as an officer of the bank, but he had no experience in the business of banking, and he seemed not to have been well informed in respect to what he might or might not do in the discharge of his duty as local manager. He was quite ignorant as to whether he had incurred legal liabilities as manager of this branch, and so he was frightened by his superior officer into assuming large responsibilities by reason of the threat and intimidation to which he was subjected.

The jury heard the statements made by Mr. McGill and by Mr. McMillan, and they credited Mr. McGill's testimony and disbelieved the testimony of Mr. McMillan. The evidence leaves upon my mind the impression that they were not wrong in their verdict, and if so, Mr. McGill was not liable, because this was a promise without any consideration, not freely and voluntarily made, to answer for the debts of others.

I concur in the conclusion reached by a majority of the Court of Appeal. The case was fairly submitted to the jury, and in my opinion the verdict ought to stand. It is one to which reasonable men might come. The jury found that the liability of Mr. McGill was not based upon his free and voluntary action, but was procured through fear and undue influence of McMillan. The majority of the Court of Appeal thought the verdict right, and I do not dissent from their conclusion. I think the appeal should be dismissed.

LOST BILL OF EXCHANGE—SECURITY TO BE OFFERED BY THE PLAINTIFF SUING ON A LOST BILL.

PILLOW & HERSEY COMPANY vs. LESPERANCE (Quebec Reports, 22 Superior Court, p. 213).

The payee of a lost bill cannot demand payment of it upon offering simply to reimburse the maker of the bill if the bill is found, but must offer him security against any claim or demand in respect of the lost bill.

This rule applies as well to the case of a bill which is non-negotiable and probably destroyed as to the case of a negotiable bill simply lost.

STATEMENT OF FACTS: The plaintiff sued the defendant in this action upon a lost bill, alleging that it was payable to its order, that it had never been negotiated nor endorsed by it, and that it had been lost and destroyed in the fire which consumed the Board of Trade building in Montreal.

After the fire, and before the maturity of the lost bill, the plaintiff demanded from the defendant a new bill, offering its personal guarantee that he would never be called on with respect to the lost bill. After the maturity of the lost bill, the plaintiff demanded from defendant payment, at the same time offering him the same personal guarantee. The defendant refused to make payment, and set up that he had never been made acquainted by affidavit or otherwise that the bill had been lost in the Board of Trade fire, that he had always been ready to pay upon the return of the bill to him, and that after its maturity he would have paid if the security offered by the plaintiff had been sufficient.

At the trial the court held for the defendant with costs, but directed the amount of the bill should be paid upon the plaintiff furnishing a sufficient bond of indemnity. From this judgment an appeal was taken to the Superior Court, whose judgment was given by LANGELIER, *J.*

JUDGMENT: There is no difficulty upon the facts of this case. The circumstance with respect to the lost bill were made known for the first time at the preliminary inquiry; even then there was only the affirmation of the officers of the plaintiff company to establish them. Is the defendant obliged to accept their mere statement and to make payment in consequence? Evidently not. He was perfectly justified in refusing to give another bill before the maturity of the first, and in refusing to pay the first so long as it was not presented to him, and there was not given to him a proper bond of indemnity against any loss by reason of the lost bill.

The plaintiff has cited some authorities to the effect that the holder of a lost bill is not obliged to give a bond of indemnity before obtaining another or in order to obtain payment where the bill claimed upon was non-negotiable or had been destroyed. But these authorities cannot hold in the face of our act respecting bills of exchange. This act, sections 68–69, says expressly that the holder of the lost bill ought in all cases to give a bond of indemnity to the maker if he wishes to obtain from him another bill or to obtain payment of the one which was lost. It makes no distinction between a case where it is lost, because it simply cannot be found, and where it is actually destroyed. Where the statute makes no distinction, the court ought not to distinguish. The plaintiff company has admitted impliedly in offering its personal guarantee that it ought to indemnify the maker, but that offer is not what is required by the law, which requires a bond of indemnity. The plaintiff has offered only its guarantee which gives absolutely no additional security to the defendant. If the plaintiff had not given such guarantee, and the defendant after having paid the lost bill was sued in respect of it, it is evident he would have had recourse against the plaintiff.

The judgment of the trial court is sustained and the appeal dismissed with costs. This is the unanimous decision of the court.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

VALIDITY OF CITY BONDS TO DEFRAY EXPENSE OF REMOVING COUNTY SEAT.

Editor Bankers' Magazine: LA PORTE, Ind., March 9, 1903.

SIR: A relative of mine bought some bonds of an Indiana city, which were issued for the purpose of aiding in defraying the expenses, such as litigation and the purchase of lots, incident to the removal of the county seat to that city. This issue was authorized by the Legislature but some question has arisen relative to the power of the Legislature to authorize the issue of bonds. Is the act valid? S. G. S.

Answer.—While the general statutes of your State authorizing cities to aid public improvements or public works could scarcely be extended so as to empower the issue of bonds to defray the expenses of securing the location of the seat of justice therein, and of erecting the necessary buildings, nevertheless, it would seem proper for the Legislature to authorize the city to do this so long as the constitution was not transgressed, and we do not believe it was in the incident which you mention.

CONSIDERATION FOR A GUARANTY.

Editor Bankers' Magazine: OMAHA, Nebraska, March 10, 1903.

SIR: I am interested in a wholesale store here, and one of our customers living in the western part of the State has been owing us a balance for some time. The note evidencing it had been renewed by taking up the old and giving new notes from time to time, and finally our traveling man insisted upon some security. This was forthcoming in the form of a guaranty of the last note by a friend of the debtor, and I am anxious to know whether or not the guaranty is of any value, nothing having been paid the guarantor and our salesman having knowledge of the facts? T. G. N.

Answer.—It is true that a guaranty must be upon some consideration, but although you do not say it, we infer that some extension of time in which to pay the debt was given the obligor at the time the guaranty was entered into. If this be true such extension and the relinquishment by your house of the right to immediately proceed to secure the collection of the debt would be sufficient consideration for the guaranty.

DUTY OF BANK AS TO PRESENTING CHECK.

Editor Bankers' Magazine: MONTGOMERY, Ala., March 25, 1903.

SIR: A bank at Louisville drew a draft on one of our citizens through us. We undertook to collect it and received in payment a check upon another bank here, which we presented the next day but one after receiving it, and it was dishonored. We then undertook to again collect the draft from the drawee, but found that he had failed. To what extent are we liable under the circumstances? E. N. B.

Answer.—The duty of the bank, under the circumstances which you have stated, as to the drawer of the check, is governed by the principle of commercial law, but relative to the owner of the draft is governed by the law applicable, so if you were negligent in presenting the check, and because of that negligence the drawer of the draft lost his debt, then you would be liable to him for the full extent of the loss, but if you were not negligent then you are not liable. The circumstances which you have stated are a little too meagre to warrant our furnishing a definite opinion as to whether or not you were negligent.

SUFFICIENCY OF NOTICE TO DISCHARGE MORTGAGE.

Editor Banker's Magazine: MOBILE, Ala., March 23, 1903.

SIR: We had a mortgage on a piece of Georgia land which matured, and the amount was paid to our teller over the counter of the bank, but was not placed to the credit of the mortgagor nor was the mortgage discharged. A short time afterwards, the mortgagor claims that he wrote to the bank, requesting in the following language, "I want you to take my note off the record." We do not know whether the letter was ever received by the bank, but if it was, it was probably opened and destroyed by the teller to whom the money was paid. This teller absconded taking with him the money received from this mortgagor as well as that received from others. The mortgagor has become very angry over our neglect to discharge his mortgage, and now threatens suit to recover the penalty for failing to discharge a mortgage. We wish to know whether he can recover anything? G. D. C.

Answer.—We do not believe his request "I want you to take my note off the record," is such a request to discharge a mortgage as your statute requires shall precede a suit for the penalty for failing to discharge.

SUFFICIENCY OF CHANGE OF OCCUPATION TO OBVIATE THE NECESSITY FOR FILING A CHATTEL MORTGAGE.

Editor Bankers' Magazine: OSWEGO, N. Y., March 28, 1903.

SIR: We have taken a chattel mortgage made to one of our customers as collateral to a loan to him. It has subsequently turned out that this mortgage was not filed, but our customer claims that he took possession of the property and still has possession of it. The facts are that the mortgage is on the furniture in the boarding house and that our assignor was one of the boarders. The claim is that the mortgagor gave the keys of the house to the mortgagee stating that all the furniture was his and that he was in possession. The mortgagee remained as before permitting the mortgagor to live in the house, use the furniture, and continue to keep boarders as he previously had done. Is this enough to obviate the necessity for filing, or must the mortgage be filed? E. B. D.

Answer.—We think the mortgage should be filed. Your law provides that there must be an actual or continued change of occupation where the mortgage has not been filed. This requirement we do not believe is met by the facts which you detail.

CONSIDERATION FOR ENDORSEMENT.

Editor Bankers' Magazine: UTICA, N. Y., March 3, 1903.

SIR: Several months ago we entrusted some bonds to one of our clerks to be taken to a prospective customer. Instead of taking them there he sold them. Adjusting the matter, his father gave us his note, payable in three months, and at the maturity of the note endorsed to us a note which had been made to him, we relinquishing the right to proceed against the son for his wrongful act. The father now claims that there was no consideration for this endorsement and the payee of the note having failed to take it up at maturity, we are seeking to recover from him. Do we stand to lose our money? L. J. C.

Answer.—The contract of endorsement is upon sufficient consideration and we believe the endorser liable, exactly as any other endorser would be.

RIGHT TO RECOVER ON NOTE GIVEN BANK FOR ITS ACCOMMODATION.

Editor Bankers' Magazine: PITTSBURG, Pa., March 25, 1903.

SIR: A bank in which a friend of mine is employed, being slightly embarrassed, prevailed upon one of its customers to loan him his credit by giving him his note drawn to it. It was given, however, solely for the accommodation of the bank and under the agreement that it was not to be used by the bank unless it became absolutely necessary. The question has now arisen between us, there having been no suit or any controversy about the matter, whether or not the bank can hold the maker liable upon this note? F. E. P.

Answer.—No. There was no consideration for the contract, and under the circumstances stated by you, no equities which would change the legal rule.

JOINT NOTE—LIABILITY OF INDIVIDUALS.

Editor Bankers' Magazine: REPUBLIC, Wash., March 4, 1903.

SIR: A & B decided to open a store in this place under the style of A & Co., each putting an equal sum into the business. A conducts the business here; B conducts a business under his own name in Minnesota. A note is given to the bank, viz.: "Thirty days after date, for value received, we jointly and severally promise to pay to the order of A & Co. —— dollars at C Bank. (Signed.) L. M. A., J. N. B."

A & Co. made an assignment before the note became due, and a few days later B assigned. After the estate of A & Co. is wound up and there still remains a balance unpaid on the note (a) can C Bank proceed against the individuals for the balance; (b) can the bank take out a judgment against the individuals and rank on the estate of A & Co. at the same time?

HANS NIX.

Answer.—There appears to be no reason why the bank might not take a judgment against both A and B for the balance still due on the note. But as the note was given for a partnership debt, the judgment cannot be satisfied out of their *individual* property, until their individual creditors have first been paid; for the rule is that individual creditors have the prior claim upon the individual assets. (Murrill vs. Neal, 8 Howard [U. S. Sup. Ct.] 414; Blair vs. Harrison, 57 Fed. Rep. 257; Richmond vs. Voorhees, 10 Wash. 316.)

CHECK PAYABLE TO ORDER—LIABILITY OF DRAWEE BANK FOR GENUINENESS OF SIGNATURE.

Editor Bankers' Magazine: PEORIA, Ill., March 5, 1903.

SIR: Is drawee bank liable to the drawer for the genuineness of the endorsement of payee in the case of a check made payable to order?

If you answer in the affirmative, will you kindly give cases, preferably Illinois cases.

WILLIAM HAZZARD, *Asst. Cashier.*

Answer.—Where a check is drawn payable to order, the drawee bank is bound to ascertain the genuineness of the payee's indorsement, and if it pays upon a forged indorsement, it cannot discharge itself in account with the customer, for the only authority which the customer has conferred upon it is to pay on the order of the person he has named. (Robarts vs. Tucker, 16 Q. B. 509; Shipman vs. Bank of State of New York, 126 N. Y. 318.) In the case last cited the Court said: "It was the defendant's business to see to it that its depositor's moneys were expended according to his directions, and every expenditure was at the defendant's risk if the direction being valid, and if the indorsement conveying title to the holder being genuine."

But while the drawee bank may not charge the check to the account of the drawer, it may recover the money from the person or bank receiving the same, as money paid under a mistake of fact. (Canal Bank vs. Bank of Albany, 1 Hill [N. Y.] 287; Third Nat. Bank vs. Allen, 39 Mo. 310; Rouvant vs. San Antonio Nat. Bank, 63 Tex. 610.)

RIGHT TO TAKE ADVANTAGE OF PROVISION IN MORTGAGE AS TO TIME FOR FORECLOSURE.

Editor Bankers' Magazine: PORTLAND, Me., March 21, 1903.

SIR: A provision in a trust mortgage, in which we are interested, is that foreclosure shall not be begun until six months after the mortgagor is in default. The mortgagor has made an assignment for creditors and we fear that the insolvency trustee may take advantage of this provision to prevent the mortgage trustee from getting possession of this property. Is there any danger of this? S. D. B.

Answer.—No. That provision is held by the courts to be purely for the benefit of the mortgagor and not one of which the mortgagor's creditors or trustee in insolvency can take advantage.

COMMERCIAL PAPER AS AN ARTICLE OF PURCHASE AND SALE AND AS A BANK INVESTMENT.

[Address delivered before the Philadelphia Chapter American Institute of Bank Clerks, by GEORGE E. BARTOL, President of the Philadelphia Bourse.]

During the Middle Ages it gradually became evident to the trading classes that the written promises to pay in the then customary form were inadequate and unsatisfactory for the growing needs of commerce; established customs permitted counterclaims of debtors to be recognized and charged against the evidences of debt no matter by whom held. This practice destroyed the utility of the promissory note of the period, as naturally no third person would accept an obligation having no known or certain value. To overcome this difficulty the Lombards and the Venetians, who were the great merchants and bankers of the period, adopted a custom during the eleventh century, which became known as the "Custom of Merchants," and which in a short time became or had the force of law. Under this custom, notes, checks, drafts and bills of exchange, drawn in certain prescribed forms and in the hands of a *bona fide* purchaser, could be enforced against the maker to the full extent, regardless of any defenses or set-offs which the maker might have against the original holder; instruments having this quality are "negotiable instruments" in contra distinction to "non-negotiable instruments," the maker of which may set off against the instrument, no matter by whom held, any claims the maker may have against the original owner which he could have set off if it had not been assigned.

The subject of commercial paper, if viewed from all points, is a very broad one, and it is my intention to confine myself this evening to one branch only, viz.: that class of domestic commercial paper which is bought and sold by dealers and offered to banks as an investment; such paper as is issued by business houses in the ordinary course of business for money or merchandise and which passes by delivery, when properly endorsed.

This eliminates from our consideration all bank notes, certificates of deposit, checks, letters of credit, and bills of exchange on foreign countries, also all forms of obligations "not negotiable" in the ordinary sense of that term, and brings us down to practically two forms of commercial paper, viz.: promissory notes and domestic bills of exchange or drafts, after their acceptance by the drawer, when they are usually described as acceptances.

It is proper to mention here that I am indebted to several authorities for many of the points I shall lay before you and particularly to that excellent hand-book published by Mr. J. S. McMaster, examiner for the New York State Banking Department, who, under the titles of "McMaster's Commercial Paper" and "McMaster's Irregular Commercial Paper," has placed before us in convenient form many essential features of the subject. I am also indebted to the records of the Bradstreet Company for some of the statistics I shall later refer to. Naturally, a subject of this kind does not admit of much originality of treatment except in the method of presenting the facts.

We will now take up in some detail the two forms of commercial paper I have particularly referred to, viewed from the standpoint of a dealer who buys and sells them and the bank which buys them for investment, and in order that we may treat the subject methodically I have divided it into the following general headings:

1. Requisites for negotiability, including regularity of issue.
2. Irregularities.
3. Proper bases for issue.
4. Matters affecting value irrespective of negotiability and regularity.
5. Causes of loss—business failures.
6. Desirability for banks as a quick asset. Commercial paper versus bonds.
7. Collateral loans.

I.—Requisites for Negotiability, Including Regularity of Issue.

The primary requisite of commercial paper is that it must be negotiable, that is, drawn in such form that in the hands of a *bona fide* holder, other than the original owner, it can be enforced for its full amount against the maker regardless of any set-offs or defenses that the maker may have against the original owner. There is no obligatory, prescribed form for the two types I am discussing, but there are certain well-known, orderly forms which are usually followed and with which you are all doubtless very familiar. There are, however, certain prerequisites without which they are non-negotiable instruments, and you will please bear in mind that I am referring particularly and always to paper that a dealer would buy for resale.

1. They must be in writing. The body of the instrument can be type-written or printed, but the signatures must be written in ink. The title of a corporation may be stamped, the signature of the officer or officers executing it must be written, although a stamped signature such as a bank's may bind the signer.

2. The promise or order to pay must be unconditional and not contingent or qualified in any way.

3. They must be payable in money and the sum must be clearly and definitely determinable. The amount to be paid must be stated in dollars.

4. They must be payable on demand, or at a fixed time, or at a determinable future time, or at a time certain to occur.

5. They must be drawn payable "to order," and the payee or payees must be named with such certainty as to be capable of identification. When endorsed by the payee or payees without restriction or qualification they become payable to bearer.

There are other requirements which are of primary importance to the dealer and for which he is held liable, to wit:

(*a*) The authenticity of the paper; that is, the genuineness of the signatures and the power of the signers to execute a legal obligation.

(*b*) The proper application of the money paid for the paper, as if through error or misplaced confidence payment should be made by the dealer to the wrong person, so that in fact the proceeds do not reach the obligors such fact can be set up in defence and be an effectual set-off to the original holder's claim.

You will note from the foregoing that the prerequisites I have referred to are matters of form which are important, but do not necessarily impair the ultimate value of the paper. Errors of form should be carefully guarded against by the dealer, as, while they may not result in loss, they impair negotiability and make the paper unsalable. Such errors in form are readily discoverable, and if through carelessness they pass the scrutiny of the dealer they are sure to be discovered by the bank and the paper promptly returned.

The requirements which I have referred to as of primary importance to the dealer are of vital consequence. For the first, authenticity or genuineness, the dealer is held liable by the law to his vendee. A bank, therefore, purchasing paper from a dealer of good standing and means, holds his guarantee of its genuineness and authenticity, a guarantee having substantial value. For the second, if the obligors can establish and maintain a claim that value was not received for the obligation, the dealer must stand liable to his vendee and make good his losses, himself taking up the paper and disputed claim against the obligors, as a dealer in selling paper gives by custom to the vendee his warrantee that he, the dealer, is a holder in due course.

A holder in due course, as defined by the Negotiable Instruments Law is one who has taken a negotiable instrument under the following conditions:

1. That it is complete and regular upon its face.
2. That he became the holder before it was overdue, and without notice that it had been previously dishonored, if such was the fact.
3. That he took it in good faith and for value.
4. That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it.

So that, if a defect in the paper such as I have last referred to, namely, a counter-claim, was set up, the dealer under his warrantee must hold his vendee harmless, and take the paper up. This is another guarantee of tangible value to a bank when buying paper of a dealer.

II.—Irregularities.

The main features of regularity, in such paper as we are considering, having been briefly touched upon, it may be well to mention some of the irregularities that must be guarded against:

1. Alterations—no dealer or bank should touch any paper that has been altered in any respect; negotiability and ultimate value are seriously impaired if not wholly destroyed.
2. Qualified or conditional endorsements or acceptances or acceptances differing in terms from the original draft; *i. e.*, a draft drawn on a party in Jersey City was accepted and made payable in New York; this released the drawers and endorsers.
3. Drafts drawn against special funds or against merchandise shipments but without documents for same attached.
4. Instruments made payable to the order of an executor or trustee which are non-negotiable.
5. Instruments dated on Sunday, although this defect is not necessarily fatal.
6. Corporation paper issued under seal is to be avoided and in many cases is non-negotiable.
7. Instruments payable in current funds, New York exchange or like terms, are non-negotiable.

III.—Proper Bases for Issue.

Every promise to pay, whether in the form of a note or of an accepted draft, should be representative of full value received by the maker of the note or the acceptor of the draft, and no careful dealer in such obligations will knowingly purchase or negotiate paper that bears names placed upon it for mutual accommodation. I do not by this intend to impugn the legal standing of what is commonly called "accommodation paper." In the hands of third parties who have taken it for value its legal status is the same as any other obligation of like form, and the makers and endorsers are held fully responsible; but to a dealer or bank it is undesirable, as some of the responsible parties have not received value in the transaction, and consequently have not got that something of value with which to pay if called upon to do so. The only proper bases for the issue of such paper as we are considering are money or merchandise, quick assets. In the case of notes issued by the makers for money they should represent money to be invested in merchandise and preferably for the purpose of discounting merchandise purposes, so that the borrower may take advantage of the difference in interest between the usual rates for borrowed money and the rates commonly allowed for discounting merchandise accounts. In the case of notes sold by the drawees, commonly called receivables, they should represent money due by the maker to the drawer for merchandise or money. In the case of acceptances, they should represent an indebtedness due by the acceptor to the drawer for money or merchandise actually received by the acceptor and payment for which is due to the drawer at the date of maturity.

It will thus be seen that there is or at least there always should be full value behind paper of the two classes handled by dealers, and that at all times during its life that value should be in position to protect it by its payment at maturity in money, or under circumstances of misfortune, in merchandise or accounts receivable for the merchandise.

From the foregoing it will be seen that it is important for the dealer and the bank to be acquainted with the parties whose paper is dealt in and to know something of their manner of doing business, character and those other qualities which govern business success.

IV.—Matters Affecting Value Irrespective of Negotiability and Regularity.

There are a number of conditions affecting the value of commercial paper other than the matters of negotiability and regularity. These deal with the makers of the paper rather than the paper itself and may be grouped into two classes, viz.: those which are of general application and those which are personal in their nature. In treating of this phase of the question you will understand that as a stream cannot rise higher than its source, so commercial paper cannot be better than its makers or endorsers or the business upon which it is based, and that, in consequence, the elements of strength or weakness in the makers or endorsers, or in the business itself, will follow the paper and in time have their natural effect.

Among the general conditions which should be considered by buyers of paper, whether dealers or banks, are:

First. The class of business—some lines are much more stable than others; articles of food, general hardware, staple dry goods, are better than fireworks, millinery or jewelry; some are affected by seasons, weather, fashions, others are not, though sometimes apparently in the same line of business; for instance, a rubber manufacturer making shoes and coats may, owing to weather conditions, have a very disastrous season, while another rubber manufacturer, making belting, hose, packing, etc., or hard rubber goods would be unaffected by the same weather conditions. I will not multiply examples as the illustrations are sufficient to indicate the general line of thought.

Second. Competition and location. I group these two together as, while not directly connected, location in these days of extreme competition may have much to do with success or failure. The largest capital combined with all the best personal qualities in the management may be unable to stand up in competition if the business is located unfortunately and cannot be run as cheaply as competitors.

Third. Capital. The owners of a business should provide all of the fixed capital required, that is to say, the capital invested in permanent form, such as buildings or machinery; they should also furnish the capital that may be required for continuous investment in supplies needed in carrying on the business; in the case of a manufacturer this would mean coal, store room supplies, and like items which are always carried on hand in practically uniform quantities. The amount of capital which should be furnished by the owners in excess of the above items is an undetermined quantity. Most manufacturers feel they have gone far enough if they provide the plant and expect banks to furnish all working capital. Most banks disagree with this view, but have no fixed standard, and, indeed, there can be none. The dealer or the bank must judge each case on its merits according to the special conditions governing each, the line of business, character of the plant, if there is one, and character of the people in charge. The dealer will also be governed by the known predilections of the banks with whom he does business.

Mortgage debts are not necessarily fatal to credit, but they are a severe handicap, and where they exist the proportion of free capital provided by the owners and invested in quick assets should be much larger in proportion to the quick liabilities than in cases where the property is clear of debt. I should state in a general way, that in such cases the free capital should not be less than two to one, as the general creditor has no real property to protect him, and when a mortgage debt is on a plant, it usually takes the property. In some classes of corporations, notably, steam railroads, this general statement will not apply, the floating debt, to wit, the note holders, usually being taken care of even at the expense of the mortgage bond holders.

Fourth. Insurance. Debtors should keep their property well insured as a severe fire loss may result in such a loss of capital as to wreck an otherwise strong concern, and neglect to carry a sufficient line of insurance is apt to indicate a laxity of management that in time will show up in other directions.

The other class of conditions I have referred to as being of a personal nature deal with the individuals in charge of a business. Condensed into one sentence I may say, the men who conduct a business must be of good character; the difficulty is to decide just what this term means. It has been stated "Character is what the man really is; reputation is what the world believes him to be." Usually we must accept reputation for character, for while some men show their character by their known daily life, others do not. The fundamental elements which go to make up a good business character are: honesty, experience, business education, punctuality, ability, industry, energy, economy, conservatism and boldness. I have not intended by the order of arrangement to give one quality prominence or precedence over another; all are necessary to success, and to meet with the fullest success all must be combined into a harmonious, well balanced, working unit.

The qualities in character to be avoided, and which in the end will lead to business failure, are:

First, extravagance in living, shown in a multitude of forms and often most difficult to learn of; 2d, neglect of business, due frequently to a too intense devotion to sports not hurtful in themselves, but through neglect of business duties often harmful in results; 3d, speculation, especially in the stock market or grain exchanges.

The above-named dangerous qualities or any one of them may nullify a host of good qualities.

In a general way, married men are safer business risks than single men, as they have greater responsibilities and are kept steadier in consequence thereof. Middle-aged men are safer risks than either young men or old men. The former lack experience, the latter are more liable to die, and delays incident to settling up their estates are frequently embarrassing to creditors. Firms or co-partnerships are better risks than corporations or limited partnership associations. Less information is to be had as a rule about firms than corporations; as an offset we have unlimited as against limited liability.

Every dealer should require of a borrower on single-name paper a signed statement showing the latter's financial condition and a new statement should be required every year. Lenders are entitled to such statements, as they are giving good money in exchange for a paper promise to pay.

V.—Causes of Loss; Business Failures.

If all commercial paper was properly issued, was invariably based on full value received and all statements made by its makers were full, frank and clear, the chances of loss to the dealer or bank would be reduced to a negligible quantity; unfortunately, such is not the case, and therefore it is of prime importance that the character of the makers should be such as to insure the correctness of the first two items and further to insure the reasonable accuracy of the third. With these three important points covered, the chances of loss are such as can fairly be taken by prudent buyers with reasonable certainty that in a given time the percentage of loss will bear a fixed but very small ratio to the percentage of gain, and that the percentage of loss will be smaller than in almost any other form of investment. Panics will of course come, at intervals of years, which will seriously disturb commercial business and will in consequence raise the percentage of loss, but the same panics will seriously involve all other forms of investment and the shrinkages in value or total losses will be quite as great or greater in other investments as in commercial paper. The same causes which produce commercial failures bring disaster or loss to all classes of investment; industrial, transportation and real estate interests suffer together.

Great panics are fortunately infrequent, smaller ones occur at such regular intervals that they may almost be said to have fixed cycles. It is held by some that commercial crises recur in cycles of about ten years. It takes about that long for men to forget that like causes produce like effects.

The history of panics is an interesting one and a study of them shows conclusively that like causes will produce like effects in all countries. Prosperity brings wealth, wealth produces confidence and begets speculation; speculation, wealth and confidence cause an expansion of credits until the point is reached when expansion can go no farther. The discovery of this fact causes contraction of credits, contraction brings failures, one failure causes another, and several large failures produce a panic. In time the atmosphere clears and in a few years conditions are again ripe for a recurrence of the old story.

At the risk of being considered too optimistic I venture the opinion that commercial crises or panics are less likely to recur in the future than in the past. Periods of liquidation must come, just as digestion follows a hearty dinner, but I believe panics like those of 1837 and 1857 are not probable. The banking facilities of the world are now so closely knit together by common interests that the resources of the world can be drawn on at a moment's notice to protect a threatened point, until by gradual, even though forced liquidation, the trouble has been averted. Dependence on local resources is a thing of the past.

Turning to a different view of the causes of business losses, let us glance at some of the figures given in Bradstreet's record for the past year. In 1901 there were 10,648 failures of individuals, firms and corporations in the United States. This seems like a vast army yet, as a matter of fact, it was only 88-100 of one per cent. of the number engaged in business in this country, that army numbering 1,201,862.

Now, what caused the failure of the 10,648? Arranged in the order of importance and stated in percentages, we find that failure was due to the following causes:

	Per cent.		Per cent.
Lack of sufficient capital	30.3	Unwise credits	3.6
Incompetence	19.0	Extravagance	3.0
Specific conditions (disaster, etc.)	16.4	Speculation (outside)	2.3
Undue competition	10.9	Failure of others	1.3
Inexperience	7.8	Neglect of business	1.0
Fraudulent disposition of assets	4.4		

The percentage of failures due to the different causes named varies from year to year, but in a general way the relative importance of the reasons given remains the same. For several years back, lack of capital, viz., over-trading, incompetence, and specific conditions, viz., disaster of various kinds, fire and flood, have held first, second and third places, respectively.

Now, how does this record apply to the dealer in commercial paper and his customer, the bank? The class of paper bought and sold by dealers is usually of the higher grades, while the record of failures is a record of all. If we examine the record we find that of the 88-100 of one per cent. who failed, 91.6 per cent. were credited with only $5,000 capital or less, and 89 per cent. had very moderate or no credit ratings. Passing at once to those whose paper is sought by dealers, viz., business houses with not less than $100,000 capital and enjoying the highest credit rating for the amount of capital, we find that of the 88-100 of one per cent., figuring the 88-100 as 100 per cent., only 32-100 of one per cent. were credited with employing $100,000 of capital or over, in other words, only thirty-six individuals, firms or corporations out of the 10,648 failing. The record does not show whether or not all of those in the $100,000 or over class enjoyed the highest credit ratings. It is probable some did not, and that if we eliminated those given credit ratings below the highest, the figures would show even more favorably for commercial paper of high grade as a bank investment.

I question whether any other form of investment would show as good a record on close comparison.

VI.—Desirability for Banks as a Quick Asset. Commercial Paper versus Bonds.

The great majority of bank deposits are subject to sight drafts, in other words, are payable on demand. Experience has demonstrated that it is safe to lend out a large proportion on such deposits. The National Bank Act allows 75 per cent. to be invested in loans and discounts, but, as a matter of fact, through the action of the reserve cities and central reserve cities provisions, the amount actually put out at interest must be very close at times to 85 per cent. or even more. As the deposits are returnable on demand and average fair weather conditions with normal balances are liable to sudden disturbances, it is important that the bank's demand liabilities should be represented by quick assets, assets, which by reason of convertibility or early maturity, will provide the cash needed to meet the unexpected call; or, to view the subject from a different standpoint, the bank's own customers may require at certain seasons or during a commercial crisis considerable more accommodation than at other times, and it is essential that the bank's resources should be in available form. Now, what is the best and most available form? Some banks say bonds, some say, bought paper, viz., commercial paper bought from dealers, and some say, collateral loans. I will not take the latter subject up at this time, as I shall speak of it later. As between bonds and bought paper, I believe without question the decision should be in favor of bought paper. Bonds are undoubtedly attractive to the officers of a bank, they are easy to get, one investigation serves for a large investment, there is usually the prospect of a nice appreciation in value, they are nice to look at and the interest is easy to collect, but they sometimes lack convertibility when most desired, they cannot be re-discounted and their due date is generally a long way off. I have known times when bonds were practically unsalable at any price. Mr. William H. Peck, Cashier of the Third National Bank of Scranton, Pa., stated in an address on "The Value of Commercial Paper as Quick Assets," delivered before Group III of the Pennsylvania Bankers' Association in 1897: "Listed bonds, which are almost entirely of railroads, and are supposed to be quoted daily on the exchanges, run down to a very narrow market in time of panic, and to prices that are sometimes ten or fifteen or more points off from their usual quotations. In 1893 there were times when the total daily bond sales at the New York Stock Exchange amounted to $300,000, and that is a very small amount of daily sales when we consider that there are upwards of $188,000,000 of investment bonds held by National banks alone, any of which are liable to be thrown on the market at such a time, in addition to the holdings of State banks and alarmed individuals."

I think the paragraph above quoted conveys an unmistakable warning. If such a condition were to come again, as come it surely will, what chance would there be for selling the millions on millions of trolley bonds, industrial bonds, electric lighting, water power, gas and other bonds, which have been created in recent years. Intrinsic value there may be, but the essential feature of a bank investment, viz., convertibility, is lacking.

Further on in the same address Mr. Peck states:

"I know of an institution that for some years has kept a large amount of its funds invested in commercial paper so as to have quick assets, and on May 1, 1893, stopped buying because its management saw indications of stringency, and at that time had in its pocket-book $640,000 of such paper, as well as a million dollars of its customers' notes. The result was that in a short time, on account of the payment of its purchased notes as they fell due, its reserve was run largely above the legal requirement, and although that panic is said to have been the most severe in the history of banking in the United States, still that institution was able to announce that its customers need not pay any loans, but on the contrary could have additional ones where their responsibility would warrant and the value of their accounts would entitle, and that any townsmen who were customers of other banks, but who were fortunate enough to have loans with it, could renew without question. This it could not have done if it had been depending on local mortgages, municipal bonds or unlisted bonds.

In times of stringency a bank's commercial deposits are quite certain to decline, because business men can not make collections and must use their balances to meet maturing obligations. For a bank to be able at such times to be of service to the community in which it is located, is no small matter, and I claim that carefully selected notes most readily furnish such means. You may ask if the institution referred to lost any money in 1893 by such a policy, and in reply I would say that in March, 1894, it had no past-due notes and had not lost a dollar since December, 1892, and in the last four years has loaned in all ways, $22,000,000, with losses of only $2,250. Could a better record be shown at such a time with any other form of investment of equal amount?"

Mr. Peck's remarks cover the vital points so fully that there remains very little for me to say on the subject; his statement of facts as to losses on commercial paper confirm the records I have quoted, but show that with careful discrimination in buying, losses may be brought down to one-hundredth of one per cent. A decline of one-eighth per cent. on bonds would show a greater loss on a bond investment without counting the one-fourth per cent. commission charge for selling.

Now, to sum up the advantages of high-grade commercial paper purchased by a bank from a dealer, who has previously bought and paid for the paper. Paper of the class rated at $100,000 and over and marked with the highest grade of credit. Twice culled over and critically examined.

1. Its authenticity is guaranteed under the law by the broker or dealer.
2. Its regularity of form is visible on its face.
3. The bank as a holder in due course is fully protected from set-offs.
4. It is worth its full face value at maturity and the percentage of loss through business failures is so small as to be almost a negligible quantity.
5. Early maturity, and when paid money is brought into the bank from outside sources, frequently from distant sections of the country, usually unaffected by conditions causing local stringency.
6. There is no sentiment attached to its purchase and no pressure or influence exerted for its renewal. When it is due it is due and must be paid.
7. It is readily re-discounted in case of need, but with good judgment in buying right maturities a steady income from outside sources is assured and the income can readily arranged to suit the borrowing seasons of the bank's own customers.

VII. Collateral Loans.

Collateral loans may be considered as quasi commercial paper and as a bank investment occupy a happy middle ground between bonds and plain promissory notes. The very name has a comfortable sound, attractive to the ear and pleasing to the senses. Collateral means "being by the side; side by side or side to side," as defined by Webster. The same authority defines collateral security as "security for the performance of covenants or the payment of money, besides the principal security." In the case of a collateral loan it is well to keep always in mind that the written obligation is the principal security and the things of value given with it are "by the side" as security for the performance of the covenants of the written obligation. It is therefore important to the buyer of collateral loans that the maker of the note shall be an individual, firm or corporation in good standing and of sufficient financial responsibility to make good any deficit that may arise in the event that the value of the securities pledged as collateral security for the loan should fall to such a point as to involve the holder in a loss.

Dealers in commercial paper very frequently, in fact, the larger dealers, customarily own the paper which they offer to banks and this fact of ownership is in a sense a guarantee of its quality as no dealer would care to buy and hold risky paper, but collateral loans, while frequently sold by dealers in commercial paper, are seldom owned by them. It is a different class of business with a different class of borrowers and the makers of collateral notes usually prefer to hold the collaterals in their own custody until the loan has been arranged. The dealer in such cases becomes a broker merely, although the details and financial settlements are frequently passed through his hands and he is expected to keep a watch over the loan until it is finally paid and the securities returned to the hands of the maker of the note. I shall therefore endeavor to consider the matter of collateral loans from the view-point of the bank.

The form of a collateral note differs radically from that of an ordinary note. In the latter it is generally conceded that the fewer words the better, provided the fundamental, essential features are clearly expressed, while in the former many banks appear to think the more verbiage the better. The form differs in different parts of the country, and many different forms are found sometimes ciculating side by side in the same district. This is notably the case in Philadelphia where some of the forms are almost as brief as an ordinary promissory note, while others have a good sized page of fine printed matter containing provisions and covenants of every kind. Many of the banks have special forms of their own. I incline to the opinion that some of the clauses are like the fine print in insurance policies, telegraph blanks and express receipts, more formidable to read than binding in law. The essential features of a note given with collateral security are:

1. That the obligation to pay a fixed or determinable sum at a fixed or determinable date or on demand shall be as clearly stated as in an ordinary promissory note.

2. That it shall state, that as collateral security for the performance of the above-mentioned obligation certain securities have been deposited with the note (a description of the securities then follows).

3. That it shall provide for the deposit by the maker with the holder from time to time on demand or after a brief notice, the time being specified, of additional securities, sufficient with the original securities at the then market value to cover the amount of the loan with a margin of an agreed upon percentage added thereto. The percentage of margin varies from ten per cent. up, depending largely on the stability of the securities pledged. It is usually twenty per cent.

4. That upon the failure of the maker to maintain the agreed upon margin or to pay the note at maturity, the holder may without notice sell the securities at brokers' board or at public or private sale with the right to the holder of the note to

himself purchase the securities if sold at public sale and without right of redemption in such case on the part of the maker.

5. That the maker shall be liable to the holder for any deficiency in the event that the securities sell for less than is due upon the note and for any expenses incurred in the sale of the securities or the collection of the note.

City banks in financial centres which are likely to hold a number of collateral notes issued by one maker usually insert a provision by the terms of which all collateral securities held are, or may be treated as, sort of joint collateral security for all loans or any other indebtedness of the maker to the bank.

As a bank investment good collateral loans have distinct advantages over bonds and some advantages over commercial paper, although as compared with the latter there are some disadvantages which I shall try to point out to you.

In order to make clear one of the conspicuous disadvantages, I must digress for a moment from the straight line I have been following to consider the underlying feature of all loans: namely, the sources and means of repayment, for it is in this feature that the fundamental difference exists between commercial paper and collateral loans.

Business may, in a broad way, be considered as an interchange of commodities: originally by barter, next in exchange for tokens or pieces of the precious metals or jewels, then for coins, and finally in these later times of advanced ideas the commodities are surrendered and settled for by check, note or draft, or charged on open account. The commodities most generally interchanged and upon which practically all commercial paper of the class I have referred to is based, are those articles of common use required by the people in supporting life or other prime necessaries of living, such as clothing, dwellings, etc.

Wealth is the product of labor; the great mass of consumers are laborers and creators of wealth and are paid for their labor in money; the final settlement of all indebtedness must be in money; hence, the dealer in merchandise who sells to the actual consumer will receive payment in money.

The bearing of the above statements on commercial paper is that the money with which it is to be actually paid off is traced to its source, and the maker of a note or the acceptor of a draft endeavors to so arrange his obligations that prior to their maturity he will have collected in cash from the consumers of his merchandise a sum sufficient to meet his note or acceptance when it is due.

This is the distinctive advantage of commercial paper; when due, it is paid and the transaction is closed. The maker expects to pay it at maturity and prepares for it.

In contrast to this, the ordinary collateral loan is not based upon commodities which are needed by the people and which will be paid for in cash, but upon some form of debt or invested wealth, usually bonds or stocks. The maker of the note has invested some money in the bonds or stocks and seeks for some one to lend him the balance, sometimes with the intention of becoming ultimately the owner of the collateral by paying the loan with money from other sources, but more frequently with the intention of carrying the loan along until such time as the bonds or stocks can be sold for a profit.

The maker of a collateral note, unlike the maker of commercial paper, rarely makes provision ahead for the payment of his note at maturity, but expects to renew it at the then prevailing rate of interest, or at most to shift the loan to some other bank.

I have known of numerous instances where banks have very much desired payment for collateral loans then due, but owing to the inability of the borrower to pay or to replace the loan elsewhere, and the impossibility of selling the collaterals at the moment, owing to acute financial conditions, were obliged much against their desires to renew loans. This would not have been asked or expected with good commercial paper.

In considering the matter of collaterals, the question of convertibility versus intrinsic worth at once confronts us. Some banks look first at the former and some at the latter. It is a question for each lender to decide for himself. Securities which are readily salable on the stock exchanges are usually dealt in largely, which is equivalent to saying they are subject to wide fluctuations in market value. The most salable stocks oftentimes have little intrinsic value if considered from an investment standpoint. On the other hand, securities of undoubted intrinsic value are sometimes sold only at long intervals so that quotations are hard to obtain or are only nominal. In a general way, I would say that banks in large cities, especially in cities where there are stock exchanges, should look more at the matter of convertibility, especially with demand loans, and banks in interior points which have not the facilities for following the constant fluctuations of the securities markets, should look more at intrinsic worth.

As the money for the final payment of a collateral loan must usually come from the sale of the securities, it is well for banks to remember that if they are forced to realize on the securities behind a loan, they may have to sell on a bad market. Unlike merchandise which is sold all over the country, or in fact, the world, the open market for securities is a very narrow one, usually confined to one or two cities, the very places most likely to be involved in any financial stringency. In times of acute trouble the market becomes so narrow that it may be impossible to sell.

Another disadvantage of collateral loans is that the rates of interest on collateral loans of the highest class will average fully one-half of one per cent. per annum below commercial paper of high grade, and in many cases the difference will amount to fully one per cent. Of course, collateral loans like commercial paper are not all of equal quality, and in many cases rates can be obtained on collateral loans as high, or even higher, than good commercial paper. The rate on the loan is usually a pretty fair gauge of the quality of the collateral, as, except in times of unusual financial stringency, good collateral loans are in such demand as to command very low rates. I do not intend by this to assert that loans secured by good collaterals are not to be obtained at rates sometimes equal to the rates prevailing for high-grade commercial paper, because there are certain classes of loans, secured by bonds or stocks, which are not yet listed, or stocks or bonds on properties not yet in complete operation, which have undoubted intrinsic value, but which lack convertibility, no open market having as yet been established for the securities; and on loans with this class of collaterals full rates of interest can be obtained.

The wisdom of lending on collaterals of the class last described is a matter for the judgment of the lender. They would not be, in my opinion, loans suitable for the investment of depositors' money, as loans against deposits should in all cases be readily convertible by sale of collaterals or re-discount; but any bank or trust company would, I think, be justified in investing a reasonable proportion of its own capital or surplus fund in loans of the character referred to. The money so invested would not be subject to the demand drafts of depositors, and the question for the lender to consider is more one of security and rate of return than of convertibility.

I think the principal disadvantages of collateral loans have been put before you, and in conclusion, I would only desire to say that collateral loans carefully selected are undoubtedly an excellent form of quick assets for banks, but should not be considered as a complete substitute for commercial paper, which, representing merchandise for consumption, provides the means for its own payment

*THE PRACTICAL WORK OF A BANK.

INCREASING THE NET EARNINGS.

I.

A bank organized under the National or State laws has a twofold purpose to accomplish, viz.: to accommodate the public, and to earn money for the stockholders. It is with the latter aim that this article deals.

In order to increase the net earnings of a bank, a broad and yet economical system of management is necessary. The Cashier is the officer usually intrusted with this management in a National or State bank, or the corresponding officer in a Savings bank or trust company. Therefore, when the directors of an institution choose this officer they should select a wise and prudent man, who has a thorough knowledge of the banking business from personal experience. The person who will make the best managing officer is the one who, starting as a messenger, has been promoted from desk to desk, and has worked in all departments of a bank. This experience, together with a knowledge of investments and commercial law, will enable him to meet promptly any emergency that may arise, and know how to do the right thing at the right time. Also he will have a kindly feeling for the clerks in his employ, and can arrange the work so that, while pleasant for them, the work will be well done, with no more help than is absolutely necessary.

A manager of a financial institution should have a general knowledge of the affairs of the day, and a large amount of patience and tact, especially if in a country bank; always polite, but firm and decided. The manager is often called upon to say no, and when spoken it must be final.

Care in the Selection of Employees.

Granted an institution has a manager with these qualifications, the first and one of the most important responsibilities devolving upon him is the selection of employees. He must have men of good character and ability, and enough of them to have the work properly done. The writer knows from personal experience what it means to be employed in a large city bank, where there are not enough clerks to properly handle the work. In such an institution, owing to the large volume of business, and the constant rush to keep the work up, many mistakes are made, and many an hour is spent, late at night, looking for differences. Not only does this kind of work discourage the clerks, and make them dissatisfied and careless, but it may prove costly to the bank. An account may be overpaid by a bookkeeper, having too much work to do, or a check may be charged to the wrong account, thus causing good paper to be handed to a notary. In either case a lawsuit may follow, and in the latter the reputation of the bank suffers. It is more economical to pay the salary of another clerk, thus dividing the work, and giving each man more time to be accurate. A bank, like an individual, is judged by the outward deeds. Poor clerks do poor work, thereby injuring the bank's reputation. Neglected acknowledgments and correspondence, settlement drafts not sent on time, wrong collection advices, and errors in individual accounts, soon bring a bank into disrepute with corresponding banks and with customers, and business is subsequently lost.

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

As stated before, the successful manager will have a sufficient number of clerks, and insist that the work be properly done. He will arrange the work and have all busy during banking hours. It would be foolish and extravagant to have even one clerk too many, as a bank is no place for an idler.

All persons holding responsible positions in a bank must necessarily be men of brains and ability, and as such they are valuable to the institution. Such employees should be well paid ; there is no economy in cheap and inexperienced help.

Payment of Interest on Daily Balances.

In these days of interest-paying institutions, managers of National and State banks are confronted with the problem of paying interest on daily balances. When this subject is put before a person having a good bank account, he naturally realizes that his money should earn him something. This is particularly true when the account is quiet or inactive. With the idea in mind that the account should be worth something to the bank, the person goes to the Cashier and asks for interest on the money. The problem confronting the manager and directors is—whether to pay a low rate of interest and keep the account, or refuse interest on the ground of never having paid any, and thus have the customer take the money to the rival trust company.

There is no doubt that a bank can increase the amount of deposits by paying interest on daily balances, but will the net profits increase accordingly ?

A bank doing a safe and conservative business, and investing its money in commercial paper and gilt-edged bonds, will find more profit in a smaller line of deposits, without interest, than a large line, upon which interest is paid.

However, a bank manager does not like to lose a good account, and where the balance warrants, a small rate of interest is generally paid. In the writer's opinion this latter plan seems a better one than a regular rate of interest on daily balances, at least as far as profit to the bank is concerned.

The Bank's Stationery.

The stationery of a bank requires the attention of the manager. He will keep in touch with the improvements made from time to time in books and other indispensable articles used in the bank, and select those which in his judgment save time and therefore money. Upon the size of the bank and the volume of business depend the number and kinds of books and stationery needed, and the person responsible for these must be alert, so that everything necessary is on hand.

The stationery should be good, but no extravagance or waste should be allowed. Check books should be made in various sizes and styles to suit the customers. If a depositor having a good balance desires some extra printing on his checks, such as name, business and numbers, it will pay to have this done without cost to him. The small expense to the bank is not wasted.

Especial attention should be given to the style, quality and general appearance of the stationery used outside of the bank, such as checks, notes, letter-heads, deposit slips, etc. There has been a marked improvement in arrangements for filing papers, checks, deposit tickets and signatures. Some of these are valuable timesavers; as, for instance, the card system of signatures, which is preferable in every way to the old time signature book.

Proper Attention to the Bank Premises.

The manager should employ a good janitor, and if the institution owns the building, should hold him responsible for the cleanliness and good condition of not only the banking room but of the whole building. In these days of complex systems of heating and ventilation, a good man is needed to take proper care of the bank's building. He should be well paid, as a poorly-paid janitor is no economy. A man in this position, understanding his work, will take good care of the wash-rooms, see that the drain-pipes are in proper condition, and by giving the entire building careful supervision, will detect any small break or leak. "A stitch in time saves nine," and by having these small matters attended to at once, large bills for repairs may be avoided. Some of the income of a bank is derived from renting out offices in the building. By having a good janitor, and consequently keeping the building in good condition, the tenants will be satisfied, and the income will be steady. Certainly the officers of a bank are judged by the appearance of the banking room and building, and appearances go a good ways.

The Best Way of Advertising the Bank.

The expenses here enumerated, viz., for good clerks, the proper books and stationery, and a capable janitor, are the principal ones a bank manager is required to meet. Aside from repairs, and a few minor expenditures for telephone and telegraph and express charges, he should practice the most rigid economy. A bank is not a philanthropic institution, and the money belonging to the stockholders must not be given away or spent extravagantly. Advertising in local programmes and schemes come under the head of giving money away.

There are times, however, when some judicious advertising may pay. For instance, a country bank can get up a neat calendar, or a book with some useful information regarding banking and commercial law. These being displayed in stores in the locality and vicinity, might attract custom.

A bank located in a reserve city, by inserting an advertisement in The Bankers' Magazine would bring before the bankers of the country its good points as a reserve agent.

However, a liberal use of printer's ink seems less necessary in banking than in any other business. All bankers agree that the best advertisement is a satisfied customer, and many of these, with good balances, help dividends. When a merchant informs you he deals with the First National Bank of ——, because the officers and clerks are gentlemen, his correspondence is promptly acknowledged, his paper, meeting the directors' requirements, is accepted without question, and all reasonable requests are granted, it is safe to assume that person is satisfied, and that the bank is a good institution to deal with. Such remarks as above are a much better mode of advertisement than any calendar or book, and will be more profitable to the bank. An institution run on such lines, and having a reputation for accuracy and careful investments, will naturally attract customers.

Means of Adding to the Bank's Business.

These being satisfied, will bring others and deposits will increase. Some banks located in the country choose some of their directors from adjacent towns, and these men take care of the customers in their districts, and endeavor to secure new accounts. Being conversant with banking methods they can answer questions pertaining thereto, can carry deposits to the bank for customers, when attending directors' meeting, and thus build up quite a trade. This method has been found to work well.

Upon the directors and stockholders should depend the increase of business. They are the persons to urge others to open accounts with their institution. The manager should not be obliged to solicit trade, but should be free to treat all customers on their merits, and see that those deserving it are well cared for.

The Principal Sources of Income.

There seems to be an erroneous idea prevalent among many people regarding the profit on circulating notes of National banks. When the present law went into effect many circulars were sent through the mail showing remarkable profits possible to banks that would buy Government bonds and increase their circulation to the full amount of their capital. Careful computation will show the profits to be not nearly as large as advertised. Circulating notes will not net a bank more than other forms of investment. A good example of this is shown in the fact that many National banks issue circulation only on the minimum amount of bonds required to be held by law, rather than the maximum amount allowed. Many bankers prefer other investments.

Practically all the income of a bank is derived from discounting notes and investing the money, not required by law to be kept in reserve, in bonds and other securities.

All notes offered for discount are passed upon by one or more officers of the bank, or a committee of directors. The investing is done by officers of the institution.

As the loaning and investing of the surplus funds vitally affect the net earnings, it is important that those having this responsibility are men of judgment, experience and knowledge.

Some bankers do not approve of commercial paper as a form of investment. Other men of equal ability and judgment buy it almost exclusively. Still other men, prominent in the banking world, consider loans on time or call, on bonds and stocks given as collateral, the best and safest investment. Certainly a bank manged on the lines indicated in this article, and having its funds invested carefully in either bonds or commercial paper, will increase the net earnings and pay dividends to the stockholders.

ALEXANDER HAMILTON.

A Good Business Letter.

BRANCH OFFICE
AT OSAKA
Telegraphic Address:
"MARUYA, TOKYO."
A. B. C. CODE 4TH EDITION,
A. I. CODE.

Z. P. MARUYA & CO., LTD.,
(OR)
MARUZEN-KABUSHIKI-KAISHA,
14 to 16 Nihonbashi Tori Sanchome,

PERIODICAL
DEPARTMENT.

TOKYO, December 5, 1902.

Messrs. Bradford Rhodes & Co., New York:

DEAR SIRS: Please register undermentioned addresses, as the subscribers to the following periodicals, which we wish you to send regularly as published, and charge to our account.

We have to thank you for the unfailing regularity with which you have sent the MAGAZINE to our customers during the year, and now have the pleasure to renew our order for 1903, for which enclosed you will find a B-E for the sum of $59.52 (Fifty-nine dollars and fifty-two cents). Please note that following are all of our orders for the coming year, unless we order again, and discontinue the others which we ordered during this year.

Twelve BANKERS' MAGAZINE for one year, commencing with January, 1903, to the addresses, as follows:

One copy to The Mitsui Bank, Hishogakari, Surugacho, Tokyo, Japan.
One copy to Teikoku-Shogyo-Ginko, 5 Kabutocho, Nihonbashiku, Tokyo, Japan.
One copy to Hokkaido-Takushoku-Ginko, Sapporo, Hokkaido, Japan.
One copy to Higher Commercial School, Hitotsubashidori, Tokyo, Japan.
One copy to Sumitomo Ginko, Nakanoshima Branch, 5 chome, Nakanoshima, Osaka, Japan.
One copy to Konoike Bank, 2 chome, Imabashi, Osaka, Japan.
One copy to Mitsubishi-Goshikaisha, Ginko-Bu, 5 chome, Nakanoshima, Osaka, Japan.
One copy to Mr. J. Hashimoto, 81 Tsuriganecho, 2 chome, Higashiku, Osaka, Japan.
One copy to Sumitomo Bank, 4 chome, Imabashi, Osaka, Japan.
One copy to The Mitsui Ginko, Branch, Nagoya, Japan.
Two copies to Daikokuya, Book-store, Kawaramachi-dori, Kyoto, Japan.
Total: Twelve copies (to eleven addresses).

We are dear sirs, yours faithfully,
for Z. P. MARUYA & CO., LIMITED.
(MARUZEN KABUSHIKI KAISHA).
L. K. K.

MR. J. PIERPONT MORGAN ON THE FINANCIAL SITUATION.

In an interview with a representative of the "New York Times," published in the issue of March 31, Mr. J. Pierpont Morgan expressed his views in regard to the present financial and business situation and the outlook for the future. His opinions do not coincide with those expressed in some foreign and local circles regarding the ability of the country to provide for the successful handling of the large volume of new securities recently brought into the market. Mr. Morgan's wide knowledge of the financial, industrial and commercial resources of the United States, and the well-known moderation which characterizes all his statements, make his views exceptionally interesting and valuable. He said:

"It seems to me that the general pessimistic talk indulged in not alone in foreign but in local circles is in no sense justified by the facts. It may be true, as some of the captious critics declare, that at the present moment there are in the market many undigested securities, but ought not the character of these securities to be taken into consideration in a broad or comprehensive view of the situation? Are these securities sound or are they unsound; do they represent value or do they not; for what purposes have they been issued—those are the questions.

To my mind and in my judgment these new securities are essentially sound and stable, and those who have them are in no wise alarmed because of their holdings. Beyond all this, they are issued not to build competing lines but largely for the purchase of rolling stock and motive power and for the extension of other facilities necessitated by the necessary movement of the products of the country.

You will find that in due time this phase of the difficulty—growing out of these new securities—will disappear.

As for the general situation you may state emphatically and unequivocally that it is most promising, with the country unqualifiedly prosperous. In the iron and steel trade, for example—the barometer of the country's growth, stability, and business activity—there never was so great or so profitable business. Orders on hand run far ahead and the outlook is decidedly encouraging.

In short, summing the situation up, not only is there prosperity everywhere, but the promises are of a continuation of that prosperity for a long time to come."

New York State Banks.—Report of condition at the close of business on Thursday, February 26, 1903.

RESOURCES.		LIABILITIES.	
Loans and discounts, less due from directors	$212,670,392	Capital	$27,225,200
Liability of directors as makers	6,950,623	Surplus fund	20,664,174
Overdrafts	185,863	Undivided profits	10,133,291
Due from trust companies, banks, bankers and brokers	30,763,838	Due depositors on demand	262,403,714
Real estate	11,407,556	Due to trust companies, banks, bankers and brokers	32,460,880
Mortgages owned	4,150,108	Due savings banks	14,573,244
Stocks and bonds	24,813,576	Due the Treasurer of the State of New York	1,400,011
Specie	26,458,286	Amount not included under any of the above heads	528,921
U. S. legal tenders and circulating notes of National banks	16,502,632	Add for cents	290
Cash items	34,799,436		
Assets not included under any of the above heads	686,841		
Add for cents	574		
	$369,389,725		$369,389,725

ISSUE OF AN ASSET CURRENCY BY NATIONAL BANKS.

DEBATE BETWEEN NEW YORK CHAPTER AND ALEXANDER HAMILTON CHAPTER OF THE AMERICAN INSTITUTE BANK CLERKS.

A joint debate between the members of New York Chapter and Alexander Hamilton Chapter American Institute of Bank Clerks was held at Knabe Hall, New York city, on the evening of March 25.

The subject for discussion was: "Resolved, That National banks be permitted to issue currency based on their general assets." The affirmative was taken by Alexander Hamilton Chapter, represented by the following: William E. Stevens, of the

ALFRED M. BARRETT,
President Alexander Hamilton Chapter.

S. LUDLOW, JR.,
President New York Chapter.

Dollar Savings Bank; G. Lawrence Pegram, of the Colonial Bank; Richard A. Purdy, of the Mechanics and Traders' Bank. On the negative side the debaters were: O. H. Cheney, of the Garfield National Bank; Orrin R. Judd, of the Knickerbocker Trust Company, and J. C. Martine, of the National City Bank. Alfred M. Barrett, President of Alexander Hamilton Chapter, presided, and S. Ludlow, Jr., President of the New York Chapter, was the official judge of time.

After music by the orchestra, the meeting was called to order by the president, who said:

"In behalf of the New York Chapter and the Alexander Hamilton Chapter of the American Institute of Bank Clerks, I beg to extend to the ladies and gentlemen present a most cordial greeting.

The purpose for which we have come together is, as you know, to discuss the question, 'Should National banks be permitted to issue currency based on their general assets.'

The Alexander Hamilton Chapter will attempt to prove that National banks should be so permitted; the New York Chapter will maintain that they should not. The result will be decided by a committee of gentlemen whose names are familiar to every citizen of New York, viz.: Clarence D. Ashley, LL.D., Dean of the New

WILLIAM E. STEVENS.
(Dollar Savings Bank.)

G. LAWRENCE PEGRAM.
(Colonial Bank.)

York University Law School; Horace White, Esq., author of 'Money and Banking'; Mr. Bradford Rhodes, President of the Thirty-Fourth Street National Bank. This is, in brief, the object of our gathering."

Mr. Barrett then gave a history of the organization of the American Institute of Bank Clerks, and outlined the purposes and work of the institute.

At the conclusion of Mr. Barret's remarks, a motion was made and carried to suspend the regular order of business and proceed with the joint debate.

Charles F. Minor, chairman of the committee in charge of the debate, read letters from President Roosevelt, Governor Odell, Mayor Low, Wm. B. Ridgely, Comptroller of the Currency; Hon. Lyman J. Gage, ex-Secretary of the Treasury; Hon. Charles N. Fowler; Hon. F. A. Vanderlip, former Assistant Secretary of the Treasury; O. P. Austin, Chief of the Bureau of Statistics; Walker Hill, H. L. Burrage, Prof. Woodrow Wilson; Edward M. Grout, Controller of the city of New York; Police Commissioner Francis V. Greene, H. P. Davison, C. A. Hazen and Bradford Rhodes.

Immediately after the reading of the letter from President Roosevelt, the orchestra played the "Star Spangled Banner," the audience standing.

THE CHAIRMAN: The principal business before you to-night is the debate between Alexander Hamilton Chapter of the American Institute of Bank Clerks and the New York Chapter on the question:

"*Resolved*, That National banks be permitted to issue currency based on their general assets."

The Alexander Hamilton Chapter has the affirmative of this question, and of course, the New York Chapter has the negative.

The rules of the debate are these: Mr. Stevens will open for the affirmative, representing Alexander Hamilton Chapter. He will speak for twelve minutes, and each speaker has twelve minutes. After they have talked for ten minutes, Mr. Ludlow, the President of the New York Chapter, will sound the gavel twice. That means that the speaker has two minutes more to make his closing arguments. Mr. Ludlow will then sound the gavel the third time, and that will mean that the speaker must cease speaking at once—he cannot finish his sentence.

It now gives me great pleasure to introduce to you as the first speaker for the affirmative in behalf of Alexander Hamilton Chapter, Mr. William E. Stevens, of the Dollar Savings Bank.

Address of W. E. Stevens.

It does not require a very critical analysis of present conditions to acquaint us with the fact that we are swinging along on the crest of a great wave of prosperity. Our National credit is at its highest point, and Governmental securities are everywhere at a premium. In open competition we have secured a permanent position in the markets of the world. The immense freight traffic of the North Atlantic has taken refuge under the wings of American capital. To the willing hand, there open many chances to labor; and increasing manufactures have congested our railroad freight traffic beyond all previous records; while a glance at the large and rapid

Richard A. Purdy.
(Mechanics and Traders' Bank.)

O. H. Cheney.
(Garfield National Bank.)

increase of the deposited funds in the Savings banks points to an era of good wages.

Several things have been at work contributing to bring about these happy conditions. We have been blessed with bountiful harvests. The superiority of the skill of the American workman, coupled with his natural inventive genius—employed under trade conditions that have largely decreased the cost of production, through the instrumentality of wise and well-managed combinations of capital, has been a great factor in our commercial advancement. And last of all, but by no means the least, is the assurance to all at home and abroad of the integrity of our motives, by the adoption of the gold standard.

The first question to present itself is one to make every thoughtful student of economics pause and ponder. Is this condition a permanent one?

The wise mariner takes advantage of the favoring winds, but is prepared for a storm. The careful engineer, though the signals show white, still maintains his grip on the throttle.

History holds up to us the finger of caution and warning and points to the fact that just such conditions as we now enjoy prevailed for ten years previous to 1890, when the tide began to ebb, and the current set in towards the panic and the woful conditions of 1893.

It requires no great national disaster to change the tone of events. Not at all. Many small and apparently meaningless tendencies may contribute to precipitate us into a season of real commercial depression. Prosperous times foster speculation, not always of the wisest sort. The desire to attain wealth and riches faster than the ordinary course of life provides for, helps along this dangerous tendency.

Many securities of doubtful worth are floated on the market, while others are

ORRIN R. JUDD.
(Knickerbocker Trust Co.)

J. C. MARTINE.
(National City Bank.)

given a value based on the capitalization of earnings, during a short season of active demand, rather than a true average of profit. Bright and rosy future probabilities, rather than actual present valuation, become the basis of investment. It requires but the smallest and faintest note of alarm, under above-stated conditions, to cause a general unloading, with the consequent shrinkage of values; paper profits vanish; public trust and confidence feels the first stab, and recoils. The great bulk of the conservative business men begin to retrench; your wave of depression has started and the tide has turned.

What would cause the alarm? Oh, many things. A small foreign entanglement; a clash of great financial interests, unwise or hasty legislation, in the attempt to control great combinations of trade and capital; tariff disturbance—any one of these and many not mentioned, would be quite enough ofttimes to start the ball rolling.

But you say—look at our financial strength, and our wonderful system. These are our tower of strength. Yea, verily; what, indeed, is the much-lauded system to which we trust to bring us through the storm, safe and secure? Is it truly American? Well, yes; but only in the sense that it is possessed by no other nation, and certainly will not be imitated by any other civilized country.

We behold, first, *a fiat Government money*, a relic of the times of distress just after the Civil War; a forced war loan, the constitutionality of which is questioned to this very day—constituting a never-ending debt, which must be redeemed only to be again incurred. Being fixed as to the amount by law, it can have no real relation to the expanding or contracting needs of the hour.

Second. We see the locking up of the Government revenues in the Treasury—to be released only by an appropriation of Congress; and last of all, and worse yet, we note an inelastic National bank currency, possessing the one worthy element of security but being dependent upon the issue and price of Government bonds and therefore bearing no relation to the commercial needs of the country, it is incapable of being of assistance in times of expansion and contraction. A wofully poor dyke to be raised in protection against the flood of commercial depression.

Whatever cause for pride our history may give us, our financial history certainly furnishes no part of it.

We began with fiat Government paper. After the failure of this disastrous folly, we tried two specifically-authorized United States banks, but being so readily open to assault, political and otherwise, they proved to be a source of weakness, and went the way of all weak things. From an early period to 1864 we had a system of State banks chartered under the laws of the several States. But the issues were so insecurely guaranteed, and the redemption provisions so imperfect that the public, weary of the uncertainty as to the value of their holdings, gladly welcomed the more safely guarded note of the National Bank Act.

In this, however, the guarantee was so severe that in a short season nearly one-half of the circulation was driven out of existence.

In an endeavor to furnish a satisfactory, elastic and responsive circulating medium the past history of a century shows us four separate and distinct failures.

As our question of the evening involves the substitution of another form of currency for the present National bank circulation, let us consider for a moment the specific defects of this particular part of the whole faulty and unsatisfactory system. We note four serious economic and practical defects:

First. It is based on the perpetuation of that which a true economy, a national pride and common honesty demand shall constantly diminish and eventually disappear; *i. e.*, the national debt. It is secured to-day to its par value by the issue of Government bonds. In the ordinary course of things these bonds will mature, causing a currency contraction—unless other bonds are issued to take their place—and suggesting an endless chain of bonded indebtedness abhorent to every fair-minded person.

Second. Being dependent upon a commodity which must be sold in a competitive market, the amount of issue depends upon the price of bonds, and therefore bears no relation to the commercial needs and transactions of the country. It is well-nigh unresponsive to business demands.

Third. It is inelastic. That this is the chiefest defect, since our currency is rigid at every other point, is admitted by all.

When money is cheap there is a temptation presented to buy bonds and issue currency, thus securing double interest; causing an expansion when none is needed.

From Nov. 5 to July 11, 1895, $9,000,000 was added to the National bank circulation—though money was cheap, and exports of gold were only prevented by main force.

We have come to expect a stringency every harvest time, for years; and, strange to say, the more bountiful the harvest, the greater the stringency. To this stringency the National bank circulation can apply no remedy.

In the panic of 1893 the National banks increased the currency about one and a one-half per cent., an amount far less than that by which the banks of a single city virtually increased it alone by means of clearing-house certificates, a little more than one-half of the amount by which individual bankers increased it, by actually buying gold in Europe and shipping it hither.

Moreover, the help that came from the banks circulation came in a great part after all need for it had passed; millions of the new currency taken out being returned to the Treasury with packages unbroken. Cumbersome and slow of action, it came not when wanted, and caused a redundancy of currency when it arrived.

Fourth. It is unprofitable. Being dependent on speculation in Government bonds, it is as expensive as the cost of capital and the insurance of credit can make it.

Its defects cost the people yearly, in increased interest charges, a sum which constitutes no inconsiderable tax upon the industry of the country.

It is not profitable to the bank either. as the steady retirement of the $3,000,000 per month allowed by law strongly shows. The advantage to a bank to issue circulation under the present laws and under the best possible conditions is only about seventy-hundredths of one per cent. on its capital stock. This is where the prevailing rate of interest is four per cent. Strangely enough where the rate of interest is eight per cent. the profit falls to thirty-hundredths of one per cent., the system working to reduce the advantage in those regions where bank notes are the most useful form in which bank credit can be extended to the borrower.

In how many things, therefore, is our present system absolutely unsatisfactory. It was to such a dead fetich our stricken business interests appealed in August, 1893, and were left to work out their own salvation, as best they might, with an emergency circulation of their own creating.

Another stress of weather would find us on the same old water-logged hulk. Another trial of forces would reveal us gathered about the altar of our worshipped system, and vainly calling on our financial Baal to send down fire upon our sacrifice.

So much for our present system and its tendencies and results. It but remains for those who follow me to point you to the better way.

THE CHAIRMAN: It is now my pleasure to introduce to you, as the first speaker for the New York Chapter, in the negative, Mr. O. H. Cheney, of the Garfield National Bank.

ADDRESS OF O. H. CHENEY.

Honorable Judges, Mr. Chairman, Ladies and Gentlemen—We have had quite a bit of history. It might be safer to add just a trifle more. For some forty years we have been enjoying a bank-note currency that has at least two merits—the previous speaker spoke of at least one—safety and uniformity. Nearly half a century of the use of notes specifically secured by more than their face value has made us, as a people, very strong champions of sound and stable currency, for we have learned, as has been outlined here a few minutes ago, by previous bitter experience and years of it, the truth of that old saying, "A dollar doubted is a dollar half destroyed." We have learned by these years of experience that at the time of panic it makes very slight odds upon what folly or upon what injustice the doubt or the suspicion rests. At such times we have learned that the line between safety, on the one hand, and danger on the other, is marked not by ideal theories but by what the man in the street feels. And so we have reached the keynote of our commercial well-being, confidence must be maintained.

We are here to-night, Honorable Judges, to convince you that that confidence cannot be maintained by introducing a system that, as far as our conditions go, consists of unproved theories.

Now, it is well, at the outset, to remember that the banking business is done everywhere in this country, and in some of the leading countries of the world, without the use of any circulating notes whatever—simply by the use of checks. We find, if we investigate the subject, that the use of checks instead of bank notes reaches its greatest development in those countries where the modern commercial system of credit and business has attained its highest form. In England and in this country from ninety-five to ninety-seven per cent. of the circulating medium consists of checks. But it is intimated here by the previous speaker that what we need is more money. They seem to think that if we can get lots of money it will be easy, and that is all that is necessary. Are we suffering from lack of money ? The amount of money per capita in the various countries of the world, at least in several of them, we find is as follows: in France there is for every man, woman and child, $37.38 ; in Germany, $19.92 ; in England, $18.29 ; in Canada, $14.89 ; in Russia, $6.25, and in the United States, $29.48. If we count the money in the Treasury, we would make $33.22. Of the $29.48 there is $9.65 in the banks, in reserve for deposits, leaving for the people $19.83. We have, per capita, in this country a deposit of $106.15, giving us a total per capita purchasing power to the people in this country of $125.98. Will the gentleman kindly show us any nation in the world that has that purchasing power.

Now, I want to say to these Honorable Judges, that if the country is suffering from specifically secured currency, how do you account for our present wonderful prosperity ? In the last ten years the value of our farm lands increased 3,395 millions ; the value of machinery on the farms, 267 millions ; live stock, 769 millions. The value of one year's farm products has increased 2,279 millions. Our manufacturing institutions increased 157 thousand and the number of employees 10½ millions. Chicago wants fifty thousand cars to move five million bushels of grain to the coast. For two years the Pennsylvania road has purchased a new locomotive every single day, and has built forty thousand new freight cars in eighteen months, and even with that they are so far behind in equipment it will take them three years to catch up with the business. The country does not seem to be suffering very much.

Now, they say, Oh, but how about the money ? The money increase has been going on just the same. The last annual report from the Treasurer shows that the increase from 1897 in our currency was nearly $600,000,000. The volume of our National bank notes to-day is at the highest point it has ever reached. One of our principal men recently said that what ailed this country was an excess of wind and water on the stomach of our over-capitalized corporations.

Now, what is the proposed remedy ? Not that they claim we are very sick, but that we may be very sick next fall, or next spring, that there is something coming. You want to look out, they say. I tell you, experimenting with a cure-all is dangerous business. Is there a gentleman on the other side, or is there any one in this hall, who knows what effect asset currency will have on this country ? We want to keep these things in mind. I tell you it is important to remember that we are not in immediate danger, we are not really suffering. What ails the country is that there is such an inflation of credit, due to the issuing of stocks and bonds that have no actual being in fact except as shall be obtained from labor's pocket. What we want is a reservation to the legitimate interests of the country, of the credit and money which those legitimate interests alone maintain. The manufacturers, the miners, the farmers, the people who are the backbone of our prosperity, and who are maintaining our credit and producing our wealth and paying our debts as a country, are not asking for asset currency. It has often been claimed that what we need is more money so that the poor farmer can move his crops, and the Southern planter can market his cotton. The Southern interests and the Western interests have not been heard from as wanting asset currency; on the contrary, business men there are protesting against a proposed change in the financial system.

The farmers of to-day were never in better condition in all our history. They have more money and credit than ever before. They have more wheat and corn, and more beef and pork, and more of everything that puts money in their pockets, than they have had for years.

Again, we want to say to you, Honorable Judges, that under the system as limited by the question under debate, we would have an unlimited inflation of currency, because there is no limit to the number of the banks of issue. At the start we would have nearly five thousand, and if the system is profitable, and of course it will be, all of the State banks, or most of them, will become National banks. Why not? And then in five years we can reasonably expect ten thousand banks of issue. What does history tell us about these conditions? Every nation in the world that has ever tried it has found, sooner or later, that under booming business conditions and times of speculation too many banks have gone to issuing notes and then came inflation of money and business disaster. To-day every nation of the world that permits notes to be issued based upon general assets has created a monopoly of note issues by limiting the number of banks of issue to as few as possible. Great Britain permitted an unlimited number of banks to go into the note-issuing business, and in times of great business prosperity she experienced currency inflation followed by disaster and specie payment suspended again and again until 1844. Then they passed an act under which it has not been possible since that time to establish a new bank of issue in Scotland, England or Ireland. To-day there are only eleven banks of issue in Scotland. In England, Scotland or Ireland if a bank fails or voluntarily goes into liquidation no new bank of issue is allowed to take its place, but the right to its note issue reverts to the Bank of England. No new banks of issue are permitted in Germany. They have created a monopoly and we maintain that if you are going to turn over this note-issuing function to private institutions you must make a monopoly if you make it safe. Canada found a way of limiting her banks of issue. France and Spain and Austria have one bank. Italy has tried it and had to limit hers. What we want in this country is the smallest amount of money that will transact the largest amount of trade. That is what we need. As a nation we do not want to be smothered in money. The condition of the country to-day and of the banks was never better than it is now. They have been increasing all the time. The facilities and the —— (The argument was here cut short by the sound of the gavel.)

THE CHAIRMAN: I have been requested by both sides to ask you to be good enough to reserve your applause, because it is taken out of the speaker's time.

The next speaker for the affirmative, whom it gives me great pleasure to introduce to you, is Mr. G. Lawrence Pegram of the 116th Street Branch of the Colonial Bank.

ADDRESS OF G. LAWRENCE PEGRAM.

The question of finance is one which touches everything entering into the affairs of all our people, and is therefore of national importance. Honesty and justice demand that we give to our people the best currency system that can be devised which will always meet the ever-varying demands of trade.

We wish to make this country the financial and commercial centre of the world, as we rightfully deserve to be, for no other country is so blessed with natural resources; and coupled with the enterprise and progressiveness of the American people, we should lead the world.

Strange as it may seem, is the fact that the larger our crops with improved prices, which should naturally bring prosperity, only imperils our entire financial system and a panic at harvest time is averted only by the greatest efforts.

That such an intelligent body of men as our bankers can continue to witness this annual disturbance without seeking adequately to remedy the defects of our system, has called down upon them the just censure of the business community.

Our increasing crops have called for improved farming implements and manufacturing has demanded improved facilities in machinery and transportation, and we have not hesitated to adopt them as occasion required. In banking alone have we shown a refusal to meet the requirements of business, and to-day we labor under a plan of over forty years ago, which was designed solely for the purpose of making a market for Government bonds at a time when the country was heavily in debt owing to the Civil War, and which bears no relation to commercial needs of the country. Founded in war time on speculation on bonds, it has ever thus continued, and circulation is retired regardless of the requirements of business.

We are proud of our National banks as banks of deposit; but it must be admitted by all that as banks of issue under the present restrictions they are wholly inadequate.

We do not want a currency which requires for its existence the investment of more than a like amount of capital in bonds, thus diminishing the loanable funds of the bank. What we do want is a currency which, being based on the business of the country, is always equal to the demands of business.

The greatest defect in our present system is its lack of elasticity. The demand for money is so varying at different seasons that the rigidity of our currency causes either stringency and abnormally high interest rates, or produces redundancy and dangerously low rates, which invite speculation and foster hazardous undertakings.

It has been said that we cannot but admit that the bond-secured notes are safe. In answer to that let me ask what is meant by safe in the broadest sense. Does any one here claim safety for a system that every year stops the wheels of progress, curtails credit and causes greater losses to the business community annually, than would have accrued in case of notes of failed National banks during the entire period covered by the National banking system had there been no bond security required? No. Such a system is unscientific, a hindrance to progress, unjust to business interests and a menace to our entire country.

The present system possesses the one advantage of supplying us with statistics on which to base a really sound financial system for which it has been demonstrated that an annual tax of 22-100 of one per cent. would have redeemed all the notes of failed National banks since the inauguration of the system. It has repeatedly been demonstrated both by statistics and experience in this country and abroad that a credit currency with proper safeguards meets the every-varying demands for money, gives a stable rate of interest, prevents stringency and redundancy, and is sound in every respect.

Do not for the moment compare asset currency with the currency which we had under free banking in the West, for let me state that these notes were all bond-secured or State fiat, and that a true credit currency has never failed of its purpose and has always been as good as gold.

The State Bank of Indiana, chartered in 1834, was permitted to issue notes to double the amount of its capital and was one of the few banks which did not suspend in the panic of 1837. This was the only bank in the country holding Government deposits in that year which was able to respond with gold to the call of the Secretary of the Treasury. This bank was highly successful, was re-chartered and was one of the few which did not suspend specie payments in the panic of 1857.

The Louisiana Bank Act of 1842 permitted banks to issue notes without limit, requiring an adequate specie reserve and under this system none suspended during the panic of 1857 and the State became the fourth in banking power in the Union, and so continued until the capture of New Orleans by General Butler in 1862. The Suffolk system in Massachusetts afforded an example of one of the finest systems of currency the world has ever seen. With none of the safeguards which are now considered essential to a credit currency, and without a guaranty fund, and permitted in many cases to issue notes to double the amount of capital, these 504 banks maintained a specie reserve of fifteen per cent. against deposit and note liabilities and in twenty years the total loss to noteholders was only $877,000, and an annual tax of one-eighth of one per cent. would have paid all the losses.

Canada also furnished a splendid example of the safety of the proposed system.

France, with an asset currency gives to the people in all parts of the country money at the same interest rate and usually at less than three per cent.

We could greatly reduce interest charges to all our people without resulting loss to banks, were we permitted to issue notes against general assets.

Credit currency is being used by all the civilized nations of the world, except ours, and has stood the test of over 200 years. If the principle be false, then banking throughout the world must rest on a very dangerous foundation, and ours be the only correct one ; but if this be true why does the United States annually experience such trouble with her finances?

Contrast the experience of our banks for a period of years with those working under the true principle, and you will find that the European and Canadian banks have met the wants of their countries in trying times, and have frequently had to render assistance to this country, and we are ashamed to state that is what they are now doing. Just think of the dishonor of this, the richest country in the world having to beg at the doors of the foreign banks. Such a state of affairs brought about through an obsolete banking system is a disgrace to American intelligence.

No one is alarmed or questions the right of the banks to increase their deposits and expand their loans, provided an adequate reserve is maintained, and they have no more right to question the authority of banks to issue notes based on their general assets, for there is absolutely no difference between note liability and deposit liability, for one is a check of the institution, the other a deposit against the same reserve fund.

To those who believe that an asset currency would produce inflation let me say that currency neccessary to do the business of the country is not inflation. The amount of currency which you can keep out is limited to the public demand, for not being a legal tender and not available for reserve purposes, the notes will be retired as soon as the need for their existence is passed. There was no inflation under the Suffolk system and the amount of issue was almost unlimited, yet forty per cent. was the highest amount ever outstanding. Canada does not suffer from inflation, only issuing fifty-four million of a possible sixty-five million. The Bank of France is permitted to issue notes equivalent to 1,000 millions dollars, yet the issue is only 814 millions. These are but a few illustrations which we offer in proof of the fact that there can be no inflation under a true currency system.

It is well known that bank circulation is now being retired as rapidly as possible owing to its unprofitableness; but the demands for money to meet the requirements of trade and the growing population are ever increasing and if we do not have an asset currency, where are you to get it? Not fiat money we hope, for we now have 346 millions of that! Not silver, for that is more than half fiat! Gold, you say ? If you think that, I would advise a careful study of the statistics regarding gold production and its disposition during the period from 1860 to date.

The fact of a country producing gold is no indication that it can retain it, and our experience in the past aptly proves that, and we also know that the European countries produce practically no gold, yet their banks are constantly accumulating it and that in spite of adverse trade balances.

No. There is only one way and that is a true and scientific currency based on the general assets of our National banks, which represent the business of the country, which will always adjust itself to the requirements of trade, and if the six billion dollars of commercial credits should ever be insufficient to redeem the notes, then would the Government cease to exist.

THE CHAIRMAN: The next speaker for the negative is Mr. Orrin R. Judd, of the Knickerbocker Trust Co.

Address of Orrin R. Judd.

Mr. President, Honorable Judges, Ladies and Gentlemen—We have been sitting here several minutes trying to think what that annual trouble is that my friend on the other side has been hinting at. But, in opposing this question, we are just going to depend on three propositions to-night.

First, that the public confidence insured by something like a reasonable certainty that notes of banks issuing them will be met on demand in gold or its equivalent, is essential to the successful operation of any kind of bank-note currency.

Secondly, that any currency based upon general assets must also have, as an essential part of its plan, some provision for adequate supervision or control of the issue, as well as the investment of the assets upon which the currency is based.

And, thirdly, that our currency, with its conditions, does not permit of any such control as is absolutely necessary to the safety of asset currency, and therefore, having proved these three propositions, that any attempt to establish a currency based upon the general assets of the National banks of this country is an unwise and highly dangerous experiment.

The first proposition is self-evident and needs no demonstration. In fact, if any were needed, it has been given to us by the other side. That is, that a bank-note currency must have the public confidence. This we will admit without any argument; and my second and third propositions are so correlated that I will not attempt to advocate very clearly the proof of each, but will refer to the whole financial history of our country, and the world at large to prove that what I say is true.

We have had presented to us, in some form, the condition of the country before the Civil War. We have been reminded of the history of our financial legislation. Every State maintained its own banking system or lack of system—for in very many of the States the laws which governed the issue of bank-note currency and of deposit and discount were so poorly framed that fraud and poor judgment made shipwreck of the banking business very soon. We have been told by the gentlemen on the other side that only one bank in all the United States prior to 1863, when the National banking system came to our relief, was able to maintain itself. We have been told that this banking system of currency was secured before the Civil War, secured, perhaps, as was that of New York State under its free banking system, but when it became necessary, in the failure of banks, to liquidate, it was found that the security deposited was scarcely worth thirty cents on the dollar. Secured, perhaps, as the bank notes of South Carolina were secured, when the banks agreed to suspend specie payments, and found themselves unable to compel their debtors to pay in specie, though they were enabled to buy at a discount, putting them up at 100 and buying at 85. In Michigan matters were in equally bad shape. No, we cannot depend on the system in currency in vogue under our State banking laws prior to 1867. It is a history much to our discredit, of financial panic, disaster and poor judgment, and of dishonest management, of laws poorly made and poorly enforced, of all kinds of systems, and systems not worthy of the name. We find, then, that in 1863 there comes a system which, it has been said, was based upon Government bonds for the purpose of making a market for the bonds. Possibly that entered into the plans of the builders of that system, but they builded wiser than they knew, for since that time you cannot point to a single bank note discredited in the eyes of the people; you cannot point to a single bank note that is not considered as sound and as good as gold. No system that we have ever had in this country can compare with our National banking system of to-day. It is good enough. We have money enough. A distinction must be made between the need for money and capital. We have been referred to the banks of other countries of the world.

Canada has been mentioned. Canada, as we have been told, has but thirty-four banks. They are mutually responsible for the integrity of each other's circulation. They have the right, and are impelled by self-interest to examine each other's books of account, and they have the power of refusal to receive on deposit each other's notes in order to bring to terms any bank that resists such an investigation, having on deposit perhaps five per cent. of the amount of the deposits of all the banks and trust companies and Savings banks of the United States, carrying on the business of that great nation with all their branches, a sparsely-settled region and with a comparatively small need of banking facilities. You cannot apply to the conditions existing in the United States of America the same plan that was successfully practiced in Canada, or the same plan that, in that little group of banks in New England, was so successfully used under the Suffolk system. We are not disputing the fact that it is possible, under a limited currency, to make this system useful; but we do say that under the conditions that exist in this country, with 15,000 banks of issue, it is impossible to secure such supervision and control of the issuing power as is necessary to safety; and without safety, without some reasonable assurance on the part of some competent authority, with power to enforce and power to back up what it says, public confidence will not rest with the notes, and they are useless and worse than useless. England, or France, or Germany cannot be compared with our country, for there they have a great central institution controlled and run by the Government, with all the wealth of the nation behind it. Time was when we had a Bank of the United States. There were two of them at different times. They acted as regulators of the currency—President Jackson to the contrary notwithstanding. We claim that now it is politically impossible to obtain such a bank as that. No gentleman here to night would advocate the establishment of a Bank of the United States. In the first place, we couldn't get it; in the second place, we don't want it. Our National banks are good enough. It is impossible to obtain such a supervision and control as would obtain a safe asset currency. The temptation would be too great for unscrupulous men to get into the banking business.

The suggestion has been made that Canadian banks are responsible for each other's currency. Do you suppose that a strong bank in New York city would consent to issue notes if they had to be responsible for the losses of other banks scattered over three million miles of territory, in towns and hamlets of only 2,000 population, some of them having a capital of as little as $25,000, and they be permitted to issue notes based upon general assets—assets which are stocks and bonds, or bonds and mortgages, and loans and discounts, made according to the judgment of these thousands of bank officials of whom we have no means of knowing anything as to their policy, their integrity, their success as banking officers? It is absurd to compare, or to attempt to compare, the banking system of Canada with that of the United States, or France, or Germany.

In closing I just want to say that we have an example in England of a nation that has tried asset currency and discarded it, and it is a fact that weighs with a little force on our side of the question that in 1844, when the charter of the Bank of England was renewed, the profound judgment of the greatest financiers and statesmen of the day justified them in forbidding any further issue of asset currency, and of establishing on a gold basis the Bank of England, and has there been a day from that time to this when the Bank of England's notes have not been synonymous with strength and integrity? If our Government debt is paid off, and the Government bonds redeemed with the gold which our country is getting, the gold which we will have then available will be, as it is now, practically, the basis and security of our National bank note.

Then we rest upon these three propositions: that we must have confidence in order to make any currency useful; that an asset currency must have proper regulation in order to secure that confidence; that in the conditions that exist in the United

States it is impossible to secure such supervision, and that, therefore, it is folly to try to introduce an asset banking system, foredoomed to failure.

I have not used my twelve minutes, but I am going to stop.

THE CHAIRMAN: As the third speaker in the affirmative for the Alexander Hamilton Chapter, it gives me pleasure to introduce to you Mr. Richard A. Purdy, of the Madison Avenue Branch of the Mechanics and Traders' Bank.

ADDRESS OF RICHARD A. PURDY.

Mr. Chairman, Honorable Judges, Ladies and Gentlemen—I want to say, by way of preface, that I agree with the gentleman last speaking in two of the propositions he made just at the conclusion of his remarks; first, that asset currency needs confidence; second, that it needs proper regulation; and I trust, before the debate is entirely over, that the third quality, which he denies to it, we shall prove it does possess.

In advocating the affirmative side of this controversy, we have thus far established by our first speaker the absolute inadequacy of our prevailing financial system—I pay it a high compliment in calling it a system. (I might go so far as to say our friends on the other side have generously helped us to prove this themselves.)

The experience of almost any twelve months in my recollection, unfortunately and disastrously certifies to this deplorable fact.

The most that can be said of our financial system is that it is reared upon an absolutely secure foundation. So are the pyramids, and like them our currency system seems to have about as much practical value.

Surely this security—the certainty of redemption of all our currency—is a most desirable and necessary foundation, but if it is its only virtue upon which has grown, rather than been reared, an unsightly edifice that is weak in many parts, let us follow the advice of advanced and thoughtful financial architects and begin repairs at once!

The greatest possible emphasis is laid upon the uncontrovertible fact of the stability of this foundation by those who are too timid to consider a change, even though it be for the better.

Our entire country has thus justly, and wisely perhaps, been brought to believe in the perfect stability of our currency, ignoring its defects because of a blind but honest faith in its security and enduring its evils rather than to courageously rebuild, with every prospect of better results.

However, no thoughtful man, so far as I know, has advocated an asset currency, based upon anything less secure.

Our second speaker, by statistics and otherwise, has advocated a method known as asset or credit currency, for improving our financial system at that point where a remedy is most needed and for which an annual strain and severe stringency are most eloquent advocates.

It but remains for me to advance our argument a step further by going into some detail regarding asset currency and offering some general practical suggestions as to the means by which this desirable end may be reached with the least costly disturbance to our present methods.

The entire amount of currency in use in this country is $2,661,000,000, composed mainly of gold and silver or their representatives and including that venerable and remarkable heir-loom of the Civil War in the shape of $346,000,000 known as greenbacks as well as including about an equal amount—$382,000,000—in what is known as National bank notes.

It will be seen at a glance that the division comprising about one-seventh of our entire currency, and known as the National bank notes, is the part of our currency to which attention is especially directed by us and which alone of the various divisions of our currency can be most readily made susceptible of quick expansion and contraction—the quality called elasticity, of which our complex financial system stands in such crying need!

The National bank-note system, requiring first the purchase of United States bonds at a figure much above par, and second their lodgment in the Treasury at Washington to secure every dollar of currency on which the bank's name appears, is a shameful and wasteful duty for a bank's assets to perform; especially as it defeats the possibility of the banks extending our currency at times when threatened, or prevalent stringency is putting forth an urgent appeal.

It is a condition further and for other reasons from which we must be forced to retire, unless we can carelessly live under the unpatriotic assumption that our Government will always be in debt. To these crying shames, the principle of asset currency makes its confident reply.

In view of the fact that it would be undesirable to pass abruptly from the present bond-secured circulation to the broader and more practical system of asset currency, because of the sudden release of United States bonds lodged in the Treasury, it is not contemplated by us to suggest for the present more than the issuance of such a percentage of currency secured by the bank's assets, as would meet the requirements of the anual need and be supplemental to the bond-secured currency now in use—leaving to the future the gradual, but final and absolute retirement of the present National bank notes, with asset currency fully substituted therefor.

What are the essential points to buttress an asset currency?

First. It must be absolutely safe.

Second. It must be susceptible of elasticity, or expansion when needed and retirement when not needed.

Third. It must be uniform in value—or equally acceptable in all parts of the country.

Fourth. It must not too rapidly release Government bonds, now securing bank notes.

These requisites are met by the asset currency principle and by amending the National Banking Act and providing as follows:

That any National bank, depositing an amount in United States bonds equal to forty per cent. of its capital, be permitted to issue immediately seventy per cent. in notes, in denominations of $10 and upwards, redeemable in gold and subject to a tax only of one-half of one per cent., with the privilege of additional issues under a reasonable graduated tax to the full amount of the bank's capital and to be availed of under stress of stringency.

Providing also for a guarantee fund in gold coin of five per cent. of the circulation not to be withdrawn from the Treasury and to be held by redemption agencies in such parts of the country as necessity requires. Such redemption agencies to be in charge of Government officials.

Such part of the general tax of one-half of one per cent. on circulation to be used to defray expenses and the surplus to be applied to the guarantee fund for the redemption of notes of failed banks.

Under this process sixty per cent. of the National bank circulation, if availed of would be upon the bank's general assets and provision should be made for the gradual retirement of the bond-secured forty per cent. circulation at the rate of two per cent. per annum of the bank's capital; thus retiring the bond-secured circulation in twenty years and substituting therefor a circulation based on the bank's general assets.

All National banks should also be made to hold one-third of their lawful reserve in gold coin to be provided by the banks through other channels than the United States Treasury.

Such an asset currency of necessity secures uniformity:

First, by the general tax of one-half of one per cent., half of which alone would be ample in itself, as shown by statistics, to cover all notes of failed banks; and

Second, because backed by a guarantee fund of five per cent. in gold, under Government control and recuperated by assessment in any emergency when falling below five per cent., and in addition to all of which, still further secured by the general assets of the allied National banks.

When a time is reached that such security as this fails of its purpose, a United States bond will be valuable only to supply the place of a pane of glass in a garret window!

It is most ardently to be desired that such parts of our National debt as are now wedded to our currency system will be speedily divorced, as they do not make the happiest of companions.

An asset currency serves a splendid end in providing the means regarding United States bonds and may open the eyes of the country to a realization of the blot upon its books in the form of an obligation amounting to $346,000,000 in United States notes, the payment of which it calmly ignores, when it should conservatively, but boldly, provide for a retirement to be final and absolute.

Under what remedy and at what time should the pernicious effects of our present financial system cease? We believe that our proposed asset currency plan is the best solution and that the time is now!

Shall we wait until some war-cloud frets its way upward from the horizon? Shall we delay until the winds of financial distress are gathering force and on the commercial ocean can be heard the roar of gale-tossed waves? A thousand times no! Let us confidently cast our moorings now, while the mariner can safely and calmly take his bearings! Now, while he can set his helm for the open sea, under clear skies and the promise of a safe voyage!

THE CHAIRMAN: It now gives me pleasure to introduce to you the last speaker in the negative, Mr. J. C. Martine, of The National City Bank.

ADDRESS OF J. C. MARTINE.

Mr. Chairman and Ladies, Honorable Judges and Gentlemen—I have been looking in your faces as I have been sitting here, and it seems to me that if this were a legal battle instead of a debate of bank clerks, I could confidently place this in the hands of the judges at this point, without further argument, and that the decision would be in favor of the New York Chapter.

We have been favored to-night by our second speaker with a statement that it was not expected that the American Institute of Bank Clerks would make to the bank officers of this city, and when we go to our banks to-morrow morning we will probably find them closed, for we have learned that it is a disgrace to borrow money; that the banks may have money on deposit, but it is a disgrace to loan it. This great country, in the enjoyment of great prosperity, is using all of its available resources, and has maintained so high credit that nearly every nation in the world has been willing to loan to us, and we have been glad to use their funds and make something for ourselves after paying a fair rate of interest. But this has been a disgrace, and hereafter the banks will not loan money. Due notice has been given that every one must refer to the annual trouble. To guide us as to what the trouble is, a date been given. That is December. The trouble is that we are doing so large a business, and our corporations are paying so large dividends, that along in the latter part of December we have to accumulate a little money to go into the pockets of the public, and this accumulation has made a little tight money for call loans. It therefore follows that in December there is a twenty per cent. market, and in January a two per cent. market. In other words, when we are accumulating this money, rates stiffen and after it is paid out on the first of January to the general public, they are anxious to invest it as favorably as possible, and while they are doing so it is being loaned at two per cent.—a terrible disaster to the country!

We have also been favored with the bold assertion that every country in the world, except the United States, is using an asset currency, when, as a matter of fact, Germany is the only one whose bank of issue is based on what we may call the theoretical idea of banking. Canada uses it, and Scotland, and Australia, but England—and we must consider her, since she does such a large business, every dollar of her currency is either covered by a dollar of gold or Government security. We hope that the judges will give due notice to these little inaccuracies. They make a good deal in decisions in regard to a debate, and we have thus far, and will try to continue to make our statements as correct as possible.

I want you to pay particular attention to the fact that the New York Chapter has not found any fault with asset currency as a principle. The debaters on the other side have maintained that it is correct, and we have not said it is not so. But we have said that the conditions in the United States do not warrant the issue of asset currency by the National banks at the present time. The remedy that is proposed is not that of the question under debate. It is proposed that we have a partially specifically secured asset currency, and a partially generally secured currency, and after a lapse of a certain number of years, if we find it is working all right, we are to have a currency based on the general assets of the National banks. This is not the subject we are discussing to-night. The subject is, that National banks be permitted to issue currency based on their general assets. I take it the time is the present time, not twenty or thirty years in the future, not twenty or thirty years in the past.

Now, I am going to look a little further into this subject of money. Money is simply a tool to facilitate commerce. It has been, and may be, anything that you can exchange for services or commodities and that can be kept without fear of deterioration for future re-exchange when needed. A noted writer and accepted authority on money has pointed out that to attain its greatest usefulness money must be possessed of six principles. That is, it must have uniformity, ease of recognition, divisibility, durability—it must be carried easily, and it must have stability of value.

Now, it has been found that gold is the only article that fills the bill in all these particulars, and hence it has become in nearly all the countries of the world the standard of value. It is the reserve on which all other kinds of money rest. We have in this country silver dollars, silver certificates, and United States notes, but these all owe their value to the fact that they are exchangeable for gold. We have another medium of exchange in bank credit, which is a right arising out of a deposit of money or credit for the transfer of money or credit in the settlement of commodities. It may be, therefore, termed deposit currency. We can now see what a bank note is. In principle, it is bank credit, for it is a deposit of money or credit against which an engraved receipt stands issued, instead of a pass-book entry. And so one of the debaters on the affirmative has said, there is no difference between a pass-book entry and an engraved receipt. In other words, there is no difference between either kind of a deposit, whichever was issued against it. But there is a decided difference. It is this: that a large reserve instead of a small reserve shall be carried against it, for if a man receives bank notes he does not want to inquire of the standing of the payers of the bills. There must be a sufficient reserve against them so that it will inspire confidence.

Now, there is another reason why the larger reserve is necessary. A bank in increasing its own deposits does so by hustling for business, by making friends and securing accounts. But it does not increase the general deposits of the community nor of the country in that way. It increases those deposits by lending money, for whether it issues its check or credits the account of its client and he draws against it, in the majority of cases the check is deposited somewhere else. It will, therefore, be seen that there is much more incentive to inflate credit where the bank loans bank notes than when it loans deposit credit, for the party who receives the bank notes hands them to someone else, and transfers the credit along with it. The bank is still the debtor of the second party instead of the first party. For these reasons it is necessary that a large reserve should be carried against bank notes. Charles A. Conant mentions 33⅓ per cent. as the necessary minimum reserve, and one of the greatest financial writers of England, the author of "Lombard Street," says that "whereas errors on the side of a too large reserve are harmless, errors on the side of a deficiency are disastrous."

There are bank credits in this country to the amount of some eight and a half billion of dollars. We refer to them as deposits, and carry against them real deposits of lawful money of three-quarters of a billion, making an average reserve of nine per cent. To guard against the disastrous effects of panic upon credit, we have arranged that the larger part of this reserve shall be carried by the National banks, and the smaller reserve carried by the other banks. We economize on our reserve and make a currency that is able to meet the needs of the larger business of the country without the issuance of bank notes. The average money in circulation is $33 for every person, and after deducting the reserves and the amount of the Treasury balance, we find there is $20—one-third in gold, one-third in silver certificates, and one-third in United States notes, and practically the same thing, National bank notes secured by United States credit. If we had an asset currency with 33⅓ per cent. reserve in gold the maximum volume of currency would remain the same; for bond-secured currency would be retired, being unprofitable, and the Government could not continue to carry so large a volume of semi-fiat silver money.

Now, to provide for currency in the future, we have this to propose. The great effort that Secretary Shaw made last year in sitting at his desk and ordering the release of United States bonds against public deposits should be done once for all time by command of Congress instead, and we should use these United States bonds to increase our circulation as needed. The Panama Canal bonds should be used to still further increase it, and then, as suggested by Secretary Gage in his last report, we can use the 800 million dollars of gold in the Treasury as a basis under our present system, of two billion dollars of credit, and——(The speaker's time there expired.)

REBUTTAL BY THE AFFIRMATIVE.

THE CHAIRMAN: The speaker in rebuttal for the Alexander Hamilton Chapter will be Mr. William E. Stevens of the Dollar Savings Bank.

ADDRESS OF WILLIAM E. STEVENS.

Mr. President, Ladies and Gentlemen—I agree with the poet who said that it is better not to know so much than to know so many things that aren't so.

They have been referring in no unmeasured terms to what they call the uncertainty of an asset currency, that it would be impossible to secure supervision of the issuing bank. Bear in mind that the same speaker told us that ninety per cent of the business of this country was done on credit. I want to know if, with the National banks in existence to-day under Government supervision, we can safely trust ninety per cent. of the loaning power of this country to the banks at large, if we are not safe in saying that the added ten per cent. could be trusted as well.

Do I understand that the gentleman on the other side reverts to the per capita theory of money in circulation? In the first place, we reiterate what the last speaker for the negative has said—and by way, they have not advanced anything. We have simply to confront their speakers in rebuttal. The fact remains still, ladies and gentlemen, that the instances which we have brought forward are actual history. If there exists absolutely no reason for any stringency, and there is no stringency, why an Aldrich bill? Why a Fowler bill? And let me tell you, gentlemen, that no more magnificent argument for an asset currency of a right sort, or for the inadequacy of the present currency, was ever advanced than that by the minority report on the Fowler bill.

And then we stand here to-night confidently and point to those who have used this system. Tell me that England has the most stable financial system in the world! Who was it that stood behind England when the Baring failure spread ruin in that country? Who but the merchants of London? If you will read your papers to-day you will find that England is so magnificently stable in its currency that even now, in our own markets, the English consol dropped below 90 a year ago to-day on account of the disturbance of the Transvaal War. The financial affairs of France are ably taken care of there by an asset currency, and I believe to-day, and I believe you will agree with me, that this country is more fully segregated, and yet brought together by our systems of railroads and telegraphs than was the little community in the Suffolk system which existed in times gone by. And yet we have heard to-night that the Suffolk system (we are simply quoting history) was magnificently successful; that all the State bank issues, with the exception of Iowa, Ohio, and Louisiana, were failures. They had a bond-secured circulation. The laws were so diverse. We certainly will agree with them. But those conditions cannot be reproduced, and as we do not make the asset currency we speak of, you cannot foist upon the people that which they will not take. You cannot inflate an asset currency based on the true banking principle of credit. There is absolutely no difference between $100 subject to check or subject to note. On that we agree. So that we see, under this system properly buttressed, as we believed, a system based on the suggestion of the great financier of this day. Secretary Gage read a paper before the New York Chapter and was violently applauded for advancing the self-same sentiments that we are advancing to-night.

I tell you, gentlemen, the whole question really reverts to the one principle as to whether we are going to stagger along under what we know, and what everyone knows, and assumes, to be an insufficient system. It answered the needs for which it was established. It secured a permanent resting-place of a market for bonds that the Government found necessary to sell. But are we always to be under the burden of a public debt? Capital is a great deal more expensive than credit. The only question before the country is how best to remedy the present condition of things. We advocate the issuing on a partial asset, they say. We say, issue notes on our general assets. We have provided for sixty per cent. now, not twenty years hence. But in order not to throw too large an amount of Government bonds on the market, the Government takes up fifty millions every year. In order not to throw upon the market more than is necessary, we have graded it down so that it might be retired without injustice to any one.

We have not time to speak of the taking out of circulation of the greenback. You may call it, if you will, the battle-stained currency of our fathers. Nevertheless, if it is a bond created by the Government that should be met, it should be paid the same as any other bond. The issue that brought them forth was the subjection of law to an extra legal necessity. It should have been removed a long time since. The Government has no right in times of peace to guarantee a credit currency for a people. It has no right to issue fiduciary responsibilities for private interests. Like other countries, our Government should provide that gold should stand behind it. We have provided for that, going to the further extent of necessitating what is not necessitated now, of carrying one-third of the present reserve in gold. But there is no reserve but the five per cent. reserve behind the bond-secured notes to-day. We have been quoting from history and not making inaccurate statements. It is not enough to say, "It ain't so," and "It is so." Mamie Jorkins says that Susie Smith's eyes are crossed. We might say it is not so, but that does not change the matter. You cannot hold up your fingers as the old woman did and cry, "Scissors." If they cannot advance something better than has been already advanced, we confidently appeal to history to back up the assertion that the ten per cent. proportion that now lies over against the 90 per cent.—that a Government that can control by examiners, National and State, at least 90 per cent of our credit satisfactorily, can be trusted to control the other ten, and if not, they should not be allowed to do business under present conditions.

I believe that the time has come when we shall subject our financial business to the same sort of proof that has been found wise in other cases; that we will not see the magnificent business interests of this country crowded into a little car of financial legislation, going down the steep and unsanded tracks of conservatism and pride, and crashing through the flimsy barrier which a poor system has placed in its way, and going out on the track of incoming depression, only to be taken up and the remains cared for by loving friends.

I confidently look for the gentleman in rebuttal to follow me to prove to this assembled audience what he has attempted to prove before, that there never exists any stringency any time of the year; that we have more money all the time than we know what to do with; that no financial system involving an asset currency, or a currency based on the true banking principle, is any good; that we are away off and wandering in the midst of mediaeval superstition and ought to be brought back by something sharp and short. I rely upon him to do that, gentlemen, but he won't.

REBUTTAL BY THE NEGATIVE.

The Chairman: The last speaker in rebuttal, on behalf of the New York Chapter, will be Mr. O. H. Cheney.

Address by Mr. Cheney.

Honorable Judges, Mr. Chairman, Ladies and Gentlemen—An old darkey down in Georgia went out riding through a dark forest on a mule. A thunder storm came up. It kept growing darker and darker, the noise of the reverberating thunder kept growing louder and louder, and only occasional flashes of lightning enabled him to see his way. Finally, it grew so bad he could not stand it, and he prayed, saying, "Oh, Lawd, if its just de same to you, I'd rather have a lil' less noise and a lil' more light."

I think we can safely say—calling attention to the question under debate, *Resolved*, That National banks shall be permitted to issue currency based on their general assets—that the gentlemen on the other side have, by their action in championing a system which proposes for a partly secured and partly asset currency, shown us that they are not altogether ready to say that National banks shall be permitted to issue currency based on their general assets. I submit, Honorable Judges, that we are debating that question. We are not looking thirty years to the future. As a matter of fact, my colleagues and myself are ready to say that there is coming a time in this country when we can adopt asset currency under some form. That time has not yet arrived. I want to say to you, Honorable Judges, that as one of my colleagues said, we are not opposed to the theory of asset currency, as a theory, but we are opposed to it as applied to this country. It has successfully worked in Germany.

Germany gives us an example there of a wonderful banking power. No man, least of all, we three bank clerks, should be ready to say that that system is wrong. We believe it is right in that country and under that form. But there they have one bank of issue and the Government back of it, and I want to say to you to day that we cannot have that system here unless we adopt one bank of issue. Why, one of the greatest champions of the Fowler bill, E. J. Hill, of Connecticut, says that he would prefer a capital of $500,000 for the banks that issue; or, better still, one bank of issue in each redemption district; or, best of all, one bank of issue in New York city. We are discussing whether ten thousand banks of issue is a good scheme or not. Now, it is very sound economic theory, it seems to me, that posterity shall be charged with improvements by the issue of bonds, and the Government's right to specifically secure its currency is undoubted. Now, is any gentleman prepared, outside of the gentlemen on the other side, to oppose that statement?

We have heard a great deal here about the contraction of loans—this terrible stringency, and contraction of loans every fall. From July 16 to September 15 last fall, our loans expanded fifty-eight millions. From September 15 to November 15 they expanded twenty-three millions—a total expansion of eighty-one millions. They say our currency is as secure as the pyramids, and we thank God for it.

It is said here that there are eminent gentlemen in the world of finance who believe that by a promulgation of this theory and by a discussion of it amongst the people we can gradually educate the country. We admit that as a theory it sounds well, and in Germany at least has worked well. But no matter who believes in it, no one has ever seen it tried with ten thousand banks of issue, and under such conditions we do not believe in it, but oppose it. New York Chapter did applaud Secretary Gage when he advocated asset currency. They would just as equally have applauded that eminent man if he had opposed it. He was there as our guest.

Now, the Suffolk system we admit was a splendid thing. It did its purpose very well. We have not said a word against it. We say those conditions are not possible to-day because the country has broadened out. But they say, look at Canada, for there is an example. Canada has an area about equal to our own, I think, with a population of 5,338,000. We have eighty millions. They have thirty-four banks of issue. Each of the branch banks takes up all the business as the new communities grow. It is not possible for a new bank of issue to step in there. It requires $500,000 capital to go into business there. The country does not provide a spot where there is business enough for such a bank to start. It is admitted by the other gentlemen that the currency has not hurt the prosperous times in this country. I would like to ask the gentlemen how the clearing-house certificates are like asset currency. The security is specific, isn't it? France has been compared, and France has one bank of issue. It is true, Honorable Judges, that in such a country, say, as France, or rather as Canada, in the money centers, Montreal and Toronto, they do not suffer every fall from the tightening of the money market as we do here in New York city in the financial center. But suppose we look at the country places in Canada. It was shown by the Manitoba Department of Agriculture Report last fall that they suffered a great deal in Winnipeg because they could not get money enough to move their crops. Our farmers are not suffering in that way. In Winnipeg there are only twelve branches, and in the whole Northwest Territory there are only forty branches. But when a Manager of a branch bank in Canada writes to his head office and asks for money to move the crops, they may give it to him or refuse. When a bank in Nebraska writes to New York and demands its money on deposit here it is sent out, or they know the reason why. Consequently, all this money leaving New York city, where this tremendous speculation is going on, does create a sort of tightening in the money market, but it is true in the financial centers of the world, whether they have asset currency or not. Those financial centers suffer every year from the tightening of the money market, and the larger and wealthier a country grows the greater that action and reaction in those financial centers.

The gentlemen have very sanguine temperaments. You know that there are some people that you just show them an egg, and immediately the air is filled with feathers.

Now, if we are going to have a provision for a bank to pay out only its own notes, there will be a lot of the currency in transportation and the conditions are not relieved. But one of the most important things for us to remember is that we as a people are educated in the belief that the American dollar has back of it the American flag, and we, as a people, are opposed to giving over to private institutions the control of our money. The American people to-day are not ready to do that. They want to feel that when they have a dollar, it has back of it the dignity and the honor and the power of the American nation. I want to say to you that if you would look at our conditions to-day, you would be convinced that we were never in better shape both as a nation and as individuals. The relation of the banks with the Federal Treasury is in better condition than it was a few years ago. It is possible to issue National bank notes on a more profitable basis. Then, too, Congress has stepped in and made certain concessions on common-sense notions of justice. Our money has increased nearly 600 millions in five years, and we are opposed, Honorable Judges, to a system that means an undue inflation, and we are opposed to it because we see—(The speaker's time expired here.)

Report of the Judges.

Horace White, Editor of the "Evening Post," then presented the following report on behalf of the judges:

"Mr. Chairman, Ladies and Gentlemen—The committee have instructed me to say that they have been greatly impressed and gratified with the thoroughness of the discussion which they have listened to this evening, and they have reached, however, the conclusion, unanimously, that the affirmative has had the best of the argument."

Mr. Cheney: Mr. Chairman, Ladies and Gentlemen, Members of the Alexander Hamilton Chapter and the New York Chapter—We have had the dignity of this occasion graced by the presence of these three gentlemen who have very kindly acted as judges. It is an honor to these two chapters for which we are exceedingly grateful, and I move you, Mr. Chairman, that a vote of thanks be extended to these three gentlemen for having acted in this capacity, by the members of the two chapters rising. The motion was duly put and carried.

Mr. Stevens: Mr. President, Ladies and Gentlemen—I rise to congratulate the gentlemen who have so nobly opposed us this evening for the magnificence with which they upheld a lost cause. I might say it is very difficult to construct a pair of trousers with two buttons and a piece of string, but up to the possibilities of the other side of the question, they did magnificently. We may look forward to a rubber with the New York Chapter.

On motion the meeting then adjourned.

Improved Form of Draft.—The Bankers' Check Co., of Des Moines, Iowa, has patented a new form of draft which is an inexpensive combination of simplicity and safety. Some of the advantages are that it affords a guard against check raising by addition and transforming of writing. Erasures cannot be made, as the amount portion is printed in sensitive ink, so that the application of chemicals or water would destroy the plate so as to make it impossible to repair the alteration so that it could not be readily detected. The form also includes other safeguards against alterations, and is labor-saving, requiring less labor than the old style.

THE BANK OF FRANCE.

[From the London "Statist."]

At the recent meeting of the shareholders of the Bank of France the Governor reminded them that a year ago he had expressed the hope that a revival of trade was setting in. The hope, however, has not been realized, although the Governor discovers many signs of improvement. There has been a good harvest, and, although the wine production has not been abundant, the prices of wine are good. The imports of raw materials of manufacture have been large, and the exports have been most satisfactory. Lastly, there are increases in some directions in the railway traffic returns. Upon the whole, however, 1902, like 1901, was a year of exceedingly little enterprise—of stagnation indeed—and depression. The investing public continued throughout it to prefer temporary to permanent investments, however small the return might be, and owing to the magnitude of the savings going on it was found impossible to employ the mass of loanable capital at home reproductively. Consequently there had been throughout the year an exceedingly large employment of French capital in London and New York. In spite, however, of the depression the business of the Bank of France increased throughout the year, and, although the profits were somewhat less, the bank was able to pay the same dividend—125 francs per share gross, or 120 francs net. The total productive operations—that is, the business done, not including that performed for the Government—amounted in 1902 to 16,449,934,900 francs. The year before they amounted to 16,670,737,500 francs, showing a decrease last year of 220,802,600 francs. Chiefly the falling off is in discounts. In spite, however, of this falling off the gold and silver held by the bank, which on the last day of 1901 amounted to 3,545,800,000 francs, on December 31 last year amounted to 3,617,600,000 francs, an increase of 71,800,000 francs. The increase in the gold held was 70,200,000 francs, in the silver only 1,600,000 francs. It will be seen how immense a business the bank conducts, even in a year of depression like 1902; and if we were to add the business done for the Government we could show an immense addition. But it will be more interesting to turn to the services which the bank renders to the public, and more particularly to the small public. Twelve months ago the Governor boasted in his address to the shareholders that the bank was the bank of the whole French population; and in commenting upon his speech we showed that the boast was fully justified.

Services Rendered to the Public by the Bank.

The report, which lies before us now, for 1902 confirms this statement even more strongly, for it shows that the bank, while catering for the great capitalists and the middle classes, is constantly on the lookout for means of affording greater and greater facilities to the small traders. In 1902 the discounts in Paris and the branches were in number 17,454,223, and the sum represented by them was 9,555,893,900 francs. In the previous year the number of bills discounted was 16,866,855, and the amount, 9,936,321,500 francs. It will be seen from these figures that the number of bills discounted last year increased, compared with those of the previous year, by 587,368, while there was a falling off in the value of those bills of 380,428,200 francs. If we were to go back to 1900, the year of the Exhibition, when business was so marvellously prosperous in France, we should find a very much greater decrease. In fact the decrease, compared with 1900, amounts to about two milliards. It will probably be in the recollection of some of our readers that the average value of the bills discounted by the Bank of France in 1900 was 729 francs, or not much over £29 3s. of our money. In 1901 the average value of the bills fell to 588 francs, or a little over £23 10s. In 1902 there was a still further fall to 547 francs, or about £21 17s. of our money ; and the average length of time for which the bills ran was 21 days, or somewhat less than the year before. The bills discounted in Paris from the value of 5 to 10 francs—that is, from 4s. to 8s. of our money—numbered 90,606. The bills ranging from 11 francs, or less than 9s. of our money, to 50 francs, or £2, numbered 1,434,394. The bills ranging from 51 to 100 francs numbered 1,169,832, and the bills above 100 francs—that is, £4 of our money—numbered 3,568,289. The total number of bills of all kinds discounted in Paris was thus 6,263,121, and of this grand total the bills at and under £4 of our money numbered 2,694,832, being 43 per cent. of the total. It may be added that in Paris itself the increase in the number of bills of £4 and under was as much as 14,809. It is surely not necessary to add anything to what we have said on previous occasions, when analyzing the report of the Bank of France, as to the immense service rendered by that great institution to the poorer productive classes throughout France.

In this country we have no lending institution of any kind which even attempts to do what the Bank of France does so admirably at the other side of the Channel, and it is one of the reasons of the extravagance of our poorer classes and of the small addition they make to the savings of the nation. If we had a bank to do what the Bank of France does in France, it would soon become impossible for anybody to say that the working classes, and, indeed, all the classes who deposit in the Savings banks, are not in position to invest in consols when the Government requires to raise a great loan. While the Bank of France renders the immense service we have been referring to to the people of France, it supplies that people also with the currency which they prefer. It has accumulated the greatest reserve of gold ever held by a trading concern of any kind. It continues to pay handsome dividends, but, unlike other institutions of the kind, it thinks less of the dividends than of the service it can render to the country, and it is constantly on the watch for opportunities to increase the facilities it affords its smaller customers.

The Bank's Circulation.

We have shown above that the bank holds considerably over 100 million sterling in gold, and that during the past year it added materially to its holdings. We may add that the average note circulation of the Bank of France in 1902 was 4,162,-246,600 francs, showing an increase over the average for 1901 of 46,426,100 francs. The Governor adds, in speaking of the circulation, that the note issue increases with the reserve of gold, for every day the preference of the public for notes of the Bank of France becomes more and more marked. Of the total circulation, the 5-franc notes represent only 690,670 francs. Even the 20-franc notes represent only 1,315,420 francs. The 25-franc notes represent only 389,600 francs. The 50-franc notes, being £2 of our money, odd to say, represent only 517,228,400 francs. The 100-franc notes represent 2,274,882,900 francs. The 500-franc notes, or £20, represent 284,698,000 francs, and the 1000-franc notes, or £40 of our money, represent 1,346,518,000 francs. It will be seen that the 100-franc and the 1000-franc notes together represent more than three-quarters of the whole circulation.

A GRATUITY FUND FOR BANK EMPLOYEES.

RULES AND REGULATIONS OF THE GRATUITY FUND OF THE FIRST NATIONAL BANK OF MINNEAPOLIS, MINN.

In order to encourage and promote faithful and long service, as well as habits of thrift and saving, on the part of its employees, the First National Bank of Minneapolis has decided to adopt a plan of granting gratuities to, and accumulating the same for, its employees—it being expressly understood that this plan is, and at all times shall be, completely under the control and management of the bank and subject always to such change or changes as the bank in its judgment and discretion may determine. It is also to be further understood that the plan herein outlined, or as the same may be hereafter amended or modified, may at any time be wholly abolished and abandoned by the bank, in case it shall so elect or decide.

The plan proposed by the bank is in the nature of an experiment and is not intended to create any contractual relations between the bank and its employees, or any obligation to continue the said plan, or any similar plan, or any amended plan for any definite period of time, nor is the bank to be in any way committed or bound to grant any gratuity in any year, to any of its employees, but the question as to whether or not any gratuity shall be granted in any year to any or all of its employees, and if so, to whom and in what amount or amounts, shall be left wholly to the judgment and discretion of the bank; and no employee shall in any event have any claim, demand, or cause of action of any kind against the bank, or its officers, or any of them, by reason of its or their action or actions in granting or refusing to grant any gratuity, or by reason of any discrimination, real or apparent, in granting or withholding or in accumulating such gratuity or gratuities, or by reason of making or enforcing any rule or regulation in the management or control of the fund to be created, or in the distribution thereof.

The fund which it is proposed to thus create is to consist solely of such gratuities as the bank may from time to time decide to grant, and in no sense and to no extent, of any part or portion of any salary of any employee, nor is the proposed fund to be, or to be regarded, as a pension, or disability fund, but at all times to be and to remain a purely gratuitous fund, under the complete control of the bank to be by it so conducted and managed as in its judgment and discretion may best subserve the objects and purposes of its creation.

On January 1, 1903, the bank will credit, upon its books, to each employee in the bank on that day, two sums, to-wit: Four per cent. and three per cent. of the total salary paid to each employee during the year of 1902. These credits shall be known and designated as absolute and conditional. The said sum of four per cent. shall be an absolute gift or gratuity to the employee, to be paid to him or her, only as is hereinafter provided.

The three per cent. credit shall be and remain a conditional gift or gratuity, subject at all times to the provisions hereof and to such further rules and regulations as the bank may from time to time, in the exercise of its uncontrolled discretion, see fit to adopt.

The bank will allow, until further notice, interest to each employee, on his or her credits, absolute and conditional at the rate of four per cent. per annum, to be credited on the first day of January of each year hereafter—it being expressly understood, however, that the rate of interest to be allowed in each year during the continuance or life of this plan, shall be wholly left to the determination of the bank.

At the beginning of each year hereafter, during the time this or any amended plan may be in force, whatever sum or sums may be allowed to its employees as gratuities shall be divided into two credits, absolute and conditional, as hereinbefore described.

In case any employee shall leave the service of the bank at any time within two years from January 1, 1903, or in the case of any employee coming into the service of the bank after January 1, 1903, within two years from January 1 next after the date of his or her employment, or shall be dismissed from such service at any time within five years after such date or dates, then and in that event such employee shall be allowed to draw only the sum or amount of the absolute credits standing in his or her name, upon the bank's books, together with the interest which may have been allowed upon such absolute credits.

In case any employee shall leave the employment of the bank after more than two years' continuous service, subsequent to the first day of January, 1903, he or she shall be allowed to draw from the bank all of the absolute credits standing in his or her name, together with such interest as may have been allowed thereon, and the following percentages, based upon length of service, of the conditional credits, together with such interest as may have been allowed thereon, to-wit:

1. Where the continuous service after January 1, 1903, exceeds two years, but does not exceed three years, ten (10) per cent.

2. Where the continuous service after January 1, 1903, exceeds three years, but does not exceed four years, twenty (20) per cent.

3. Where the continuous service after January 1, 1903, exceeds four years, but does not exceed five years, thirty (30) per cent.

4. Where the continuous service after January 1,1903, exceeds five years, but does not exceed six years, forty (40) per cent.

5. Where the continuous service after January 1, 1903, exceeds six years, but does not exceed seven years, fifty (50) per cent.

6. Where the continuous service after January 1, 1903, exceeds seven years, but does not exceed eight years, sixty (60) per cent.

7. Where the continuous service after January 1, 1903, exceeds eight years, but does not exceed nine years, seventy (70) per cent.

8. Where the continuous service after January 1, 1903, exceeds nine years, but does not exceed ten years, eighty (80) per cent.

9. Where the continuous service after January 1, 1903, exceeds ten years, one hundred (100) per cent.

Any employee whose continuous service with the bank, after January 1, 1903, shall exceed ten years, may, whether he or she shall leave the service of the bank or not, withdraw the whole or any part of his or her credits, absolute and conditional, together with all interest which may have been allowed thereon.

In case any employee shall be dismissed from the employment of the bank after more than five years' continuous service subsequent to the first day of January, 1903, he or she shall be allowed to draw from the bank all of the absolute credits standing in his or her name, together with such interest as may have been allowed thereon, and such part, portion or percentage of the conditional credits and of such interest as may have been allowed thereon, as the bank may then determine—it being expressly understood that such part, portion or percentage shall be left solely to the judgment and discretion of the bank.

In case of the total disability of any employee during the time of his or her service with said bank, he or she may upon request be allowed to draw the whole of his or her absolute credits, together with such interest as may have been allowed thereon and such part, portion or percentage of his or her conditional credits as the said banks may see fit to allow.

In case of the death of any employee during the term of his service with said bank, there shall be paid to his or her legal representative or next of kin all of the absolute and conditional credits, together with such interest as may have been allowed thereon.

It is expressly understood that the said credits, both absolute and conditional, shall be non-assignable and in no event subject to garnishment or other legal process, nor subject to be taken on execution.

It is further understood that in case any employee shall attempt, either orally or by written instrument, to assign his or her interest in and to either the absolute or conditional credits, then and in that event both such credits shall become forfeited to the bank and all right, title and interest in or to the same shall be cancelled.

No employee at any time, or under any circumstances, shall have or maintain any action, either at law or in equity or otherwise, against the said bank or against any of the officers thereof, by reason of any alleged claim or demand on his or her part against said bank, by reason of such conditional credits.

The administration of the fund hereinbefore outlined will be substantially in accordance with the rules and regulations herein set forth. It is, however, to be distinctly understood that such rules and regulations may be from time to time altered, added to or amended, and in such manner and to such extent as the bank may decide, and that the same shall confer no vested rights upon any of the bank's employees to any part or portion of such fund except only the absolute credits; and to such absolute credits, only in the manner and to the extent herein provided for. The absolute credits shall at all times be and remain the sole property of the employee, subject always to be appropriated and applied by the bank to the payment of any indebtedness or liability which the employee may, at any time, be under to the said bank.

As to what disposition shall be made of any conditional credit or credits, appearing upon the books of the bank, to any employee upon his or her leaving or being dismissed from the service of the bank, and not paid or allowed to such employee, under the provisions hereof, shall be left wholly to the uncontrolled discretion of the bank—the intention of the bank now being to keep and accumulate said unpaid portions of the conditional gratuities and at stated periods, to be hereinafter determined upon, to equitably distribute the same to the credits of the other employees.

The intention herein expressed shall not, however, in any manner or to any extent, preclude the bank from hereafter making such disposition of said unpaid portions of the conditional credits or gratuities as it may think best.

We the undersigned, employees of the First National Bank, of Minneapolis, do hereby acknowledge the receipt by us and each of us, of a copy of the rules and regulations adopted by said First National Bank, relating to the gratuities of said bank to its employees and the accumulation and administration and distribution of the same, and that we have read and understand the same; and we do hereby promise and agree to be in all things bound by such rules and regulations and not to make any claim or demand against said bank or any of its officers, on account of said gratuities, except as provided in such rules and regulations as the same now are, or as the same may be hereinafter altered or amended.

Savings Accounts.

For the purpose of encouraging the employees of the bank in saving and accumulating from their regular salaries, the bank will, until further notice, receive and accept from its employees on deposit any sum or sums of money and pay interest thereon at the rate of four per cent. per annum, payable semi-annually, interest to begin on the first day of the month next after the date of deposit, except in those cases when the deposit shall be made on the first day of the month, and in those cases the interest shall begin on that date. Interest on such deposits shall be paid to the depositing employees or credited to their deposit accounts on January 1 and July 1 of each year, and upon any sum or sums drawn out between such interest days no interest shall be allowed.

The deposit account of no employee will be allowed to exceed the sum, principal and interest, of one thousand dollars.

These savings accounts shall be kept wholly separate and distinct from the gratuity accounts hereinbefore provided for.

THE BANKERS' MAGAZINE.

How It is Appreciated By Its Subscribers.

Many letters are received each month from subscribers who are old and valued friends of the Magazine. We print below a few selections from this correspondence.

J. T. Woodhull, Vice-President First National Bank, San Antonio, Tex.: "Herewith I hand you New York check for $5 in payment of one year's subscription for The Bankers' Magazine. Please commence with the January, 1903, number. We now have two or three copies taken in our bank, but I wish one personally to keep at home."

A. L. Wilson, Cashier Merchants' Exchange Bank, Sparta, Ill.: "Enclosed please find our draft on New York for $5 in payment of our subscription to the Magazine for 1903. We believe that it is just as important for a country bank to keep posted on financial matters as it is for the city banks, and therefore we read the Magazine.

E. A. Heald, Cashier Canton National Bank, Canton, Ill.: "We enclose draft in payment of our annual subscription, for we can not do without The Bankers' Magazine; or at least we think we can not, for we have not tried to for over twenty years past. We formerly took both magazines before the consolidation."

H. H. Norrington, Vice-President Lumberman's State Bank, West Bay City, Mich.: "After discontinuing The Bankers' Magazine for three months, I find I can not get along without it; so please put us back on your subscription list."

W. A. Heath, State Bank Examiner, Chicago, Ill.: "Will you please send the Journal of Banking (now Bankers' Magazine) to my Chicago address until further notice. For fifteen years it was one of my best text-books, while Cashier of the Champaign National Bank. In my present work I need it more than ever."

H. A. Shanklin, Cashier Toledo (Iowa) Savings Bank: "I enclose an order for one copy of Modern Banking Methods and Practical Bank Bookkeeping. We have been subscribers for The Bankers' Magazine for almost twenty-five years, and think more of it now than we did at the start."

Geo. W. McCabe, Cashier Commercial National Bank, Chatsworth, Ill.: "Draft enclosed ($5) to pay for Bankers' Magazine for the ensuing year. Could not get along without it."

THE CANADIAN BANK INSPECTOR.

Unlike his brother the American examiner, the Canadian bank inspector is the servant of the bank whose affairs he investigates. His chief solicitude is to safeguard the interests, not of the bank's creditors, but of its stockholders.

Instructions from his head office require him, on his arrival at a branch, not only to audit the cash and securities and to inquire into the nature of the loans, but also to ascertain if the officers are efficient and trustworthy, and if the affairs of the branch are so administered as to produce the best and most profitable results from the proprietors' point of view. From the nature of his position—the confidential emissary of the chief executive—the investigation which he conducts must necessarily possess a wider range than could that of an outside official such as the American examiner.

A short sketch of the methods employed in inspecting a branch of one of the big Canadian banks may have some interest for American bank men.

The branch makes periodical returns or statements to the head office, reporting all the items of its business, the cash and securities held, the deposits and other receipts and so on. The inspector first sets in to verify the correctness of these returns. When the cash and securities have been checked, the books balanced, and the different balance sheets given into his charge, he proceeds to confirm the accuracy of the figures. For instance, taking the loans and discounts: after the bills on hand have been ticked off with the sheet, verification lists are sent to the banks and agents recorded as holding the bills remitted for collection. These agents and correspondents are asked to confirm the lists if correct, and if discrepancies are noted to correspond, not with the branch, but direct with the inspection department at head office. Similarly all parties for whom securities are held are asked to confirm and return to the head office lists of the various items. Confirmation of the balances of agents and correspondents is obtained in the same way.

With regard to the accounts with other branches of the bank, most Canadian banks pursue the same system of bookkeeping, with seventy or eighty branches, each one requiring a heading in the general ledger, that book would be bulky indeed. It is the practice, therefore, to keep but one account styled "head office," and to enter therein each day the total of the debit and the total of the credit entries for other branches. These entries themselves with the particulars thereof are placed in a supplementary book. These items are reported twice a week (sometimes oftener) to the head office, where a staff is maintained to make the adjustments among the numerous offices. It is only necessary then for the inspector to send to the chief accountant at the head office, the balance shown by the branch books at debit or credit of "head office" together with a statement bringing up to the date of the inspection the record of the entries passed through the account, and a satisfactory confirmation of the branch accounts can be secured.

As to depositors, a printed form is sent to every one, with a notification of the balance due and the intimation that unless a protest or complaint is received the bank will assume that the depositor assents to its correctness. In this case also claims for discrepancies are to be made direct to the head office.

All verification lists and forms, whether addressed to depositors, owners of securities, or collecting agents, are ticked off with the sheets by the inspector himself, or his assistant and are then religiously guarded until delivered into the post office.

The technical or checking off part of his duties performed, the inspector turns his attention to larger matters. He usually has instructions to inquire specially into the workings of some of the discount, or liability accounts, either because of their size or because of something else which has aroused the general manager's distrust. The circumstances of the borrowers, their characters and business habits, are closely discussed with the branch manager; suggestions given and hints thrown out. Then the protective appliances, the fixtures, etc., are thoroughly gone over; orders given for remedying defects, strengthening defenses, and increasing, where necessary, the accommodation for the staff.

During his visit, which sometimes lasts three or four days and more, the inspector keeps a keen lookout for ability and genius in the staff. The impressions he forms are checked off, confirmed and supplemented by drawing on the manager's store of information. Good conduct, smartness, capability and zeal are brought prominently before the general manager's eye in the inspection report. The manager himself is scanned and scrutinized; the inspector's opinion of his fitness for controlling the branch is set forth. The locality and the surrounding country are visited and prospected; the industries and sources of wealth noted: the general condition of the people; openings for new branches; the outlook for businesss; the doings of the bank's competitors (their business rates, terms, etc., as far as can be learned). In short from the full and detailed reports of inspectors, combined with the regular reports of branch managers, the executives of the Canadian banks are in possession of accurate information of the condition of affairs prevailing all over Canada.

H. M. P. ECKARDT.

PRIVATE BANKS.—In the Eighth Annual Report of the Bank Examiner of Wisconsin, Marcus C. Bergh, State Examiner, says: "While some of our very best banks are conducted as private banks by individuals or firms, there are many serious objections to their continuing as now conducted. Where a private banker has no other business and devotes his entire time to banking, he will probably conduct his bank in a safe and business-like manner, but the fact that the death of the owner or any one of the owners of a private bank will force its closing, thereby subjecting his or their customers to unnecessary risk and annoyance, is in itself sufficient reason why the present system, or rather, lack of system, should be discontinued. Where a private banker is engaged in other enterprises, as he usually is, it is difficult to keep his private affairs separate from his bank, and to mingle his private business with his banking business is liable to subject the bank and its funds to risks that may result in disaster. For obvious reasons, I refrain from giving further details why the present system of private banking is objectionable. I would recommend that a private banker be required to designate a name for his bank; and all property, real or personal, owned by such bank be held in the name of the bank, and not in the name of the individual or firm. All of the assets of any private bank ought to be exempt from attachment or execution by any creditor of such individual or firm until all the liabilities of the bank have been paid in full. No private banker should be permitted to use any of the funds of his bank for his private business, and the note of the owner or owners of any private bank ought not to be considered or accepted as a part of its assets. Examination and supervision of private banks can not be satisfactorily accomplished until the banking business is entirely separated from his private business."

MODERN BANKING METHODS.—Edward Hart, of Gallup, N. M., writes as follows of "Modern Banking Methods," under date of March 18: "It is the best work on the subject that I have read."

PROMISSORY NOTES.

[Paper by JAMES ROLPH, read before the San Francisco Chapter American Institute of Bank Clerks.]

I have been requested by your board of governors to make a few remarks to you this evening concerning promissory notes from a note teller's standpoint, and to impart, if possible, some information on the subject to the edification of the members of the institute in this city. It is with much hesitancy I have accepted the task, as among you there are so many who I feel are much more capable of handling this matter than myself; but in order to induce cordial co-operation and earnest effort on the part of members of this chapter to make the meetings a success, I have consented to read to you in my own homely way a few lines on the subject, the interest from which, as you all must know, is the main source of income and profit to a bank, and cuts such a large figure in all its transactions.

VARIOUS FORMS OF NOTES.

In a large commercial city like San Francisco business of much magnitude is generally settled by promissory note or accepted bill, and the payee, if he needs the money, endorses the note and offers it to his banker for discount, who, after being satisfied that the note has been given for a good and valuable consideration, credits his customer with the face of the note, less the ordinary discount for the time the note has to run. An accepted bill of exchange is treated in the same manner. This is what is known as the best commercial discount paper, as prompt payment thereof is invariably made at maturity.

Another class of promissory note looked upon with much favor by bankers is the security note, where bonds, stocks or merchandise are pledged as collateral security. This note is usually taken at the very lowest rate of interest, as the loan can be called in if necessary at very short notice.

A third class of promissory note, commonly known as the personal security note, is an accommodation made by a bank from time to time to customers without endorsement or security. Of course it needs good sound judgment and discrimination in granting loans of this character, the financial standing, reputation and business integrity of the customer being the main factors in granting the required accommodation.

Besides the notes already mentioned there are the corporation notes. For many good reasons it has become popular nowadays for individuals and firms to incorporate, and carry on their business under the law relating to corporations. Where a bank grants accommodations to a corporation it usually requires the board of directors to pass a suitable resolution authorizing the president and secretary to borrow from the bank, with power to sign notes for that purpose, and affix thereto the corporate seal. A certified copy of the resolution should be handed to the bank. In many cases a bank also requires besides, and as a protection against possible loss, a personal endorsement by the directors, or a guarantee note from some of the principal stockholders whose financial standings are known to be good.

Guarantee notes are a very safe and handy way for individuals or firms to obtain accommodation at a bank where their own financial standing would not warrant a bank to grant it on their own personal responsibility. With an acceptable guarantor they can borrow in suitable amounts to the limit named in the guarantee without the inconvenience of obtaining an endorsement every time an accommodation is needed.

THE NOTE TELLER.

The note teller of a bank is generally the custodian of all the notes or bills receivable and the collateral securities connected therewith. Whenever a note or accepted bill with its collateral is received into a bank it is usually given a number, and all the particulars connected with it entered in what is known as the note or discount register of the bank. It is then posted in the discount ledger. After being also entered in a maturity notification book commonly called a "tickler," it is placed in a wallet to turn up on the day of maturity. The collateral security is generally placed in an envelope, and the number of the note or bill written on the back for ready reference when necessary. For convenience there are generally two wallets used for the bills receivable, one for the demand notes, the other for time notes.

Among the many responsibilities of a note teller, one, of very great importance, is to guard against the outlawry of the obligations entrusted to his care. In this State a note outlaws in four years from the date of maturity, but it would seem to me to be poor policy, however good the maker might be, to allow any note to run for more than three years after due. It is usually easy enough to obtain a renewal note, and it is always a satisfaction to a bank to hold in bills receivable only what are termed live notes.

In taking a promissory note or accepted bill, care should be taken to examine it closely for the number of days it has to run, and the place where it is made payable. In the event of no place being mentioned, the obligation is payable where the maker or acceptor resides or has his place of business, regardless of the place where it is given. For instance, if John Smith, of Marysville, comes to San Francisco and buys a bill of goods from, say, Alexander Brown of this city, and gives a note for the amount, omitting to say in the body of the note "payable in San Francisco," although the note may be dated here, it is payable in Marysville. The law is that the paper must follow the maker or acceptor to his place of residence or business unless otherwise expresely stated to the contrary. City merchants, therefore, in taking notes from customers residing out of town, generally have them made payable in San Francisco, as without it the payee in discounting same at bank, besides the usual discount, would have to pay exchange and collection charges.

In cases where the maker of a note fails to meet his obligation at maturity, the ordinary procedure is to hand the note to a notary public for protest. The notary will then make the proper demand for payment, and in case of non-payment by the maker will notify the endorsers that the note has been dishonored, and that the owner holds them severally responsible for the payment of it.

THE QUESTION OF INTEREST.

The question of interest seems to be inseparably connected with promissory notes, and therefore I feel assured you will pardon me for referring to it at this time. It is indispensable that a note teller should be a correct and rapid calculator of interest, and, according to my experience, books of tables for that purpose are of little or no use, as a person accustomed to reckoning interest can perform the work in far less time and more accurately than it would take to look for it in a book. The rates of interest on notes in San Francisco vary considerably, but good bankable paper at the present time ranges from four to eight per cent. per annum, dependent, of course, upon the character of the paper. This is a radical change from the rates prevailing in the early history of our State, when a discount of two to five per cent. per month was quite common. The tendency still seems to be to lower rates, and it would not surprise me in the least in the course of a few years more to find good mercantile paper discounted in San Francisco at from two to three per cent per annum.

In the calculation of interest it is important to bear in mind the ordinary rule governing it, that is, to exclude the first and include the last day. In this city there are two methods in vogue for calculating interest on notes. The Savings banks reckon by the calendar month, while the commercial banks, owing to the shorter time their notes usually have to run, reckon by the number of days; but where loans are made on real estate running for a year or more, the commercial banks generally adopt the Savings bank plan.

Interest on demand notes in San Francisco is usually payable at the close of each month, and in a large banking institution such as I have the honor to serve, the calculation of interest at that time is quite an undertaking, and a feeling of great relief comes to me at the beginning of each new month, knowing that the interest task for the preceding month is accomplished.

One would imagine that in a bank where the bills receivable average over a thousand in number at all times, that the loss of a note or acceptance would be of common occurrence, whereas a loss of this kind seldom or never happens. In our bank covering a period of thirty years, I know of only two instances, and in each case the money was promptly paid by the borrower upon receiving from the bank a proper indemnity bond.

Examinations.

I presume all banks have their examination days, when all the assets of the bank are carefully examined. In our bank we have regular quarterly examinations, at which time the coin, currency, bonds, stocks and other securities of the bank, together with the notes or bills receivable and their collaterals, are exhibited to a committee of the board of directors having the matter in charge, who make a thorough examination of them all, besides ascertaining the general condition of the accounts of the bank. To prepare and show to the committee in a satisfactory manner a thousand or more notes amounting to over ten millions of dollars together with the collateral security, is no small task. The notes have to be arranged in alphabetical order, and written down, with the collateral, in a book prepared for the purpose, with the securities conveniently handy for the examination. To do this it takes several nights of hard work for myself and assistant, so as to have everything in good order, and the total amount of the notes or bills receivable to agree exactly with the balance in the general ledger.

Errors in one's work, as you all must know, will creep in occasionally, and it is at the time of our quarterly examination, if there be any of these errors, that they are discovered and corrected. Some years ago in trying to prove our notes with the general ledger, an error of ten cents kept us hard at work calling off the notes and poring over the discount ledger until between three and four o'clock of the morning of the day of the examination, but without success. It was then too late for us to think of going home, so we had to be content with an attempt to sleep two or three hours in the directors' room of the bank, in order to be ready, if possible, for the examination. You may imagine what a little rest we had, as we were puzzling our brains as to where the error could be. Finally it occurred to us that it might possibly be in the general ledger, and not in the notes, and, sure enough, there we discovered it. Upon comparing the daily postings from the bills receivable blotter to the general ledger, during that particular quarter we found the general ledger bookkeeper had on one day made an error of ten cents. The error as soon as found was immediately corrected—thus making the general ledger to agree with the bills receivable on hand.

There are many other matters pertaining to promissory notes that have come under my observation which might possibly be of interest to the members of this chapter, but I feel that I have already said more than enough for this evening. In what I have said I trust I have made myself clear, especially to the younger members of the chapter, for whose benefit, education and advancement in the knowledge of banking these meetings I understand are mainly held.

OUR ACTUAL TRADE BALANCE.

[From the New York Commercial.]

The visible balance of trade is comparatively simple, it being the excess of exports over imports. For instance, the exports of the United States during 1902 amounted to $1,360,000,000, while the imports amounted to $969,270,000. The excess of exports over imports, therefore, was $391,000,000. This is the visible balance of trade.

The net balance of trade in favor of this country during 1902, however, amounted to nothing like this sum. This is because of the movement of the invisible balance of trade, a movement which is apparently entirely overlooked by many.

The invisible balance of trade depends upon movements of which the only records kept are those of the parties directly interested. No official record exists; yet the aggregate is an enormous sum.

One of these factors is the movement of securities between the United States and other countries, with the attending interest returns upon American capital invested abroad and on foreign capital invested in this country. Other influences affecting the invisible balance of trade are the freights paid to foreign ships and by foreigners to American ships, expenditures by Americans abroad and by foreign tourists in this country, and temporary loans from Europe to the United States, or from the United States to Europe. Other influences affect the invisible balance of trade, but these are the most prominent.

One of the factors in the invisible balance is the interest on foreign capital invested in the United States, and on American capital invested abroad. Foreigners have for years been large holders of American securities, the majority of the capital stock of many of the prominent railroads being at one time owned abroad.

While a large number of these securities have been repurchased by this country during the last few years, the amount of foreign capital invested in American securities still reaches to an enormous sum. The investment of American capital abroad is much smaller.

According to the estimate most generally accepted, this country receives annually $20,000,000 on its capital invested in foreign countries, and pays $110,000,000 annually in interest on foreign capital invested here. This makes an annual interest balance paid by this country to foreign nations of $90,000,000. Of course the visible balance of trade of this country is reduced by just this sum.

The next largest item in the invisible balance of trade is the payment of freight charges on exports and imports to foreign owners of the merchant marine. This item has been variously estimated at between $50,000,000 and $150,000,000. The estimate most generally accepted is that this country pays an annual ocean freight balance of at least $85,000,000.

It is estimated that the amount spent by Americans abroad aggregates $75,000,000 annually, while considerably less than $20,000,000 is spent on an average by foreign tourists in this country. The loss by expatriation of Americans who have taken up permanent residence abroad is placed at $30,000,000. The income from American property owned by foreigners or by former Americans now living in Europe is estimated at $25,000,000.

In addition, foreigners residing in this country send large amounts of money to Europe, over sixty-five per cent. of the tickets of immigrants being paid for in this country, while foreigners returning to Europe and China take with them considerable sums. The net sum lost in this country annually in this way is usually placed at $10,000,000.

It therefore appears that every item of the invisible balance of trade is against this country. Summarizing the results given, the following table shows, as nearly as can be estimated, the sum lost by this country in the movement of the invisible balance of trade:

Interest balance	$90,000,000
Ocean freight balance	85,000,000
Tourists' expenditures	55,000,000
Expatriation	30,000,000
Rent balance	25,000,000
Money sent by resident foreigners	10,000,000
Total	$295,000,000

This estimate of $295,000,000, as being the net balance against this country on the movement of the invisible balance, is considered by many authorities as being a very conservative estimate. Deducting this $295,000,000 from the $391,000,000—the visible balance of trade in favor of this country during 1902—and there is left a net balance of $96,000,000.

This figure is, of course, not absolutely accurate, but it represents closely the balance of trade in favor of this country last year. By glancing over the factors enumerated above, as influencing the movement of the invisible balance of trade, it will be seen that one still remains to be considered—the movement of securities between the United States and other countries.

This movement is generally considered independent of the others, as it bears more closely upon foreign indebtedness than it does upon foreign trade. Last year this country made extensive purchases of American securities held abroad. It is believed that these purchases amounted to over $100,000,000, and the foreign indebtedness of this country was reduced to just that extent.

These purchases more than wiped out the net balance of trade of $96,000,000 quoted. In other words, it is probable—and this is the opinion of most foreign exchange experts—that there was no balance of trade in favor of this country last year, the net result of our foreign trade for 1902 being a reduction of about $100,000,000 in our foreign indebtedness.

It will be seen from this that the invisible balance of trade is heavily against this country. This is because the United States is still a debtor nation. England is the largest creditor nation, its investments in foreign countries amounting to over $12,000,000,000.

France is the next largest creditor nation, its investments in foreign countries being estimated by the Government as amounting to between $6,000,000,000 and $7,000,000,000. From these figures it is plain that the visible balance of trade could be heavily against either of these nations, and yet be more than offset by the movement of the invisible balance of trade.

At an average of four per cent., the interest annually received by England from its foreign investments amounts to $480,000,000. The foreign indebtedness of the United States has been variously estimated. It probably amounts to a sum between $1,500,000,000 and $2,000,000,000.

The Bank Clerks' Joint Debate.

The Editor of THE BANKERS' MAGAZINE has received the following letter from Charles F. Minor, chairman of the committee in charge of the debate between New York Chapter and Alexander Hamilton Chapter, American Institute of Bank Clerks:

NEW YORK, April 4, 1903.

Bradford Rhodes, Esq., New York.

DEAR SIR: Before closing the affairs of our recent debate, at which you were one of our judges, permit us to extend to you our sincere thanks and appreciation for the kindness and interest you manifested in the bank clerks of the city by your presence.

We are exerting every effort to further educate the younger men engaged in the financial world to fill the higher positions of life as they may be called upon to do so, and believe us, dear sir, your endorsement of our work will be of great value in the advancement of this movement.

Again thanking you, we are,

Respectfully yours,

CHARLES F. MINOR, *Chairman.*

Renewal of Refunding.—On March 26 Secretary Shaw published a circular announcement that on and after April 1, 1903, he would receive for refunding, under authority of Section 11 of the act of March 14, 1900, to an amount not exceeding $100,000,000, any of the bonds of the 3 per cent. loan of 1908-1918 and the 4 per cent. funded loan of 1907. They may be surrendered at prices yielding to the investor an income of 2¼ per cent. a year, and the new bonds will be issued in exchange at a premium of 2 per cent. Accrued interest on both old and new bonds will be calculated to date of exchange.

There are now outstanding about $97,000,000 3 per cent. bonds and $233,000,000 fours of 1907 which are affected by the circular. There are also outstanding about $446,000,000 of the 2 per cent. consols of 1930 issued under the act of March 14, 1900.

New Monetary Commission.—Charles A. Conant, Treasurer of the Morton Trust Company, New York, and Prof. J. W. Jenks, of Cornell University, have been appointed commissioners on behalf of the United States to conduct negotiations with foreign governments respecting a plan for improving the monetary standard of the silver-using countries of the world.

THE SOLID BASIS OF AMERICAN PROSPERITY.

[From "The Commercial and Financial Chronicle."]

A writer in the London "Times" seems to think that what we call a period of great progress here has been an "economic debauch." He says also that the "mysteriously large" reductions effected in the last quarter of 1902 in the deposits of our banks have been the result not of real liquidation, but of transfers of indebtedness to European capitalists who were ready for a handsome consideration to take over for a time "these attempts to put off the evil day when the United States business world will have to own that it has bitten off more than it can chew." It would be hard to define the term "economic debauch," but it is evidently meant to indicate that this country has been going through a period of speculative excesses; that the development which the United States has enjoyed the last few years does not rest on any real or substantial foundations. This view embodies such a serious misconception—involving a failure to recognize that our great progress has been due mainly to the growth of legitimate trade and has had comparatively little of the speculative element in it—that it seems worth while to give it some consideration.

Look around and see what has been accomplished in this country during the last few years. Note, in the first place, that during this period the United States has taken back hundreds of millions of foreign-owned American securities and paid for them out of the enormous trade balance in its favor which has been accumulating year by year. This in itself is no mean achievement, not all suggestive of "economic debauch." Turn in another direction and note the wonderful progress of our transportation industry. On that point we would direct particular attention to the review of railroad gross earnings for the calendar year 1902, which we published in the issue of the "Chronicle" of last Saturday [March 7]. The final statement in that article covered 181,928 miles of road, with aggregate gross earnings for the calendar year 1902 reaching the prodigious sum of $1,705,497,253, which was $100,863,714 more than the gross earnings for the same roads in the previous calendar year—an improvement, too, made in the face of a heavily curtailed grain tonnage as a result of the previous season's crop shortage and also in face of the great anthracite coal miners' strike lasting from May 12 to October 23. But the most interesting and most significant fact brought out by our compilations was the cumulative nature of the growth in earnings which had been going on, year by year, since the overthrow in 1896 of the political party committed to the silver heresy. We reported the increase in gross earnings in 1902 for the whole railroad system of the United States at 105 million dollars, and found that this had followed 155 millions increase in 1901 over 1900, 120 millions increase in 1900 over 1899, 140 million dollars increase in 1899 over 1898, and so on back to 1896. We can do no better here than reproduce the little table on this point which we gave last week.

INCREASE IN—	*Gross.*	*Net.*
1902 over 1901	$105,000,000	$2,000,000
1901 over 1900	155,000,000	70,000,000
1900 over 1899	120,000,000	32,000,000
1899 over 1898	140,000,000	55,000,000
1898 over 1897	90,000,000	30,000,000
1897 over 1896	75,000,000	45,000,000
1902 over 1896	$685,000,000	$234,000,000

From the foregoing it will be seen that gross earnings of the United States railroads for the calendar year 1902 as compared with the calendar year 1896 improved no less than 685 million dollars, and that even in the net earnings the improvement for the six years has reached 234 million dollars. Is there not pretty solid evidence of real growth and development in the fact that the revenues collected by our railroads in 1902 for the transportation of passengers and freight exceeded by nearly 700 million dollars the corresponding collections six years before?

But we need not confine ourselves to the railroad industry alone for evidence of progress of this kind. If we turn to the iron and steel trades, or to the coal trade, the story is much the same. The expansion in railroad gross revenues during the last six years must have been in the neighborhood of seventy per cent. In the case of our pig iron production the increase has been fully 100 per cent., as the output for the calendar year 1902, according to the figures of Mr. James M. Swank, was 17,821,307 tons, while in 1896 the corresponding output was only 8,623,127 tons. Our steel production has grown in the same way. Our output of coal in 1902 was probably 275 million tons, notwithstanding the coal strike, where in 1896 the production was 171,416,390 tons.

And the most important fact of all is that large though our production in nearly all lines of trade has been, the consumptive demand has run far in excess of this production. In the case of iron and steel the home production had to be supplemented by large imports from both England and Germany. The London "Times" thinks it is a sign of weakness, evidencing "economic debauch," and an indication that we have "bitten off more than we can chew," that this country should have been obliged to borrow money abroad. But with legitimate business expanding in such a marvelous way, is there anything suggestive of recklessness in our having recourse at times to the European money markets as well as our own?

The question of course is an open one whether our pace has been too fast. Some speculation has necessarily attended the country's enormous growth. The rise in the market value of railroad securities has been very marked, indeed, and it looked at one time as if danger from that direction was likely; but fortunately the upward movement was checked some months since. If values still look high as compared with 1896, let it not be forgotten that an increase of 685 million dollars in the gross earnings and of 234 million dollars in the net earnings of our railroads in the interval since then furnishes a pretty substantial basis for a considerable appreciation in values. We do not of course deceive ourselves into thinking that the present rate of growth can continue indefinitely; at some time in the future there will come a check, with a possible reaction of larger or smaller dimensions. Still it should be remembered that on the point how far it will be safe to go in the extension of trade, there is really no guide in past experience. By this we mean that there are no standards of measurement that can be applied on this occasion. From the close of the Civil War in 1865 up to 1896 the country's progress was almost continuously held in check by circumstances affecting our standard of values. From 1865 to the panic of 1873 paper currency inflation was the trouble. The country had not yet recovered from the effects of this inflation, when the Silver Law of 1878 injected a new disturbing element in the situation which from that time up to 1896 was all the while bringing setbacks and periods of depression. The country did not enter upon an undisputed basis of a gold-standard currency until the enactment of the law of 1900. We have always urged in these columns that when doubt as to the standard of values was finally removed the country would experience an era of progress and development far surpassing anything attained in the past, and the experience of the past few years has furnished abundant verification of the fact.

The change in this particular must also, we should judge, alter the character and extent of the reaction after the crest of the present wave of prosperity shall have been reached. Let no one imagine that in such reaction the country is going back to the low condition of things prevailing in 1896. But there is a further element of safety in the situation. Both our railroads and our leading manufacturing corporations have through the present period of prosperity been conducting operations with a view to such reaction. The Pennsylvania Railroad we showed last week had spent out of surplus earnings $12,262,491 for dividends in the calendar year 1902 and $12,500,000 for improvements, the latter being a larger sum than the former, as will be seen. And the Pennsylvania is only one railroad among many, all of which have been pursuing the same policy. So our large industrial corporations like the United States Steel Corporation are spending enormous amounts of money, partly out of earnings and partly from new capital, to extend and perfect their plants, with the view to reducing the cost of production. Should it therefore happen later on that the home demand for our products should fall off, the United States will be prepared to enter the foreign markets, and then England, and Germany as well, will discover, we think, that this country has not been very much on an "economic debauch" after all.

Failures, Suspensions and Liquidations.

Florida.--The First National Bank, of Jacksonville, Fla., was placed in the hands of Joseph W. Norvell, Receiver, March 14.

Ohio.—The Bank of Quincy, which was started at Quincy, Ohio, about a year ago by Ira D. Sax, of Chicago, made an assignment on March 24. It is stated that the depositors will lose about $10,000.

Wisconsin.--On April 5 the Kenosha State Bank, of Kenosha, Wis., was closed by the State Bank Examiner. The capital of the bank was $25,000.

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—A branch of the Hamilton Bank is to be established at 765 Tremont avenue, in the Borough of the Bronx.

—At a meeting of Group VII of the New York State Bankers' Association, at the Clarendon Hotel in Brooklyn, on the evening of March 26, Stephen M. Griswold, President of the New York State Bankers' Association, had the following resolution introduced and submitted to the executive committee:

"*Whereas*, The payment of interest to individual depositors on daily balances is an unwise and unsafe policy, and against the advice of the Banking Department of the State of New York, be it therefore

Resolved, That we, the members of Group VII of the New York State Bankers' Association, comprising the banks of Brooklyn and Long Island, do hereby agree not to pay in any case interest on daily balances of individual depositors after Jan. 1, 1904."

—D. G. Reid, Chairman of the Chicago, Rock Island and Pacific, was recently elected Vice-President of the Liberty National Bank, succeeding Henry C. Tinker, who has resigned, as he desires gradually to withdraw from active business. Mr. Reid has been a director of the bank for some time.

Mr. Tinker served ten years as President of the bank, being succeeded in 1901 by H. P. Davison, now Vice-President of the First National Bank, with which institution the Liberty National Bank is closely affiliated.

—A map of the United States, showing laws of all the States and Territories relating to the payment of negotiable instruments, also an American Holiday Calendar, has just been issued by the New York National Exchange Bank. It is a graphic presentation of the law relating to negotiable paper; also the laws governing interest rates, holidays, etc. The arrangement of the matter facilitates reference, and the map and calendar will be found handy and useful to banks and others handling negotiable paper. Although the Negotiable Instruments Law has been adopted in a number of States, great diversity of law and custom still prevails in regard to the law of bills and notes. In some States the Legislatures have even sought to improve the Negotiable Instruments Law, and have introduced changes in the act.

—Messrs. Speyer & Co. have moved into their new building at 24 Pine street. An illustrated description of the structure was published in the MAGAZINE several months ago.

—Interests associated with the Morton Trust Company are reported to be organizing a new bank, to have $1,000,000 capital, and to be located at the Northeast corner of Fifth avenue and Twentieth street.

—The new Bankers' Trust Company opened for business at 143 Broadway on March 30. Particulars in regard to the new company were given in the February issue of the MAGAZINE.

—The Oriental Bank of 122 Bowery has leased for a term of ten years the building now occupied by the Seventh National Bank at Broadway and John street, where it will have a branch.

—On March 18 the President nominated Hamilton Fish to be Assistant Treasurer of New York, to succeed Conrad N. Jordan, deceased.

Mr. Fish was for many years a member of the Assembly of the New York Legislature, and in 1895 was elected speaker. He is a son of Hamilton Fish, Secretary of State under President Grant.

NEW ENGLAND STATES.

Fall River, Mass.—Plans are under way for merging the Massasoit, Pocasset and National Union banks into one bank, having a capital of $650,000 and a surplus of $325,000. The charters of the Pocasset and National Union will soon expire, and under the State law compelling the separation of National and Savings banks they would have to secure new quarters January 1. The present capitals are: Massasoit, $300,000; Pocasset, $200,000; National Union, $200,000. The officers of the new bank will be made up from the old ones. The permission of the Comptroller of the Currency will first have to be obtained so that the three present banks may be liquidated, and two-thirds of the stockholders in all the banks are stated now to be in favor of the new plan. This will be sufficient to carry it through.

Admitted to the Bar.—Edwin A. Stone, Assistant Treasurer of the Franklin Savings Bank, Boston, was recently admitted to the bar, having acquired sufficient legal knowledge by study during leisure hours to pass the severe requirements prevailing in Massachusetts for candidates for admission to the bar. An acquaintance with the laws relating to real estate and securities is a valuable equipment for a Savings bank officer.

Bank's Seventieth Anniversary.—On March 25 the Framingham National Bank, of South Framingham, Mass., passed its seventieth anniversary. It was incorporated as the Framingham Bank March 25, 1833, becoming a National bank in 1864. Originally the capital was $100,000, but was later increased first to $150,000 and afterwards to $200,000, the present amount. The surplus and profits now amount to $150,000. During the bank's entire history no semi-annual dividend has ever been passed. James J. Valentine, the President, has been in the bank's service for forty years. Fred. L. Oaks, the Cashier, entered the bank in 1880, and was elected Cashier in 1886.

MIDDLE STATES.

New Jersey Bank Commissioner.—David O. Watkins, of Woodbury, has been appointed and confirmed as Commissioner of Banking and Insurance for the State of New Jersey, succeeding William Bettle.

Washington, D. C.—There has been a consolidation of the business of the Citizens' National Bank and the West End National Bank, under the title of the latter. F. C. Stevens, President of the West End National continues to be President of the consolidated institution.

— A new trust company is in process of organization, and it is said the National City Bank of New York is largely interested.

New York State Bankers' Association.—It is expected that the next annual convention of the New York State Bankers' Association will be held at Saratoga Springs between September 9 and 15.

Paterson, N. J.—On March 26 William Blauvelt, Cashier of the Second National Bank, was elected President of that institution to succeed the late James Jackson. Mr. Blauvelt has been connected with the bank for twenty-two years, and his promotion was on account of his faithful services in the various capacities in which he has acted.

Assistant Cashier Edwin N. Hopson succeeds Mr. Blauvelt as Cashier. Mr. Hopson has been in the bank's service fourteen years.

Cumberland, Md.—On February 24 the First National Bank extended its charter for a period of twenty years. It was originally chartered as a State bank in 1811, the title then being the Cumberland Bank of Alleghany. On July 1, 1864, it was reorganized as the First National Bank of Cumberland. Since the foundation of the bank Cumberland has grown from a village to an important business center with a population of 20,000, and the bank has greatly aided in the business growth of the community. The capital of the bank is $100,000, surplus $100,000 and undivided profits $39,440. Deposits exceed $529,000. Robert Shriver is President and J. L. Griffith, Cashier.

SOUTHERN STATES.

Louisiana State Banks.—L. E. Thomas, State Examiner of State Banks, reported on March 26 that there were 102 State banking institutions doing business in Louisiana—an increase of ten since Janary 1 last.

West Virginia Bankers' Association.—The next annual convention of the West Virginia Bankers' Association will be held at Parkersburg, West Virginia, June 3 and 4.

Secretary Robert L. Archer, of Huntington, reports an increase of membership of more than twenty per cent. over last year. This gives the association a membership of eighty per cent. of all the banks in the State.

The date of the convention is shortly after the opening of the new and handsome Camden Hotel at Parkersburg, and the sessions of the association will be held in the assembly room of the hotel.

The Parkersburg bankers and the officers of the association expect this to be the largest and most successful meeting that has yet been held. One or more speakers of national prominence will be in attendance and will address the association on topics of interest.

Texas Bankers' Association.—The annual convention of the Texas Bankers' Association will be held May 12 and 13 at Woodlake, a station on the interurban electric line between Sherman and Denison.

WESTERN STATES.

Denver, Colo.—The title of the Continental National Bank of Denver has been changed to the Capitol National Bank of Denver.

Peoria, Ill.—Following the death of the late George H. Littlewood, for many years Cashier and manager of the Merchants' National Bank, important changes have been made in this well-known financial institution. Ferd Luthy was recently chosen the active manager of the bank, Walter Wiley, Cashier, and Thomas B. McDougal and John Paddock, Assistant Cashiers.

Mr. Luthy has been President of the bank for some years, but was not identified with its active management. He now becomes the manager, and will devote his entire time to its affairs. Mr. Luthy has been prominently identified with local business affairs for many years, and has been unusually successful. He has had wide experience in financial matters, and will continue the management along the same lines that have heretofore made the bank so successful.

Beloit, Wis.—The twenty-second annual report of the Beloit Savings Bank shows that in the past year the net increase in deposits was $82,912, making the total deposits $740,407. At the annual meeting President R. J. Dowd declined re-election and was succeeded by E. J. Smith. This bank is a strictly mutual Savings bank, the only one in the State, and has been highly successful. S. T. Merrill, who is one of the trustees, has been active in promoting the welfare of the institution for many years.

A Growing Country Bank.—The new Citizens' State Bank, of Cadott, Wis., is having a very satisfactory growth. It opened for business October 8, 1902, having $25,000 capital. Deposits, on March 14 last, were $45,000 and total resources $70,000. A new building has been erected for the bank's use. It is constructed of pressed brick, with stone front and foundation, and is well equipped throughout. Officers of the bank are: President, Henry Goetz, Sr.; Vice-President, Charles Grassle; Cashier, A. C. Bohrnstedt.

Cleveland, Ohio.—Directors of the Citizens' Savings and Trust Co. and the American Trust Co. have ratified the plan to merge the two companies. The new company will have an authorized capital of $4,000,000 and a surplus of $2,000,000, with deposits aggregating $27,000,000. H. R. Newcomb will be President and J. R. McNutt, Secretary.

— It is reported that the directors of the State National Bank and the Colonial National Bank have voted to consolidate the two institutions, the new bank to have $1,500,000 capital.

Indianapolis, Ind.—Supplementary to the official examinations and also to those made by the directors themselves, the American National Bank has adopted the plan of having the bank thoroughly examined by the American Audit Company, of Chicago. A result of the inspection of the bank's assets, made on January 31, is thus summarized in a letter from the Manager of the American Audit Company under date of February 24:

"The entire cash was counted, found correct and contained only $14.34 cash items other than exchanges for clearing-house.

The loans and discounts were in accordance with the books and contained only three notes past due amounting to $185. Over seventy-three per cent. is secured by ample collaterals, those with personal security being for moderate amounts. No loans exceed the legal limit.

The bonds other than United States bonds, amounting to $767,910.50, were carefully investigated and found to include only those of the highest grade, all carried well within the present market value, and none yielding over four per cent. per annum, except one lot of $12,500.

The individual deposit ledgers were in balance—total overdrafts $576.02. Accounts with all other banks were verified by correspondence.

The strictly quick assets exceed eighty-five per cent. of deposit liabilities. It is noteworthy that the deposits include no State, county or city funds. In 2,524 individual deposit accounts and 176 bank deposit accounts, only two balances reach $100,000, viz., one of $150,155.06 and the other $101,215.86. The strength of your bank is enhanced by the absence of large individual accounts in your deposits.

The thorough organization of your bank is commendable to depositors and stockholders for the carefully-devised safeguards, the strict attention to every detail and the conservative statement regarding undivided profits."

— By an act which was approved March 9, and went into effect immediately, Saturday afternoon is made a legal half-holiday for banks, trust companies and safe-deposit institutions in all cities of the State having more than 100,000 inhabitants, and also that all negotiable instruments, notes, drafts, etc., which would otherwise fall due on Saturday, Sunday or the next succeeding Monday, when such Monday is a legal holiday, shall be due and payable on the secular business day next preceding, which in all such cases will be the Friday preceding the day on which such paper would otherwise have matured.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

National Banks Organized.

6651—First National Bank, Rensselaer, Indiana. Capital, $30,000.
6652—Woodruff National Bank, Dunkirk, Ohio. Capital, $25,000.
6653—First National Bank, Highland, Illinois. Capital, $50,000.
6654—Pennsylvania National Bank, Chester, Pennsylvania. Capital, $100,000.
6655—First National Bank, Pond Creek, Oklahoma. Capital, $25,000.
6656—First National Bank, Weston, Ohio. Capital, $25,000..
6657—First National Bank, Loudonville, Ohio. Capital, $25,000.
6658—American National Bank, Spartanburg, South Carolina. Capital, $100,000.
6659—First National Bank, Klemme, Iowa. Capital, $25,000.
6660—First National Bank, McLoud, Oklahoma. Capital, $25,000.
6661—First National Bank, Parkers Prairie, Minnesota. Capital, $25,000.
6662—First National Bank, Summerfield, Ohio. Capital, $25,000.
6663—First National Bank, Rice Lake, Wisconsin. Capital, $50,000.
6664—First National Bank, Wampum, Pennsylvania. Capital, $25,000.
6665—Portland National Bank, Portland, Pennsylvania. Capital, $50,000.
6666—First National Bank, Broadway, Virginia. Capital, $25,000.
6667—People's National Bank, Mount Pleasant, Ohio. Capital, $50,000.
6668—West Texas National Bank, Big Springs, Texas. Capital, $50,000.
6669—Farmers' National Bank, Tulsa, Indian Territory. Capital, $30,000.
6670—Lake County National Bank, Libertyville, Illinois. Capital, $50,000.
6671—First National Bank, Paonia, Colorado. Capital, $25,000.
6672—Farmers' National Bank, Lincoln, Kansas. Capital, $25,000.
6673—Seacoast National Bank, Asbury Park, New Jersey. Capital, $50,000.
6674—Flat Top National Bank, Bluefield, West Virginia. Capital, $100,000.
6675—Campbell National Bank, La Rue, Ohio. Capital, $30,000.
6676—First National Bank, Rimersburg, Pennsylvania. Capital, $50,000.
6677—First National Bank, Cherokee, Oklahoma. Capital, $25,000.
6678—Oklahoma City National Bank, Oklahoma City, Oklahoma. Capital, $100,000.
6679—Citizens' National Bank, Rockwall, Texas. Capital, $35,000.
6680—Simmons National Bank, Pine Bluff, Arkansas. Capital, $100,000.
6681—First National Bank, Laurel, Mississippi. Capital, $100,000.
6682—First National Bank, Dodge Center, Minnesota. Capital, $25,000.
6683—First National Bank, Bokchito, Indian Territory. Capital, $25,000.
6684—First National Bank, Grand Ridge, Illinois. Capital, $25,000.
6685—First National Bank, Rocky Mount, Virginia. Capital, $25,000.
6686—First National Bank, Wortham, Texas. Capital, $30,000.
6687—First National Bank, Toccoa, Georgia. Capital, $25,000.
6688—First National Bank, Colman, South Dakota. Capital, $25,000.
6689—Weleetka National Bank, Weleetka, Indian Territory. Capital, $25,000.
6690—First National Bank, La Moure, North Dakota. Capital, $25,000.
6691—First National Bank, Marissa, Illinois. Capital, $50,000.
6692—Citizens' National Bank, Netcong, New Jersey. Capital, $50,000.
6693—Citizens' National Bank, Fertile, Minnesota. Capital, $25,000.
6694—First National Bank, Massena, New York. Capital, $25,000.
6695—First National Bank, Houtzdale, Pennsylvania. Capital, $50,000.
6696—National Citizens' Bank, Lake Benton, Minnesota. Capital, $25,000.
6697—First National Bank, Nez Perce, Idaho. Capital, $25,000.

Applications to Organize National Banks Approved.

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

First National Bank, Frederick, Oklahoma; by C. T. Herring, *et al.*
First National Bank, Willow City, North Dakota; by F. M. Rich, *et al.*

First National Bank, Sour Lake, Texas; by A. L. Williams, *et al.*
American National Bank, Washington, District of Columbia; by Robert N. Harper, *et al.*
Pana National Bank, Pana, Illinois; by C. W. Bainbridge, *et al.*
First National Bank, Findlay, Illinois; by J. E. Dazey, *et al.*
First National Bank, Perry, Arkansas; by G. B. Colvin, *et al.*
First National Bank, Brackettville, Texas; by W. A. Bonnet, *et al.*
First National Bank, Foxhome, Minnesota; by L. H. Standring, *et al.*
Cherokee National Bank, Enid, Oklahoma; by C. J. West, *et al.*
First National Bank, Deep River, Iowa; by H. W. Hatter, *et al.*
Farmers' National Bank, Sunbury, Pennsylvania; by Harry S. Knight, *et al.*
New Freedom National Bank, New Freedom, Pennsylvania; by Geo. F. Miller, *et al.*
Farmers and Merchants' National Bank, Red Lion, Pennsylvania; by David A. Miller, *et al.*
First National Bank, Elmore, Ohio; by H. W. Nieman, *et al.*
First National Bank, Hallock, Minnesota; by T. M. George, *et al.*
Farmers' National Bank, Mullica Hill, New Jersey; by Thomas Borton, *et al.*
Citizens' National Bank, Cleburne, Texas; by M. M. Pittman, *et al.*
Hamilton National Bank, Chicago, Illinois; by Chas. B. Pike, *et al.*
First National Bank, Patchogue, New York; by Smith W. Conklin, *et al.*
Samuels National Bank, Aubrey, Texas; by H. G. Musgrove, *et al.*
First National Bank, Columbia, Kentucky; by C. B. Epperson, *et al.*
Commercial National Bank, St. Paris, Ohio; by Lambert Pond, *et al.*
Lindsay National Bank, Lindsay, Indian Territory; by J. H. Knox, *et al.*
First National Bank, Beckley, West Virginia; by D. H. Johnston, *et al.*
Farmers' National Bank, Montrose, Pennsylvania; by W. A. Wilcox, *et al.*
First National Bank, Carmen, Oklahoma; by A. H. Geissler, *et al.*
First National Bank, Martinsville, Illinois; by J. I. Brydon, *et al.*
First National Bank, Clarkston, Washington; by W. P. Hurlbut, *et al.*
First National Bank, Hart, Michigan; by A. S. White, *et al.*
Wapanucka National Bank, Wapanucka, Indian Territory; by W. L. Richards, *et al.*
Selbyville National Bank, Selbyville, Delaware; by W. R. McCabe, *et al.*
City National Bank, Big Springs, Texas; by C. L. Alderman, *et al.*
People's National Bank, Laurel, Delaware; by Andrew J. Horsey, *et al.*
First National Bank, Addison, Pennsylvania; by Manliff H. Dean, *et al.*
First National Bank, Fountain, Colorado; by Gordon Jones, *et al.*
First National Bank, Newport, Arkansas; by Thomas J. Graham, *et al.*
Rockwall National Bank, Rockwall, Texas; by Geo. W. Riddle, *et al.*
First National Bank, Wheatland, Wyoming; by Geo. S. Stewart, *et al.*
First National Bank, Dalhart, Texas; by J. E. George, *et al.*
Coffeyville National Bank, Coffeyville, Kansas; by C. E. Bryan, *et al.*
First National Bank, Aitkin, Minnesota; by B. R. Hassman, *et al.*
Clinton County National Bank, Lock Haven, Pennsylvania; by Edgar P. Geary, *et al.*
American National Bank, St. Paul, Minnesota; by Joseph Lockey, *et al.*
National City Bank, Akron, Ohio; by Geo. W. Crouse, *et al.*
First National Bank, Shreve, Ohio; by L. J. Alcorn, *et al.*
City National Bank, Eastland, Texas; by J. M. Wagstaff, *et al.*
American National Bank, Rensselaer, Indiana; by J. C. Paxton, *et al.*
First National Bank, Sharpsville, Pennsylvania; by J. A. Lanfitt, *et al.*
People's National Bank, Salisbury, Pennsylvania; by E. S. Adkins, *et al.*
First National Bank, Morrisonville, Illinois; by Geo. E. Maxon, *et al.*
First National Bank, Lake Arthur, Louisiana; by T. H. Winn, *et al.*
First National Bank, Eagle Lake, Texas; by B. L. Vineyard, *et al.*
First National Bank, Augusta, Illinois; by Jacob Klipper, *et al.*
First National Bank, Farragut, Iowa; by Thomas H. Read, *et al.*
First National Bank, Radford, Virginia; by F. Harvey, *et al.*
National Bank of Long Beach, Long Beach, California; by Jotham Bixby, *et al.*
National Bank of Dalhart, Dalhart, Texas; by John T. Jones, *et al.*
Loveland National Bank, Loveland, Ohio; by Jno. E. Bundey, *et al.*
First National Bank, Harrisville, West Virginia; by E. M. Carver, *et al.*
First National Bank, Marysville, Pennsylvania; by P. F. Duncan, *et al.*
First National Bank, Muldrow, Indian Territory; by I. H. Nakdimen, *et al.*
Commercial National Bank, Los Angeles, California; by Charles N. Flint, *et al.*
American National Bank, Long Beach, California; by F. E. Robinson, *et al.*
Citizens' National Bank, Ballinger, Texas; by Jo Wilmeth, *et al.*
Roswell National Bank, Roswell, New Mexico; by C. B. McCluskey, *et al.*
Assabet National Bank, Maynard, Massachusetts; by Jno. C. Burke, *et al.*
Bernardsville National Bank, Bernardsville, New Jersey; by Samuel S. Childs, *et al.*

City National Bank, Tipton, Iowa; by W. J. Moore, *et al.*
First National Bank, Harrison, Oklahoma; by A. J. Dunlap, *et al.*
Coldwater National Bank, Coldwater, Kansas; by J. W. Berryman, *et al.*
Black Hawk National Bank, Waterloo, Iowa; by James Gardner, *et al.*
First National Bank, Trafford City, Pennsylvania; by A. W. Hecker, *et al.*
People's National Bank, Manassas, Virginia; by A. W. Sinclair, *et al.*
People's National Bank, Prescott, Arizona; by Frank Jager, *et al.*
First National Bank, Wray, Colorado; by Howard Klugh, *et al.*
Coweta National Bank, Coweta, Indian Territory; by U. G. Phippen, *et al.*
First National Bank, Dunkerton, Iowa; by C. H. Dunkerton, *et al.*
Rankin National Bank, Rankin, Pennsylvania; by Geo. R. Wallace, *et al.*
First National Bank, Emmons, Minnesota; by H. M. Martinson, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Dodgeville Bank, Dodgeville, Wisconsin; into First National Bank.
State Bank, Blooming Prairie, Minnesota; into First National Bank.
North Conway Loan and Banking Company; into First National Bank.
Olivia State Bank, Olivia, Minnesota; into First National Bank.
Citizens' Bank, Lebanon, Virginia: into Citizens' National Bank.
Stock Yards Bank, South St. Paul, Minnesota: into Stock Yards National Bank.
Citizens' Bank, Wisner, Nebraska; into Citizens' National Bank.
Foss State Bank, Foss, Oklahoma; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

CULLMAN—German Bank; capital, $25,000; Pres., J. H. Karler; Cas., Emil Kramer.

ARKANSAS.

CLINTON—Van Buren County Bank; capital, $10,000; Pres., W. J. Pate; Cas., A. J. McCollum; Asst. Cas., Oscar H. McCollum.

CORNING—Citizens' Bank; Pres., J. M. Hawks.

HOT SPRINGS—Hot Springs Trust Co.; capital, $100,000; Pres., E. W. Settle; Treas., A. L. Pulliam.

PINE BLUFF—Simmons National Bank; capital, $100,000: Pres., J. F. Simmons; Cas., N. B. Sligh; Asst. Cas., Jo. Nichol.

CALIFORNIA.

SAN FRANCISCO—Gold Producers' Trust Co.: capital (authorized) $5,000,000; Pres., J. H. Bacon; Cas., H. M. Bacon.——Mission Bank; capital, $200,000.

COLORADO.

PAONIA—First National Bank; capital, $25,000; Pres., E. R. Morgan; Cas., Charles L. Pike.

CONNECTICUT.

NORWICH—Thames Loan and Trust Co.; capital, $100,000; Pres., F. S. Jerome; Treas., R. W. Perkins.

GEORGIA.

BREMEN—Bank of Bremen; capital, $25,000; Pres., W. S. Witham; Cas., J. J. Mangham.

TOCCOA—First National Bank; capital, $25,000; Pres., W. S. Witham; Cas., Geo. T. Brown.

IDAHO.

COTTONWOOD—Idaho County Bank; capital, $10,000; Pres., F. C. Holbert; Cas., E. M. Ehrhardt.

NEZ PERCE—First National Bank; capital, $25,000; Pres., O. M. Collins; Cas., J. A. Schultz.

ILLINOIS.

EDGEWOOD—Bank of Edgewood; capital, $10,000; Pres., Lee Graham; Cas., W. P. Anderson.

GRAND RIDGE—First National Bank; capital, $25,000; Pres., Thomas D. Catlin; Cas., James P. Catlin.

HIGHLAND—First National Bank (successor to Highland Bank); capital, $50,000; Pres., Louis E. Kinne; Vice-Pres., S. Pabst; Cas., Jos. C. Ammann; Asst. Cas., Chas. T. Pabst.

INA—Bank of Ina; Cas., H. R. Cox.

LIBERTYVILLE—Lake County National Bank (successor to Lake County Bank); capital, $50,000: Pres., F. P. Dymond; Cas., C. F. Wright; Asst. Cas., F. S. Kerr and R. F. Wright.

MARISSA—First National Bank; capital, $50,000; Pres., J. A. Hamilton.

SERENA—Serena Union State Bank; capital, $25,000; Pres., Jno. D. Marshall; Cas., F. G. Arntzen.

WAUCONDA—Bank of Wauconda; capital, $20,000; Pres., Frank S. Komp; Cas., H. O. Van Hart.

INDIANA.

LINTON—Linton State Bank; Pres., W. J. Hamilton; Cas., Wm. Bolton.

MADISON—Madison Safe Deposit and Trust Co.; capital, $100,000. —— People's Bank; capital, $65,000; Pres., Ben F. Law; Cas., Ben T. Head.

RENSSELAER—First National Bank (successor to Commercial State Bank); capital, $30,000; Pres., Addison Parker; Cas., Emmet L. Hollingworth.

INDIAN TERRITORY.

BOKCHITO—First National Bank; capital, $25,000; Pres., C. L. Sawyer; Cas., E. W. Frey.

TULSA—Farmers' National Bank (successor to Farmers' State Bank); capital, $30,000; Pres., S. Wallace Marr; Cas., L. D. Marr.

WELEETKA—Weleetka National Baak; capital, $25,000; Pres., R. M. McFarlin; Cas., E. L. Blackman.

IOWA.

KLEMME—Bank of Klemme; capital, $10,000; Pres., Isaac Sweigard; Cas., H. A. Sweigard. ——First National Bank (successor to State Savings Bank); capital, $25,000; Pres., Fred Arnold; Cas., F. A. Arnold.

LAKE CITY—People's Bank; capital, $25,000; Pres., R. E. Moseley; Cas., Walter Jacobs.

MINDEN—Farmers' Savings Bank; capital, $12,000; Pres., Peter Langer; Cas., W. C. Stuhr.

OYENS—Plymouth County Bank; Pres., W.G. Bolser; Cas., A. R. Laudi.

SMITHLAND—Smithland Bank; Pres., M. A. Clark; Cas., L. S. Gambs.

KANSAS.

BEVERLEY—Beverley State Bank; capital, $8,000; Pres., O. B. Whittaker; Cas., S. W. Whittaker.

LATHAM — People's State Bank; capital, $6,000; Pres., George C. Nelson; Cas., J. P. Garnett.

LINCOLN—Farmers' National Bank; capital, $25,000; Pres., Albert L. Shire; Cas., John S. Stover.

RUSSELL—Farmers' State Bank; capital, $35,-000; Pres., F. S. Rockefeller; Cas., V. K. Hoover.

KENTUCKY.

BELLEVUE—Campbell County Bank; capital, $12,825; Pres., Oscar F. Barrett; Cas., H. B. Beck; Asst. Cas., C. Gortze.

CECILIAN — Cecilian Bank; Pres., Allen T. Anent; Cas., J. C. Cardwell.

LONDON — Citizens' Bank; capital, $25,000; Pres., D. C. Edwards; Cas., John R. Palmer.

LOUISIANA.

MER ROUGE—Mer Rouge State Bank; capital, $15,000; Pres., C. C. Davenport.

VIDALIA—Bank of Vidalia; capital, $25,000; Pres., A. H. Gillespie.

MINNESOTA.

DODGE CENTER—First National Bank; capital, $25,000; Pres., Jesse W. Cooper; Cas., C. M. Cooper.

FERTILE—Citizens' National Bank; capital, $25,000; Pres., Lewis Larson; Cas., M. T. Dalquist.

LAKE BENTON — National Citizens' Bank; capital, $25,000; Pres., Wm. Gile; Vice-Pres., Alfred Soderlind; Cas., W. F. Mann.

PARKERS PRAIRIE — First National Bank; capital, $25,000; Pres., Wm. A. Lancaster; Cas., Rufus L. Hardy; Asst. Cas., Thomas H. Hardy.

PINE RIVER — First Bank; capital, $10,000; Cas., E. B. Robertson.

PRINCETON—Security Bank; capital, $15,000; G. A. Eaton, Cas. and Mgr.

MISSISSIPPI.

BOLTON — Merchants and Planters' Bank; capital, $18,000; Pres., Thomas Mount; Vice-Pres., W. J. Croom.

LAUREL—First National Bank (successor to Bank of Laurel); capital, $100,000; Pres., W. B. Rogers; Cas., Geo. Bacon; Asst. Cas., C. H. Ferrill.

LEXINGTON — Lexington Banking and Real Estate Co.; capital, $15,000; Pres., J. R. Watson; Cas., H. W. Watson.

MISSOURI.

BRIMSON — Bank of Brimson; Pres., C. H. Cullers; Cas., G. E. Jones.

DEXTER — Citizens' Bank; capital, $20,000; Pres., J. N. Miller; Cas., Asa Norman.

PURDY—Purdy State Bank; Pres., Amos M. Gurley; Cas., Chas. A. Rose.

MONTANA.

SHERIDAN — Sheridan State Bank; capital, $25,000; Pres., Winthrop Raymond; Cas., H. S. Magraw.

NEBRASKA.

BARNESTON—Commercial State Bank; capital, $6,000; Pres., J. M. Howe; Cas., A. R. Staller; Asst. Cas., Chas. N. Hinds.

OCONTO—Oconto State Bank; capital, $5,000; Pres., M. F. Paul; Cas., S. A. Robinson.

OCTAVIA — Octavia State Bank; capital, $5,000; Pres., P. H. Updike; Cas., E. A. Rusher.

VERDIGRIS — Knox County Bank; capital, $10,000; Pres., D. B. Welpton; Cas., B. Stevenson.

VESTA—Vesta State Bank; capital, $5,000; Pres., D. M. Boatsman; Cas., F. C. Rulla.

NEW JERSEY.

ASBURY PARK — Seacoast National Bank; capital, $50,000; Pres., F. B. Conover; Cas., M. H. Scott.

NETCONG—Citizens' National Bank; capital, $50, 00; Pres., Jno. S. Kennedy; Cas., D. M. Cook.

NEW YORK.

MASSENA — First National Bank; capital, $25,000; Pres., J. L. Hyde; Cas., L. A. Smith.

NORTH CAROLINA.

FRANKLIN—Bank of Franklin; capital, $10,-000; Cas., J. G. Siler.

WASHINGTON—Savings and Trust Co.; Pres., Beverly G. Moss; Cas., Jno. B. Sparrow.

NORTH DAKOTA.

BALFOUR—German-American State Bank; capital, $10,000; Pres., A. L. Ober; Cas., A. L. Lombard; Asst. Cas., Ralph C. Wedge.

BARLOW—Security State Bank; capital, $10,-000; Pres., A. J. Smith; Cas., A. E. Swanson.

ERIE—Erie State Bank; capital, $5,000; Pres., L. B. Hanna; Cas., E. A. Wilson.

LA MOURE—First National Bank (successor to Bank of La Moure); capital, $25,000; Pres., B. N. Stone; Cas., David Lloyd.

SOURIS—Mouse River Valley Bank; Pres., M. E. Wilson; Cas., John J. Murphy.

OHIO.

DUNKIRK—Woodruff National Bank; capital, $25,000; Pres., John Woodruff, Sr.; Cas., Irvin Woodruff.

HEBRON—Hebron Bank Company; capital, $18,000; Pres., C. A. Pence; Cas., B. L. Hawke.

LA RUE—Campbell National Bank (successor to Campbell's Bank); capital, $30,000; Pres., W. J. Campbell; Cas., L. G. Campbell; Asst. Cas., D. D. Clifton.

LIMA—Lima Trust Company; Pres., Davis J. Coble; Sec. and Treas., Chas. H. East.

LOUDONVILLE—First National Bank; capital, $25,000; Pres., Wm. S. Fisher; Cas., Samuel A. Raridon.

MOUNT PLEASANT—People's National Bank; capital, $50,000; Pres., Michael Gallagher; Cas., E. B. Jones.

PLEASANTVILLE—Pleasantville Bank; Pres., W. S. Courtright; Cas., E. C. Sawyer.

SUMMERFIELD—First National Bank; capital, $25,000; Pres., J. W. Rouse; Cas., W. H. Philpot.

WESTON—First National Bank; capital, $25,000; Pres., H. C. Uhlman; Cas., W. R. Noyes.

OKLAHOMA.

CHEROKEE—First National Bank; capital, $25,000; Pres., E. J. Votaw; Cas., A. H. Stout.

KENDRICK—Bank of Kendrick (successor to Parkland State Bank); capital, $10,000; Pres., N. W. McDowell; Cas., Frank Castator.

LATHRAM—(P. O., Carnegie); State Bank; capital, $5,000; Pres., W. T. Clark; Cas., C. H. Brand.

McLOUD—First National Bank (successor to State Bank); capital, $25,000; Pres., Thos. Hollis; Cas., L. B. Helicker.

OKEENE — Farmers and Merchants' Bank; capital, $10,000; Pres., J. C. Fisher; Cas., E. E. Cressler; Asst. Cas., D. Hamilton.

OKLAHOMA CITY—Oklahoma City National Bank; capital, $100,000; Pres., D. A. Duncan; Cas., Wilhugh Wilkins; Asst. Cas., I. M. Holcomb.——Farmers' State Bank; capital, $25,000; Pres., H. M. Atkinson; Cas., C. L. Henley; Asst. Cas., James Chenoweth.

POND CREEK—First National Bank; capital, $25,000; Pres., Conrad Strecker; Cas., J. C. McClelland.

VIOLET—Citizens' State Bank; capital, $10,000; Pres., Reid Riggins; Cas., W. R. Mershon.

OREGON.

GRASS VALLEY—Citizens' Bank; capital, $37,500; Pres., Chas. W. Moore; Cas., Sam H. Baker.

PENNSYLVANIA.

BERWICK—Berwick Savings and Trust Co.; capital, $125,000; Pres., S. W. Dickson; Treas., B. D. Frear.

BRIDGEVILLE—Bridgeville Trust Co.; capital, $125,000; Pres., Jno. F. Hosack; Sec. and Treas., M. S. Harvey.

CARBONDALE—Pioneer Dime Bank; capital, $100,000.

CHESTER — Pennsylvania National Bank; capital, $100,000; Pres., John D. Goff; Cas., Albert V. Lees.

CONNEAUTVILLE — Bank of Conneautville (successor to First National Bank); capital, $50,000; Pres., J. C. Sturtevant; Cas., J. T. Snodgrass.

CORAOPOLIS—Coraopolis Savings and Trust Co.; capital, $125,000; Pres., Wm. R. Stokes; Sec. and Treas., W. H. Askins; Asst. Sec. and Treas., C. B. Hamilton.

GREENSBURG—Barclay Trust Co. (successor to Barclay Bank); capital, $200,000; Pres., Jno. Barclay; Treas., Jno. K. Barclay; Sec., Thos. Barclay.

HOUTZDALE—First National Bank; capital, $50,000; Pres., John Beyer; Cas., Geo. W. Ganoe.

PITTSBURG—Continental Trust Co.; capital, $500,000; Pres., John R. Morrow; Sec. and Treas., Jesse H. Morrow; Asst. Sec., John E. Van Dyke.

PORTLAND—Portland National Bank; capital, $50,000; Pres. John I. Miller; Cas., Wm. H. Oyer.

RIMERSBURG—First National Bank; capital, $50,000; Pres., S. H. Kaster; Cas., A. B. Collner; Asst. Cas. F. L. Pinks.

WAMPUM—First National Bank; capital, $25,000; Pres., W. H. Marshall; Cas., W. H. Grove.

WOMELSDORF — Womelsdorf Union Bank; capital, $27,000; Pres., Jno. M. Schonover; Cas., Chas. O. Schaeffer.

SOUTH CAROLINA.

EASLEY—Easley Loan and Trust Co.; capital, $10,000; Pres., R. F. Smith; Cas., Jones Fuller.

SPARTANBURG—American National Bank; capital, $100,000; Pres., J. H. Sloan; Cas., T. B. Stackhouse.

SOUTH DAKOTA.

COLMAN—First National Bank; capital, $25,000; Pres., M. R. Kenefick; Cas., Edward R. Kenefick.

MONTROSE—Security State Bank; capital, $12,000; Pres., P. G. Williams; Cas., H. I. Soffer; Asst. Cas., Ida S. Williams.

TENNESSEE.

RIPLEY—Ripley Savings Bank and Trust Co.; capital, $12,000; Pres., W. R. Miller; Cas., G. M. Partee.

RIVES—Farmers and Merchants' Bank; capital, $15,000; Pres., Thomas J. Bonner; Cas., S. D. Clemmons.

TEXAS.

BIG SPRINGS—West Texas National Bank; capital, $50,000; Pres., J. M. Cunningham; Cas., R. D. Matthews.

LOCKHART—Lockhart Loan and Trust Co.;

capital, $25,000; Pres., E. B. Coopwood; Sec. and Treas., M. C. Kelley.
MATAGORDA—Bank of Matagorda.
ROCKWALL—Citizens' National Bank; capital, $35,000; Pres., T. L. Keys; Cas., W. D. Austin.
TYLER—Bergfeld Loan and Trust Co.; capital, $10,000; Pres., R. Bergfeld; Cas., J. A. Bergfeld.
WORTHAM—First National Bank; capital, $30,000; Cas., W. J. Johnson.

VIRGINIA.

BROADWAY—First National Bank: capital, $25,000: Pres., Geo. H. Aldhizer: Cas., Jno. W. Ginn.
CHILHOWIE — Bank of Chilhowie; Pres., James D. Tate: Cas., W. E. Umbarger.
FRANKLIN—Merchants and Farmers' Bank; capital, $28,500; Pres., J. D. Pretlow; Cas., M. H. Moore; Asst. Cas., H. T. Hedrick.
MANCHESTER—Bank of Manchester: capital, $50,000; Pres., A. D. Shotwell: Cas., S. R. Brame.
ROCKY MOUNT - First National Bank; capital, $25,000; Pres., John W. Woods; Cas., Taylor Price.

WEST VIRGINIA.

BLUEFIELD—Flat Top National Bank; capital, $100,000; Pres., L. E. Tierney: Cas., W. H. Wheelwright.

WISCONSIN.

RICE LAKE—First National Bank (successor to Bank of Rice Lake); capital, $50,000; Pres., O. H. Ingram; Vice-Pres., W. H. Bundy; Cas., E. L. Everts; Asst. Cas., L. S. Everts.
ROSENDALE—Rosendale State Bank; capital, $30,000; Pres., Arthur Salisbury; Cas., Frank Bowe.

CANADA.

ONTARIO.

NEW LISKEARD—Union Bank of Canada; J. S. Hiam, Mgr.
PICTON—Metropolitan Bank; H. J. Morden, Mgr.
STURGEON FALLS — Quebec Bank; C. T. Kirby, Mgr.
WATERFORD—Ontario Bank.
WELLINGTON—Standard Bank of Canada; E. L. Williams, Mgr.
WESTON—Bank of British North America; J. McEachern, Mgr.

NORTHWEST TERRITORY.

BATTLEFORD—Bank of British North America; F. J. Dixon, Actg. Mgr.
PONOKA—Canadian Bank of Commerce; R. H. Brotherhood, Mgr.
YORKTON—Bank of British North America; G. F. Laing, Mgr.

NEW BRUNSWICK.

ST. JOHN—Union Bank of Halifax; N. R. Burrows, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ARKANSAS.

WALDRON - First National Bank; M. C. Malone, Vice-Pres. in place of H. J. Hall; L. L. Beavers, Cas. in place of J. M. Thompson.
FORT SMITH—American National Bank; W. R. Abbott, Pres. in place of Wm. Blair, deceased; E. H. Stevenson, no longer Acting Pres.

CALIFORNIA.

COVINA—First National Bank; J. C. Hutchinson, Jr., Asst. Cas.
HEALDSBURG — Farmers and Mechanics' Bank; C. W. Weaver, Pres. in place of Geo. H. Warfield; Jos. McMinn, Vice-Pres.
PASADENA — First National Bank; P. M. Green, Pres., deceased; also Pres. Pasadena Sav., Trust and Safe Deposit Co.
LOS ANGELES—Los Angeles National Bank; P. M. Green, Vice-Pres., deceased.
POMONA—First National Bank; P. R. Ruth, Asst. Cas.

COLORADO.

DENVER—Continental National Bank; title changed to Capitol National Bank.

DISTRICT OF COLUMBIA.

WASHINGTON—Citizens' National Bank and West End National Bank; consolidated under latter title.

FLORIDA.

FERNANDINA—First National Bank; Fred. W. Wood, Asst. Cas.

GEORGIA.

VALDOSTA—First National Bank; A. Winn, Asst. Cas.

ILLINOIS.

CHICAGO—Oakland National Bank of Hyde Park; no Asst. Cas. in place of F. D. Tucker.
EFFINGHAM—Eversman, Wood & Engbring; succeeded by Effingham State Bank; Henry Eversman, Pres.; Benson Wood, Vice-Pres.; W. H. Engbring, Cas.; Henry Eversman, Jr., Asst. Cas.
PEORIA—Merchants' National Bank; Geo. H. Littlewood, Cas., deceased.
ROSSVILLE — First National Bank; Edith Crays, Asst. Cas.

INDIANA.

DECATUR—Decatur National Bank; title changed to First National Bank.
PORTLAND — People's Bank; Walter M. Haynes, Pres., in place of Jacob M. Haynes; W. A. Moorman, Cas.; Louis W. Hoover, Asst. Cas.
WHITING—First National Bank; John M. Thiele, Cas. in place of Geo. H. Wilson.

IOWA.

CLARINDA—Clarinda National Bank; C. D. Brown, Cas. in place of H. R. Spry; C. F. Butler, Asst. Cas.
DUBUQUE—Dubuque Savings Bank; Wm. L. Bradley, Pres., deceased.

GLADBROOK—First National Bank; no Asst. Cas. in place of Theo. P. Rehder.

LONE TREE—Lone Tree Savings Bank; H. C. Buell, Cas. in place of D. Bestor, deceased.

MUSCATINE — German-American Savings Bank; capital increased from $60,000 to $100,000.

OTTUMWA—Iowa National Bank; G. F. Trotter, Cas. in place of W. R. Daggett, resigned.

KANSAS.

CHEROKEE—First National Bank; Joseph Lucas, Pres. in place of A. C. Graves; M. H. Alberty, Vice-Pres. in place of Joseph Lucas.

JUNCTION CITY—First National Bank; Geo. Kilian, Asst. Cas.

HORTON—First National Bank; F. M. Anderson, Asst. Cas.

HUTCHINSON—First National Bank; A. W. Eagan, Asst. Cas.

KENTUCKY.

LEXINGTON—Lexington City National Bank; James S. Stoll, Pres. in place of R. P. Stoll, deceased.

LOUISVILLE—American National Bank; R. W. Warfield, Cas. in place of Chas. Warren, deceased; Charles C. Carter, Asst. Cas.

LOUISIANA.

RUSTON—Ruston State Bank; capital increased from $50,000 to $100,000.——Lincoln Parish Bank: capital increased to $50,000.

MAINE.

BANGOR—Bangor Savings Bank; Charles V. Lord, Pres. in place of Samuel F. Humphrey, deceased.

PORTLAND—Casco National Bank; Steven R. Small, Pres., deceased.

SACO—Saco National Bank: H. R. Jordan, Pres. in place of Rishworth Jordan, deceased: also Pres. Saco Savings Bank.

SEARSPORT—Searsport National Bank; Jas. Pendleton, Pres., deceased; also Pres. Searsport Savings Bank.

WATERVILLE—People's National Bank; John N. Webber, Pres. in place of E. G. Hodges, deceased; Llewellyn Parks, Vice-Pres. in place of John N. Webber.

MARYLAND.

MYERSVILLE—Flook, Gaver & Co.; succeeded by Flook, Gaver, Leatherman, Summers, Grossnickle & Co.

MASSACHUSETTS.

BROOKLINE — Brookline National Bank; C. H. W. Foster, Pres. in place of Francis W. Lawrence, deceased.

CANTON—Neponset National Bank: capital reduced to $100,000.

NORTH ATTLEBORO—First National Bank; Frederick E. Sargent, Cas. in place of Andrew E. Jencks.

MICHIGAN.

CHARLOTTE—Eaton County Savings Bank: capital increased to $50,000.

GRAND RAPIDS—People's Savings Bank; Geo. E. Luther, Cas. in place of Charles B. Kelsey.

ST. JOHN'S—State Bank; Porter K. Perrin, Pres., deceased.

MINNESOTA.

CROOKSTON—Merchants' National Bank; V. L. McGregor, Asst. Cas.

MANKATO—National Bank of Commerce; C. L. Oleson, Vice-Pres. and Cas.; Wm. J. Flachsenhar, Asst. Cas.

MISSISSIPPI.

GREENVILLE—First National Bank; W. H. Negus, Pres. in place of James E. Negus; J. T. Atterbury, Vice-Pres.

JACKSON—First National Bank; R. F. Young, Asst. Cas. in place of A. C. Jones, resigned.

MONTANA.

GREAT FALLS—Great Falls National Bank: E. A. Newlon, Asst. Cas.

NEBRASKA.

SEWARD—Jones Nat. Bank; J. J. Thomas, Vice-Pres. in place of H. I. Jones; no Asst. Cas. in place of W. D. Campbell.

NEW HAMPSHIRE.

NEWPORT—Citizens' National Bank; H. F. Barry, Asst. Cas.

PITTSFIELD—Pittsfield National Bank; E. A. Goss, Cas. in place of John A. Goss; no Asst. Cas. in place of E. A. Goss.

NEW JERSEY.

ORANGE—Second National Bank; capital increased to $200,000.

PATERSON—Second National Bank; William D. Blauvelt, Pres. in place of James Jackson, drceased; Edwin N. Hopson, Cas.

NEW YORK.

FALCONER—First National Bank; R. C. Johnson, Asst. Cas.

LITTLE FALLS—Little Falls National Bank; James D. Feeter, Pres., deceased.

MIDDLETOWN—Merchants' National Bank Nathan Hallock, Pres., deceased.

NEW YORK—Liberty National Bank; Daniel G. Reid, Vice-Pres. in place of Henry C. Tinker.——Seventh National Bank and National Broadway Bank; absorbed by Mercantile National Bank.

RICHFIELD SPRINGS—First National Bank; H. C. Brockway, Pres. in place of Norman Getman, deceased; M. A. McKee, Vice-Pres. in place of H. C. Brockway; James McKee, Cas. in place of M. A. McKee; no Asst. Cas. in place of James McKee.

SCHENECTADY — Mohawk National Bank: H. S. Edwards, Pres., deceased.

NORTH CAROLINA.

DURHAM—First National Bank; W. J. Holloway, Cas. in place of Leo D. Heartt.

SALISBURY—First National Bank; W. H. White, Cas. in place of W. C. Blackmer, deceased.

NORTH DAKOTA.

MILTON — First National Bank; W. W.

McQueen, Pres.; J. M. Dinwiddie, Vice-Pres.
WILLISTON — First National Bank; O. W. Bell, Asst. Cas.

OHIO.

CLEVELAND—Citizens' Savings and Trust Co. and American Trust Co.; consolidated.
EAST PALESTINE—First National Bank; William Johnston, Vice-Pres.; D. W. McCloskey, Cas.; M. N. Beyer, Asst. Cas.
LOWELL—First National Bank; F. H. Wolfram, Vice-Pres. in place of John B. Eck; Henry J. Hoffer, Cas. in place of John C. Saner.
MCCONNELSVILLE — First National Bank; James K. Jones, President, deceased.
SPRINGFIELD—Citizens' National Bank; F. E. Hosterman, Asst. Cas.

OKLAHOMA.

COYLE—Cimarron Valley Bank; capital increased to $10,000.
GUTHRIE—Bank of Indian Territory; E. J. Bradley, Asst. Cas.
STILLWATER—Stillwater National Bank; no Asst. Cas. in place of A. R. Eastman.
WEATHERFORD—First National Bank; O. H. Smith, Asst. Cas. in place of J. F. Merrill; J. R. Crabtree, additional Asst. Cas.
WOODWARD — First National Bank; H. H. Stallings, Asst. Cas.

PENNSYLVANIA.

CORAOPOLIS — Coraopolis National Bank; E. L. Keiser, Asst. Cas.
ELIZABETH — First National Bank; W. S. Kuhn, Pres. in place of Wm. W. O'Neill; W. T. Pierce, Vice-Pres. in place of Joseph Lytle.
GLEN CAMPBELL—First National Bank; N. C. Harvey, Asst. Cas.
INDIANA — First National Bank; James A. Blair, Asst. Cas.
MARS—Mars National Bank; Chris Gelbach, Pres. in place of S. J. Irvine.
MASONTOWN — Masontown National Bank; J. B. Shawmon, Vice-Pres.; Wm. L. Graham, Asst. Cas.
PHILADELPHIA — Market Street National Bank; capital increased to $1,000,000.
PITTSBURG — Monongahela National Bank; John D. Fraser, Vice-Pres. and Cas.; C. M. Gerwig, Asst. Cas.——Fort Pitt National Bank; Andrew W. Herron, Pres. in place of D. Leet Wilson; Chas. S. Lindsay, Cas. in place of Andrew W. Herron.
REYNOLDSVILLE — First National Bank; Scott McClelland, Pres. in place of C. Mitchell, deceased; J. C. King, Vice-Pres. in place of Scott McClelland.
RIDGWAY—Elk County National Bank; A. D. Swift, Asst. Cas.
SMITHFIELD—First National Bank; Wm. W. Parshall, Vice-Pres.; Wm. T. Miller, Asst. Cas.
SOUTH FORK—First National Bank; Wallace Plummer, Vice-Pres.; J. W. Stineman, Cas.
TAMAQUA—First National Bank; Wallace Guss, Cas., deceased.
WATSONTOWN — Farmers' National Bank; Wm. H. Nicely, Pres., in place of Enos Everitt.
WAYNESBURG—People's National Bank; capital increased to $100,000.
WILMERDING — East Pittsburg National Bank; P. W. Morgan, Vice-Pres. and Cas.; Edwin Latchen, Asst. Cas.

SOUTH CAROLINA.

LAURENS—National Bank of Laurens; John M. Clardy, Asst. Cas. in place of R. W. Davis.
SPARTANBURG — Central National Bank John A. Law, Pres. in place of Wm. A. Law, resigned.——Spartanburg Savings Bank; John A. Law, Pres. in place of Wm. A. Law, resigned.

TENNESSEE.

DYERSBURG—First National Bank; J. C. Doyle, Cas. in place of Jno. G. Latta; no Asst. Cas. in place of J. C. Doyle.
MEMPHIS—People's Savings Bank and Trust Co.; capital increased to $50,000.
WARTRACE—Bedford County Bank; G. A. Cortner, Pres.; J. B. Shofner, Vice-Pres.; K. M. Roach, Cas.; E. L. Blackman, Asst. Cas.

TEXAS.

ATLANTA—First National Bank; J. G. King, Pres. in place of A. C. Smith; P. B. Dunklin, Vice-Pres. in place of W. A. Howe; Pat C. Willis, Cas. in place of B. F. Ellington; no Asst. Cas. in place of Pat C. Willis.
CANYON—Stockmen's National Bank; D. A. Park, Cas. in place of W. A. Donaldson; Travis Shaw, Asst. Cas. in place of D. A. Park.
CORSICANA — City National Bank; R. N. Elliott, Asst. Cas.

VIRGINIA.

WILLIAMSBURG—Peninsula Bank; capital, increased to $50,000.

WASHINGTON.

MONTESANO—Montesano National Bank; F. W. Byles, Cas. in place of F. A. Tarr.

WEST VIRGINIA.

BELLINGTON—First National Bank; Arthur Lee, Pres.; Fenelon Howes, Vice-Pres.

WISCONSIN.

ANTIGO — First National Bank; Leander Choate, Pres. in place of L. D. Moses.
EAU CLAIRE—New Bank of Eau Claire; Wm. H. Rust, Pres., deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

SANTA CLARA—Citizens' Bank.

FLORIDA.

JACKSONVILLE — First National Bank of Florida; in hands of Jos. W. Norvell, Receiver, March 14.

OHIO.

QUINCY—Bank of Quincy.

MASSACHUSETTS.

EAST CAMBRIDGE — Cambridge National Bank; in voluntary liquidation March 12.
WORCESTER—Central National Bank; in voluntary liquidation March 30.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, April 2, 1903.

DECREASING BANK RESERVES, DEARER MONEY, a break in the stock market and labor difficulties were sufficient to attract and command the attention of financial people last month. The first unfavorable influence came in the failure of Congress to enact the Aldrich bill which would have given the Secretary of the Treasury ample authority to enlarge and protect Government deposits in the banks. In fact Congress adjourned without giving the country any financial legislation whatever. Nor is it probable that much may be expected from the next session of Congress, as the proximity of a Presidential election will make national statesmen extremely cautious about trying new legislative schemes. Congress adjourned on March 4, but without completing its work, and the President at once called the Senate to meet in extra session. It took it nearly two weeks to ratify the Panama Canal treaty, but this was done on March 17. The payment of $50,000,000 by the Government to be made for the canal at once became the text of pessimistic remarks, and in Wall Street much was heard of the probable locking up of money which the settlement of the account would cause.

It seems rather absurd, after looking at the balance sheet of the Government issued on March 31, to get scared over the ability of the United States to pay $50,000,000. On the date mentioned it had a cash balance of nearly $378,000,000. Of this $150,000,000 was in National banks, and $150,000,000 in a gold reserve which the law requires to be kept in the Treasury. This leaves $73,000,000 of a cash balance actually in the Treasury and which is absolutely free for use. Besides this balance about $65,000,000 is counted as a liability which simply represents balances to the credit of disbursing officers.

Following upon or coincident with the Panama "scare," if such it may be called, there was a very rapid reduction in the reserves of the local banks. In fact since the middle of February, cash has been going out of the banks and by March 21 they had lost $18,000,000 specie and $7,000,000 legal tenders or $25,000,000. Loans were called in and deposits reduced to the extent of nearly $40,000,000 in the one case and of $56,000,000 in the other, all in the space of three weeks.

With the decrease in reserves in the first week of the month the surplus reserve was nearly wiped out, falling below $700,000. Afterwards the surplus increased, but money grew more stringent and call loans touched fifteen per cent. on the last day of the month. The influence upon values of securities naturally was unfavorable.

The stock market was exceptionally weak during the month and a majority of stocks sold at the lowest prices recorded this year. While in some cases there was a sharp recovery, many of the lowest quotations were made in the last two days of the month. Trading was considerably more active than in February, but with that exception the aggregate transactions were the smallest for any month since last August. About 15,000,000 shares were traded in as compared with 12,000,000 shares in March, 1902, and 27,000,000 shares in 1901.

The transactions in bonds were the smallest in over a year, falling below $52,000,000 par value, as compared with $65,000,000 in February and $67,000,000 in January. The total in March last year was about $67,000,000 and in 1901 $132,000,000.

It may be of interest to make a comparison of the prices of some of the representative stocks now ruling with those recorded a year ago. Many stocks are now selling about as high as they did at the close of March, 1902, some higher, while a number are lower and in some instances very much lower. The following table shows the closing prices in March, 1902 and 1903, of a number of the principal stocks:

	Closing price. March, 1902.	Closing price. March, 1903.
Atchison	77⅛	81⅛
Baltimore and Ohio	106⅛	91⅛
Canadian Pacific	116¾	129
Chesapeake and Ohio	45⅝	45⅛
Chicago and Alton	35⅛	31
Chicago, Milwaukee and St. Paul	165⅛	163¼
Chicago and Northwest	233	183⅛
Cleveland, Cinn., Chic. & St. Louis	108	89¼
Colorado Southern	28⅛	26⅛
Consolidated Gas	225	205
Delaware and Hudson	172	166⅛
Denver and Rio Grande, pref	91¼	86
Erie	37⅛	35⅜
Hocking Valley	73⅛	99¾
Illinois Central	142	137⅛
Iowa Central	49¼	36¼
Louisville and Nashville	106¼	118⅛
Manhattan	133⅞	139⅛
Metropolitan Street	164⅞	135¾
Minneapolis and St. Louis	109⅛	99⅛
Missouri, Kansas and Texas	24⅛	25¼
Missouri Pacific	100	107⅛
New York Central	162¾	132¾
New York, Chicago and St. Louis	53	34
Norfolk and Western	56¼	69¾
North American	125	101
Pacific Mail	44	36
Pennsylvania	149⅞	138⅛
Reading	57⅜	59⅞
St. Louis and San Francisco	67⅛	78⅛
St. Louis and Southwestern	27	23¾
Southern Pacific	65⅛	60¼
Southern	32⅛	31⅝
Texas Pacific	40⅛	35⅝
Union Pacific	100¼	91⅛
Wabash	23⅜	27⅜
Western Union	90⅝	87⅛
Wisconsin Central	22¼	24⅝
United States Steel	42	35⅞
United States Steel, preferred	94	85⅛

The declines in prices both of stocks and bonds were very heavy, and the movement in securities was just the reverse of that of a year ago when prices generally advanced. That there should have been so serious a drop in prices without producing disastrous results is probably satisfactory evidence of the stable foundation upon which values rest.

A summary of the downward movement last month will be found in the following comparative record of declines showing the extreme fall both from the highest previous quotations of the month and of the year:

	Decline. M'th.	Decline. Yr.
Amalgamated Copper	11	11
American Sugar	9¼	12⅛
Anaconda Copper	17	17⅛
Atchison	5⅞	10¼
Canadian Pacific	8⅛	12¾
Central of New Jersey	6¼	15
Chicago, Milwaukee and St. Paul	7⅜	23
Northwest	11⅛	44⅛
Cleveland, Cincin., Chic. & St. Louis	12	21
Colorado Fuel and Iron	9⅝	19⅛
Consolidated Gas	12	21
Delaware and Hudson	12¼	18⅛
Erie, 2d preferred	6⅜	13⅞
General Electric	10⅛	17
Illinois Central	6	14¼
Iowa Central	8	14
Iowa Central, preferred	5⅛	13⅞
Louisville and Nashville	7⅛	14
Manhattan	9⅛	19
Metropolitan Street	8⅜	11⅞
Minnesota and St. Louis	10	15
Missouri Pacific	5⅛	10
New York Central	16⅛	26
New York, Chicago and St. Louis	9	12⅛
North American	15	25⅛
Pennsylvania	12⅛	21⅛
Reading	5¼	12¼
Reading, 2d preferred	4	11
Rock Island	7⅜	12⅞
St. Louis and San Francisco	9	14
St. Louis and San Fran., 2d pref	5	10
St. Louis Southwestern, pref	5	10⅛
Southern Pacific	10¼	10¼
Union Pacific	9⅛	16⅛

The weakness in stocks was communicated to bonds, although the declines were not nearly so extensive nor general in the latter as in the former. Some of the most notable declines in bonds from the highest quotations since January 1 were: American Hide and Leather 6's, 6 per cent.; Rock Island 4's, 5¾ per cent.; Colorado Fuel convertible 5's, 11¾ per cent.; Colorado Southern 1st 4's, 5¼ per cent.; Consolidated Tobacco 4's, 6⅜ per cent.; Detroit, Mackinack and Marquette 3½'s, 9 per cent.; Green Bay and Western debentures B, 9 per cent.; Metropolitan Street Railway 5's, 6¾ per cent.; Missouri, Kansas and Texas 2d 4's, 5 per cent.; New York Central, Lake Shore 3½'s 5½ per cent.; Oregon Short Line 4's, 6½ per cent.; Pennsylvania convertible 3½'s, 10 per cent.; St. Joseph and Grand Island 1st 4's, 7 per cent.; St. Louis and San Francisco refunding 4's, 6⅜ per cent.; Standard Rope and Twine 6's, 8 per cent.; Union Pacific convertible 4's, 5⅞ per cent.; Wabash 2d 5's, 6 per cent., and Wabash debenture B's, 12¾ per cent.

Whatever the causes which produced the depression in the stock market last month, there is a very strong sentiment that they are only temporary. As eminent an authority in the financial world as Mr. J. P. Morgan has expressed a positive opinion to the effect that there is no justification for pessimistic views. In an interview in the "New York Times" of March 31, he is reported as saying that the general situation is most promising and that the country is unqualifiedly prosperous.

Mr. Morgan replied specifically to "the captious critics" who "declare that at the present moment there are in the market many undigested securities." Regarding this point Mr. Morgan said:

"To my mind and in my judgment these new securities are essentially sound and stable, and those who have them are in no wise alarmed because of their holdings. Beyond all this, they are issued not to build competing lines but largely for the purchase of rolling stock and motive power and for the extension of other facilities necessitated by the necessary movement of the products of the country. You will find that in due time this phase of the difficulty—growing out of these new securities—will disappear."

There is no question that Mr. Morgan's views will carry great weight by reason of his reputation for conservatism as well as for his remarkable acumen. There is no doubt that the issues of new securities in the last few years have reached enormous proportions, but if a financier of Mr. Morgan's standing sees nothing ominous in the fact, any apprehension regarding it is likely to be allayed.

However, a very large amount of capital will be required to carry out the various enterprises which are now projected and the marketing of the new issues still uncompleted and those yet to be made will require financial skill. The following partial list of new securities for which capital has been or is being sought was recently published:

Erie bonds	$50,000,000	New York Central stock	$35,000,000
Atlantic Coast Line bonds	35,000,000	Great Western stock	20,000,000
Pennsylvania convertible bonds	50,000,000	Pennsylvania stock	150,000,000
Atchison, Oklahoma bonds	5,600,000	Northwestern stock	36,000,000
St. Louis and San Francisco bonds	5,500,000	St. Paul stock	25,000,000
Total			$412,100,000

When the many other millions of dollars of securities which have been put upon the market since the present era of prosperity began are taken into consideration, it is not unreasonable that doubts as to the power of capital to assimilate it all should arise.

Regarding the general situation there can be no dispute that the same conditions of trade and industrial activity which have commanded attention for a long time past still exist. Mr. Morgan in his interview referred particularly to the iron industry. If it is still entitled to the dignity of being the barometer of general business, the situation is one of unparalleled prosperity. Not only is production at its highest record, but orders have been booked so far into the future that there is no apparent limit to the good times ahead.

Another index is our foreign trade. After several years of constantly increasing exports, a decline set in during the year 1901, which was continued in 1902. The only time in nearly four years our exports fell below $100,000,000 a month was during the three months ended August 31, last year. But in September they began to increase again and now they are in larger volume than ever before, the exports in February aggregating $125,502,105, the largest ever reported for that month. For the three months ended February 28 the exports were also larger than for any similar period, amounting to $407,000,000.

Our imports have also reached unprecedented proportions and this fact is the more encouraging because more than one-half of the imports of merchandise now consists of materials for use by our manufacturers. This is substantial evidence of the healthy activity now prevailing in our industries. The exports and imports in February and during the three months ended February 28 in the last six years are shown in the following table:

YEAR.	EXPORTS.		IMPORTS.	
	February.	*Three months ended Feb. 28.*	*February.*	*Three months ended Feb. 28.*
1898	$94,917,453	$328,398,088	$53,074,649	$155,408,326
1899	98,837,151	347,279,191	60,258,452	173,637,362
1900	119,426,985	360,292,166	68,833,941	215,464,886
1901	112,957,014	395,172,486	64,501,699	202,505,986
1902	101,569,695	367,656,414	68,350,459	227,417,922
1903	125,502,105	407,526,200	82,579,191	262,108,018

The growth of our foreign trade has undoubtedly had a great influence upon the prosperity of the country, and a decline in the outward movement of our products would be received as a suggestion of an approaching change in these conditions which make for prosperity, a suggestion which at present is lacking.

The Secretary of the Treasury, on March 26, with a view to increasing National bank circulation, issued a circular inviting tenders of three per cent. bonds of 1908–1918 and four per cent. bonds of 1907 to be exchanged for two per cent. bonds to run thirty years. The exchange is to be made on the basis of 2½ per cent. for the old bonds, while the new bonds are to be sold at a premium of two per cent. The difference in price will be paid in cash, and there will be no increase in the amount of bonds outstanding. Not more than $100,000,000 of the bonds are to be exchanged, and it is expected that the new bonds will be used as a basis of bank circulation.

Coincident with this proposal to issue at a premium of two per cent., bonds bearing only two per cent., was the decline below 90 of British consols, which after April 5 will bear 2½ per cent. interest, and which have twenty years to run. It would be difficult to find a more significant illustration of the great advance this country has made among the great nations of the world than this exhibition of credit as compared with that of Great Britain, although the difference may be considered of a temporary character.

That there is one cloud upon the horizon of our prosperity all thoughtful people must concede. The condition of unrest in the ranks of labor is threatening disastrous consequences. The columns of the daily papers are filled with reports of strikes, boycotts and antagonisms between capital and labor. The report of the Anthracite Coal Strike Commission made public on March 21, while conceding some of the demands of the miners, has also disclosed serious conditions which no compromise is likely to remove. April 1 was selected as the date for a general demand on the part of labor for concessions which if not granted will cause a further conflict between labor and capital, and the consequences may be far reaching.

THE NATIONAL BANKS.—Statistics of the National banks published by the

Comptroller of the Currency show that the extension of the National banking system continues at an extraordinary pace. There was an increase of over 100 in the number of banks between November 25 last and February 6, the date of the last report. There have been 409 banks added to the system in the past year, the total number in operation being 4,766. There has been an increase in capital of $16,658,884 since November, and of $63,894,006 in a year. Individual deposits increased $6,655,795 and $177,045,291 respectively during the same periods, and amounts due banks and bankers $117,373,571 since November, although they are $6,671,775 less than they were a year ago.

The individual deposits now exceed $3,159,000,000, while the total deposits including amounts due other banks, Government deposits, etc., are nearly $4,680,000,000, or more than six times the total capital, and nearly five times the capital and surplus.

The circulation of the National banks has decreased $1,279,757 since November, although still nearly $21,000,000 more than a year ago. The National banks report more than $42,000,000 of bonds borrowed, an increase of $3,000,000 since November. The State and municipal bonds held to secure United States deposits amount to $17,665,067 against $19,705,749 in November.

In connection with the discussion of asset currency it is interesting to note that while the total resources of the National banks amount to nearly $6,285,000,000 the notes outstanding amount to only about $335,000,000, or only about five per cent. of the assets. The circulation is only about thirty per cent. of the capital and surplus and the proportion is decreasing.

The following table shows some of the principal items of the statement submitted by the National banks during the past two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
April 24, 1901	$640,778,600	$267,810,240	$2,893,665,450	$315,546,242	$71,227,450	$159,324,246
July 15, 1901	645,719,099	274,194,176	2,941,837,429	302,826,065	68,259,478	164,929,624
September 30, 1901	655,841,880	279,532,859	2,937,753,233	314,397,341	62,284,530	151,018,751
December 10, 1901	665,340,664	287,170,338	2,964,417,966	303,753,440	65,899,058	151,118,358
February 25, 1902	667,381,231	294,951,787	2,982,489,301	337,851,267	69,230,896	154,682,644
April 30, 1902	617,176,312	298,597,509	3,111,690,196	321,866,068	76,894,493	159,292,682
July 16, 1902	701,990,554	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292
September 15, 1902	705,535,417	326,393,953	3,209,273,894	298,862,066	67,374,054	141,757,618
November 25, 1902	714,616,353	335,763,730	3,152,878,796	321,646,166	69,635,494	142,310,109
February 6, 1903	731,275,237	351,140,286	3,159,534,592	338,703,779	78,868,367	153,025,573

THE MONEY MARKET.—Rates for money advanced last month and on the last day of the month there was a sharp flurry in call money, the rate touching fifteen

MONEY RATES IN NEW YORK CITY.

	Nov. 1.	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*	*Mar. 1.*	*Apr. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	5 –7	4 –6	8 –12	2½–3¾	3 –4	6 –15
Call loans, banks and trust companies	4 –	4½–	8 –12	4 –	3 –	6 –
Brokers' loans on collateral, 30 to 60 days	6 –	6 –	6 –	4½–	4¾–5	5½– 5¾
Brokers' loans on collateral, 90 days to 4 months	6 –	6 –	6 –	4½– ¾	5 –	5¼– 5½
Brokers' loans on collateral, 5 to 7 months	6 –	5 –5½	5½–	4½– ¾	4¾–5	5¼– 5½
Commercial paper, endorsed bills receivable, 60 to 90 days	5½–6	5½– ¾	6 –	4¾–5	5 –5¼	5½– 5¾
Commercial paper prime single names, 4 to 6 months	5½–6	5½–6	6 –	4¾–5	5 –5¼	5½– 6
Commercial paper, good single names, 4 to 6 months	6½–7	6 – 6½	6½–	5 –5½	5½–	6 – 6½

per cent., the highest recorded this year. At the close of the month call money ruled at 6 @ 15 per cent., the average rate being 8 per cent. Banks and trust companies loaned at 6 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 5½ @ 5¾ per cent. for 60 to 90 days and at 5¼ @ 5½ per cent. for 4 to 6 months on good mixed collateral. For commercial paper the rates are 5½ @ 5¾ per cent. for 60 to 90 days' endorsed bills receivable, 5½ @ 6 per cent. for first-class 4 to 6 months' single names, and 6 @ 6½ per cent. for good paper having the same length of time to run.

New York City Banks.—The extraordinary changes which occurred in the local banks as indicated by their weekly statements last month created a sensation. A drop of $20,000,000 in deposits in the first week of the month, followed by another decrease of $20,000,000 the next week and $16,000,000 the third week, was something unusual. In the five weeks ended March 28 deposits declined $69,000,000 while loans where reduced $45,000,000. During the entire month loans have been in excess of deposits. The banks lost only about $13,000,000 specie and $2,000,000 legal tenders, which looks small compared with the decrease in deposits, but a loss of $15,000,000 in cash reserves in four weeks is serious enough to have an important effect upon the money market and in this case it caused a sharp advance in rates.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Feb. 28...	$950,156,300	$176,700,400	$68,303,100	$956,206,400	$5,951,900	$43,279,100	$1,116,623,700
Mar. 7...	939,953,300	168,658,600	66,168,300	936,639,700	666,975	42,919,500	1,557,150,700
" 14...	924,500,400	164,747,800	65,316,700	916,162,000	1,024,000	42,987,700	1,492,626,400
" 21...	911,547,400	163,592,500	64,758,500	900,682,400	3,180,400	42,863,500	1,318,576,100
" 28...	904,599,200	163,461,500	66,384,400	894,260,000	6,280,900	42,900,800	1,213,204,200

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	*1901.*		*1902.*		*1903.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,300	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,353,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	....	....
June..........	952,398,200	21,253,050	948,326,400	11,929,000	....	....
July..........	971,382,000	8,484,200	955,829,400	12,978,350	....	....
August........	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,626,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Feb. 28....	$77,462,400	$85,018,100	$3,671,300	$4,353,500	$8,690,400	$3,843,100	$* 696,225
Mar. 7....	77,121,000	82,975,400	3,612,000	4,138,300	8,651,300	2,285,400	* 2,056,850
" 14....	77,532,900	82,709,900	3,544,900	4,138,600	7,645,800	1,976,400	* 3,371,775
" 21....	77,534,200	82,773,200	3,391,500	4,122,300	8,134,600	2,044,200	* 3,000,700
" 28....	77,598,400	83,279,600	3,379,700	4,114,300	8,306,600	2,269,700	* 2,747,600

* Deficit.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Feb. 28.......	$187,230,000	$200,516,000	$15,393,000	$5,353,000	$6,427,000	$110,800,400
Mar. 7.......	186,213,000	200,463,000	15,181,000	5,213,000	6,427,000	135,037,200
" 14.......	186,348,000	198,800,000	15,247,000	5,140,000	6,435,000	126,968,600
" 21.......	186,938,000	200,006,000	15,372,000	5,043,000	6,444,000	124,070,100
" 28.......	187,128,000	196,047,000	15,188,000	4,913,000	6,445,000	113,531,600

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Feb. 28....................	$184,988,000	$217,199,000	$55,195,000	$9,385,000	$102,053,200
Mar 7....................	186,724,000	216,024,000	53,637,000	9,344,000	116,823,800
" 14....................	186,085,000	212,336,000	50,224,000	9,349,000	106,725,800
" 21....................	184,321,000	210,996,000	50,263,000	9,336,000	109,194,700
" 28....................	184,071,000	208,932,000	50,100,000	9,364,000	109,443,700

European Banks.—The Bank of England gained $8,000,000 gold last month and Russia $13,000,000, while France lost $1,000,000 and Germany $3,000,000. Most of the European banks except France and Germany have more gold than they held a year ago.

Gold and Silver in the European Banks.

	February 1, 1903.		March 1, 1903.		April 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England............	£34,382,758	....	£36,045,496	....	£37,682,365	....
France.............	100,566,167	£43,863,962	101,339,418	£43,845,350	301,048,872	£43,986,428
Germany...........	36,585,000	13,531,000	35,322,400	13,064,500	34,695,000	12,191,000
Russia..............	76,323,000	6,873,000	76,995,000	7,543,000	79,689,000	8,489,000
Austria-Hungary..	46,329,000	12,635,000	46,288,000	12,755,000	46,163,000	12,896,000
Spain...............	14,409,000	19,887,000	14,423,000	19,970,000	14,452,000	20,093,000
Italy...............	16,932,000	2,680,000	17,309,000	2,178,400	17,559,000	2,273,300
Netherlands.......	4,698,300	6,635,500	4,699,000	6,611,900	4,107,400	6,587,000
Nat. Belgium......	3,222,667	1,611,333	3,223,333	1,611,667	3,197,333	1,598,667
Totals..........	£333,437,892	£107,116,795	£335,644,647	£107,579,817	£338,593,970	£108,114,395

Money Rates Abroad.—Discounts of 60 to 90 day bills in London at the close of the month were 3¾ per cent. against 3½ @ 3⅝ per cent. a month ago. The open market rate at Paris was 2⅞ @ 3 per cent., against 2¾ @ 2⅞ per cent. a month ago, and at Berlin and Frankfort 2¾ @ 2⅞ per cent., against 2¼ per cent. a month ago.

Bank of England Statement and London Markets.

	Nov. 12, 1902.	Dec. 10, 1902.	Feb. 11, 1903.	Apr. 2, 1903.
Circulation (exc. b'k post bills)..........	£29,061,035	£28,765,260	£28,127,905	£29,357,000
Public deposits............................	8,637,637	9,464,550	11,239,705	13,000,000
Other deposits.............................	39,264,304	37,563,459	39,677,093	44,081,000
Government securities...................	16,416,132	16,012,333	15,062,127	14,510,000
Other securities..........................	26,890,956	27,873,428	28,984,448	36,047,000
Reserve of notes and coin...............	22,461,892	21,607,147	25,170,852	25,015,000
Coin and bullion..........................	33,347,917	31,597,407	35,123,757	36,198,026
Reserve to liabilities.....................	46¾%	44½%	49%	43.73%
Bank rate of discount..................	4%	4%	4%	4%
Price of Consols (2¾ per cents.).........	93⅛	92[illegible]	26 1-16d.	90¼
Price of silver per ounce.................	22 15-16d.	22⅛d.	....	22¾d.

Foreign Exchange.—The sterling exchange market was weaker and duller. There was light demand for remittance at the close of the month, but there were

reports of sales of American securities for London account due to the fall in consols and the break in our stock market.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
Feb. 28	4.8430 @ 4.8440	4.8740 @ 4.8750	4.8795 @ 4.8805	4.83⅞ @ 4.84	4.83⅝ @ 4.84⅛
Mar. 7	4.8350 @ 4.8375	4.8675 @ 4.8685	4.8725 @ 4.8735	4.83⅛ @ 4.83⅜	4.82⅛ @ 4.83⅝
" 14	4.8325 @ 4.8335	4.8675 @ 4.8685	4.87²5 @ 4.8735	4.82⅞ @ 4.83⅛	4.82⅛ @ 4.83⅛
" 21	4.8390 @ 4.8400	4.8720 @ 4.8730	4.8780 @ 4.8790	4.83⅛ @ 4.83⅝	4.83 @ 4.84⅛
" 28	4.8365 @ 4.8375	4.8690 @ 4.8700	4.8750 @ 4.8760	4.83⅜ @ 4.83⅛	4.82¾ @ 4.83¾

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Dec. 1.	*Jan. 1.*	*Feb. 1.*	*Mar. 1.*	*Apr. 1.*
Sterling Bankers—60 days	4.83½— ¾	4.83⅛— ¼	4.83¾— ⅞	4.84¼— ⅜	4.83⅝— ⅞
" " Sight	4.87⅛— ⅜	4.86½— ⅝	4.86¾— ⅞	4.87½—	4.86⅞— 7⅛
" " Cables	4.87⅝— ⅞	4.87½— ⅝	4.87⅛— ⅜	4.87⅞—88	4.87½— ¾
" Commercial long	4.83⅛— ¼	4.82¾— ⅞	4.83½— ⅝	4.83½— 4	4.83 — 4
" Docu'tary for paym't.	4.82¾— 4	4.82⅛— 3⅜	4.82¾— 3¾	4.83½— 4½	4.82¾— 3¾
Paris—Cable transfers	5.15 3/32—16 1/16	5.15⅝—	5.15⅝—	5.15⅝— 3/32	5.15⅝—
" Bankers' 60 days	5.18¾— ⅛	5.18¾—	5.18¾—	5.18¾— ⅛	5.18¾—
" Bankers' sight	5.15⅝—	5.16¼—	5.16¼—	5.15⅝—	5.16¼—
Swiss—Bankers' sight	5.16¼—	5.16¼—	5.16⅞—	5.16⅞— ¼	5.16⅞—
Berlin—Bankers' 60 days	94 11/16— ¾	94 11/16— ¾	94¾—	94¾— 13/16	94⅝— 11/16
" Bankers' sight	95¼— 5/16	95 3/16— ¼	95 — 1/16	95 1/16— ⅛	95 — 1/16
Belgium—Bankers' sight	5.16⅞—	5.16⅞— ¼	5.16⅞—	5.16⅞— ¼	5.17½—16⅞
Amsterdam—Bankers' sight	40⅛— 3/16	40⅛—	40⅛—	40⅛— 3/16	40 1/16— ⅛
Kronors—Bankers' sight	26.86— 89	26.82—85	26.74 —77	26.75—78	20.74— .76
Italian lire—sight	5.15⅝—	5.15⅝—	5.16¼—15⅝	5.15⅝— 1/16	5.16¼—15

SILVER.—The price of silver in London advanced from 22⅛d. to 22 15-16d. touching the latter figure on March 17. It subsequently declined but finally closed at 22¾d., a net gain of five-eighths for the month.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.	MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.
January	29 3/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July	28 3/16	27¾	24 3/16	24 3/16	....	....
February	28 7/16	27⅞	25⅝	25 5/16	22 5/16	21⅞	August	28 7/16	27 13/16	24 7/16	24⅛	....	....
March	28 3/16	27 1/16	25 7/16	24 13/16	22 13/16	22⅛	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April	27 15/16	26 15/16	24⅞	23 5/16	....	....	October	30 3/16	29⅛	23 13/16	23¼	....	....
May	27⅝	27 3/16	24⅛	23 5/16	....	....	Novemb'r	29 13/16	29 7/16	23¼	21¾	....	....
June	27⅝	27¼	24 7/16	23 15/16	....	....	Decemb'r	29 15/16	29⅛	22⅛	21 13/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.86	$4.89
Twenty francs	3.87	3.90
Twenty marks	4.74	4.78
Twenty-five pesetas	4.78	4.81
Spanish doubloons	15.55	15.65
Mexican doubloons	15.55	15.65

	Bid.	*Asked.*
Mexican 20 pesos	$19.55	$19.65
Ten guilders	3.95	4.00
Mexican dollars	.38½	.40½
Peruvian soles	.36	.39
Chilian pesos	.36	.39

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 22¾d. per ounce. New York market for large commercial silver bars, 49⅝ @ 50⅛c. Fine silver (Government assay), 49⅛ @ 51c. The official price was 49¼c.

GOLD AND SILVER COINAGE.—The mints coined $6,879,920 gold, $1,595,987 silver and $301,720 minor coin last month, a total of $8,777,627. There were 1,026,325 silver dollars coined.

Coinage of the United States.

	1901.		1902.		1903.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,273	....	....
May	9,325,000	3,266,000	426,000	1,873,000	....	....
June	5,948,030	2,836,185	500,345	2,464,353	....	....
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,003,608	$4,823,987

National Bank Circulation.—There was a decrease in bank-note circulation of $279,587 in March leaving the net increase in the last twelve months $25,042,851. The deposits of lawful money to retire circulation were about offset by the circulation retired against which lawful money had been deposited. There has been little change in the Government bond holdings of the banks, about $496,000,000 being held to secure Government deposits and circulation.

National Bank Circulation.

	Dec. 31, 1902.	*Jan. 31, 1903.*	*Feb. 28, 1903.*	*Mar. 31, 1903.*
Total amount outstanding	$384,929,784	$383,973,546	$382,798,845	$382,519,258
Circulation based on U. S. bonds	342,127,844	340,587,939	338,660,361	338,349,814
Circulation secured by lawful money	42,801,940	43,385,607	44,138,484	44,169,444
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	8,799,850	8,843,850	8,856,350	8,047,850
Five per cents. of 1894	1,151,900	1,037,400	1,037,400	1,037,400
Four per cents. of 1895	2,239,600	2,197,100	2,195,100	2,255,100
Three per cents. of 1898	5,899,020	5,549,020	5,593,020	5,067,020
Two per cents. of 1900	326,161,750	325,276,150	324,482,800	325,753,400
Total	$344,252,120	$342,903,520	$342,164,670	$342,160,770

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $23,589,650; 5 per cents. of 1894, $3,109,450; 4 per cents. of 1895, $9,909,750; 3 per cents. of 1898, $12,050,120; 2 per cents. of 1900, $84,504,100; District of Columbia 3.65's, 1924, $1,671,000; State and city bonds, $18,854,900; a total of $153,418,970.

Government Revenues and Disbursements.—There was a surplus of less than $500,000 in March as reported by the Treasury, making for the nine months of the fiscal year a total of nearly $34,000,000 as compared with $61,000,000 for the corresponding period last year. The revenues last month were $1,000,000 less than in 1902 and the expenditures were nearly $7,000,000 larger, while for the nine months the receipts increased $4,000,000 and the expenditures $31,000,000.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*March, 1903.*	*Since July 1, 1902.*
Customs	$23,709,968	$219,235,237
Internal revenue	18,823,751	172,211,984
Miscellaneous	2,901,715	31,646,179
Total	$45,435,434	$423,093,400
Excess of receipts	447,847	33,829,223

Expenditures.

Source.	*March, 1903.*	*Since July 1, 1902.*
Civil and mis	$13,107,159	$96,796,105
War	12,278,918	92,646,652
Navy	7,374,844	60,729,072
Indians	1,052,450	10,363,873
Pensions	10,689,646	105,713,643
Interest	484,570	23,014,832
Total	$44,987,587	$389,264,177

United States Public Debt.—With a net surplus of about $500,000 for the month of March the public debt statement shows a decrease in the net cash balance of $1,600,000 and an increase of a similar amount in the net debt less cash in the

Treasury. There has been no increase in the principal of the debt except in certificates against which the full amount of cash is held in the Treasury. The Government now reports $402,000,000 of gold certificates and $466,000,000 silver certificates issued, making with the $21,000,000 Treasury notes outstanding a total of $890,000,000, or nearly equal to the total bonded debt, which is $914,000,000.

United States Public Debt.

	Jan. 1, 1903.	*Feb. 1, 1903.*	*Mar. 1, 1903.*	*Apr. 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$445,940,750	$445,940,750	$445,940,750	$445,940,750
Funded loan of 1907, 4 "	233,178,650	233,178,850	233,179,200	233,179,200
Refunding certificates, 4 per cent......	31,230	31,120	30,860	30,810
Loan of 1904, 5 per cent.................	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	97,515,660	97,515,660	97,515,660	97,515,660
Total interest-bearing debt...........	$914,541,240	$914,541,330	$914,541,420	$914,541,370
Debt on which interest has ceased... ...	1,255,710	1,230,910	1,230,510	1,230,100
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	42,169,652	42,908,829	43,136,981	43,147,884
Fractional currency....................	6,872,594	6,872,593	6,872,593	6,871,690
Total non-interest bearing debt......	$395,774,109	$396,516,286	$396,744,438	$396,754,437
Total interest and non-interest debt.	1,311,574,059	1,312,288,526	1,312,516,368	1,312,525,907
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	383,564,069	398,621,069	399,062,069	402,008,069
Silver "	468,957,000	465,297,000	463,431,000	466,498,000
Treasury notes of 1890	24,053,000	22,953,000	22,232,000	21,501,000
Total certificates and notes...........	$876,574,069	$886,871,069	$884,725,069	$890,007,069
Aggregate debt	2,188,148,128	2,199,159,595	2,197,241,437	2,202,532,976
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,339,744,207	1,344,077,366	1,355,375,325
Demand liabilities.......................	966,671,820	971,398,244	969,533,896	982,453,336
Balance	$364,409,380	$368,345,963	$374,543,470	$372,921,988
Gold reserve............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	214,409,380	218,345,963	224,543,470	222,921,988
Total	$364,409,380	$368,345,963	$374,543,470	$372,921,988
Total debt, less cash in the Treasury.	947,164,679	943,942,563	937,972,898	939,603,919

United States Foreign Trade.—A new record has been made in foreign trade movements, the exports of merchandise in February, exceeding $125,500,000, the largest amount ever reported for that month. The imports were exceptionally large, amounting to more than $82,500,000, making a total merchandise movement of $208,000,000. Very few months in any season of the year have equalled this total. The net exports were nearly $43,000,000 for the month, bringing the balance for the

Exports and Imports of the United States.

Month of February.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1898..................	$94,917,453	$53,074,649	Exp., $41,842,804	Imp., $5,132,269	Exp., $1,674,336
1899..................	93,837,151	60,258,452	" 33,578,699	" 4,580,944	" 2,892,047
1900..................	119,426,985	68,833,941	" 50,593,044	" 507,458	" 2,111,811
1901..................	112,957,014	64,501,699	" 48,455,315	" 1,442,462	" 2,389,760
1902..................	101,569,695	68,350,459	" 33,219,236	Exp., 6,968,513	" 1,920,942
1903..................	125,502,105	82,579,191	" 42,922,914	Imp., 265,388	" 2,179,505
Eight Months.					
1898..................	813,284,860	393,691,179	Exp., 419,593,631	Imp., 27,581,499	Exp., 15,913,195
1899..................	843,433,266	427,201,833	" 416,231,433	" 64,816,031	" 18,104,767
1900..................	919,473,471	555,253,574	" 364,219,897	" 6,930,090	" 14,471,012
1901..................	1,015,194,984	523,539,840	" 491,655,144	" 23,916,195	" 18,590,604
1902..................	974,238,113	594,467,457	" 379,770,656	" 3,004,796	" 15,530,111
1903..................	982,019,569	680,725,759	" 301,293,810	" 17,441,907	" 16,845,553

eight months of the fiscal year up to $301,000,000. This is smaller than for either of the previous five years, but the extraordinary increase in imports makes the present excess of exports remarkable. Compared with 1898 the imports have increased in eight months $287,000,000, yet the net export balance is only $118,000,000 less than it was five years ago.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was a reduction in the volume of money in circulation last month of more than $2,000,000. More than $13,000,000 loss is shown in gold but to offset this partly there was an increase of $4,000,000 in silver certificates of $2,000,000 in United States notes and $6,000,000 in National bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.	Apr. 1, 1903.
Gold coin	$629,680,632	$629,023,915	$625,282,655	$622,002,398
Silver dollars	78,310,334	75,838,448	75,151,254	74,476,840
Subsidiary silver	94,350,669	92,507,814	91,990,348	92,285,445
Gold certificates	346,418,819	376,084,814	373,182,044	362,924,999
Silver certificates	463,570,682	456,856,599	457,154,583	461,587,553
Treasury notes, Act July 14, 1890	23,920,426	22,865,478	22,125,099	21,420,172
United States notes	343,770,858	340,207,518	342,392,793	344,274,682
National bank notes	368,678,531	362,404,253	366,787,559	372,785,854
Total	$2,348,700,901	$2,355,738,834	$2,353,996,330	$2,351,757,943
Population of United States	79,799,000	79,914,000	80,028,000	80,142,000
Circulation per capita	$29.43	$29.48	$29.41	$29.34

MONEY IN THE UNITED STATES TREASURY.—There was little change in the gross amount of money in the Treasury in March, but a reduction of $6,000,000 in certificates and Treasury notes outstanding caused an increase in the net cash from $307,000,000 to $313,000,000. About $277,000,000 of this balance is in gold.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.	Apr. 1, 1903.
Gold coin and bullion	$617,196,083	$623,818,560	$632,783,826	$639,740,808
Silver dollars	470,783,167	474,755,053	476,792,247	478,492,986
Silver bullion	23,057,667	21,940,052	20,972,163	20,146,491
Subsidiary silver	6,419,206	8,020,705	8,624,739	8,500,678
United States notes	2,910,158	6,473,503	4,288,223	2,406,834
National bank notes	16,251,253	21,569,293	16,011,286	9,733,404
Total	$1,136,617,534	$1,156,577,166	$1,159,472,484	$1,159,020,691
Certificates and Treasury notes, 1890, outstanding	833,909,877	855,756,891	852,411,726	845,932,724
Net cash in Treasury	$302,707,657	$300,820,275	$307,060,758	$313,087,967

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country was increased nearly $4,000,000 last month, most of which was in gold. The only other gain was in silver caused by the coinage of bullion into dollars.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	Feb. 1, 1903.	Mar. 1, 1903.	Apr. 1, 1903.
Gold coin and bullion	$1,246,876,715	$1,252,842,475	$1,258,046,481	$1,261,743,201
Silver dollars	549,093,501	550,593,501	551,943,501	552,969,826
Silver bullion	23,057,667	21,940,052	20,972,163	20,146,491
Subsidiary silver	100,769,875	100,528,519	100,615,082	100,786,118
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	383,973,546	382,798,845	382,519,258
Total	$2,651,408,558	$2,656,559,109	$2,661,057,088	$2,664,845,910

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of March, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		March, 1903.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	79⅝—Mar. 28	85⅛	79⅝	81⅛
" preferred	106⅛	95⅛	103⅛—Jan. 10	96⅞—Mar. 17	100	96⅞	97⅛
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	89⅛—Mar. 30	96¾	89⅛	91⅛
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	92 —Mar. 11	93	92	93¾
Brooklyn Rapid Transit	72⅜	54¾	71⅛—Feb. 17	63¼—Mar. 11	68⅛	63¼	66
Canadian Pacific	145¼	112¼	138¾—Feb. 10	126 —Mar. 9	134⅛	126	129
Canada Southern	97	71	78½—Jan. 5	70 —Mar. 27	75	70	72
Central of New Jersey	198	165	190 —Jan. 19	175 —Mar. 27	181¼	175	175
Ches. & Ohio vtg. ctfs.	57⅛	45⅝	53⅝—Feb. 10	44 —Mar. 30	49⅛	44	45⅛
Chicago & Alton	45⅜	29⅛	37¼—Jan. 5	30⅛—Mar. 27	34¼	30⅛	31
" preferred	79	68	73⅛—Jan. 7	68 —Mar. 27	71⅛	68	69
Chicago, Great Western	35	22	29⅝—Jan. 9	23⅛—Mar. 31	26⅛	23⅛	23⅝
Chic., Milwaukee & St. Paul	198¾	160⅛	183¼—Jan. 7	160¼—Mar. 27	175⅝	160¼	163¼
" preferred	200¾	186	194¼—Jan. 9	185⅛—Mar. 25	190⅛	185⅛	185½
Chicago & Northwestern	271	204⅛	224⅛—Jan. 14	180 —Mar. 28	191⅛	180	183⅛
" preferred	274⅛	230	250 —Jan. 7	235 —Feb. 18	....	....	....
Chic., St. Paul, Minn. & Om.	170⅛	140	162 —Jan. 19	147 —Mar. 5	147	147	147
" preferred	210	194⅞	194 —Jan. 5	194 —Jan. 5	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	16 —Mar. 9	18	16	16⅛
" preferred	44	29	36 —Jan. 8	29 —Mar. 9	32⅛	29	29½
Clev., Cin., Chic. & St. Louis	108⅜	93	99⅜—Jan. 6	89¼—Mar. 30	93¾	89¼	89¼
Col. Fuel & Iron Co.	110⅛	73¾	82½—Jan. 6	63 —Mar. 9	72⅝	63	64½
Colorado Southern	35¾	14⅛	31⅜—Jan. 7	25 —Mar. 11	28¾	25	26⅛
" 1st preferred	79⅛	59¼	72 —Jan. 9	64 —Mar. 28	69⅛	64	65
" 2d preferred	53⅞	28	48 —Jan. 8	38¾—Mar. 31	42¾	38¾	39¾
Consolidated Gas Co.	230¾	205	222 —Jan. 7	201 —Mar. 16	213	201	205
Delaware & Hud. Canal Co.	184⅛	153⅛	183⅛—Feb. 2	164¾—Mar. 31	177	164¾	166⅛
Delaware, Lack. & Western	297	231	276⅛—Jan. 8	254¾—Mar. 9	255	254¾	255
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	36 —Mar. 9	39⅛	36	36¾
" preferred	96¾	86⅛	90⅛—Feb. 9	85¼—Mar. 9	88	85¼	86
Erie	44⅝	28⅝	42⅝—Jan. 9	33¾—Mar. 9	37⅜	33¾	35⅝
" 1st pref.	75¾	60⅛	74 —Feb. 5	65⅞—Mar. 9	68⅞	65⅞	66¾
" 2d pref.	63¾	41⅛	64⅞—Feb. 5	51 —Mar. 9	57⅜	51	53¼
Evansville & Terre Haute	74⅜	50	72⅛—Jan. 8	64⅛—Mar. 31	68⅛	64⅛	66
Express Adams	240	198	235 —Feb. 11	214 —Mar. 10	235	214	235
" American	265	210	235 —Feb. 5	212 —Mar. 18	220	212	215
" United States	160	97	150¼—Feb. 4	130 —Mar. 27	140	130	130¼
" Wells, Fargo	251	185	249⅛—Feb. 6	220 —Mar. 28	235	220	220
Great Northern, preferred	203	181⅛	209 —Jan. 22	200 —Feb. 26	200	200	200
Hocking Valley	106	66	106⅛—Feb. 20	96¼—Jan. 2	104⅞	99	99¾
" preferred	98⅜	81⅛	99¼—Mar. 2	95⅞—Jan. 6	99¼	96⅛	96⅛
Illinois Central	173⅛	137	151 —Jan. 10	136¼—Mar. 31	142¼	136¼	137⅛
Iowa Central	51¾	37⅛	48 —Jan. 12	36 —Mar. 11	44	36	36¼
" preferred	90⅜	65	77⅜—Jan. 12	63⅛—Mar. 30	69	63⅛	63½
Kansas City Southern	39	19	36¼—Jan. 12	29⅛—Mar. 16	32¼	29⅛	30⅜
" preferred	63¾	44	61¼—Jan. 22	53⅛—Mar. 25	56	53⅛	55
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	77¾—Mar. 17	80⅛	77¾	78⅛
Lake Erie & Western	71⅛	40	53 —Jan. 8	40¼—Mar. 31	47	40¼	41
" preferred	138	120	118 —Feb. 6	113 —Mar. 31	118	113	113
Long Island	91⅞	72⅛	83 —Jan. 7	70 —Mar. 31	74½	70	70
Louisville & Nashville	159½	102⅛	130⅛—Jan. 8	116⅛—Mar. 30	124	116⅛	118⅛
Manhattan consol	158	128	155⅛—Jan. 14	136⅛—Mar. 28	146	136⅛	139⅛
Metropolitan Street	174	135	142⅞—Jan. 6	131⅝—Mar. 11	140	131⅝	139¾
Mexican Central	31⅛	20⅝	29 —Mar. 23	24¾—Jan. 2	29	26	26⅜
Minneapolis & St. Louis	115	105	110 —Jan. 9	95 —Mar. 10	105	95	99⅛
" preferred	127¾	118⅛	118 —Feb. 27	118 —Feb. 27	....	....	....
Missouri, Kan. & Tex.	35¾	22½	30⅛—Jan. 5	24¼—Mar. 9	27⅛	24¼	25¼
" preferred	69¾	51	63⅛—Feb. 10	54 —Mar. 30	61¼	54	55¼
Missouri Pacific	125⅛	96¾	115⅞—Feb. 10	105⅞—Mar. 30	111⅜	105⅞	107⅛
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	130 —Mar. 30	146⅛	130	132¾
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	32⅛—Mar. 31	41⅛	32⅛	34
" 2d preferred	100	80	87 —Jan. 19	80 —Mar. 6	82	80	81
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb. 5	29⅛—Mar. 30	32⅝	29⅛	30⅛

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		March, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	68⅛—Mar. 28	73⅝	68⅛	69¾
" preferred	98	90	93½—Feb. 2	90 —Mar. 21	90¾	90	90¾
North American Co.	134	88	124½—Jan. 7	99 —Mar. 17	114	99	101
Pacific Mail	49⅝	37	42¾ - Jan. 7	35 —Mar. 28	39½	35	36
Pennsylvania R. R.	170	147	157⅝—Jan. 10	136½—Mar. 30	148¼	136⅛	138⅛
People's Gas & Coke of Chic.	109½	98¼	108⅝—Feb. 10	100½—Mar. 9	103⅝	100½	101⅛
Pullman Palace Car Co.	250	215	235¾—Jan. 14	228 —Feb. 28	230	230	230
Reading	78½	52¼	69¼—Jan. 2	57 —Mar. 9	62¼	57	59⅞
" 1st prefered	90¼	79⅞	89⅞—Feb. 5	84 —Mar. 25	85¼	84	84⅛
" 2d preferred	80⅞	60	81 —Jan. 6	70 —Mar. 9	74	70	71⅞
Rock Island	50⅛	32½	53⅝—Jan. 9	40¾—Mar. 10	48⅛	40¾	44¼
" preferred	85½	71	86 —Jan. 9	75¼—Mar. 9	80½	75¼	77
St. Louis & San Francisco	85⅛	53¾	90½—Feb. 24	71 —Jan. 16	85⅛	76⅛	78⅛
" 1st preferred	90	77	88 —Feb. 20	79 —Jan. 5	85	81	85
" 2d preferred	80⅝	65½	78 —Feb. 24	68 —Mar. 27	78	68	69½
St. Louis & Southwestern	39	24½	30 —Jan. 7	23½—Mar. 30	28¼	23½	23¾
" preferred	80	55¼	66 —Jan. 7	55½—Mar. 28	60½	55½	56¾
Southern Pacific Co.	81¼	56	68¼—Mar. 19	58 —Mar. 30	68¼	58	60¼
Southern Railway	41⅝	28	36⅞—Jan. 9	30⅞—Mar. 9	34¾	30⅞	31⅝
" preferred	98½	89¾	96 —Feb. 9	90½—Mar. 28	95½	90½	92
Tennessee Coal & Iron Co.	74⅝	49½	68¾—Mar. 21	59¾—Jan. 2	68⅝	61¼	64⅞
Texas & Pacific	54¾	37	43⅝—Feb. 10	35¼—Mar. 31	40¼	35¼	35⅝
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	25 —Mar. 5	28¾	25	26¾
" preferred	49¾	35	48 —Jan. 8	40½—Mar. 9	44¼	40½	44
Union Pacific	113¼	93½	104⅝—Jan. 9	88½—Mar. 28	98	88½	91½
" preferred	95	86⅝	95¼—Feb. 11	89½—Mar. 28	92	89½	90
Wabash R. R.	38¾	21¾	32¾—Feb. 27	26¾—Mar. 31	32½	26¾	27¾
" preferred	54½	37	55¼—Feb. 24	44 —Jan. 8	54¼	46¾	48¼
Western Union	97½	84¾	93 —Jan. 14	87 —Mar. 31	90	87	87½
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	22½—Mar. 28	26	22½	23
" second preferred	42⅜	28	38½—Feb. 10	33 —Mar. 23	35½	33	33½
Wisconsin Central	31	19⅛	29¼—Feb. 9	24 —Mar. 28	27	24	24⅝
" preferred	57⅝	39½	55½—Feb. 6	46¼ - Mar. 31	51¾	46¼	47½
"INDUSTRIAL"							
Amalgamated Copper	79	53	75⅝ - Mar. 12	62¼—Jan. 15	75⅝	64⅝	67¼
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	35⅞—Jan. 3	41	38	40⅛
" pref.	93⅝	85¼	93 —Jan. 6	89⅝—Mar. 11	92¼	89⅝	91⅝
American Co. Oil Co.	57¾	30½	46¼—Feb. 20	42½—Mar. 9	44½	42½	43
American Ice	31⅞	9½	11⅞—Jan. 31	5¾—Mar. 10	10½	5¾	7
American Locomotive	36⅞	23½	31⅝—Feb. 17	27¼—Mar. 10	29¾	27¼	28
" preferred	100¼	89	95¾—Feb. 17	93 —Jan. 23	95⅝	93¼	94½
Am. Smelting & Refining Co.	49⅝	36⅞	52⅞—Feb. 17	42¾—Jan. 3	51⅝	47½	49
" preferred	100⅛	87½	99½—Feb. 16	93 —Jan. 5	97	93	93¾
American Sugar Ref. Co.	185⅛	113	134⅜—Jan. 8	122¼—Mar. 12	131½	122¼	124¾
Anaconda Copper Mining	146	80	125½—Feb. 25	95 —Jan. 21	125	108	112
Continental Tobacco Co. pref.	126½	114	119 —Jan. 2	112 —Mar. 27	116	112	113
Corn Products	38⅜	27	35 —Mar. 23	30¼—Jan. 2	35	30½	34
" preferred	90	79⅝	85⅛—Jan. 19	82 —Jan. 2	84¾	82¾	82¾
Distillers securities	33	27	34¾—Jan. 6	29½—Mar. 11	32	29½	30½
General Electric Co.	334	170	204 —Feb. 16	183 - Jan. 2	197½	187	188
International Paper Co.	23⅝	16½	19⅞—Jan. 5	16¼—Mar. 31	17¾	16¼	17
" preferred	77⅛	70	74¼—Feb. 6	70½—Mar. 27	73¾	70½	70¾
International Power	199	49	73 —Jan. 19	51⅛—Mar. 28	55	51⅛	51¾
National Biscuit	53¼	40	47⅝—Feb. 17	45¼—Mar. 31	47½	45¼	45⅞
National Lead Co.	32	15⅝	29½—Feb. 5	24½—Mar. 6	28⅝	24½	26
Pressed Steel Car Co.	63½	39	65¾—Jan. 26	60 —Mar. 6	62½	60	61
" preferred	96½	82¾	95 —Feb. 20	92 —Mar. 10	94¼	92	92½
Republic Iron & Steel Co.	24¾	15⅝	22⅝—Feb. 18	19 —Mar. 31	21⅝	19	19½
" preferred	83⅜	68	80⅝—Feb. 18	76⅛—Mar. 30	79¾	76⅛	77
Rubber Goods Mfg. Co.	25⅝	17¼	30 —Feb. 16	21¾—Jan. 5	28	24¼	24⅞
" preferred	74	63	84½—Feb. 17	72¾—Jan. 2	83	77	77½
U. S. Leather Co.	15¼	10½	15¼—Feb. 11	12 —Mar. 10	13¼	12	12¼
" preferred	91¼	79⅞	96 —Feb. 11	88¼—Jan. 16	92¼	90	91
U. S. Realty & Con.	32	20	28⅛ - Jan. 2	21 —Mar. 31	26½	21	21⅞
U. S. Rubber Co.	19⅝	14	19⅛—Feb. 10	15 —Mar. 27	16¾	15	15
" preferred	64	49½	58 —Feb. 10	51 —Mar. 11	58⅝	51	51
U. S. Steel	46¾	29¾	39⅞—Feb. 5	35⅛—Mar. 28	38¾	35⅛	35⅞
" pref.	97¾	79	89¾—Jan. 7	84½—Mar. 28	87⅞	84½	85½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Date.	March Sales. High.	Low.	Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	95	Mar. 28,'03	95¼	93½	20,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	101⅞	Mar. 31,'03	102	101½	955,000
" registered		....	A & O	102⅜	Feb. 11,'03	....	....	....
" adjustment, g. 4's	1995	25,616,000	NOV	90	Mar. 31,'03	91⅞	90	176,500
" registered		....	NOV	94½	Apr. 15,'02	....	....	....
" stamped	1995	26,112,000	M & N	90	Mar. 31,'03	91⅞	90	235,500
" serial debenture 4's—								
" series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" series B	1904	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series C	1905	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series D	1906	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan. Coast Line R. R. Co. 1st g. 4's	1952	30,281,000	M & S	94⅛	Mar. 31,'03	94¾	93¼	301,000
" registered			M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	92½	Mar. 31,'03	93¾	92½	288,000
" registered			J & J	94½	Jan. 12,'03	....	....	....
" g. 4s	1948	65,963,000	A & O	102	Mar. 31,'03	102⅝	101½	330,500
" g. 4s. registered			A & O	101	Feb. 11,'03	....	....	....
" ten year c. deb. g. 4's	1911	592,000	M & S	101	Mar. 19,'03	103	101	29,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	90¾	Mar. 6,'03	90¾	90¾	5,000
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	95½	Mar. 28,'03	96	95½	99,000
" Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	88¼	Mar. 31,'03	88⅝	87¾	238,000
" registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov. 14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	115½	Mar. 12,'03	116	115½	5,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	125	Mar. 9,'03	125	125	1,000
" cons. 1st 6's,	1922	3,920,000	J & D	125¾	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02	....	....	....
" registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	103¾	Mar. 20,'03	103¾	103¼	16,000
" con. 1st & col. tst 5's	1934	7,803,000	A & O	122	Feb. 6,'03	....	....	....
" registered			A & O	120½	Mar. 16,'03	120½	120½	10,000
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	103¾	Mar. 31,'03	104⅝	103⅛	92,000
" 2d mortg. 5's	1913	6,000,000	M & S	106	Mar. 30,'03	106	105¼	2,000
" registered			M & S	104½	Mar. 30,'03	104½	104½	10,000
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	93	Feb. 17,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	106½	Mar. 27,'03	106½	106½	2,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	122½	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,700,600	M & N	107¼	Mar. 31,'03	108¼	106¾	129,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	76	Mar. 30,'03	78	75½	35,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	36	Mar. 28,'03	38⅝	36	125,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	25	Mar. 30,'03	26	24½	37,000
" Chat. div. pur. my. g. 4's	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	102	June 29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	130	Mar. 31,'03	131⅜	130	58,000
" registered			Q J	131½	Feb. 25,'03	....	....	....
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113⅛	Mar. 16,'03	113⅛	113⅛	5,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	103	Mar. 20,'03	103	103	5,000
" con. extended gtd. 4½'s	1910	12,175,000	Q M	101	Mar. 31,'03	101¾	100¼	28,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	111	Mar. 30,'03	112	111	5,000
" Mortgage gold 6's	1911	2,000,000	A & O	113¾	Jan. 7,'03	....	....	....
" 1st con. g. 5's	1939	25,858,000	M & N	116½	Mar. 31,'03	118	116½	52,000
" registered			M & N	116	July 16,'01	....	....	....
" Gen. m. g. 4½'s	1992	33,834,000	M & S	103	Mar. 31,'03	104½	102¾	221,000
" registered			M & S	103	Apr. 18,'01	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	Nov. 3,'02	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	101	Mar. 30,'03	102	101	43,000
" 2d con. g. 4's	1989	1,000,000	J & J	93½	Mar. 30,'03	95	93½	10,000
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	....		....	....	....
Chic. & Alton R. R. s. fund g. 6's	1903	1,671,000	M & N	101¾	Mar. 13,'03	101¾	101¾	6,000
" refunding g. 3's	1949	29,696,000	A & O	82	Mar. 25,'03	83	82	70,000
" " registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	75¼	Mar. 31,'03	77	75	87,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's	1903	21,699,000	J & J	102	Mar. 30,'03	102	101⅝	57,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,19'	....	....	....
" Denver div. 4's	1922	5,272,000	F & A	100	Mar. 28,'03	100¼	100	3,000
" Illinois div. 3½s	1949	37,096,000	J & J	95	Mar. 20,'03	95¾	94⅞	29,000
" registered			J & J	....		....	....	....
" (Iowa div.) sink. f'd 5's	1919	2,566,000	A & O	114⅝	Aug. 6,'02	....	....	....
" 4's	1919	8,390,000	A & O	104½	Jan. 22,'03	....	....	....
" Nebraska extensi'n 4's	1927	25,900,000	M & N	107⅝	Mar. 30,'03	108⅛	107⅝	67,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's	1921	2,850,000	M & S	100	Mar. 20,'02	....	....	....
" 4's joint bonds	1921	215,153,000	J & J	92⅝	Mar. 31,'03	94⅝	92¼	1,825,000
" " registered			Q JAN	92	Mar. 30,'03	93¾	91¼	31,000
" 5's, debentures	1913	9,000,000	M & N	107⅛	Mar. 30,'03	108	107⅛	18,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	113⅝	Mar. 30,'03	113⅝	113⅝	13,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	110⅝	Mar. 27,'03	110⅝	110⅝	7,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	136½	Feb. 27,'03	....	....	....
" gen. con. 1st 5's	1937	13,643,000	M & N	121	Mar. 13,'03	121	121	10,000
" registered			M & N	120	Dec. 4,'02	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	129½	Mar. 30,'03	130¾	129	20,000
" ref. g. 5's	1947	4,142,000	J & J	110½	Mar. 27,'03	110½	110½	10,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	110½	Mar. 31,'03	111⅜	110½	2,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	2,136,000	J & J	194½	Oct. 21,'02	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	111	Mar. 30,'03	111	111	13,000
" gen. g. 4's, series A	1989	23,676,000	J & J	110¼	Mar. 26,'03	110¾	110¼	12,000
" registered		....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	120½	Mar. 31,'02	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	117⅞	Mar. 18,'03	117⅞	117⅞	3,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	113¼	Mar. 26,'03	113¼	113¼	2,000
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	117	Mar. 31,'03	117½	116¾	29,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111⅜	Mar. 17,'03	111½	111⅜	5,000
" Far. & So. g. 6's assu	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	119¾	Mar. 23,'03	119¾	119¾	4,000
" 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,132,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav	1919	2,500,000	J & J	116	Sept. 30,'02	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	113½	Mar. 30,'03	113½	113⅛	3,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	112¾	Jan. 16,'03	....	....	....
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	116⅛	Feb. 25,'03	....	....	....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	120½	Aug. 5,'02	....	....	....
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	131⅞	Mar. 14,'03	131⅞	131⅞	1,000
" extension 4's	1886–1926	18,632,000	F A 15	101	Mar. 16,'03	101	101	10,000
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	104½	Dec. 18,'02	....	....	....
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879–1929	5,753,000	A & O	115½	July 22,'02	....	....	....
" registered			A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'	1879–1929	6,837,000	A & O	109¼	Mar. 17,'03	109¼	109⅛	12,000
" registered			A & O	106¾	Mar. 30,'03	106¾	106¾	2,000
" deben. 5's	1909	5,900,000	M & N	105	Mar. 27,'03	105	105	4,000
" registered			M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's	1921	10,000,000	A & O	111⅛	Mar. 26,'03	111⅛	111⅛	1,000
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	118	Mar. 30,'03	118½	118	23,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	116½	June 10,'02	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	132⅝	Feb. 19,'03	....	....	....
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	120¼	Mar. 28,'03	121¼	120¼	8,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	127	Mar. 2,'03	127	127	1,000
" registered	1917		J & J	125½	Mar. 12,'03	125½	125½	20,000
" gen. g. 4's	1988	40,581,000	J & J	106	Mar. 31,'03	106	105¼	68,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's								
" series A	1903	1,473,000	M & N	....				
" B	1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
" C	1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
" D	1906	1,473,000	M & N	....		....	....	....
" E	1907	1,473,000	M & N	....		....	....	....
" F	1908	1,473,000	M & N	....		....	....	....
" G	1909	1,473,000	M & N	....		....	....	....
" H	1910	1,473,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,473,000	M & N	....		....	....	....
" J	1912	1,473,000	M & N	....		....	....	....
" K	1913	1,473,000	M & N	....		....	....	....
" L	1914	1,473,000	M & N	....		....	....	....
" M	1915	1,473,000	M & N	99½	July 10,'02	....	....	....
" N	1916	1,473,000	M & N	99⅜	June 28,'02	....	....	....
" O	1917	1,473,000	M & N	....		....	....	....
" P	1918	1,473,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	69,155,000	M & N	84½	Mar. 31,'03	86	83½	1,470,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	98⅜	Feb. 26,'03	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4's		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st [illegible] 5's	1923	2,750,000	A & O	108½	Dec. 8,'02	....	....	....
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	March Sales. High.	March Sales. Low.	March Sales. Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,605,000	J & D	133⅜	Mar. 17,'03	134	133	6,000
" con.6's reduced to 3½'s	1930	2,000,000	J & D	....		....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,907,000	M & N	134¾	Jan. 6,'03	....	....	....
North Wisconsin 1st mort. 6's	1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	126¼	Mar. 14,'03	126½	126¼	8,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	83	Mar. 25,'03	84	83	27,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	114	Mar. 24,'03	114½	114	3,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	109	109	1,000
" con. g. 5's	1952	5,062,000	M & N	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	115	Jan. 30,'03	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	100¼	Mar. 30,'03	100½	100	116,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100	Jan. 8,'03	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	103½	Mar. 11,'03	103½	103½	5,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov. 22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	103	Mar. 13,'03	103	103	5,000
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115	Nov. 3,'01	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	131½	Jan. 10,'03	....	....	....
" registered			J & J	....		....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	99	Mar. 27,'03	100	99	43,000
" income 4's	1990	4,000,000	A	78	Mar. 30,'03	81	78	78,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	78	Mar. 17,'03	80	78	41,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	88¾	Mar. 31,'03	90½	88¾	239,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	113	Mar. 4,'03	113	113	1,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	133½	Mar. 19,'03	133½	133½	3,000
" 1st c. gtd 7's	1915	12,151,000	J & D	134½	Jan. 15,'03	....	....	....
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s	2000	7,000,000	J & D	....		....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	131½	Feb. 10,'03	....	....	....
" const. 5's	1923	5,000,000	F & A	115	Mar. 20,'03	115	115	1,000
" terml. imp. 4's	1923	5,000,000	M & N	102½	Feb. 13,'03	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	113⅝	Feb. 18,'02	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	137	Mar. 20,'03	137	137	1,000
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	111¼	Feb. 27,'03	....	....	....
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
" 1st r 7's	1921		M & N	147½	June 18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	98⅛	Mar. 31,'03	98¾	98	93,500
" con. g. 4½'s	1936	6,382,000	J & J	106	Mar. 28,'03	106¼	105	48,000
" impt. m. g. 5's	1928	8,103,500	J & D	107½	Mar. 3,'03	107½	107½	3,500
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	78	Mar. 3,'03	78	78	2,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
" g. 4s	1995	1,250,000	J & D	93¼	Feb. 18,'03	....	....	....
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
" Ohio South. div. 1st g.4's	1941	4,266,000	M & S	91⅜	Feb. 28,'03	....	....	....
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	113	Mar. 20,'03	113	113	1,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....		....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	113	Mar. 26,'03	113	113	1,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	112½	Mar. 4,'03	112½	112½	1,000

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	MARCH SALES. *High.*	*Low.*	*Total.*
Erie 1st ext. g. 4's.....1947	2,482,000	M & N	116⅛	Dec. 23,'02	....	....	....
" 2d extended g. 5's.....1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s...1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's....1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's....1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons. gold 7's.......1920	16,890,000	M & S	133	Mar. 18,'03	135¾	133	32,000
" 1st cons. fund g. 7's....1920	3,699,500	M & S	134	Mar. 2,'03	134	134	1,000
Erie R.R. 1st con.g-4s prior bds.1996	34,000,000	J&J	97	Mar. 28,'03	98⅞	97	97,000
" registered.....		J&J	98	Jan. 2,'03	....	....	....
" 1st con. gen. lien g. 4s.1996	34,885,000	J&J	85	Mar. 31,'03	86⅝	85	331,000
" registered.....		J&J	....	....	....	....	....
" Penn. col. trust g. 4's.1951	32,000,000	F & A	89⅞	Mar. 30,'03	91½	89½	190,000
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	129	Mar. 18,'03	129	129	8,000
Buffalo & Southwestern g. 6's..1908	1,500,000	J&J	....	....	....	....	....
" small		J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	120	Mar. 20,'03	120	120	4,000
Jefferson R. R. 1st gtd g. 5's....1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.......1935	7,500,000	A & O	134½	Feb. 2,'03	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's..........1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's...........1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's..1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small.....							
Midland R. of N. J. 1st g. 6's....1910	3,500,000	A & O	112½	Mar. 6,'03	112½	112½	1,000
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	110	Mar. 27,'03	110	110	12,000
" 2d g. 4½'s.............1937	453,000	F & A	103	Jan. 6,'03	....	....	....
" gen. g. 5's.............1940	2,546,000	F & A	106	Mar. 23,'03	106	106	6,000
" term. 1st g. 5's.........1943	2,000,000	M & N	115	Jan. 17,'03	....	....	....
" registered......$5,000 each		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	111	Jan. 12,'03	....	....	....
Evans. & Terre Haute 1st con. 6's.1921	3,000,000	J & J	120	Feb. 13,'03	....	....	....
" 1st General g 5's.........1942	2,223,000	A & O	105	Mar. 19,'03	105½	105	7,000
" Mount Vernon 1st 6's...1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's...1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's...1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's..1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's.............1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's..1921	8,176,000	......	110½	Mar. 31,'03	112	109½	71,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	84½	Mar. 28,'03	85	84½	12,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	103	Mar. 7,'03	103	103	1,000
Geo. & Ala. 1st con. g 5s.........1945	2,922,000	J & J	111	Nov.25,'02	....	....	....
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	108¾	Mar. 31,'03	108¾	108¾	1,000
Gulf & Ship Isl. 1st refg.&ter.5's..1952	2,931,000	J & J	106¼	Mar. 9,'03	106¼	105¾	16,000
" registered.....		J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s...1999	11,397,000	J & J	107¼	Mar. 31,'03	108	107	12,000
" registered.....		J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.1848	1,401,000	A & O	105¾	Mar. 20,'03	105¾	105¾	15,000
Illinois Central, 1st g. 4's.........1951	1,500,000	J&J	113½	Mar. 6,'03	113½	113½	1,000
" registered.....		J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s...........1951	2,499,000	J&J	104	Dec. 13,'02	....	....	....
" registered.....		J&J	94	Mar. 28,'03	94	94	5,000
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered.....		M & S	....	....	....	....	....
" total outstg....$13,950,000							
" collat. trust gold 4's..1952	15,000,000	A & O	103½	Mar. 17,'03	103¾	103½	22,000
" regist'd.....		A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	M & N	103	Feb. 4,'03	....	....	....
" registered		M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's.....1950	3,000,000	J & D	106½	Mar. 7,'03	106½	106½	10,000
" registered.....		J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.1953	14,320,000	J & J	98½	Nov. 6,'02	....	....	....
" registered.....		J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's...1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	87⅛	May 24,'02	....	....	....
" registered.....		J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s 1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered.....		J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1stg 3½'s,1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered.....		J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	108⅜	Mar. 14,'03	108⅜	108⅜	10,000
" registered.....		F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's......1923	470,000	J & D	124	May 16,'01	....	....	....

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Carbond'e & Shawt'n 1st g. 4's, 1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
" gold 5's, registered........		J D 15	126¼	Nov. 18,'01	....	....	....
" g. 3½'s................1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................		J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	106⅛	Jan. 28,'03	....	....	....
" registered................		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	107½	Mar. 28,'03	107½	107½	9,000
" 1st gtd. g. 5's............1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	98½	Mar. 19,'03	98½	98½	1,000
Internat. & Gt. N'n 1st. 6's, gold.1919	10,742,000	M & N	121⅛	Mar. 2,'03	121⅛	121⅛	500
" 2d g. 5's..................1909	9,842,000	M & S	97½	Mar. 27,'03	98	96	60,000
" 3d g. 4's..................1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's.........1938	7,650,000	J & D	113¾	Mar. 23,'03	115	113¾	15,000
" refunding g. 4's ...1951	2,000,000	M & S	93	Mar. 31,'03	93	93	2,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's........................1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	69¾	Mar. 31,'03	71¼	69¾	533,000
" registered....................		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	119	Mar. 17,'03	119½	119	2,000
" 2d mtge. g. 5's...........1941	3,625,000	J & J	113½	Mar. 14,'03	113½	113½	2,000
Northern Ohio 1st gtd g 5's....1945	2,500,000	A & O	114	Feb. 7,'03	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered...................		M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	108½	Mar. 15,'03	108½	108½	10,000
" registered...................	....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	117½	Dec. 1,'02	....	....	....
" registered...................		A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered..............1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	96	Feb. 16,'03	....	....	....
" registered...................		M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......1914	1,250,000	A & O	100	Mar. 25,'99	100	100	1,000
Long Island 1st cons. 5's..........1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
" 1st con. g. 4's...........1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........1938	3,000,000	J & D	101½	Mar. 28,'03	102	101½	22,000
" Ferry 1st g. 4½'s......1922	1,500,000	M & S	103	May 29,'02	....	....	....
" g. 4's....................1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........1949	6,860,000	M & S	100½	Mar. 2,'03	100½	100½	3,000
" deb. g. 5's........1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....		....	....	....
" 1st 5's...................1911	750,000	M & S	105¼	Mar. 3,'03	105¼	105¼	10,000
N. Y. B'kln & M. B. 1st c. g. 5's, ..1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	Q J A N	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......1930	8,911,000	J & D	116	Mar. 27,'03	117	115½	10,000
" gold 5's................1937	1,764,000	M & N	112	Feb. 3,'03	....	....	....
" Unified gold 4's........1940	29,677,000	J & J	100	Mar. 31,'03	100½	98½	92,000
" registered 1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's, 1931	5,129,000	M & N	112¼	Mar. 23,'03	112¼	111½	5,000
" coll. tr 5-20 g 4's..1903-1918	7,500,000	A & O	101⅜	Mar. 16,'03	101⅜	101¼	3,000
" E., Hend. & N. 1st 6's..1919	1,785,000	J & D	111½	Mar. 13,'03	111½	111½	2,000
" L. Cin. & Lex. g. 4½'s, ..1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..1930	5,000,000	J & J	126½	Feb. 5,'03	....	....	....
" 2d g. 6's................1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...1920	580,000	M & S	116⅜	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's................1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g6's.1931	1,621,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......1987	6,742,000	J & J	100	Mar. 18,'03	100	100	5,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" South. Mon. joint 4's. 1952	11,683,000	J & J	90	Mar. 31,'03	90½	89¾	107,000
" registered....		Q Jan	....		....	....	....
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	113	Mar. 30,'03	113	113	1,000
" Pen. & At. 1st g. g. 6's, 1921	2,550,000	F & A	111⅛	Mar. 2,'03	111⅛	111⅛	1,000
" S. & N. A. con. gtd. g. 5's. 1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s, 1910	1,942,000	A & O	110	Mar. 23,'02	110	110	2,000
Lo. & Jefferson Bdg. Co. gtd. g. 4's. 1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	104	Mar. 31,'03	104	103	259,000
" registered...................		A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	110	Mar. 18,'03	110	110	84,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
″ con. mtge. 4's	1911	65,643,000	J & J	77	Mar. 31,'03	78	76	184,000
″ 1st con. inc. 3's	1939	20,511,000	JULY	28	Mar. 31,'03	28	25	1,666,000
″ 2d 3's	1939	11,724,000	JULY	18	Mar. 25,'03	18¾	16½	424,000
″ equip. & collat. g. 5's	1917	700,000	A & O	....	....	....	....	....
″ 2d series g. 5's	1919	765,000	A & O	....	....	....	....	....
″ col. trust g. 4½'s 1st se of	1907	10,000,000	F & A	94½	Mar. 31,'03	95½	94	808,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
″ stamped gtd.		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,083,000	J & D	....	....	....	....	....
″ registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	145⅜	Feb. 24,'03	....	....	....
″ Iowa ext. 1st g. 7's	1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
″ Pacific ext. 1st g. 6's	1921	1,382,000	J & A	129¼	Aug. 21,'02	....	....	....
″ Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
″ 1st con. g. 5's	1934	5,000,000	M & N	119	Mar. 9,'03	120	119	6,000
″ 1st & refunding g. 4's	1949	7,600,000	M & S	100	Mar. 27,'03	102	100	67,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
″ stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
″ stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
″ stamped pay. of int. gtd.				....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,718,000	J & D	98¾	Mar. 31,'03	100	98¾	130,500
″ 2d mtge. g. 4's	1990	20,000,000	F & A	80⅛	Mar. 31,'03	82½	80	194,000
″ 1st ext gold 5's	1944	2,548,000	M & N	104½	Jan. 27,'03	....	....	....
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K. & T. of Tex 1st gtd. g. 5's.	1942	3,597,000	M & S	105½	Mar. 25,'03	105½	102	10,000
Sher. Shrevept & So 1st gtd. g. 5's	1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	88	Mar. 31,'03	88	88	5,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	110⅛	Mar. 25,'03	110⅛	110	12,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	120	Mar. 31,'03	122	120	23,000
″ 3d mortgage 7's	1906	3,828,000	M & N	111	Mar. 10,'03	111	111	3,000
″ trusts gold 5's stamp'd	1917	14,376,000	M & S	103¾	Mar. 30,'03	104½	102¾	166,000
″ registered			M & S	....	....	....	....	....
″ 1st collateral gold 5's.	1920	9,636,000	F & A	103½	Mar. 31,'03	104½	103	125,000
″ registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	90½	Mar. 31,'03	90½	89	34,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	102½	Mar. 18,'03	103⅛	102½	11,000
″ 2d extended g. 5's	1938	2,573,000	F & A	112	Mar. 18,'03	112	112	3,000
St. L. & I. g. con. R.R. & l. gr. 5's	1931	36,258,000	A & O	114¼	Mar. 31,'03	115	114	246,000
″ stamped gtd gold 5's	1931	6,945,000	A & O	112½	Dec. 18,'02	....	....	....
″ unify'g & rfd'g g. 4's.	1929	25,726,000	J & J	88¾	Mar. 31,'03	90⅛	88¾	67,000
″ registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug. 31,19'	....	....	....
″ small		226,000	J & J	90	Feb. 4,'03	....	....	....
″ mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
″ small		500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	125	Mar. 31,'03	126	125	12,500
″ 1st extension 6's	1927	974,000	J & D	125½	Jan. 24,'03	....	....	....
″ gen. g. 4's	1938	9,472,000	Q J	93½	Mar. 26,'03	93½	93½	10,000
″ Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	114	Mar. 30,'03	114	114	1,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
″ collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	123½	Mar. 21,'03	123½	123½	4,000
″ 1st cons. g. 5's	1928	7,412,000	A & O	113	Mar. 25,'03	113	113	26,000
″ 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
″ 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	...	....
″ 1st 6's T. & Pb.	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	101¼	Mar. 23,'03	101½	100½	20,000
″ 1st con. g. 4's	1951	22,000,000	A & O	76	Mar. 21,'03	76¾	75½	112,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	64,112,000	J & J	102½	Mar. 27,'03	103⅞	102½	32,000
" " registered			J & J	102	Mar. 10,'03	102	102	16,000
" debenture 5's	1884-1904	4,480,000	M & S	101	Mar. 18,'03	101⅜	101	2,000
debenture 5's reg			M & S	102⅝	Nov. 28,'02	....	....	....
" reg. deben. 5's	1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's	1890-1905	5,094,000	J & D	100⅝	Jan. 13,'03	....	....	....
" registered			J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's	1905	3,781,000	M & N	100⅜	Jan. 6,'03	....	....	....
" registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91¼	Mar. 31,'03	91½	89¾	77,000
" registered			F & A	90	Mar. 25,'03	90½	89⅞	58,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	91	Mar. 3,'03	91	91	1,000
" registered			F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	107½	Mar. 14,'03	107½	107½	1,000
" registered			J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	110	Mar. 30,'03	111½	110	27,000
" registered			J & J	110¾	Mar. 25,'03	110¾	110	57,500
Lake Shore con. 2d 7's	1903	6,312,000	J&D	103	Jan. 13,'03	....	....	....
" con. 2d registered	1903		J&D	102¾	Jan. 9,'03	....	....	....
" g 3½s	1997	43,820,000	J & D	101	Mar. 28,'03	103½	101	90,000
" registered			J & D	105	Jan. 6,'03	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	112⅛	Mar. 3,'03	112⅛	112⅛	5,000
" 5's	1931	3,576,000	M & S	123½	Mar. 13,'03	123½	123½	1,000
" 5's reg	1931		Q M	127	June 19,'02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg			J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.		2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119⅛	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	121⅝	Mar. 13,'03	122	121⅝	9,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅜	Feb. 2,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104⅜	Mar. 30,'03	105	104⅜	78,000
" registered			A & O	103¾	Mar. 4,'03	103¾	103½	15,000
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts	$1,000	15,007,500	A & O	209	Mar. 14,'03	209	209	10,000
" small certifs	$100	1,430,000	......	218	Feb. 11,'03	....	....	....
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131½	Feb. 24,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	114	Jan. 5,19'	....	....	....
" 1st 6's	1905	4,000,000	J & J	106¼	Mar. 18,'02	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	100	Mar. 30,'03	101	100	50,000
" registered	$5,000 only.	....	M & S	100⅝	Mar. 4,'03	100⅝	100⅝	5,000
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133	Mar. 26,'03	133	133	2,000
" imp'ment and ext. 6's	1934	5,000,000	F & A	132	Dec. 31,'02	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132¼	Jan. 16,'03	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.1996	34,210,500	A & O	100	Mar. 31,'03	101½	99¾	200,500
" registered..................		A & O	100½	Jan. 13,'02	....	....	....
" small bonds..................		A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.1941	20,000,000	J & D	91	Mar. 31,'03	92¼	90	177,000
C. C. & T. 1st g. t. g g 5's1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's.1989	5,000,000	J & N	100	Mar. 30,'03	101	100	7,000
N. P. Ry prior ln ry.&ld.gt.g.4's..1997	100,209,500	Q J	102⅝	Mar. 31,'03	103⅛	102¼	620,000
" registered..................		Q J	103⅛	Mar. 18,'03	103⅛	103⅛	7,000
" gen. lien g. 3's..........2047	56,000,000	Q F	72¼	Mar. 31,'03	72¾	71½	323,500
" registered..................		Q F	70½	Mar. 9,'03	71	70½	9,000
St. Paul & Duluth div. g. 4's...1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered..................		J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.1923	7,965,000	F & A	127	Feb. 5,'03	....	....	....
" registered certificates....		Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's........1931	1,000,000	F & A	118	Nov. 6, 02	....	....	....
" 2d 5's..................1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's..........1968	1,000,000	J & D	96½	Mar. 3,'03	96½	96½	10,000
Washington Cen. Ry 1st g. 4's..1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's..1933	3,692,000	J & J	115½	Mar. 13,'03	115½	115½	1,000
Ohio River Railroad 1st 5's........1936	2,000,000	J & D	114	Dec. 30,'02	....	....	....
" gen. mortg. g 6's.........1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's.........1946	4,446,000	J & D	107½	Mar. 26,'03	109½	107½	15,000
Panama 1st sink fund g. 4½'s....1917	2,386,000	A & O	102	Mar. 5,'03	102	102	10,000
" s. f. subsidy g 6's........1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.							
Penn. Co.'s gtd. 4½'s, 1st........1921	19,467,000	J & J	109½	Mar. 31,'03	110	109½	2,000
" reg..................1921		J & J	106	Mar. 26,'03	106	106	1,000
" gtd.3½ col.tr.reg. cts..1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
" gtd.3½ col.tr.cts.serB 1941	10,000,000	F & A	96	Mar. 19,'03	96	96	2,000
" Trust Co. ctfs. g. 3½'s.1916	18,666,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's..1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered..................	....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.1942	1,063,000	J & J	....		....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B..............1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.	439,000	......	....		....	....	....
" Series C 3½s............1948	3,000,000	M & N	....		....	....	....
" Series D 3½s..........1950	1,983,000	F & A	....		....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B..1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C..1940	1,508,000	J & J	....		....	....	....
Newp. & Cin. Bge Co. gtd g. 4's..1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s..							
" Series A 1940	10,000,000	A & O	114½	Jan. 20,'03	....	....	....
" Series B gtd..........1942	8,786,000	A & O	112	Mar. 24,'03	112	112	1,000
" Series C gtd..........1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's......1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
" Series E gtd. g. 3½s...1949	10,840,000	F & A	96	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's..1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's..................1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
" 3d 7's..................1912	2,000,000	A & O	120	Mar. 16,'03	120	120	500
Tol WalhondingVy.&O.1st gtd.bds							
4½'s series A..........1931	1,500,000	J & J	....		....	....	....
" 4½'s series B..........1933	978,000	J & J	....		....	....	....
" 4's series C..........1942	1,492,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's....1923	1,675,000	M & N	106	Dec. 8,'02	....	....	....
con. sterling gold 6 per cent...1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered...1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent 1919	4,998,000	M & S	....		....	....	....
" registered..................		Q M	....		....	....	....
con. gold 4 per cent 1943	3,000,000	M & N	....		....	....	....
" ten year conv. 3½'s..1912	50,000,000	M & N	98	Mar. 31,'03	104¾	97⅛	3,883,000
Allegh. Valley gen. gtd. g. 4's..1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s..1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s.....1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,1936	1,300,000	F & A	....		....	....	....
G.R.& Ind. Ex. 1st gtd. g 4½'s 1941	4,455,000	J & J	111	Dec. 8,'02	....	....	....
Sunbury & Lewistown 1stg.4's.1936	500,000	J & J	....		....	....	....
U'd N.J. RR. & Can Co. g 4's...1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's....1921	1,495,000	Q F	126	Feb. 27,'03	....	....	....
" 2d m 4½'s................1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.							
Flint & Pere Marquette g. 6's..1920	3,999,000	A & O	121½	Jan. 15,'03	....	....	....
" 1st con. gold 5's........1939	2,850,000	M & N	110½	Mar. 10,'03	111	110½	2,000
" Port Huron d 1st g 5's.1939	3,325,000	A & O	112	Mar. 31,'03	112	112	1,000
Sag'w Tusc. & Hur.1st gtd.g.4's.1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's 1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	119	Nov.25,'02	....	....	....
" 1st cons. 5's.............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	100½	Mar. 25,'03	100½	100¼	5,000
" J. P. M. & Co., ctfs., ...	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,509,000	J & J	97	Mar. 31,'03	97¼	95¾	474,000
" registered......................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	93¾	Mar. 31,'03	95	93½	39,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g.4's.1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	96	Mar. 26,'03	96⅞	96	9,000
" mge & col.tr.g.4's ser.A.1949	12,200,000	A & O	92	Feb. 6,'03	....	....	....
" Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	92	Mar. 23,'03	92	92	1,000
" guaranteed...............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	87	Mar. 19,'03	89	87	17,000
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	105⅞	Mar. 17,'03	106	105⅞	7,000
" 2d g. 6's, Class C.......1906	829,000	M & N	105⅞	Mar. 17,'03	105⅞	105⅞	1,000
" gen. g. 6's.............1931	3,681,000	J & J	129	Feb. 25,'03	....	....	....
" gen. g. 5's.............1931	5,803,000	J & J	113⅝	Mar. 16,'03	113⅝	113	14,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's........1947	829,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	45,663,000	J & J	87	Mar. 31,'03	88½	85½	3,051,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	124	Mar. 19,'03	124	124	4,000
Kan.Cy Ft.S&MRyrefggtd g4s.1936	12,355,000	A & O	87	Mar. 31,'03	87½	86	128,000
" registered................		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	96½	Mar. 28,'03	97¼	95	90,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	83	Mar. 6,'03	83	83	22,000
" con. g. 4's...........1932	12,054,000	J & D	83	Mar. 30,'03	84⅞	83	41,000
Gray's Point, Term. 1stgtd.g.5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,428,000	A & O	113½	Feb. 24,'03	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	134½	Feb. 17,'03	....	....	....
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g.4½'s...	20,108,000	J & J	111	Feb. 26,'03	....	....	....
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,573,000	M & N	114	Jan. 28,'03	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103	Mar. 19,'03	103	102¾	8,000
" registered................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1stg.5's..1908	4,700,000	A & O	105½	Feb. 19,'03	....	....	....
" registered................		A & O	....		....	....	....
" Minn. N. div. 1stg.4's..1940	5,000,000	A & O	....		....	....	....
" registered................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134	Mar. 16,'03	134	134	1,000
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered................		J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's. 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's...............1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	112¾	Jan. 31,'03	....	....	....
Brunsw. & West. 1st gtd. g.4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.& G.R.R.& lg. gtd.g.4's.1918	1,107,000	J & J	96½	Feb. 10,'03	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	83	Mar. 31,'03	84	83	30,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	9,968,000	M & N	102	Mar. 31,'03	103	102	81,000
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

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Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s.	1905	15,000,000	J & D	99	Mar. 27,'03	99¾	98	116,000
" g. 4's Central Pac. coll..	1949	28,818,500	J & D	88½	Mar. 31,'03	91¼	88	278,000
" " registered......			J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...	1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..	1949	58,017,000	F & A	98¼	Mar. 31,'03	99½	98¼	192,000
" registered...............			F & A	99¼	Mar. 5,'93	99¼	99¼	1,000
" mtge. gtd. g. 3½'s...	1929	18,069,500	J & D	86	Mar. 30,'03	87	85½	61,000
" " registered			J & D	....		....	....	....
Gal. Harrisb'gh & S. A. 1st g 6's..	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's..............	1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's.	1924	1,514,000	M & N	109½	Feb. 24,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's..	1933	501,000	M & N	103	Aug. 18,'02	....	....	....
" 1st gtd. g. 5's.........	1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T. C. 1st g 5's int. gtd..	1937	2,826,000	J & J	111¼	Mar. 30,'03	111¼	110½	9,000
" con. g 6's int. gtd......	1912	2,911,000	A & O	111	Mar. 14,'03	111½	111	2,000
" gen. g 4's int. gtd......	1921	4,287,000	A & O	94	Mar. 20,'03	94½	94	9,000
" W & Nwn. div. 1st. g. 6's.	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....	1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's................	1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.	1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..................		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........	1927	19,207,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.	1943	18,900,000	J & J	82½	Mar. 31,'03	85	82	182,000
South'n Pac. of Ariz. 1st 6's.....	1909	6,000,000	J & J	111	Mar. 6,'03	111¼	111	13,000
" " "	1910	4,000,000	J & J	112½	Aug. 7,'02	....	....	....
" of Cal. 1st g 6's ser. A.	1905	29,192,500	A & O	105¾	Feb. 17,'03	....	....	....
" " " ser. B.	1905		A & O	108	Dec. 23,'01	....	....	....
" " " C. & D.	1906		A & O	110⅝	Jan. 14,'02	....	....	....
" " " E. & F.	1902		A & O	119¾	Feb. 20,'03	....	....	....
" " "	1912	....	A & O	119	Mar. 17,'03	119	119	1,000
" 1st con. gtd. g 5's...	1937	6,809,000	M & N	107	Nov. 27,'19'	....	....	....
" stamped........	1905-1937	20,420,000	......	110	Mar. 9,'03	110	109⅝	18,000
So. Pacific Coast 1st gtd. g. 4's.	1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.	1911	4,180,000	J & J	112	Dec. 31,'02	....	....	....
Tex. & New Orleans 1st 7's......	1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...	1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's..............	1943	1,620,000	J & J	108½	July 29,'01	....	....	....
Southern Railway 1st con. g 5's.	1994	35,304,000	J & J	116	Mar. 31,'03	117½	116	134,000
" registered....................			J & J	117	Feb. 26,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.	1938	7,855,000	M & S	94½	Mar. 20,'03	94½	94½	2,000
" registered...............			M & S	....		....	....	....
" Memph. div. 1st g. 4-4½-5's.	1996	5,183,000	J & J	113½	Jan. 12,'03	....	....	....
" registered....................			J & J	....		....	....	....
" St. Louis div. 1st g. 4's...	1951	11,250,000	J & J	97¾	Mar. 14,'03	97¾	97¾	2,000
" " registered........			J & J	....		....	....	....
Alabama Central, 1st 6's.......	1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..	1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's.....	1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.	1930	3,106,000	J & J	115¾	Mar. 10,'03	115¾	115¾	12,000
" con. 1st g 5's..........	1956	12,770,000	M & N	118¾	Mar. 25,'03	119	118¾	7,000
" reorg. lien g 4's.......	1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered...............			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's......	1922	5,660,000	J & J	122	Mar. 30,'03	122½	122	7,000
Knoxville & Ohio, 1st g 6's....	1925	2,000,000	J & J	124½	Feb. 18,'03	....	....	....
Rich. & Danville, con. g 6's....	1915	5,597,000	J & J	117	Mar. 21,'03	117½	116¼	8,000
" equip. sink. f'd g 5's,	1909	818,000	M & S	101¼	July 20,'19'	....	....	....
" deb. 5's stamped......	1927	3,368,000	A & O	111¾	Feb. 27,'03	....	....	....
Rich. & Mecklenburg 1st g. 4's.	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....	1919	5,250,000	M & S	107	Mar. 28,'03	107	107	15,000
Vir. Midland serial ser. A 6's..	1906	600,000	M & S	....		....	....	....
" small.....................			M & S	....		....	....	....
" ser. B 6's..............	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small.....................			M & S	....		....	....	....
" ser. C 6's..............	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small.....................			M & S	....		....	....	....
" ser. D 4-5's............	1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small.....................			M & S	....		....	....	....
" ser. E 5's..............	1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small.....................			M & S	....		....	....	....
" ser. F 5's..............	1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......	1936	2,392,000	M & N	116	Feb. 25,'03	....	....	....
" gen. 5's. gtd. stamped.	1926	2,466,000	M & N	116½	Dec. 30,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	MARCH SALES. High.	Low.	Total.
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	93	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115½	Mar. 6,'03	115½	115½	2,000
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	112¾	Feb. 13,'03	....	....	....
" 1st con. g. 5's.....1894-1944	5,000,000	F & A	115	Mar. 16,'03	115	115	12,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	117⅞	Mar. 18,'03	117⅞	117⅞	20,000
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	101¾	Sept.25,19'	....	....	....
" 1st gold 5's.............2000	22,059,000	J & D	115½	Mar. 31,'03	116	115	78,000
" 2d gold income, 5's......2000	963,000	MAR.	99	Feb. 20,'03	....	....	....
" La. Div.B.L. 1st g.5's...1931	3,348,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	112	Jan. 14,'03	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	113⅞	Nov.17,'02	....	....	....
" gen. g. 5's...............1935	2,000,000	J & D	112¾	Mar. 2,'03	112¾	112¾	2,000
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	96	Mar. 5,'03	96	96	5,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	89¾	Mar. 20,'03	90½	89¾	6,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	85	Mar. 31,'03	85	85	114,000
" registered..................		J & J	....		....	....	....
" fifty years g. 4's.........1925	6,500,000	A & O	77	Mar. 31,'03	78	76¾	109,000
" registered..................		A & O	....		....	....	....
Toronto,Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98½	Aug.14,'02	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	110¼	Mar. 13,'03	110¼	110	2,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	101⅞	Mar. 31,'03	103	101⅝	812,000
" registered..................		J & J	102¼	Feb. 24,'03	....	....	....
" 1st lien con. g. 4's......1911	87,259,000	M & N	102½	Mar. 31,'03	105½	101⅝	9,150,000
" registered..................		M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	99¾	Mar. 31,'03	101½	99½	108,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	123⅞	Mar. 30,'03	124	123	29,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	112¾	Mar. 30,'03	112¾	111¾	55,000
" 4's&participat'g g.bds.1927	41,000,000	F & A	92	Mar. 31,'03	94⅝	91¾	1,442,000
" registered..................		F & A	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
" g. 5's....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	102	Mar. 23,'03	102	101	33,000
Wabash R.R. Co., 1st gold 5's....1939	32,450,000	M & N	116	Mar. 31,'03	117½	115	82,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	105	Mar. 30,'03	107	105	55,000
" deben. mtg series A...1939	3,500,000	J & J	101¾	Feb. 14,'03	....	....	....
" series B..................1939	26,500,000	J & J	73¾	Mar. 31,'03	83	72	7,971,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	108½	Mar. 28,'03	108¾	108½	8,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	85	Mar. 26,'03	85	85	1,000
" Tol. & Chic.div.1st g.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L., K.C.& N.St.Chas. B.1st 6's 1908	510,000	A & O	109½	Mar. 13,'03	109½	109½	5,000
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	118	Mar. 21,'03	118½	117¼	11,000
" gen g. 3-4's..............1943	9,789,000	A & O	101½	Mar. 26,'03	101½	100¾	18,000
" inc. 5's..................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	114½	Jan. 20,'02	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	116½	Jan. 21,'03	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	110	110	1,000
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	90⅞	Mar. 30,'03	91½	90	81,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,879,000	J & J	90¾	Mar. 31,'03	92¼	90¾	111,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	106¾	Mar. 28,'03	106¾	106½	2,000
" Atl. av.Bkn .imp. g.5's.1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	109¼	Mar. 23,'03	109¼	109¼	1,000
" Qu. Co. & Sur. con. gtd. g. 5's..................1941	2,255,000	M & N	102	Jan. 8,'03	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	101	Mar. 30,'03	102⅝	100½	122,000
" stamped guaranteed......		......	101½	Mar. 25,'03	102	101½	11,000
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	87½	Mar. 24,'03	89	87½	25,000
" stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
Metro. St. Ry N.Y.g.col. tr.g.5's.1997	12,500,000	F & A	113¼	Mar. 31,'03	115⅛	113¼	22,000
" refunding 4's..........2002	12,780,000	A & O	94⅛	Mar. 30,'03	95⅛	94⅛	19,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	117	Mar. 17,'03	117⅛	117	2,000
" registered		J & D	119⅛	Dec. 8,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	8,000,000	M & S	118⅝	Mar. 14,'03	118⅝	118⅝	3,000
" registered................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	118	Mar. 31,'03	118¼	118	18,000
" registered................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	97	Mar. 31,'03	98	96⅛	280,000
" registered................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	119⅛	Mar. 21,'03	119¾	119⅛	48,000
Met. West Side Elev. Chic. 1st g. 4's. 1938	10,000,000	F & A	99⅛	Mar. 27,'03	99⅛	99⅛	6,000
" registered..................		F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's. 1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's..................1919	4,050,000	J & J	110	June 26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g. 5's. 1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con. g. 5's. 1937	2,480,000	J&J15	113	Mar. 3,'03	113	113	1,000
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's. 1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	79½	Mar. 31,'03	80¼	78¼	361,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's. 1948	12,000,000	M & S	104	Mar. 30,'03	105	104	56,000
Am. Steamship Co. of W. Va. g. 5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klyn Ferry Co. of N.Y. 1st c. g. 5's. 1948	6,500,000	F & A	73	Mar. 26,'03	75	73	11,000
Chic. Junc. & St'k Y'ds col. g. 5's. 1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De. Mac. & Mar. ld. gt. 3½'s sem. an. 1911	2,771,000	A & O	92	Mar. 31,'03	94	84⅞	230,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's. 1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	90	Mar. 27,'03	92	90	26,500
" registered..................		F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Term'l. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s 1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's 1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's 1908-1918	1,000,000	M & S	....	....	....	....	....
" G 4's..................1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's..................1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's..................1904-1919	1,000,000	F & A	....	....	....	....	....
" J 4's..................1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's..................1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds..........................	....	.....	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co. sink. fund deb. 5's. 1919	9,234,000	M & S	34	Feb. [illegible],'03	....	....	....
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	99	Mar. 31,'03	99	99	8,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	93	Mar. 27,'03	95	92	51,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	89	Mar. 25,'03	89	89	2,000
Am. Thread Co., 1st coll. trust 4's. 1919	6,000,000	J & J	80	Jan. 12,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's. 1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's. 1951	156,518,400	F & A	62	Mar. 31,'03	63⅞	61⅝	2,426,000
" registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	9,240,000	A & O	72	Mar. 30,'03	74	71⅞	384,000
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	100	Mar. 25,'03	100	98¾	88,000
Illinois Steel Co. debenture 5's..1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con. g 6's. 1918	9,326,000	F & A	107¾	Mar. 31,'03	108½	107	21,000

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
Knick'r'ker IceCo.(Chic) 1st g 5's.	1928	2,000,000	A & O	93	Feb. 24,'03	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...	1920	2,924,000	J & J	95	Mar. 2,'03	95	95	4,000
Nat. Starch. Co's fd. deb. g. 5's..	1925	4,137,000	J & J	69	Mar. 26,'03	69⅛	69	13,000
Standard Rope & Twine 1st g. 6's.	1946	2,740,000	F & A	60	Mar. 14,'03	63	60	19,000
" " inc. g. 5's.	1946	7,500,000	......	9½	Mar. 31,'03	12½	9¼	200,000
United Fruit Co., con. 5's........	1911	4,000,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	5,280,000	M & N	114	Mar. 25,'03	114	114	4,000
U. S. Reduction & Refin. Co. 6's..	1931	....	......	82	Mar. 30,'03	82	80	11,000
U. S. Shipbldg. 1st & fd g. 5's Ser. A.	1932	14,500,000	J & J	80	Jan. 16,'03	....	....	....
" collat. and mge. 5's..	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
BONDS OF COAL AND IRON COMPANIES.								
Colo. C'l & I'n Devel. Co. gtd g. 5's.	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's..........	1919	680,000	M & N	110⅛	Aug. 22,'02	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's..	1943	5,315,000	F & A	102¼	Mar. 10,'03	102⅜	102	41,000
" conv. deb. g. 5's.........	1911	} 14,068,000	F & A	85⅛	Mar. 31,'03	90¼	85	984,000
" registered..................			F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..	1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's.	1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's................	1926	1,777,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's.................	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g. 5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s.	1928	1,174,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl&Ir. Co. pur my 5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..	1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...	1917	1,244,000	A & O	107	Mar. 30,'03	107	107	4,000
{ " Bir. div. 1st con. 6's...	1917	3,399,000	J & J	108	Mar. 12,'03	108	107⅛	8,000
{ Cah. Coal M. Co. 1st gtd. g 6's..	1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
{ De Bard. C & I Co. gtd. g 6's...	1910	2,771,000	F & A	101¾	Mar. 27,'03	101⅛	101	16,500
Va. Iron, Coal & Coke, 1st g. 5's...	1949	6,993,000	M & S	77	Mar. 18,'03	79	77	50,000
Wheel L. E. & P. Cl Co. 1st g 5's.	1919	836,000	J & J	32	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo. 1st con g. 5's.	1945	14,493,000	M & N	115⅛	Mar. 18,'03	116¾	115⅛	10,000
Columbus Gas Co., 1st g. 5's......	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......	1923	5,608,000	J & J	97	Mar. 31,'03	98	97	9,000
Detroit Gas Co. 1st con. g. 5's.....	1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.								
1st con. g. 5's............	1932	3,500,000	M & S	102⅜	Feb. 19,'03	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1st g. 5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L. & Power g. 5's..	1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's....	1997	5,010,000	J & J	125	Mar. 16,'03	125	125	1,000
} Edison El. Ill. Bkln 1st con. g. 4's.	1939	4,275,000	J & J	96½	Mar. 6,'03	96½	96½	5,000
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	} 10,000,000	Q F	106	Mar. 31,'03	107¼	106	84,000
" small bonds................				97⅛	Nov. 1,'96	....	....	....
Milwaukee Gas Light Co. 1st 4's..	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....	1948	5,274,000	J & D	....	....	....	....	....
N. Y. Gas EL. H & P Co 1st col tr g 5's.	1948	} 15,000,000	J & D	107	Mar. 27,'03	111½	107	76,000
{ " registered..................			J & D					
{ " purchase mny col tr g 4's.	1949	20,389,000	F & A	91	Mar. 31,'03	94⅝	91	142,000
{ Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	104⅛	Mar. 14,'03	104⅛	104	10,000
{ " 1st con. g. 5's...........	1995	2,156,000	J & J	119	Jan. 28,'03	....	....	....
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	104	Mar. 25,'03	104	104	12,000
N. Y. & Richmond Gas Co. 1st g. 5's.	1921	1,000,000	M & N	....	....	....	....	....
Paterson & Pas. G. & E. con. g. 5's..	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	103⅛	Feb. 25,'03	....	....	....
{ " 2d gtd. g. 6's.............	1904	2,500,000	J & D	102⅛	Mar. 17,'03	102⅛	102	8,500
{ " 1st con. g 6's............	1943	4,900,000	A & O	102⅜	Mar. 20,'03	102⅜	102⅜	1,000
{ " refunding g. 5's........	1947	} 2,500,000	M & S	107⅛	Mar. 4,'03	107⅛	107⅛	1,000
{ " refuding registered....			M & S	....	....	....	....	....
{ Chic. Gas Lt&Coke 1st gtd g. 5's.	1937	10,000,000	J & J	108	Mar. 9,'03	108	108	3,000
{ Con. Gas Co. Chic. 1st gtd. g. 5's.	1936	4,346,000	J & D	107	Mar. 30,'03	108	107	6,000
{ Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.	1905	2,000,000	J & J	103¼	Mar. 7,'03	103¾	102¾	15,000
{ Mutual Fuel Gas Co. 1st gtd. g. 5's.	1947	5,000,000	M & N	105	Feb. 16,'03	....	....	....
{ " registered................		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's..	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's.	1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MARCH SALES. *High*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	97½	Aug. 8,'02	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,828,000	Q & J	100½	Apr. 8,'02	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,906,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	113¼	Oct. 4,'01	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	109	Mar. 31,'03	109	109	1,000
" fundg & real estate g. 4½'s.1950	15,250,000	M & N	105	Mar. 19,'03	105	104¼	8,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	109	Mar. 7,'03	109	109	3,000
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	MARCH SALES. *High.*	MARCH SALES. *Low.*	MARCH SALES. *Total.*
United States con. 2's registered...1930		Q J	....	....	....	....	......
" con. 2's coupon............1930	445,940,750	Q J	107½	107½	....	....	......
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18		Q F	107½	107	107	107	5,000
" 3's coupon..............1908-18		Q F	109	107½	109	108¼	28,500
" 3's small bonds reg.....1908-18	97,515,660	Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	107½	107½	....	....	......
" 4's registered..............1907	233,177,400	J A J&O	110½	109	110¼	109	3,000
" 4's coupon..................1907		J A J&O	111	109¼	111	109¼	16,500
" 4's registered..............1925	118,489,900	Q F	135¾	135	135¾	135	26,000
" 4's coupon..................1925		Q F	137½	136	137½	137	70,000
" 5's registered..............1904	19,385,050	Q F	....	....	....	....	......
" 5's coupon..................1904		Q F	103⅜	103	103⅜	103¼	59,000
District of Columbia 3-65's...........1924		F & A	121	121	121	121	14,000
" small bonds....................	14,224,100	F & A	....	....	....	....	......
" registered......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,900	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's....................1906	575,000	J & J	....	....	....	....	......
" Class C 4's....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	....	....	....	....	......
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's................1910	3,397,350	J & J	....	....	....	....	......
" small.......................		J & J	....	....	....	....	......
" 6's..........................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	95	....	....	......
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond....................	362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of...........1991	18,045,897	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	11	....	...	......
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's............................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	98⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200.	£22,357,680	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Bradley.—Wm. L. Bradley, President of the Dubuque (Iowa) Savings Bank, and a director of the Second National Bank of Dubuque, died March 22. Mr. Bradley was one of the wealthiest men in the State. He was born at Mechanicsville, Ohio, in 1833. Early in life he went to Missouri, where he was admitted to the bar. In 1856 he located at Dubuque, and became largely interested in real estate, manufacturing and banking.

Corbett.—H. W. Corbett, President of the First National Bank, Portland, Oregon, and former United States Senator from Oregon, died March 31. He was born at Westborough, Mass., in 1827. After being educated he went to New York and engaged in mercantile business. In 1851 he went to Oregon. He was one of the organizers of the Republican party in Oregon, and was a delegate to the convention of 1860 that nominated Lincoln. In 1866 Mr. Corbett was elected United States Senator, and in 1897 was appointed Senator by the Governor of the State, but later was declared ineligible. Mr. Corbett was a man of large wealth, and was one of the oldest and most prominent bankers of the Pacific Coast.

Feeter.—James D. Feeter, a former State Senator, and President of the Little Falls (N. Y.) National Bank, died March 20.

Green.—P. M. Green, President of the First National Bank, Pasadena, Cal., President of the Pasadena Savings, Trust and Safe Deposit Co., and Vice-President of the Los Angeles National Bank, died March 23. He was one of the incorporators of the bank in 1883 and had been a member of the board of directors ever since the bank was organized. Mr. Green was a man of fine character and was held in the highest regard by his business associates and by all who knew him.

Guss.—Hon. Wallace Guss, Cashier of the First National Bank, Tamaqua, Pa., died March 7, aged sixty years.

Hallock.—Nathan M. Hallock, President of the Merchants' National Bank, Middletown, N. Y., died at Los Angeles, Cal., March 22. Mr. Hallock was a veteran of the Civil War and had received a special medal from Congress for bravery in the service.

Harriman.—Wm. M. Harriman, senior member of the firm of Harriman & Co., New York city, died April 4, in his fiftieth year.

Jones.—James K. Jones, President of the First National Bank, McConnelsville, Ohio, died March 17.

Jordan.—Rishworth Jordan, President of the Saco (Me.) National Bank since 1869, and President of the Saco Savings Bank since 1891 and a director and former President of the Biddeford National Bank, died recently aged eighty-four years.

Lawrence.—Francis W. Lawrence, President of the Brookline (Mass.) National Bank died March 11.

Littlewood.—Geo. H. Littlewood, Cashier of the Merchants' National Bank, Peoria, Ill., a member of the Council of the Bankers' Association of Illinois, died March 23. He was largely interested in banking and other business enterprises in Central Illinois.

Pendleton.—Capt. James G. Pendleton, President of the Searsport (Me.) National Bank since 1883 and also President of the Searsport Savings Bank, died March 1. He was born at Searsport in 1821. At the age of eighteen he began a seafaring life and afterwards was for many years master of a ship. In 1864 he disposed of his shipping interests and took up his residence at Searsport, where he engaged in banking. Capt. Pendleton was a member of the executive council under Gov. Davis and Gov. Plaisted.

Perrin.—Porter K. Perrin, President of the State Bank, St. Johns, Mich., died March 20. He was born in Vermont in 1833 and had resided at St. Johns, Mich., since 1860.

Rust.—William H. Rust, President of the New Bank of Eau Claire, Wis., died March 3 at Boston.

Small.—Stephen R. Small, President of the Casco National Bank, Portland, Me., died March 10, aged sixty-six years.

Warren.—Charles Warren, Cashier of the American National Bank, Louisville, Ky., died March 7, aged fifty-nine years. He had been Cashier of the American National Bank since 1893, and prior to that time had been connected with other banks at Louisville and elsewhere in Kentucky.

THE

BANKERS' MAGAZINE

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THE DECISION OF THE MERGER CASE will give rise to the discussion of the whole subject of the prevention of competition by combinations. The defendants in the merger suit claim that as a matter of fact competition is not affected by bringing two roads under the same management. The United States court has, however, decided that where the same parties control two parallel roads they can if they wish run them as one, and in such case competition would be hindered if not actually prevented. If the controlling parties place themselves in a situation where they are able to prevent competition, even if they do not actually exercise this power, they are nevertheless violating the provisions of the SHERMAN statute of 1890.

This may be good law as based on that statute, but the SHERMAN law is in a sense tentative, and a closer examination into the manner in which roads compete or do not compete with each other may show that this statute and the construction of it do injustice to large interests and may be adverse to a wise public policy. It is easy to conceive of railroads that may be under the control of one and the same management, that do not and cannot compete with each other. They are so situated that there cannot be competition between them. The control of such roads by one corporation or set of men cannot then be held to prevent competition which never has existed and never can exist. The Great Northern and Northern Pacific roads are parallel roads. On the through traffic there is no doubt that they are in competition, but it must be the case that for certain sections of the roads there is no competition in purely local traffic. There seems to be no reason why the same management might not legally control parts of each of these roads in so far as local traffic is concerned.

There are so many ways of looking at competition and the absence of it, that it would seem to be necessary, in order to prove violations of the trust law, that question of the fact of actual competition being possible should be shown to the court, before it can fairly decide that law has been violated by a merger or trust. It is not enough to assume that there would be competition were it not for the combination. It seems unjust to assert that a trust prevents competition unless it is actually proved there was a possible competition to prevent. It must also be considered what sort of competition it is right or necessary to protect. In all trades and industries, whether of raw material or manufactures, as times and methods change competition in one form is suppressed and succeeded by other forms. The wheat fields of the East cannot compete with those of the West. The introduction of machinery in numerous branches of manufacture has destroyed competition of those who formerly made similar articles by hand. The history of industrial progress is one showing the continual destruction of older forms of competition. If attempts had been made to stop this, progress would have ceased.

It is believed that a wider and more patient investigation of the alleged destruction of competition by trusts and mergers will show that these alleged disastrous results are only temporary. They appear at periods when the old forms of competition being discarded, the new and better forms have not yet taken their place. It is possible that the demand for the arrest of new processes by governmental power may be very unwise. Monopolies created by law are one thing. They were abnormal and prevented the free working of natural laws. Monopolies created by nature have been recognized as irremediable. No one seeks to remedy by statute the variations of soil and climate. The monopolies which are created by trusts are not created by special charter, they are the outgrowth of natural law. It may be as disastrous for legislatures to undertake to control them as it would be to undertake to control the tides by law. The laws under which the trusts find a way to exist are general laws of which any citizen or number of citizens may avail themselves. The only way in which they suppress competition is by the assertion of the power of greater capital over smaller capital. How are legislators going to abrogate the natural law that the man who has ten dollars cannot compete with the man who has one hundred dollars? As the wealth of the country increases, capital may be used in larger and larger amounts. The trust of to day is pre-eminent because it has the largest amount of capital. But there is no security to any particular trust that it may not have to compete with an equal or larger one. The country has not reached the limit of the development of its wealth. By unwisely attacking trusts in answer to a political outcry, easily started by demagogues, the government of the country may put a stop to development and progress, as governments formerly stopped progress by granting monopolies. One process is the reverse of the other, but the consequences of both may alike be evil.

THE FINANCIAL SUPREMACY OF NEW YORK CITY may not for a long time be seriously disputed, but there are indications that several of the interior cities are growing in banking power to an extent that is much reducing the preponderance of the great money centre of the United States. The sun of the system is not increasing in size in the same degree that many of its satellites are growing. That any of the latter will ever become too great to be influenced as now by the superior force of the present centre, may be still in doubt. The country is, however, large enough and wealthy enough to contain more than one financial sun.

In examining the case of European money markets, it is found that in the leading nations the financial and political centre is generally in the same city. Paris, Berlin and London are all the political as well as the financial capitals of their respective countries. In the United States the political capital has a city for itself. No one of the great commercial centres adds anything to its greatness in that respect by being also a political capital. The revenues of the central Government, in their distribution at least, are received in appropriate proportions in all parts of the country. In the collection of internal revenue the same rule prevails. But in the collection of the revenue from customs, a preponderating part is drawn into the Treasury in New York city. It is questionable whether this is not a disadvantage to the financial interests of that city rather than otherwise. The customs on the importations received at this port are paid by checks on the banks, and these are collected by the Sub-Treasury through the clearing-house. These checks are offset by the checks in which the Treasury meets its expenditures, and which are received either directly or indirectly by the New York city banks. As a rule the Treasury draws more from the New York city banks than the latter draw from the Treasury, and it occurs not infrequently that the reserves of the banks are reduced in this way faster than they can be made good in the ordinary course of business.

The resources of the New York banks are swelled by the deposit with them of large portions of the reserves of banks in other parts of the country. In the past twenty-five years there have been so many occasions in which the associated banks of New York have been placed by Government demands on them in a position where they could not freely meet the demands of their correspondents, that cautious banks in the interior now keep larger reserves at home whenever they have reason to anticipate unusual business demands. This is particularly noticeable in the larger interior cities, especially in Chicago. The deposits and clearings of the New York banks have not apparently been much affected. They still increase, but the real question is, do they increase as they would if there were no fears excited by recurring stringencies in the money market in preventing which the banks seem to be able to exert themselves successfully. A correspondent bank keeps a balance in New York for various commercial reasons, among them that in emergencies it may receive accommodation by loan. There is no doubt that at times the ability of the New York banks to loan money to the interior has been crippled and at the very times too when such loans were the most needed. The country has increased in wealth and the deposits carried by the banks bear a greater proportion than ever to capital, but the New York city banks would probably show to-day deposits at least one-third larger had it not been for the unfortunate collapses and crises which seem to be a part of the present system.

It is customary to place the blame of the sudden deficiencies which occur in the currency available in the central market to the locking up of money in the Treasury. This has no doubt been the principal cause in the past. There are indications, however, that other causes have developed within the last year or two. The great development of combinations in railroads and manufacturing industries, make sudden drafts of cash for various purposes more frequent. In other words, the proportion of business which requires cash is increasing as well as the business that can be handled by the clearing-house. The reserves heretofore regarded as adequate by the law and by the banks do not meet the demand as they once did. The banks not only keep their own reserves, but they hold those of trust companies and other financial institutions. The law years ago fixed twenty-five per cent. of demand liabilities as an adequate cash reserve to be held by the National banks of New York city. A legal limit thus fixed tends to cause alarm when it is trenched on and imparts a feeling of security when it is exceeded. Both the alarm and the security felt may be fictitious.

The associated banks of New York have occupied the same relation to the banks of the United States as the Bank of England and the Bank of France do to the banks in those countries. They hold the reserves which are first drawn on when any emergency arises. Since the growth of trust companies the strain on the reserves has increased. The great central banks of England and France keep much larger cash reserves than the associated banks of New York city and have in addition the privilege of issuing circulating notes, the Bank of England to a limited and the Bank of France to a practically unlimited extent.

The legislators who drafted the National Bank Act from the first recognized New York city as the natural financial centre of the country, but they also established other centres of reserve which they hoped perhaps would in some measure compete with that centre. Twenty-five per cent. cash reserve was thought to be sufficient. But of late years the inadequacy of this amount has been proved again and again. It is probable that if the minimum had been forty per cent. instead of twenty-five many of the crises which have occurred might have been prevented.

An increase of the amount of reserve held would of course involve great changes in the methods of conducting business, and among other effects it would probably have driven many of the small institutions into consolidation, so that in the end the business would be concentrated in a smaller number of banks. But whatever opinion may be held as to this, it seems certain that the strengthening of the reserves of the New York city banks would add to the general confidence in their ability to meet emergencies, which they seem at present unable to do satisfactorily. Unless something is done in this direction, many banks will prefer to build up the interior reserve cities as rivals to New York, because the banks in these cities will not be exposed to as many unexpected drafts on their reserves.

THE ADVERSE EXCHANGE RATE prevailing almost steadily against the United States for some years past, despite enormous apparently favorable trade balances, has attracted the attention of students of the money market both in this country and elsewhere. Mr. CORNELIS ROZENRAAD discussed the matter at considerable length and with marked ability before a meeting of the London Institute of Bankers in February—a report of the address having just come to hand in the "Journal of the Institute." That part of the address relating to the United States will be found in another part of this issue of the MAGAZINE.

While Mr. ROZENRAAD does not fail to take note of the difficulty in determining the actual balance of trade, owing to the large amount of what is now commonly called the invisible balance, he concludes that after making a fair allowance therefor, America should have drawn a considerable amount of gold from abroad in payment for the large volume of exports of products. That gold has not been imported to a greater extent Mr. ROZENRAAD attributes to the inelasticity in our currency system, and especially to the increase in the notes of the National banks. The gold that would have come to us with a proper monetary system has been kept away by the large quantity of silver and paper money filling the channels of circulation. Neither the National bank notes nor the silver being subject to gold redemption, there is no demand for gold for use in exchange for these two forms of currency. Except with respect to the gold certificates, the money of the country does not actually rest upon a gold foundation. The silver certificates are based upon silver and the National bank notes are based upon the public debt, which of course must be perpetuated if the notes are to be continued, unless they are permitted to be issued on some other form of security. Although a purely gold currency is perhaps unnecessarily expensive, since it involves the locking up of a very large amount of capital, yet when account is taken of all the losses caused by the depreciation of the greenbacks, the disturbances caused by the silver policy of the country from 1878 to 1893, and the costly method of issuing bank circulation based upon the public debt, the question arises whether after all it would not have been more economical, as it certainly would have been safer, to require that every dollar of paper should have been secured by an ample fund of gold. This is substantially the policy adopted in England since the Bank Act of 1844. Perhaps such a system would not afford sufficient elasticity in a country like the United States; but if ordinarily banks were allowed to issue a dollar of their circulating notes for every dollar of gold held, and a further amount subject to a tax, the needed elasticity would be supplied. The retirement of the greenbacks and the bond-secured bank notes would provide a vacuum which gold would readily come forward to fill, and the gold thus obtained could be used as a basis for circulation.

The issuing of bank circulation secured by gold would tend to prevent the exportation of the gold produced by our own mines and would, in times of exceptional demands for money, operate to attract gold from abroad. A bank at present desiring to issue $100,000 of its notes must invest more than that sum in Government bonds, whereas if compelled to put up gold instead of bonds, only an amount equal to the circulation would be required, and this requirement could be slightly modified to permit of elasticity provided a light tax were imposed sufficient to prevent undue expansion.

Bank notes based on an adequate gold reserve could not be attacked on the score of safety, at least, whatever other objection might be urged against them. Any currency that is as good as a Bank of England note or a United States gold certificate has something substantial in its favor.

THE BALANCE OF TRADE between this country and other nations is no longer easy to determine with anything approaching exactness. Time was when it was considered a simple matter to explain just what was done with the proceeds of our exports, and these explanations were more or less borne out by the export or import of specie. In fact, the movement of specie being known, one might almost work back and determine the amount of the exports. But ever since such a thing as a trade balance was conceived of in economic science, the problem of unraveling its mysteries has been growing more confused. This must be due to the closer trade relations that now exist among nations, and to the ease with which capital can be transferred from one country to another. When each nation was as much on its guard in its business relations against the hostility of all the others as it was in its political relations, there were frequent settlements for fear undue advantage might be taken. When everything connected with the old transaction was squared, then a new one began. Now, however, international trade is conducted with almost the same freedom as domestic trade and in domestic trade no one seems to care just what balance comes to the advantage, say of one State, as compared with other States. The nations of the earth, at least those of high commercial standing in their business relations, are becoming more like the States of the United States. The capitalists of each nation invest freely in any or all of the others according to the facility with which they can evade taxation or receive advantage from the state of the money market.

As there is no way in which the statistics of this world's business can be determined, there is of course no way of arriving at any accurate conclusion as to the results of it. This gradual advance toward homogeneity in the world's business is a natural phase of evolution. The movement of gold seems to depend less on its use for the payment of balances than upon the necessity the great banking institutions of the world are under of maintaining suitable reserves.

IN DISCUSSING THE ADVANTAGES of different methods of banking it is often lost sight of that there are at least two points of view from which the subject is looked at. A banking system may be entirely satisfactory and safe from the standpoint of the bank manager and stockholder, and it may be far from a success in furnishing banking facilities to the general public.

Under systems where a few banks have practically a monopoly of the banking business, where new capital can not enter except through existing banks, the accommodations enjoyed by the public are apt to be stunted. The opportunities to obtain good dividends on the capital employed are so good that only the best accounts are accepted and only the very best customers can obtain loans. There is no competition which seeks out and encourages small accounts, and is willing to accommodate small borrowers. Such a business is a fine one from the standpoint of the banker, and as the smallest possible risk is taken, such a system is, as a rule, safe. Under it, however, the masses of small depositors or borrowers seldom come directly to the banks.

They deal with the capitalists of greater wealth who act as middlemen between the banks and the great majority of the public.

On the other hand, where competition in banking is perfectly free, the system entails more risk and labor on the banker, but it extends greater and cheaper accommodations to the public. It is on account of this free competition among bankers that the people of the United States enjoy greater facilities in obtaining money cheaply than in almost any other country in the world.

There may be many defects in our banking system. It may be deficient in its use of some forms of credit, but it is undoubtedly true that loans at reasonable rates of interest can be obtained by almost anyone who has evidence of ability to obtain the money to repay the loan either from future earnings or future productions. There is no form of productive enterprise that can not obtain the banking assistance it needs. The system or lack of system in the United States comprising National, State, private, Savings banks, trust companies and other financial offices, is indicative of a specialization in the business which has been developed in response to the actual wants of the public. From the standpoint of the banker there is too much competition and, owing to this, too little chance for profit. But the prosperity of the country and the general contentment of the people with the banks as they are indicates that from the standpoint of the general public the banking system is a success. There is a power of adaptability in it which makes the banks at the money centres capable of taking care of the largest transactions, while the banks in the remoter parts do not suffer the smallest chances of dealing to escape their notice.

In considering any improvements or so-called reforms, it is well to investigate the effect they will have. Will they benefit the banker with no corresponding benefit to the public? Will they expose the public to greater risks?

The great question in bank legislation is to obtain greater elasticity in the circulation of money. The volume of the circulating medium, composed at present of National bank notes, Government notes, certificates based on coin, and coin, has not the necessary qualities to increase or diminish in volume with any sufficient correspondence to the requirements of business. Under present methods allowed by law, the available supply of cash is either too great, when the interest rates are abnormally low, and unsafe speculation is encouraged, or it is insufficient or impossible to obtain except at excessive rates. These repeated fluctuations are the bane of regular business enterprise. Such capability for expansion and contraction as is possessed by the present paper currency bears no reasonable relation to business wants.

As a remedy it is proposed to grant to the National banks directly, and through their power to become National banks to the State and private banks indirectly, the power to issue what is called an asset currency, or rather a currency based on the general credit of the bank. The proposition is to grant this privilege to a limited degree without immediately interfering with the present currency based on bonds. The FOWLER bill, which embodies this plan, made every possible provision for the safety of such circulation. If its provisions were in force, the National bank circulation of the country would bear a strong analogy to the note issues of the Bank of England, partly based on Government bonds and partly on the gold reserve. The Bank of France, however, affords the best example of a purely asset currency. The Bank is expected to redeem these notes in specie at all times. But the possibility of specie redemption is not the main basis of the credit and security of these notes. The main basis of their security is that they represent the actual ownership of the materials and products of the country, the evidences of such ownership being held as collateral by the Bank. The note issues of the Bank of France are permitted on the general principle that they are a necessary means of effecting the interchange of materials and products among citizens engaged in business. The first object of the Bank is to encourage business, and that it does so to a greater extent than most banks is pointed out in an article reprinted in the April MAGAZINE from the London "Statist." Evidences of ownership of property, whether commercial bills or warehouse receipts, are discounted by the Bank, and the customers receive its notes with which they may effect among themselves such exchanges as they desire. When the demand is great the Bank increases its issues, and when it falls off the notes flow back to the Bank in payment of the discounted bills, or to take up other evidences of the ownership of property. No bill is too small for discount, and the Bank takes every pains to encourage the small dealer and place him on an equal footing with his wealthiest compatriot. The Bank has never failed to meet all demands and has never suspended specie payments except on occasions of universal national calamity.

It must be allowed that the banks of the United States under normal conditions extend to the people of this country banking facilities equal to those enjoyed by the Bank of France, in that the smallest as well as the largest dealer may find a bank which will look after his interests. But they are restricted in a particular where the Bank of France has ample power. Nor would it perhaps be safe to grant to several thousand small institutions a privilege which can so safely be exercised by a powerful financial institution like the Bank of France. But, as has been stated, the issue of an asset currency by our banks is proposed to a restricted extent only, which will insure safety while yielding some of the advantages to business men here which the business men of France receive from their bank.

It has been shown heretofore in this MAGAZINE that under the FOWLER bill, which provides for the issue of asset currency in a certain proportion to capital, that the bulk of this currency would probably be issued by the banks of the largest capital, at those monetary centres where the fluctuations in available cash are soonest and most severely felt. Temptation to use the privilege for fraud is reduced to the greatest extent possible under a law which grants equal privilege to all banks whether great or small.

On the whole, when the project of the issue of asset currency is considered from the two standpoints mentioned at the beginning of this article, it seems clear that it will bring much greater advantages to the business public than to the banks. The latter will not be so greatly benefited by the direct profit on circulation, but will be indirectly helped by the greater safety and facility which the possession of the privilege will enable them to enjoy.

It is not believed that with the great volume of Government notes and certificates outstanding, there will be much inducement to the banks to issue asset currency when business conditions are normal. It will be held in reserve, especially by the large central banks, and used more as an emergency currency. Any provisions which will aid in making such a result more certain should be added to the bill even if thereby the privilege of asset currency should on the surface seem to be made less valuable to the banks. Their compensation will be evolved from greater stability in the available money and the consequent increased prosperity of the business public.

THE PROSPECTIVE CONSOLIDATION, or according to the latest phraseology, the merger, of the National Bank of Commerce with the Western National Bank is another step towards the great institution which may eventually have the power to regulate and keep in check the many diverse elements which altogether contribute to make the banking power of the United States greater than that of any country in the world. By a late report the deposits of the National Bank of Commerce were $53,000,000 and those of the Western National $54,000,000. The combined institution will have a capital of $20,000,000. The combined deposits will be about the same as those of the National City Bank.

The strongest supporters of a bank currency based on assets recognize that the safety of such a currency would be greatly strengthened if its issue could be confined to a few strong banks. It is not probable that the tendency to build up stronger institutions than have answered the purpose heretofore is due to any desire to prepare for the issue of currency, although the possession of large capital would give great advantage in this respect. The large bank is required to meet large transactions and secondarily to give stability to the money market at critical times. But it will require other mergers to produce an institution having from its capital and resources the same ratio of influence to the banking power of the United States as exists between the Bank of England and the banking power of Great Britain or between the Bank of France and the banking power of that country. The New York associated banks have heretofore by their united action averted or palliated serious monetary troubles. The control of the clearing-house action and policy rests with the membership, through committees chosen. When the clearing-house was first organized the banks composing the membership were more equal in capital and resources. This equality is being lost. There are several institutions whose financial strength greatly preponderates over that of the majority of their associates. It is not unreasonable to think that the greater the bank the greater must be its influence in controlling the policy of the association. If mergers continue it is not impossible that a bank may be ultimately formed so preponderating in the operations of the money market, that its advice may dictate the action to be taken at any given crisis. This will not necessarily be an evil. It may be said that the other banks in the clearing-house association will always be greater than any one bank. It will, however, be very difficult to unite them in any serious opposition. Even if one bank should acquire such preponderance as to be able to dictate the general policy, it is highly improbable that the power will be used other than wisely. Such a bank would have without legislation and unconnected with politics functions very similar to those which might be exercised by a central bank authorized by Congress. In fact, an aggregation growing up under the National Banking Law would probably be without the restrictions Congress would impose when creating by a special statute a central bank of the same magnitude. Perhaps the average banks would prefer to see the leadership, if there must be leadership, in the hands of an institution which has grown up spontaneously in response to business demands rather than in those of a new central institution created by special statute.

Along the line of development indicated by mergers the clearing-house will become less influential as the representative of all the associates and will be more and more an instrument in the hands of one or two large banks to whom the smaller institutions will turn for assistance and guidance in times of crisis. There arises also some question whether the organization originally intended for banks of moderate size will prove efficient in institutions of so much greater resources. These large banks become practically banks for holding the balances of smaller banks and other corporations. They do not care for individual accounts unless of large size. But there is no reason to believe that any institution will push the exclusion of small accounts to an extreme. Every bank has specialties in its business from which the chief part of its profits are derived. It is one of the advantages of the freedom of the banking business in the United States that there is hardly any variety of financial business but can find some bank to give the necessary facilities. Even if the large banks prefer large accounts there need be no fear but that the small accounts will find banks to take care of them.

The developments going on in banking circles, as new business requirements manifest themselves, show the vitality of the system and its capability to take care of itself without legislation. The system is only checked in its development by the restrictions which prevent the employment of devices to supplement those now used in the transfer of their credit. These restrictions now prevent the use of either promissory notes, checks or certificates of deposit beyond a certain point. If full power were given to use either one of these devices, the main obstacle to the usefulness of the banks to the greatest extent would be removed.

THE FIXED RESERVE required by the banking laws is declared to be antiquated and practically useless, by a Cashier of one of the city banks, in a communication published elsewhere in this issue of the MAGAZINE. He states that the banks, instead of seeking to compel the trust companies to keep a fixed reserve, might better consider whether the laws relating to reserves should not be modified or perhaps repealed altogether.

In Canada and Great Britain no specific reserve is required by law to be held against deposits, it being considered probable that prudent bankers will make whatever provision may be necessary to preserve their solvency. It has been found in practice that this is so.

However, there is a great difference between the banking systems of the countries named and that prevailing in the United States, and it would perhaps not be safe to permit the same latitude to the numerous small independent banks as is accorded to the great central banks of Great Britain and Canada. Lack of close affiliation and co-operation among the banks of the United States renders the reserve problem much more difficult here than in the other countries named.

Whatever may be the conclusion of the controversy between the banks and the trust companies, it is not likely that the present reserve requirements for the banks will be greatly relaxed. Relief will, however, be afforded by a more liberal interpretation of the reserve requirements in times of exceptional pressure in the money markets.

THE DEMAND FOR RAILWAY AND INDUSTRIAL SECURITIES on the part of the investing public has fallen off somewhat of late. These securities have been characterized as undigested, a term which seems to indicate that the power of the public to absorb new investments has been weakened.

The highest authorities are divided as to the reason for this falling off in demand. The optimistic ones claim that the securities involved are sound and represent actual values. Others see in them the liability of future trouble to the syndicates and others who are now carrying them. It is believed, however, that some of the difficulty in finding permanent places for these securities in the investment market is due to the same causes that have reduced the prices of Government stocks. This is the demand for moneyed capital to place in enterprises promising for a time greater returns than can be obtained from these securities. The era of prosperity has inspired so much confidence in the prospects of profits in a variety of industrial pursuits promising great profits, that securities have been thrown on the market to obtain the money. When these enterprises have been pushed to a conclusion, investments bringing more moderate returns will again be sought. Nevertheless there is danger that some of this confidence in great profits to arise from individual or corporate enterprise may be misplaced, and that the money obtained by selling securities or borrowed upon them may not be so easily recovered from later temporary investments.

There has been a noticeable flow of money from the East to the West, and rates are lower in the latter locality. There is no doubt that the success of the great business activity now manifesting itself in all parts of the country, and especially in the West, depends very greatly on the crops. The prospects are, no doubt, very favorable for this time of year, but it must be recollected that many contingencies may arise to darken these prospects before the crops can be harvested.

Without being pessimistic, it is impossible to accept all the bright prophecies of the future which are made at the present time. There are many elements of the financial situation which, while they should not give rise to serious apprehension, should inspire caution. The large amount of unabsorbed securities is only one sign that should lead to caution. The low rates for money in the West point to the fact that more money has been taken to that quarter in anticipation of its profitable employment than can as yet find such employment. The merger decision, too, while it has apparently been rendered in accordance with what seems the popular belief in regard to combinations, has without doubt created a distrust for the class of securities placed on the market under trust auspices. When there is abundance of money and at the same time a belief on the part of the holders of it that they ought to have high rates for its use, the effect on the financial situation is the same as if it was locked up by distrust. There seems to be such a confidence inspired by the increase of prices, that those who command money prefer to let it lie idle rather than to take rates of interest they would have been glad to get a year ago. This condition of things cannot, however, last very long. Those who are disappointed in getting five and six per cent. for their money will soon be willing to take less for it.

What is really the situation in this respect will probably be shown within a month or so. If some of these syndicate investments are not sought for by the public in a reasonable time it will indicate that a better use has been found for money. The securities will then have to be carried longer by their present holders, perhaps until the end of the active business season. If these summer investments turn out well, and the crops are a success, it may be hoped that most of the securities now called undigested will cease to be so.

THE PROSPECTS FOR CURRENCY LEGISLATION at the next session of Congress are apparently improving. In a recent speech at Quincy, Ill., President Roosevelt referred to the necessity of enacting some measure that would afford greater elasticity to the currency, and a meeting of the sub-committee of the Finance Committee of the Senate will shortly undertake the preparation of a bill having this object in view.

Although these indications of interest in the subject are promising, it is by no means certain that any measure will become a law at the next session. It would not be surprising, however, if the matter is merely brought forward for discussion and carried over to the campaign next year. There is grave doubt of the political wisdom of such a proceding, however, for banking is not an issue calculated to arouse popular enthusiasm, as HENRY CLAY learned in his memorable contest with General JACKSON. Any law that could be enacted by the next Congress would come too late to be of much use for marketing this season's crops, and therefore too late for the dominant party to derive any prestige from the operation of the law that would constitute political capital for the 1904 canvass.

THE NORTHERN SECURITIES DECISION.

The decision of the United States Circuit Court of Appeals, in what is known as the merger case, serves to explain the scope and effect of the Sherman anti-trust law of 1890, and to bring the real issues involved plainly before the public. Hitherto cases brought under the law named, or under the anti-trust laws of States, have seemed to be confused and indefinite with no clear-cut issues, because of the obstacles that seemed to be purposely thrown in the way of obtaining information. In the case of the Northern Securities Company there seems to be no difficulty in establishing the purpose and status of the company and recognizing its powers. The company was avowedly formed for the purpose of holding under one direction the stock of the Great Northern and Northern Pacific railways, not, however, to prevent competition but to acquire secure and permanent control.

Of course, where two roads are controlled by the same direction, the reduction or even effacement of competition might follow, but this might not be the object principally desired. Conditions had arisen under which no direction could feel that they were in such possession of the road as might warrant them in pursuing a liberal policy of management and improvement. As long as the stock of a railroad might be bought up with more or less secrecy by adventurous capitalists, no control could be secure or permanent. A railroad thus made the game of stock operators, stood every chance of deteriorating from neglect of its real interests.

If such a corporation as the Northern Securities Company had been used to hold the stock of one road only instead of the stock of two, the charge of suppression of competition would have been without the pretense of base and the real beneficence of the move both to the stockholders and management would have been conspicuous.

The court held that the holding of the stock of the two railroad companies engaged in inter-State commerce and natural competitors, by the Northern Securities Company, did either suppress competition or rendered it possible to do so.

Perhaps the object sought to be attained, that is the preventing the purchase of stock in favor of those who wished to supersede the existing control, or perhaps only desired to extort money from the existing management, might be reached by having an organization for the sole purpose of controlling the stock of each important railroad company.

It seems plain that this decision may be upheld in so far as it enjoins the Northern Securities Company from holding and dealing in the stock of one of the railroads involved, but that there is ground for questioning the injunction preventing it from holding and dealing in the stock of one of the companies. If a company in the nature of a trust company is willing to exchange its shares for the shares of another corporation of a different kind so as to control and become the virtual owner of the last corporation, it appears to be beneficial to the interests of all concerned that such a transaction may be sustained on the grounds of public policy.

The history of railway corporations indicates that the individuals who have contributed to the railway stock have been usually more unprotected than any class of investors. The owners of railway shares have been victims of all kinds of fraud and mismanagement. Any device by which the owner of a railroad stock may feel secure in his investment cannot fail in the end to encourage the building of lines and thus to keep up the spirit of competition. The building of new lines has been discouraged by the experience of hosts of stockholders in the old ones.

Although the Northern Securities Company, by being the virtual owner in trust of two roads, may incidentally suppress competition between them, yet by showing a way in which the smallest investor in railroad shares may obtain safety in his investment, investments in railroad stocks by the general public will be encouraged and competition fostered by the inducement to build new lines where they may be needed.

As a question of fact, it does not seem clear that the merger of two parallel roads, traversing the country in the same direction at a reasonable distance from each other, in a trust which can control both, necessarily suppresses competition in a way to render either of the roads less serviceable to the general public. In the local business of each of these roads through considerable distances there can be no possible competition, and at any point except at the terminals it might be difficult to show whether there was competition or not. If there is competition between the roads, then the merger of them under one management might suppress this competition, but where from the nature of the situation there can be no competition, how can the single ownership of the two roads infringe on the law of 1890?

It is believed that there is much more in this merger case than appears either in the briefs of the Government or the defense. Before a final decision is made the rights not only of the public who look to the railways for service should be considered, but also the rights of the investing public, who place their money in railway securities. Where such investments are liable to attack by combinations of capital, there should be some way by which they may defend themselves by similar combinations. Such corporations as the Northern Securities Company, whatever their effect incidentally may be on competition, tend to secure the stability of railway investments.

FOR A FLEXIBLE CURRENCY.—In an address delivered at Quincy, Ill., on April 29, President Roosevelt said:

"Our currency laws recently have been improved by specific declarations intended to secure permanency of values. But this does not imply that these laws may not be still further improved and strengthened. It is well-nigh universally admitted that our currency system is wanting in elasticity; that is, the volume does not respond to the varying needs of the country as a whole, nor to the varying needs of different localities.

Our people scarcely need to be reminded that grain-raising communities require a larger volume of currency at harvest time than during the summer months. The same principle applies to every industry, to every community. Our currency laws need such modification as will insure the parity of every dollar coined or issued by the Government, and such expansion and contraction of our currency as will promptly and automatically respond to all the varying demands of commerce. Permanent increases would be dangerous; permanent contraction ruinous; but the needed elasticity must be brought about by provisions which will permit both contraction and expansion as the varying needs of the several communities and business interests may require."

PLAN FOR RETIRING THE GREENBACKS AND PROVIDING AN ELASTIC CURRENCY.

The currency system, holding as it does such close relationship to public and private credit, forms a fabric so sensitive in its nature that any proposition to reform its controlling laws should not secure enactment by the vote of a mere majority of Congress, and so be subject to possible change at each incoming administration; but it is of vital importance that the ultimate plan be one that shall receive not only the unqualified approval of a large majority of our legislators, but also the hearty endorsement of the country at large. Upon no other basis may we hope for such a disposition of the question as shall survive for more than a season.

A proposition to revise any of the existing laws at once raises such a multitude of questions as to possible and probable results, that anything one may say upon the subject must be regarded somewhat in the light of discussion. It must be admitted, however, that for the permanent establishment and proper protection of any plan it is primarily necessary to overcome sectional differences and to embrace such provisions therein as will, to a degree, unify the East, South and West, irrespective of party affiliations, in the support of the measure in its complete form. And again, it is argued that the present is a most auspicious time for the enactment of a proper law—certainly before another financial crisis finds us with the Government gold demand obligations still outstanding and largely unprotected.

The suggestions here submitted are outlined with the special view of retiring permanently the United States notes, and of utilizing the credit of the Federal Government in certain currency operations (when the use of that credit is necessary) in such a manner that the people of the country at large shall themselves receive some of the benefits that may be derived from such operations.

To accomplish this it is proposed that by a gradual process the Government shall sell its interest-bearing bonds, so securing a supply of gold which, when added to the special gold reserve in the division of issue and redemption, will furnish funds for the complete retirement of the United States notes, and then, by lending its credit to its conservative communities upon deposits of county bonds bearing a low rate of interest (issued under certain restrictions and limitations as hereinafter particularly set forth), use such deposits of county bonds as the basis for an issue of currency to take the place of the present issue of greenbacks. At the same time it is proposed to make certain provisions whereby the banks may be enabled to furnish a limited additional amount of currency, of an elastic character, without making too radical a change in the present laws, and also to embody certain desirable revisions in the existing system along lines somewhat similar to what has already been suggested in that direction.

It must ever be borne in mind that the United States notes are promises to pay; that they were not issued with the idea that they should be continued in circulation beyond the time when the Government should be in a position, financially, to redeem them; and that they are in reality an unliquidated debt of the United States. The aim, therefore, should be to accomplish the complete retirement of the issue at the smallest possible cost compatible with safety and sound finance.

Realizing that an issue of interest-bearing bonds with which to pay off the non-interest-bearing demand obligations would meet with strong opposition from many quarters, by reason of the resulting increase in the annual interest charge to be paid out of the public revenue, it becomes necessary, in case the selling of interest-bearing bonds be an important feature of the plan, to make provision whereby an increase in revenue may be secured from entirely new sources with which to meet the interest on the bonds sold so long as they run, and to provide a fund for the final redemption thereof without burdening the Federal Government therewith.

While many financiers, economists and students of the monetary situation may feel well assured that the privilege to banks of issuing currency upon general assets could be conferred without risk, it is hardly possible that the public at large would take kindly to such a proposition. Such a scheme is so far removed in principle from the system that has become a part of our national life that one may well falter at a proposal to educate the people up to a realizing sense of the safety of the measure. The popular demand that all forms of money shall be equally acceptable in every corner of the country, and that the Government of the people shall continue in control of the currency of the people, must be recognized and respected. The criticism that bond-secured currency is too good because it is acceptable everywhere, and therefore is not continuously presented for redemption, will not receive popular endorsement. But it will be generally held that there can be no danger in keeping our currency beyond question absolutely secure. Bond-secured currency has the advantage of having proven its efficiency and safety, while the desirability of the proposed form of credit currency to be issued by over 4,000 banks is still untried. The fact remains, however, that some provision must be made to care for the varying demand for circulating medium.

Concerning the provisions herein suggested for the deposits with the National banks of public moneys and the accumulations of the general redemption reserve, it must always be remembered that these depositaries are operated under national charters and are therefore at all times subject to Federal supervision and control; so that any possible risk is reduced to the minimum. It must therefore be acknowledged that the deposit by the banks of specific collaterals as security for regular Government deposits will not be nearly so important as for the guarantee of the currency.

Outline of the Proposed Plan.

To embody in a bill such features as will in a general way meet the several demands of the various interests involved, the following outline is suggested (sections 5153, 2 and 3 being modifications of the Aldrich bill):

Be it enacted, etc., That section fifty one hundred and fifty-three of the Revised Statutes is hereby amended to read as follows:

SEC. 5153. All National banking associations, designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the

Government; and they shall perform all such reasonable duties, as depositaries of public moneys and financial agents of the Government, as may be required of them. The Secretary of the Treasury may deposit in such designated depositaries public money received from all sources, in excess of $50,000,000, which amount shall be reserved as a working balance, and shall require such depositaries to give satisfactory security, as hereinafter authorized, for the safe-keeping and prompt payment of the public money so deposited with them and for the faithful performance of their duties as financial agents of the Government. The Secretary of the Treasury shall demand and accept as additional security for the safe-keeping of public moneys deposited with National banking associations, as herein authorized, such bonds or other interest paying evidences of indebtedness as he may, at his discretion, deem sufficient to amply protect the same. The Secretary of the Treasury may accept such securities in such proportions as he may from time to time determine, and he may at any time require the deposit of additional securities, or require any depositary to change the character of the securities already on deposit. All securities so deposited shall be actually owned by the bank so depositing. National banking associations having on deposit public moneys shall pay to the United States for the use thereof interest at the rate of one per centum per annum, which interest shall be paid into the general redemption reserve hereinafter provided; and all public moneys in any depositary shall be payable on demand upon the draft of the Treasurer of the United States. The United States shall, for the repayment of such deposits, have the same lien as any other depositor on the assets of banks in which public moneys are deposited, but such lien shall be subject to the claim of the certificates of deposit, as set forth in section 11 and also subject to the note issue of any such bank, as provided in section 10; but the securities deposited with the Secretary of the Treasury for the safe-keeping of such moneys shall be sold before the said lien is enforced and the proceeds applied to the discharge of said lien to the extent of the proceeds of sale. Provided, that such deposits in any one bank shall not exceed thirty (30) per cent. of the amount of the capital and surplus of any such bank.

SEC. 2. That the two per centum bonds of the United States authorized by the act entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans," approved June twenty-eighth, nineteen hundred and two, that shall be issued to provide the funds appropriated by the third section of said act, and for the other expenditures authorized therein, shall be entitled to all the rights and privileges given by law to the two per centum bonds issued under the provisions of the act entitled "An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," approved March fourteenth, nineteen hundred.

SEC. 3 That section three of the act approved June twentieth, eighteen hundred and seventy-four, entitled "An act fixing the amount of United States notes, providing for a redistribution of the National bank currency, and for other purposes," be, and the same is hereby, amended by adding at the end thereof the following proviso:

Provided, That the Secretary of the Treasury may, in his discretion, retain in the general fund of the Treasury National bank notes received in the ordinary course of business or presented to the Treasurer of the United States as hereinbefore provided, and pay out such of them as may be fit for circulation for any of the obligations of the Government, excepting only the principal and interest of the public debt.

SEC 4. The Secretary of the Treasury shall set aside for the retirement of that amount of United States notes the gold coin now held in the division of issue and redemption, viz., $150,000,000; this sum shall be supplemented from time to time by the sale, for gold, of United States gold bonds to the amount of $195,000,000; this total sum of $345,000,000 * shall be used in the redemption of the entire outstanding amount of United States notes. Of said notes $150,000,000 shall be cancelled at such times and in such amounts as shall be directed by the Secretary of the Treasury, and the balance of $195,000,000 from time to time in amounts equal to sixty-five per cent. of the issues of new currency notes hereinafter provided for.

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* While the records show the amount of United States notes still outstanding to be $346,681,016, it is well known that large amounts have been destroyed, so that the provision above made will surely be more than ample.

This operation would completely remove this issue, which to-day stands as a constant menace to all credit, public and private.

(As the Treasury notes of 1890 are being rapidly retired in the ordinary course of Treasury transactions, by their conversion into silver currency, that issue is not taken into consideration in this paper.)

The United States bonds to be sold for gold shall run for forty years (optional after thirty years), bearing interest at the rate of two per cent. Principal and interest payable in gold coin. Should the said $195,000,000 of United States bonds, or any portion thereof, be sold at a premium, the additional gold so received shall be turned into the general redemption reserve hereinafter provided.

Obtaining Revenue to Pay the Principal and Interest of the Bonds.

Having, as above suggested, accomplished the final redemption of the total issue of United States notes, it becomes necessary to secure an independent obligation that shall produce a revenue sufficient for the payment of the annual interest upon the bonds sold for gold; also to provide for the final payment of the principal of said bonds when due without cost to the general Government. It is therefore proposed that:

Sec. 5. The department of issue and redemption shall receive from the proper county authorities deposits of legally authorized county bonds issued either to retire existing indebtedness (when the stipulated security is ample to meet the provisions hereinafter set forth) or to obtain fresh funds, or both, payable, principal and interest, in gold coin, and bearing interest at the rate of two per cent. per annum.

The said bonds shall be uniform in character, and shall be restricted to counties that shall not have defaulted during the previous ten years, and the entire issue of any county shall be limited to an amount equal to seven per cent. of the last regular valuation of taxable property of such county and not exceeding $15 per capita. The bonds shall be a first lien upon all property owned by the issuing county, shall comprise the entire indebtedness of the county, and shall be authorized by a vote by ballot. They shall provide for a sinking fund and for the control and restricted investment of the same; shall make provision for an approved system of periodical examination of accounts and funds and for the publication of a report thereon; shall contain a clause authorizing and requiring certain designated officials, in event of any default in interest or sinking fund obligations, to levy and collect a tax sufficient to pay in full all delinquencies with added costs; and further shall provide that, should the State within which any issuing county lies enact new laws through which the contract of said county may be weakened or modified, the bonds shall, by reason thereof, become at once due and payable, principal and interest, and collectible by law The expenditure of the proceeds of such bonds shall be restricted to the erection of proper school houses; to the extension and improvement of present school property or the refunding of existing indebtedness of like character (where the margin of security is ample protection for the issue), or to the improvement of public roads and bridges, all under Government supervision as hereinafter more particularly set forth.

These county bonds shall be redeemable in five installments of twenty per cent. each, the first installment at the end of thirty-two years, the second at the end of thirty-four years, the third at the end of thirty-six years, the fourth at the end of thirty-eight years, and the fifth at the end of forty years from the date of issue. The total issue of said bonds shall be limited to $300,000,000. The right to issue said bonds for this purpose shall be restricted to counties having a population, according to the then last United States census, of not less than 3,000 nor more than 60,000, at least fifty per cent. of whom shall reside outside of municipalities of 8,000 population or over.

Against the county bonds deposited under the plan, the department of issue and redemption shall issue and deliver to the proper authorities of the issuing counties new currency notes to the amount of the par value of said bonds.

Thus, through the operation of the plan to its full limit, there would be distributed among the conservative rural counties the sum of $300,000,000 in the new currency notes.

These new currency notes shall be the direct obligations of the United States, expressing on their face in unmistakable terms that they shall be ultimately redeemed in gold, but that currently they shall be convertible into gold or silver at the option of the Government.

Ordinarily these notes shall be exchanged for gold on demand, as hereinafter provided for, the option to be exercised, if at all, only in times of emergency when gold may, for temporary reasons, be practically unobtainable.

They shall be a "legal tender at their nominal value for all debts and dues, public and private, except where otherwise stipulated in the contract, and receivable for all governmental dues except for duties on imports," and each series thereof shall set forth the name of the particular county whose bonds are held as security therefor. These notes shall be issued in denominations of five dollars and less.

This issue of $300,000,000 of notes payable in gold at the option of the Government, and secured by deposit of county bonds, would practically take the place of the $345,000,000 of greenbacks that have no independent deposited collateral and which are payable in gold on demand.

As the various counties deposit their bonds under the plan, and receive the currency notes due them, the Government shall sell for gold its bonds to an amount equal at par to sixty-five per cent. of the deposits of said county bonds, the proceeds from such sale to be deposited with the department of issue and redemption for the purpose of redeeming the United States notes, as above set forth.

ADDITIONAL BANK-NOTE CIRCULATION.

For the purpose of encouraging bank-note circulation, and of meeting in a measure the demand for a more elastic currency, and especially to encourage note issue by the smaller National banks (generally located in rural communities) and so relieve the frequent stringency at certain periods, it is proposed:

SEC. 6. The present five per cent. redemption fund shall be reduced to three per cent.

and also that

SEC. 7. Any National banking association maintaining circulating notes secured by United States bonds to an amount equal to sixty per cent. of its full paid capital, may issue additional similar notes to the extent of the remaining forty per cent. of its capital. To secure such additional note issue (in excess of those based upon Government bonds), the bank shall deposit with the Secretary of the Treasury approved bonds of States, counties and municipalities at their par value, and also the mortgage or collateral trust bonds already issued of any dividend-paying railroad or railroads of standard gauge now operating within the United States, or the mortgage or collateral trust bonds already issued of any leased line guaranteed by any such dividend-paying railroad; or mortgage or collateral trust bonds already authorized and issued (or to be issued) by such dividend-paying railroad for the purpose of refunding underlying bonds of early maturity, provided that all securities so deposited shall be actually owned by the respective banks so depositing; and provided further, however, as relates to such railroad bonds:

(a) That the bonds so deposited shall be regularly listed upon the principal exchanges in either of the cities of New York, Boston, Philadelphia, Baltimore or Chicago.

(b) That said bonds shall bear and receive obligatory interest at a rate of not less than three per cent. per annum upon their par value, and that they shall be payable, principal and interest, in gold coin.

(c) That the common stock of the railroad issuing said bonds, or guaranteeing those of a leased line, shall have received during the three years immediately preceding such deposit, dividends from net earnings at the rate of four per cent., or over.

(d) That in case of default for the space of one year in the payment of such dividends after the deposit of any of such bonds, or if, for any reason whatsoever, the market value of any of such bonds upon the exchanges above referred to shall fall below eighty per cent. of their par value, then the same shall, upon notice from the Secretary of the Treasury, be immediately replaced by the substitution of a sufficient amount of other bonds eligible for said purpose, or the notes so secured be redeemed.

(e) That the issue of notes by any National bank, based upon the above class of railroad security, shall not exceed a total of seventy per cent. of the par value of the railroad bonds so deposited.

SEC. 8. It is further provided that all notes issued by National banking associations, whether secured by United States bonds or otherwise, shall be in denominations of ten dollars and customary multiples thereof; shall be payable in gold on demand; shall be a legal tender at their nominal value for all debts and dues, public and private, except where otherwise stipulated in the contract, and receivable for all governmental dues except for duties on imports; and that the entire note issue of any National bank shall not exceed the amount of its full paid capital stock.

SEC. 9. The tax on bank-note circulation shall hereafter be as follows:

On the issue secured by deposit of United States bonds up to 60 per cent. of capital........	¼ p. c.	per annum.	
On the first 10 p. c. of amount of issue in addition to above,	1½	"	"
" next 10 " " " "	2½	"	"
" " 10 " " " "	3½	"	"
" last 10 " " " "	5	"	"

Such tax shall be computed upon the amount of such notes so issued, for the time the same are outstanding. Of this tax one-fifth, or twenty per cent., shall be paid into the redemption fund, and the balance, or eighty per cent. thereof, shall be paid into said general redemption reserve.

SEC. 10. All bank notes shall be redeemed by the United States Treasury out of said redemption fund, and they shall constitute a preferred claim upon the assets of the issuing bank subject only to the lien of the certificates of deposit as hereinafter provided in Sec. 11. And the United States Treasurer shall (if necessary for the purpose of maintaining such redemption fund) sell the bonds deposited to secure note issue, and may further recover from the assets of the issuing bank, subject as aforesaid, the amount of any possible loss occurring by reason of such note issue.

As the amount of United States bonds sold and to be redeemed will be controlled by the amount of currency notes issued, based on county bonds, it will be found that the plan proposed will balance itself, even though the counties do not avail themselves of that privilege to the full limit herein provided. Should the counties issue only one-half of the amount authorized, the margins are so great that the successful operation of the plan would still be assured. For the purpose of illustration, however, in this paper it is assumed that the counties will, within a reasonable time, issue their bonds up to the limit authorized.

REDEMPTION OF THE CURRENCY NOTES.

While the maturing of the county bonds will provide for the ultimate redemption in gold of the currency notes (by a gradual process during the last ten years of their authorized circulation), it is nevertheless necessary to provide for their current redemption or conversion on demand, and for the maintaining of these notes, and also the silver currency at parity with gold. For the purpose, therefore, of providing for the annual interest upon the United States bonds sold, and for their ultimate redemption, as well as for the purpose of maintaining at parity with gold both the currency notes and the silver currency, a general redemption reserve (hereinbefore referred to) shall be created and the bill shall provide that:

SEC. 11. The Secretary of the Treasury shall immediately transfer to the general redemption reserve from the general fund of the United States Treasury the sum, in gold coin, of............	$75,000,000
and into this reserve shall also be paid in gold the annual interest on the $300,000,000 of county bonds, and out of which shall be paid the annual interest on the $195,000,000 United States bonds sold.	
Showing an annual interest gain to the reserve of $2,100,000, and in an average of thirty-six years a total accumulated gain of.	75,600,000
To this reserve shall also be paid eighty per cent. of the graduated tax on all bank-note circulation.	
It seems reasonable to calculate that this circulation would produce taxes to the amount of $5,000,000 per annum. The proportion of this tax to be paid into this reserve would then amount to $4,000,000 per annum in gold, and in forty years....	160,000,000
These items would thus eventually swell the reserve to a total of.	$310,600,000

It is not, however, proposed to hoard this great sum and withdraw it from circulation. But it shall be provided that:

All accumulations in such general redemption reserve beyond $50,000,000 shall be deposited with the National banking associations. The banks shall be required to accept such deposits and to issue to the Government certificates of deposit covering the same, bearing interest at the rate of one per cent. per annum, and redeemable in gold on demand. The amount deposited in any one bank shall not exceed the amount of the surplus and undivided profits of said bank, and in no case exceed the amount of its full paid capital. These deposits shall have a paramount lien on all current assets. Every banking association shall be required to maintain a gold reserve equal at all times to at least thirty per cent. of the amount of such certificates of deposit issued to the Government.

This operation would keep the currency in continual circulation without risk, and would enable the Comptroller to secure gold from the banks at any time that it might be needed, thus practically throwing upon the banks the whole burden of maintaining the parity. The gain to this reserve in interest on these deposits should then aggregate in forty years the sum of, say..	72,000,000
To this reserve will be paid the interest at one per cent. on the general deposits of public moneys.	
Which interest should amount to at least $1,000,000 per annum, or	40,000,000
showing a total accumulation in this general redemption reserve of, say.................	$422,600,000
The whole amount covered into this reserve as it accumulates from year to year shall, as above provided, be available in gold for the purpose of maintaining at parity with gold the currency notes and the silver currency. Out of this accumulated reserve shall be paid eventually the sum of.............	195,000,000
in redemption of the United States bonds sold, and from the balance still remaining, viz..................................	$227,600,000

shall be returned to the general fund of the Treasury Depart-

ment, after the final redemption of the county bonds, and the accompanying retirement of the currency notes, the sum originally advanced to this reserve, viz..............	$75,000,000	
And also the amount advanced from the division of issue and redemption for the purpose of redeeming United States notes, viz.....................	150,000,000	225,000,000
Leaving a clear margin to the United States through the operation of the plan (after retiring the entire $345,000,000 of United States notes without cost to the Government) of the sum of..		$2,600,000

It is sufficiently certain that upon the maturity of the county bonds authorized hereunder, other new counties would wish to avail themselves of similar opportunities from time to time, so that the issue of the county bonds for the above or other purposes would be maintained indefinitely.

The effect upon the volume of the circulation from the adoption of the plan (should it be fully carried out) would then be:

Expansion.

Gold now held as reserve (and so, virtually, out of circulation), but, under the plan, paid out in redemption of present obligations, and so finding its way into general use............	$150,000,000
New currency notes (secured by the deposit of an equal amount of county bonds)....................................	300,000,000
	$450,000,000
To which may be added a probable increase in the note issue of the National banks, based upon the low-rate Government bonds hereunder released as collateral for deposits, and the probable utilization of a large part of the proposed new issue of $195,000,000 United States bonds, together with the $50,000,000 of two per cent. Panama Canal bonds, for a further note issue in all of, say.....................................	160,000,000
And also a probable continual circulation at all times of bank notes based upon deposits of bonds, other than United States bonds, to the extent of, say............................	200,000,000
Total expansion..	$810,000,000

Contraction.

Amount held continuously in the general redemption reserve in gold coin, say................................	$50,000,000	
United States notes cancelled....................	345,000,000	
A total contraction of..................................		395,000,000
Showing a net increase in the total circulation of.............		$415,000,000

(Attention is directed to the fact that in the above calculations the probable increase in gold coin is not taken into account.)

The National banks should be enabled to meet the stipulation that their notes shall be payable in gold on demand without unusual effort. As they have in the past redeemed their notes without resorting to their legal right to pay the same in silver, such a course should in the future be much more easy of accomplishment, and the formal agreement (in place of an implied one) to pay their notes in gold on demand, be a matter of much less significance than would at first thought appear; and history has demonstrated that in times of financial distrust the notes issued by the banks, instead of being presented for redemption in any large way, are withdrawn from circulation and hoarded by the timid holders without the slightest regard to the standing of any issuing bank.

The withdrawal from circulation of the entire issue of United States notes, and the proposition that the bank notes shall hereafter be payable in gold, while not embarrassing the banks (by reason of the provision above indicated) would undoubtedly operate so that the banks would be enabled, expected and required to supply the bulk of the gold when wanted, and so entirely relieve the Treasury Department of that function.

Advantages of the Plan.

Upon consideration of the probable operations of the plan, it will be found that the most direct advantage to be gained thereunder, by reason of the opportunity of securing public loans at an abnormally low rate of interest, would accrue to the Southern and Western agricultural States. To them particularly should the plan appeal, and while it is probable that the counties of the Eastern and Middle States can, without the assistance of the general Government, borrow funds at a favorable rate of interest, and so fail to be especially attracted by the borrowing features of the plan, they should, nevertheless, by reason of their immense commercial, manufacturing and financial interests, be quite as much interested and benefited (though in more indirect channels) through the strengthening of the currency system, and the resulting influence upon private and public credit. The gain to banking interests should be plainly apparent; necessarily a business consisting of the trading in credits must be assured of the foundation upon which all credits stand.

It will also probably be found that in a large degree the counties of some of the so-called silver States and other communities suffering from the effects of undue land speculation, will not be in a position to avail themselves of the benefits to be derived under the plan.

Putting aside, then, the Eastern and the most northern of the Middle States, with their population of twenty-one millions, and the smaller western mining States and Territories, and Kansas, with their total population of five millions, whose counties could participate in only a moderate degree, it will be found that in the remaining States, viz.: Delaware, Maryland, Virginia, West Virginia, Tennessee, Kentucky, Ohio, Indiana, Illinois, Missouri, Iowa, Michigan, Minnesota, Wisconsin, Nebraska, California, North Carolina, South Carolina, Georgia, Alabama, Florida, Arkansas, Louisana, Mississippi and Texas, we have a list of agricultural States containing almost 50,000,000 of people, over three-fifths of the entire population of the country, and about three-fourths of the population that may be classed as rural. It is to these States that we should expect the greatest benefit would accrue; and from the information afforded by the census of 1900, it is shown that of the 2,068 counties therein contained, 1,885 thereof come within the numerical provisions suggested. And from the latest and most authentic information obtainable, the county indebtedness is shown to be so small (in most cases no debt whatever) that it may be claimed with reasonable safety that these counties are almost without exception in such a financial position as to enable them to participate in the plan through the issue of bonds as above provided.

PROVISION FOR GOOD ROADS AND BETTER EDUCATIONAL FACILITIES.

It seems to be universally conceded that the two forms of greatest economic waste now existing are in:

1. The wretched facilities afforded in most country districts for the education of the children for their life work; and

2. In the deplorable condition of the country roads over which every pound of the agricultural products must be hauled by wagon for an average distance of twelve miles, at a total annual cost of upwards of a thousand million dollars, two-thirds of which, or at least six hundred million dollars, could, according to the statements of Government experts, be saved by bringing the condition of the roads up to a standard practically attainable by the use of some money and more brains. It is claimed by the best authorities that money intelligently expended for this purpose will yield ordinarily a return of at least twenty-five per cent. through the direct saving in the actual cost of hauling.

Happily the public interest in these two subjects is being aroused as never before, so that we hear on all sides a growing demand for the universal and more intelligent education of all children of school age. At the same time, the work of the Department of Agriculture at Washington through its office of Public Road Inquiries is receiving widespread attention, and is creating a growing interest in the subject that is encouraging. But both of these vitally important movements are at once met with the difficulty of raising, or in securing popular consent to raise, by direct taxation, the funds necessary for any extensive public improvement of the character in question. It is confidently claimed, however, that if the country districts were enabled to secure the necessary funds through the issuance of long-term county bonds at an abnormally low rate of interest, with the understanding that the expenditure of the proceeds should be made under expert Federal supervision, the popular objection to creating county indebtedness for these purposes would be gradually but surely overcome.

Realizing the importance to national defense of an improved system of roads, it would surely be money wisely expended by the Government to provide at its expense the best expert information, advice and supervision obtainable over the building or rebuilding of the roads of borrowing counties within reasonable limitations. And it is a part of the plan that the general government shall equip and maintain a sufficient number of "good roads trains" and operate the same, under certain conditions, for any of said counties at actual cost.

Taking into consideration the great gain that would accrue to the farmers from the proper use of the borrowing features of the plan, through which the counties in general may secure funds for the improvement of the roads and for the extension of educational facilities, upon such terms that the burden thereof upon the taxpayer would be almost insignificant, there would naturally be demands from the rural districts for the county loans sufficient to take up the issue to its full limit. And a county bond, restricted in issue on some such lines as are above suggested, would furnish a security of undoubted worth and stability—in some respects better than a State bond, as repudiation is impossible, and in case of default a remedy is at once furnished for the immediate assessment and collection of interest or principal, or both.

A distribution of $300,000,000 in currency among the rural districts would naturally create a legitimate demand for increased banking facilities, leading to the probable further increase in circulation by the additional issue of notes by the banks so established; and a positive and natural tendency also by reason of the above, would be toward the equalization of the rates of interest throughout the entire country.

The amount of railroad bonds eligible and available for the purpose of note issue is many times more than the total possible demand for such purpose. This fact, together with the provision for the issuance of $195,000,000 additional United States two per cent. bonds, and the anticipated release of, say, $85,000,000 of two per cent. United States bonds now held as security for Government deposits, and the early additional issue of at least $50,000,000 more of such two per cent. bonds for the Panama Canal, would bring the aggregate amount of the two per cent. United States bonds up to a total of nearly $800,000,000. This legitimate and liberal supply of low-rate Government bonds available for bank-note circulation, being far in excess of any possible demand therefor, would undoubtedly bring down the price of such governments to a point where they may be used with larger profit as a basis for note issue. And again, the classes of railroad bonds specified are of a character that would naturally and without regard to their use for note issue be found among the present quick assets of almost any well-conducted bank, and the provision that they may be used as a basis for note issue would enable the banks, in times of financial disturbance, to quickly obtain currency therefor without throwing them upon a demoralized market, as they might otherwise be forced to do.

Concerning the relation of the National banks to the above proposition, it is fair to assume that they would be inclined naturally to favor a measure that had for its main object the prompt, total and permanent retirement of the United States notes, and the continuation and extension of a bond-secured currency. As to the direct relation of the banks to the plan above outlined, there are undoubtedly several changes suggested that would prove a positive benefit to them, such as: the more profitable basis upon which they may issue notes; the assurance of large deposits with them of Government money at a low rate of interest (upon the deposit by the banks of collaterals other than United States bonds to secure the same). It will be seen, too, that the authorized note issue under this plan will permit a larger circulation than could safely be allowed under any of the recent general assets propositions, and probably with greater satisfaction generally to the banks, by reason of the more definite fixing of responsibility upon the individual banks for their respective issues, and the consequent smaller opportunity for fraud. Through these various channels it seems that the plan herein suggested would operate for larger profits to the banks than would be possible under the workings of certain favored measures. On the other hand, the provisions through which the burden of maintaining the gold standard is transferred to the banks is simply placing the responsibility where it rightfully belongs, and the manner suggested in this plan for accomplishing that end places no greater a burden upon the banks than the provisions recommended by the Monetary Commission for the same purpose. By reason of all these facts, it seems reasonable to assume that the banks may be counted upon to accept and support the plan as herein briefly outlined.

What Would be Effected by the Proposed Measure.

The purpose of this paper, then, has been to suggest a conservative plan through which it might be possible to secure popular consent to certain desirable changes in the currency, and at the same time to bring financial assistance to certain communities for public uses. That is to say:

1. To accomplish the complete and permanent retirement of the United States notes from our currency without expense to the general Government, and thus to release the $150,000,000 special gold reserve.

2. To provide independent revenues from entirely new sources with which to meet the interest on Government bonds issued for the above purpose, and to furnish funds for the ultimate redemption of said bonds without burdening the Federal Government therewith.

3. To furnish a new form of currency with deposited security therefor as a substitute for the retired notes.

4. To relieve the Treasury Department of the burden of furnishing gold either for export or for other purposes, and to put upon the banks the burden of maintaining the gold standard.

5. To justify the issue of a large additional amount of United States low-rate bonds, which should naturally become the basis for the extension of National bank-note issues, with said bonds as security.

6. To make possible and profitable a fluctuating issue of bank notes based upon deposits of specified assets other than Government bonds; and

7. To enlist the support of the agricultural districts in the general movement for a desirable currency reform by incorporating certain provisions that should operate for their benefit; that is to say:

(a) To give financial assistance to the country districts in the movement for a better public school system through the proposed issues of county bonds, and through the same medium,

(b) To make possible an extensive and decided improvement of the country roads (at small cost) through the scientific rebuilding thereof by the intelligent utilization of the materials that may be at hand.

And the paper is submitted with the hope of securing the opinions, pro and con, of those best able to endorse or condemn its provisions.

Hampton, Va. Alexander Purves.

Hungary's Preparation for Specie Payments.—Consul F. D. Chester sends the following from Budapest, March 11, 1903:

The Hungarian and Austrian Ministers of Finance have come to a definite understanding with the common Bank of Austria-Hungary with regard to the assumption of specie payments. They have agreed to coin 66,000,000 crowns ($13,398,000) more of five-crown ($1.015) silver pieces, using up for that purpose 33,000,000 of the present stock of silver florins ($13,398,000), thus raising the total amount of five-crown ($1.015) pieces in circulation to 130,000,000 crowns ($26,390,000). The ministers have also made preparations for the division of the Austro-Hungarian Bank into separate National banks. After payment of liabilities the two national treasuries are to pay over to the bank the necessary gold to call in the old State notes in the proportion fixed by the Hungarian and Austrian Parliaments.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

CHECK—RIGHT OF PAYEE TO SUE DRAWEE BANK—AGREEMENT OF BANK TO HONOR CHECKS.

Supreme Court of Nebraska, March 4, 1903.

FALLS CITY STATE BANK vs. WEHRLIE.

The payee of a check has a right of action against the drawee if the latter has funds to meet it when it is presented.

Evidence held sufficient to sustain a finding that there was an agreement by the bank to honor checks to be given in payment for a car load of horses by the drawers.

An agreement to honor checks for a car load of horses, the drawee bank to be secured by a draft and bill of lading on their shipment, held valid, and the bank liable for the payment of the checks, it having sufficient funds for such purpose derived from the draft.

It is no objection to such an agreement that the drawers were already indebted to the bank on other transactions.

(Syllabus by the Court.)

HASTINGS, *C.:* The first error complained of in this case is that the bill of particulars, originally filed in justice court, and on which by agreement the case was subsequently tried on appeal in the district court, does not state a cause of action. The petition alleges that the defendant bank is a corporation; that on May 16, 1901, the plaintiff, Wehrlie, sold to M. A. and Jacob Miller, doing business in the name of M. A. Miller, a horse for $78; that the Millers shipped the horse to St. Louis, and deposited with defendant for plaintiff's use $78 as the proceeds of the sale, and that the defendant bank agreed to pay plaintiff the amount on Miller's order; that the Millers, father and son, gave their check in the name of M. A. Miller in plaintiff's favor for the amount; that it was presented, and payment by defendant refused; that the defendant holds the sum of $78, the proceeds of said sale of plaintiff's horse so deposited by the Millers, for plaintiff's use and benefit, and is indebted to the plaintiff in the sum of $78 and interest, and $3 protest fees upon the check.

Defendant admitted its incorporation, and denied the other allegations of the bill of particulars. It claims that there is no privity of contract between plaintiff and defendant, and no cause of action is alleged for that reason. We are unable to hold to this contention. It is well settled in this State that the payee of a check has a right of action against the drawee for the amount if the money is still there. (Fonner vs. Smith, 31 Neb. 107; U. P. R. R. Co. vs. Metcalf, 50 Neb. 461; Columbia Nat. Bank vs. German Nat. Bank, 56 Neb. 807.) There seem to be facts enough alleged to justify the bringing of an action by the payee of this check. He alleges that the money, expressly deposited to pay it, is still in the bank.

It is next claimed that the allegations and proof do not agree. The basis of this claim is the fact that among the allegations of the bill of particulars is that the horse was sold in St. Louis and the proceeds of the sale, in the sum of $78, deposited with the defendant. The evidence discloses that the horse was bought May 16, $2 paid in money, and $78 by the check on the bank dated May 18, and the horse had been shipped nowhere. The check designated no particular fund out of which it was to be paid. It is urged—and this is probably the real question in the case—that the evidence does not disclose any agreement on the part of the bank to pay this check out of the proceeds of the sale of this horse or any other horse. Stress is laid by counsel on the proposition that the name of the plaintiff, Wehrlie, was never mentioned between the Millers and the bank in their negotiations with regard to the shipment of these horses. This seems to be true, but there clearly was an understanding between the Millers and the Cashier of the bank, Greenwald, that they might check on the bank in payment for a car load of horses, and turn in a draft and bill of lading of the horses in settlement for the checks.

The horses were bought, and the Millers drew checks on the defendant bank to the amount of $2,175.50. When shipment was made, a draft of $2,200 and the bill of lading was turned over to the bank. The bank had paid only a small number of checks. As soon as it was informed that the $2,200 draft had been paid, it refused to cash any more checks, and applied the remaining proceeds of the draft to the payment of some claims it held against the Millers. At the time the $2,200 draft was drawn the amount of the outstanding checks drawn in purchase of the car load of horses was computed, and a statement, whose correctness is not disputed, was given by the Millers to the Cashier of the bank, Greenwald. The bank claims that the Millers' account, before anything was checked for this car load of horses, was overdrawn about $3,000. It is claimed that any arrangement to permit their checking would be an agreement by the Cashier to allow an overdraft on the bank, and could not be upheld. It is urged that the Cashier had no authority to make any such agreement that the Millers might draw on the bank without funds, and that whatever arrangements were made were void.

It is also urged that even if the agreement to honor these checks for horses was made by the Cashier, Greenwald, it did not give to the payee a right to bring an independent action for the payment of the check; that, at the most, the proceeds of the horses purchased in this manner would be only a trust fund for the payment of all the checks issued for horses on the strength of such agreement; and that the money could only be reached by a suit in equity brought by some beneficiary of the trust to vindicate his own right and that of all the rest. In fact, the defenses in this case are, in the first place, that the Cashier of the bank never entered into such an arrangement if there was one, as is claimed; that the arrangement, if there was one, was not expressly for the benefit of the plaintiff, Wehrlie; that the arrangement, if made, was void because providing for an overdraft, and therefore beyond the Cashier's authority; and, finally, that the arrangements in no event carried the right to sue at law in a justice court, but only gave a right in equity to the owners of the horses.

This first claim of the defendant bank was found against by the trial court, and we see no occasion for disturbing its finding. There was certainly an arrangement between the bank's Cashier and the Millers that they might buy a car load of horses, pay for them by checks on the bank, and settle for these checks by turning in a bill of lading and draft for the proceeds of the horses when sold in the market.

As to the second point, whatever might be the rule of law as to a simple agreement to permit a party to overdraw his account, it seems clear that it was competent for the Cashier to agree to advance money to the Millers to pay for a car load of horses under an arrangement for securing the bank by draft for the proceeds accompanied by the bill of lading. At all events, such transactions are made daily, and the fact that the Millers were already overdrawn at the bank, as a result of previous dealings, would not affect the right to maintain this action.

The third point, that there was no right to sue at law, cannot be sustained if the agreement that the Millers might check out for these horses is upheld. The cases before cited amply uphold the doctrine that in the State of Nebraska the payee of a check has a legal action against the drawee as long as the latter has funds subject to the check.

In our view of the case, the agreement that the Millers might check was equivalent to putting the amount of money necessary to purchase this car load of horses to their credit for that purpose, and until it was drawn out for that purpose, or the horses otherwise paid for, it would be there. There is no claim that the money has been drawn out for this purpose or for any other, nor that there is any uncertainty as to the amount of the outstanding checks given for horses, or as to the persons to whom they are payable. The bank, after making the arrangement and getting the $2,200 draft, applied its proceeds, so far as they were not already paid upon checks, to the satisfaction of its own previously existing claim. If it be granted, as we think it must, that the finding as to an agreement to honor this check, and to have as a fund for its ultimate payment the $2,200 draft, should be upheld, then the judgment of the district court is right.

Kirkpatrick and Lobingier, CC., concur.

PER CURIAM: For the reasons stated in the foregoing opinion the judgment of the district court is affirmed.

POWERS OF NATIONAL BANKS—GUARANTEEING PAYMENT OF DRAFT.

Supreme Court of Missouri, Division No. 1, February 18, 1903.

FIRST NATIONAL BANK OF MOSCOW, IDAHO, vs. AMERICAN NATIONAL BANK OF KANSAS CITY.

A National bank has no power, either with or without a consideration, to agree or bind itself that a draft drawn upon one of its customers will be paid.

Such agreement is a mere guaranty, and is not within the powers conferred upon National banks, and when sued upon such a contract the bank can successfully interpose a defense of *ultra vires*.

This was an action to recover upon three drafts drawn by Lieuallen, of Idaho, upon Clemons & Co., of Kansas City, for certain merchandise bought by the latter from the former, and which drafts were discounted by the plaintiff on the faith of a telegram to it by the defendant that they would be paid.

In May, 1898, Clemons & Co. entered into negotiations with Lieuallen to ship them certain potatoes, agreeing to advance fifty cents per one hundred pounds thereon. Lieuallen applied to the plaintiff bank to cash his drafts on Clemons & Co. therefor, and that bank refused to do so unless Clemons & Co 's bank would telegraph it to pay the drafts. Accordingly the defendant bank telegraphed the plaintiff bank on May 18 and 19, 1898, as follows:

"KANSAS CITY, Mo., May 18, 1898.

First National Bank, Moscow, Idaho: Drafts of C. C. Lieuallen drawn on C. C. Clemons and Company with bills lading attached for three cars choice sacked potatoes, valuation fifty cents per hundred pounds, will be paid.

[Signed] J. R. DOMINICK, *Cashier.*"

"KANSAS CITY, Mo., May 19, 1898.

First National Bank, Moscow, Idaho: Drafts C. C. Lieuallen on C. C. Clemons and Company, with bills lading attached for three more cars choice sacked potatoes, valuation fifty cents per hundred pounds, will be paid.

[Signed] J. R. DOMINICK, *Cashier.*"

Upon receipt of these telegrams the plaintiff bank cashed three certain drafts drawn by Lieuallen on Clemons & Co., with bills of lading for the potatoes shipped attached. The drafts were payable to the plaintiff bank. The drafts were dishonored by Clemons & Co., and payment was likewise refused by the defendant bank. Clemons & Co. received all the potatoes, and sold them, and never paid for them. Thereupon this suit was brought. The defendant set up three defenses: First, want of power in the Cashier of the bank to send the telegrams, and that they were not sent in course of the business it was authorized to do, and were not intended by the Cashier to bind the defendant as surety or guarantor, nor to induce the plaintiff to cash the drafts; second, that the potatoes did not come up to the quality agreed to be purchased; third, that as a National bank the defendant had no power to bind itself to pay the drafts.

MARSHALL, *J.* (after discussing a question of jurisdiction): The powers of a National bank under the National Banking Act are essentially matters for Federal construction and interpretation, and whatever rules may obtain in the several States as to the powers of corporations under State statutes, all State courts must yield to the decisions of the Supreme Court of the United States construing the powers of National banks under the National Banking Act. In this case the defendant pleads that it had no power under the National Banking Act to enter into a contract with the plaintiff bank—which is likewise a National bank—that the draft of Lieuallen on Clemons & Co. would be paid, because such a contract was a mere guaranty, and that it was *ultra vires* of its power to make such a contract. The plaintiff replies that the defendant is estopped to plead *ultra vires*, among other reasons because the contract is an executed contract on the part of the plaintiff, and because only the Government can question the power of the defendant to enter into such a contract. This, therefore, raises the question of the power of a National bank to interpose a plea of *ultra vires* as to any contract it may make, when sued on the contract by the other party thereto.

Speaking to this proposition, the Supreme Court of the United States, through Mr. Justice White, in California Bank vs. Kennedy, 167 U. S., loc. cit. 367, 17 Sup. Ct. 833, 42 L. Ed. 198, said: "Whatever divergence of opinion may arise on this question from conflicting adjudications in some of the State courts, in this court it is settled in favor of the right of the corporation to plead its want of power; that is to say, to assert the nullity of an act which is an *ultra vires* act.

The cases of Thomas vs. Railroad Company, 101 U. S. 71; Pennsylvania Railroad vs. St. Louis, Alton, etc., Railroad, 118 U. S. 290; Oregon Railway & Navigation Co. vs. Oregonian Railway Co., 130 U. S. 1; Pittsburg, Cincinnati, etc., Railway vs. Keokuk & Hamilton Bridge Co., 131 U. S. 371; Central Transp. Co. vs. Pullman's Car Co., 139 U. S. 24; St. Louis, etc., Railroad vs. Terre Haute & Indianapolis Railroad, 145 U. S. 393; Union Pacific Railway vs. Chicago, etc. Railway, 163 U. S. 564; and McCormick vs. Market Nat. Bank, 165 U. S. 538—recognize as sound doctrine that the powers of corporations are such only as are conferred upon them by statute, and that—to quote from the opinion of the court in Central Transp. Co. vs. Pullman's Palace Car Co., 139 U. S. 24, 59 to 60: 'A contract of a corporation, which is *ultra vires* in the proper sense—that is to say, outside the object of its creation as defined in the law of its organization, and therefore beyond the powers conferred upon it by the Legislature—is not voidable only, but wholly void, and of no legal effect. The objection to the contract is, not merely that the corporation ought not to have made it, but that it could not make it. The contract cannot be ratified by either party, because it could not have been authorized by either. No performance on either side can give the unlawful contract any validity, or be the foundation of any right of action upon it.'

This language was also cited and expressly approved in Jacksonville, etc., Railway vs. Hooper, 160 U. S. 514, 524, 530. As said in McCormick vs. Market National Bank, 165 U. S. 538, 549: 'The doctrine of *ultra vires*, by which a contract made by a corporation beyond the scope of its corporate powers is unlawful and void, and will not support an action, rests, as this court has often recognized and affirmed, upon three distinct grounds: The obligation of any one contracting with a corporation to take notice of the legal limits of its powers; the interest of the stockholders not to be subject to risks which they have never undertaken; and, above all, the interest of the public that the corporation shall not transcend the powers conferred upon it by law. (Pearce vs. Madison & Indianapolis Railroad, 21 How. 441; Pittsburg, Chicago, etc., Railway vs. Keokuk & Hamilton Bridge Co., 131 U. S. 371, 384; Central Transp. Co. vs. Pullman's Palace Car Co., 139 U. S. 24, 48.)

The doctrine thus enunciated is likewise that which obtains in England. (Directors, etc., of Ashbury Railway Carriage & Iron Co. vs. Riche, L. R. 7 H. L. 653; Attorney-General vs. Directors, etc., of Great Eastern Railway Co., 5 App. Cas. 473; Baroness Wenlock vs. River Dee Co., 10 App. Cas. 354; Trevor vs. Whitworth, 12 App. Cas. 409; Ooregum Gold Mining Co. of India vs. Roper [1892] App. Cas. 125; Mann vs. Edinburgh Northern Tramways Co. [1893] App. Cas. 69."

This closes the matter, so far as this court is concerned, and it must be accepted as the law in this case that the defendant has a right to plead *ultra vires* as to the contract here sought to be enforced against it.

This leaves for consideration the question of whether the contract sued on constituted a guaranty by the defendant to the plaintiff that the draft of Lieuallen on Clemons & Co. would be paid. Section 5136, Rev. St. [3 U. S. Comp. St. 1901, p. 3455], prescribes the powers of National banks, and the seventh enumeration of powers therein contained is as follows: "To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the banking business; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidence of debt; by receiving deposits; by buying and selling exchange, coin and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this title." This law has undergone thorough and exhaustive adjudication in the courts of the United States, and, briefly stated, the rule declared is that a National bank has no power, either with or without a sufficient consideration, to agree or bind itself that a draft of A upon B will be paid; that such agreement is a mere guaranty, and is not within the powers conferred upon such banks; and that, when sued upon such a contract, the bank can successfully interpose a defense of *ultra vires*. (Seligman vs. Charlottesville National Bank, 3 Hughes, 647, 21 Fed. Cas. 1036; Johnston vs. Charlottesville National Bank, 13 Fed. Cas. 885; National Bank of Commerce of Kansas City vs. First National Bank of Kansas City, Kansas, 61 Fed. 809, 10 C. C. A. 87; Commercial National Bank vs. Pirie, 27 C. C. A. 171, 82 Fed. 799, 49 U. S. App. 596; Western National Bank vs. Armstrong, 152 U. S. 351; Bowen vs. Needles Nat. Bank [C. C.] 87 Fed. 430, and cases cited; First Nat. Bank vs. Nat. Exchange Bank, 92 U. S. 127. This rule of the Federal courts has been yielded to and enforced in State courts. Thilmany vs. Paper Bag Co., 108 Iowa, 333, 79 N. W. 68, and cases cited; Groos vs. Brewster [Tex. Civ. App.] 55 S. W. 590.)

The rule is thus tersely stated in Bank vs. Pirie, 27 C. C. A. 171, 82 Fed. 799: "The act of Congress under which the bank was organized confers no authority upon National banks to guaranty the payment of debts contracted by third parties; and acts of that nature, whether performed by the Cashier of his own motion or by direction of the board of directors, are necessarily *ultra vires*. A National bank may indorse or guaranty the payment of commercial paper which it holds when it rediscounts or disposes of the same in the ordinary course of business. Such power, it seems, a National bank may exercise as incident to the express authority conferred on such banks by the National Banking Act to discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt (People's Bank vs. National Bank, 101 U. S. 181, 183; U. S. Nat. Bank vs. First Nat. Bank, 49 U. S. App. 67, 24 C. C. A. 597, and 79 Fed. 296); but it has never been supposed that the board of directors of a National bank can bind it by contracts of suretyship or guaranty which are made for the sole benefit and advantage of others. The National Banking Act confers no such authority in express terms or by fair implication, and the exercise of such power by such corporation would be detrimental to the interests of depositors, stockholders, and the public generally. (Norton vs. Bank, 61 N. H. 589, 60 Am. Rep. 334; State Bank vs. Newton Nat. Bank, 32 U. S. App. 52, 58, 14 C. C. A. 64, and 66 Fed. 691, 694; Bank vs. Smith, 40 U. S. App. 690, 23 C. C. A. 80, and 77 Fed. 129.)

In contemplation of law, therefore, the vendors knew, when they sold the goods in controversy, that the guaranty in question was of no avail as a security, even though they supposed that it had been executed with the sanction of the board of directors.

It results from this view that, if we were able to admit that the presentation of the guaranty to Carson, Pirie, Scott & Co. carried with it an implied representation that it had been executed by direction of the board of directors, and that the bank was in a sound financial condition, yet we would not be able to concede that either of these representations was material, inasmuch as the plaintiffs below must be presumed to have known that the guaranty imposed no legal obligation upon the guarantor." It will be readily understood, however, that this rule does not prohibit National banks from issuing certified checks. (Merchants' Bank vs. American State Bank, 10 Wall, 604.) But this is very different from entering into a contract of guaranty.

It will be of no profit in this case to consider the rules of law adopted by the several States bearing upon the power of banks organized by authority other than the Federal Government to enter into such contracts, or to interpose the defense of *ultra vires* after the other party to the contract has fully performed it, for the decisions of the Federal courts treat all such contracts as void and unenforceable as to National banks, and this court is in duty bound to defer to those Federal decisions.

For these reasons the judgment of the circuit court granting a new trial for the reason that the contract is void, and that the plaintiff is not entitled to recover in this action, is affirmed. All concur.

CASHIER—REPRESENTATIONS AS TO RESPONSIBILITY OF OTHERS.

Court of Appeals of New York, March 17, 1903.

TAYLOR vs. THE COMMERCIAL BANK.

It is no part of the duty of a bank Cashier to make representations as to the financial responsibility of its customers or others.

One who sells goods on credit to a customer of a bank and accepts his note therefor, upon the strength of the Cashier's statement that the note would be good and he would get his pay, cannot, on default of the maker, who at the time was practically insolvent and largely indebted to the bank, hold the bank liable as for the false and fraudulent representations of its Cashier; there being no evidence that the Cashier had been given authority by the board of directors to represent the financial standing of its customers, or that his conduct in that respect had been countenanced by it, or that the bank received any actual benefit from the transaction.

This action was brought to recover damages alleged to have been sustained by the plaintiff on account of false and fraudulent representations by which he was induced to sell goods on credit to one Lighthouse, who was financially irresponsible.

Upon the trial, at the close of the evidence, a motion for a nonsuit was made by the defendant upon the grounds that the representations made were not the representations of the bank; that the bank received nothing from the transaction, and, consequently, it was not liable for any representations made by its Cashier. This motion was granted. The plaintiff appealed to the appellate division, where, by a divided court, the judgment was reversed and a new trial granted.

MARTIN, *J.:* The only question involved is whether there was sufficient evidence to justify the submission to the jury of the question of the defendant's liability. At the time of the alleged representations Lighthouse was engaged in the manufacture of mail bags under a contract with the United States Government. He was, and for several years had been, a customer of the defendant, and was then its debtor to the amount of about $15,000, secured by notes made by him and indorsed by John L. Acker.

At that time Lighthouse had been recently burned out, and the jury would have been justified in finding that he was practically insolvent, although his business had been very profitable, netting him annually from six to ten thousand dollars. At that time, as appears from a statement in the possession of the defendant's Cashier, Acker was the owner of real estate to the value of about $31,700, which was incumbered for $17,450, leaving an equity of about $14,250, and was an indorser upon the paper of Lighthouse to the amount of about $15,000.

All of these facts were known to the Cashier of the defendant. Lighthouse applied to the plaintiff to purchase a quantity of merchandise of the value of about $5,000, in payment for which he proposed to give a note made by himself and indorsed by Acker, and referred the plaintiff to the defendant for information as to their responsibility. The plaintiff subsequently called at the office of the defendant, saw its Cashier, stated that he had been referred to him to ascertain the responsibility of Lighthouse and Acker, and the Cashier thereupon told him that the contract which Lighthouse had with the Government was all right, to take the note, it would be good and he would get his pay. The plaintiff testified that upon these representations he sold the merchandise, and took in payment therefor a note made by Lighthouse and indorsed by Acker.

There is no pretense that the statement as to the contract which Lighthouse had with the Government was untrue, and that the statement that he would get his pay was not a statement of an existing fact, but at most of something in the future, and, hence, not actionable. (Lexow vs. Julian, 21 Hun, 577; affirmed, 86 N. Y. 638; Gallagher vs. Brunel, 6 Cow. 347; Farrington vs. Bullard, 40 Barb. 512, 516; Treacy vs. Hecker, 51 How. Pr. 69, 70; Sawyer vs. Prickett, 19 Wall. 146, 163.)

Therefore, the only ground upon which a recovery could be had, even against the Cashier, is that the statement that the note would be good was material; that it was made with a knowledge of its falsity and with intent that it should be acted upon, and was not a mere expression of opinion. In other words the plaintiff was bound to prove as to this statement, representation, falsity, scienter, deception and resultant injury to the plaintiff. (Arthur vs. Griswold, 55 N. Y. 400; Brackett vs. Griswold, 112 N. Y. 454.)

If we assume, which we do not decide, that the representations were suffi cient to render the Cashier personally liable, still the serious question in this case is whether the bank is liable for the statements made by its Cashier. Obviously, when the representations were made, the Cashier was not engaged in the transaction of the business of the bank. It is equally clear, as we shall see later, that it is no part of the duty of a bank Cashier to make representations as to the responsibility of its customers or others. In this case Lighthouse referred the plaintiff to the bank to inquire as to his responsibility. The plaintiff called upon the Cashier, made the inquiry, and was told by him the business in which Lighthouse was engaged; that he had a contract with the Government which was all right and had been renewed; that the note would be good and that he would get his pay.

The duties of a Cashier are chiefly executive. He is properly the executive agent of the board of directors, as such to carry out what it devises as to the management of the business of the bank. There are certain functions which, by long and universal usage, have come to be recognized as belonging to the office of Cashier. They are declared to be inherent in the office or position as a matter of law, and, unless restricted or enlarged, they, and they only, can be performed by him by virtue of his appointment. Under the circumstances of this case, it is plain that it could not be properly held that the defendant's Cashier was acting in the scope of his employment in making the representations complained of. (Crawford vs. Bank, 67 Mo. App. 39; Horrigan vs. First Nat. Bank, 56 Tenn. 9 Baxter, 137; First Nat. Bank vs. Marshall & Ilsley Bank, 83 Fed. Rep. 725; Am. Surety Co. vs. Pauly, 170 U. S. 133: First Nat. Bank vs. Ocean Nat. Bank, 60 N. Y. 278; Mapes vs. Second Nat. Bank, 80 Penn. St. 163.)

In the Crawford case it was held that the Cashier has no apparent or implied authority by virtue of the position he holds to make any representation on behalf of the bank as to the solvency of one of its debtors, and, therefore, that the bank will not, in the absence of evidence of authorization, be bound or estopped by such representation made by him in reply to an inquiry on the subject.

In the Horrigan case it is held that answering questions as to the solvency of parties is no part of the business of a Cashier of a bank, nor fairly included within the scope of such business, but may be, and probably is, an incident of such position, but not an incident to it and in such a case no liability attaches to the bank.

In First Nat. Bank vs. Marshall & Ilsley Bank it was held that the Cashier of a bank does not act as its agent or representative in answering an inquiry addressed to him by another bank as to the business standing of a third person; and the bank is not bound or estopped by statements so made by him, his act being one not relating to the business of the bank, but simply one of customary courtesy rendered without consideration, and that the failure of the officers of the bank, in answering a general inquiry from another bank as to the character and standing of a customer, to disclose the fact that the customer was indebted to their bank and that it held liens on certain of his property, will not estop it to assert such liens as against a mortgage subsequently taken by the inquiring bank.

In the American Surety case it was held that the making of a statement as to the honesty and fidelity of an employee of a bank for the benefit of the employee, and to enable the latter to obtain a bond insuring his fidelity, was no part of the ordinary business of a bank President.

In First Nat. Bank vs. Ocean Nat. Bank it was held that in the absence of proof that special authority had been delegated by its board of directors, or had been exercised with their sanction or knowledge, or evidence that it had been the habit and practice of the corporation to receive property for safe-keeping it was not responsible for property so received by its Cashier.

In the Mapes case it was held that in a suit by the bank against indorsers of a note discounted for the accommodation of the drawer the affidavit of defense was that at and before the time that defendants indorsed the note they had inquired of the Cashier and one of the directors of the bank whether it would be safe for them to indorse, and that these officers informed them that they considered the drawer perfectly good, and they would be safe in indorsing; that the officers knew the representations to be false, and that they made them to deceive the defendants, who would not have indorsed but for the representations, and it was held to be insufficient, and that such declarations, although willfully false, made by the officers, not in the course of their duties as officers or agents of the bank, could not affect the bank.

Whether any particular act does or does not fall within the general power of a Cashier is said to be a question of law for the court and not of fact for the jury, although a question of fact may arise when it is claimed that the acts or conduct of the board of directors have amounted to a public holding out of the Cashier as its agent to perform other and unusual acts for the bank (Farmers & Mechanics' Bank vs. Troy City Bank, 1 Doug. Mich. 457; Peninsular Bank vs. Hanmer, 14 Mich. 208; Merchants' Bank vs. State Bank, 10 Wall. 604; 1 Morse on Banks and Banking, 4th ed., sec. 153, note; Huffcut on Agency, 156). It is true a bank may, by the adoption of a method of transacting its business which includes other than the ordinary powers vested in a Cashier, confer upon him such additional powers as are necessary for the transaction of the business in the manner thus adopted.

There was no evidence in this case which would have justified a finding that the defendant's Cashier had any authority to perform any duty other than those which inhered in the office. Nor was there any evidence whatsoever that any unusual method had been adopted by the bank for the transaction of its business, which would include any authority upon the part of the Cashier to bind the bank by representations as to the responsibility of its customers.

In September, 1894, more than a year after the representations are alleged to have been made, Lighthouse's business having proved unsuccessful by reason of the lack of orders from the Government, he transferred his property and business to Thomas Swanton and John L. Acker under an arrangement by which the business was to be conducted by them in a manner specified. All deposits were to be made in the defendant bank, and the profits of the business and the proceeds of the property were to be applied to pay the bank and the debt of the plaintiff, and, as testified to by the plaintiff's son, they were to share *pro rata*. When these obligations were discharged the business was to be restored to Lighthouse or to any person designated by him, after compensation to Swanton and Acker for the services rendered by them. Swanton was teller of the bank and Acker was indorser upon the notes held by the plaintiff and the bank. The business conducted by them was not successful. No profits were realized, chiefly because orders from the Government ceased, and the business and property when ultimately disposed of realized nothing to apply upon the indebtedness of either the bank or the plaintiff, so that the bank received nothing which rendered it liable for the means by which it was obtained or estopped it from denying the Cashier's authority.

The respondent contends that the defendant was liable for the fraud of its Cashier upon the principle that where a party receives and retains the fruits or product of a fraud it imposes a liability therefor, although such person may be innocent of personal participation in the wrong. It is an established principle of law that where a person acts for another who accepts the fruits of his efforts, the latter must be deemed to have adopted the methods employed, as he may not, even though innocent, receive the benefits and at the same time disclaim responsibility for the fraud by means of which they arose. (Garner vs. Mangam, 93 N. Y. 642; Krumm vs. Beach, 96 N. Y. 398; Fairchild vs. McMahon, 139 N. Y. 200.)

Obviously, that principle has no application to the case at bar, as it is practically undisputed that the bank received nothing from the property of Lighthouse. Nor did it receive any advantage by reason of the sale to Lighthouse of the goods in question.

It is further urged that the liability of a principal for the unauthorized fraud of another includes a case where, although the principal did not profit, he might possibly have profited by the wrongful and unauthorized act. We have found no authority sustaining any such doctrine. A remark of Lord Coleridge in Swift vs. Jewsbury (L. R. 9 Q. B. 301, 312), seems to be relied upon. In that case the decision of Barwick vs. English Joint Stock Bank (L. R. 2 Exch. 259), was under consideration, and it was there said: "I apprehend that there can be no doubt that a different set of principles altogether arises where an agent of a joint stock company in conducting the business of a joint stock company does something of which the joint stock company take advantage, and by which they profit, or by which they may profit, and it turns out that the act which is so done by their agent is a fraudulent one. Justice points out, and authority supports justice in maintaining, that where a corporation takes advantage of the fraud of their agent, they cannot afterwards repudiate the agency and say that the act which has been done by the agent is not an act for which they are liable." We find in this case, and in the other cases relied upon by the respondent, no decision or enunciated principle which supports his contention. But, on the contrary, we find that the cases cited merely sustain the conceded principle that one who receives and retains the fruits of fraud becomes liable therefor.

The language of Lord Coleridge is to be considered in the light of the case he had under consideration, and the words "by which they profit, or by which they may profit," are to be interpreted in view of the questions involved and of their context. Obviously, they were employed upon the assumption that advantage had been taken of the transaction, induced by the fraud of the agent. In that case, the agent acted within the scope of his general authority in writing the letter which was the fraud complained of. Moreover, the words "by which they profit, or by which they may profit," refer only to a condition where the principal has actually taken advantage of the unauthorized act of the agent. If the principle contended for by the plaintiff were broadly sustained, why would it not apply to him as well as to the defendant, the arrangement having been that the benefits of a continuance of the Lighthouse business were to be shared *pro rata* by the plaintiff and defendant. This suggestion illustrates the fallacy of the claim that a party who might profit by a fraudulent transaction would be liable therefor, although he neither adopted it nor took any advantage under it. Moreover the decision in the Swift case rested entirely upon another ground which includes no principle applicable to the case at bar.

It was said by the learned judge delivering the opinion of the court below that the evidence was sufficient to support a finding by the jury that when the Cashier made such representations he was acting for, or on behalf of, the bank and made them for the purpose of enabling Lighthouse to obtain the plaintiff's property, to the end that Lighthouse might thereby continue in business and realize therefrom sufficient to enable him to discharge his obligations to the bank, or some part thereof.

We regard this claim at most as merely conjectural and, under the evidence, as too nebulous to form the basis of a judicial determination. If there is any competent evidence in the record sufficient to have justified a jury in finding that the Cashier was acting for, or on behalf of, the defendant in making such representations, or that they were made for the purpose stated, we have been unable to discover it. While there was proof of declarations and admissions of the defendant's Cashier and teller as to past transactions and as to matters not relating to any business of the bank and which, consequently, did not bind it, there was no competent proof of any facts which would have supported a finding of the jury to that effect.

The admissions of an agent are not competent evidence against his principal unless they are expressly authorized or relate to, and are made, in connection with, some act done in the course of his agency so as to form a part of the *res gestæ*. (Anderson vs. Rome, W. & O. R. R. 54 N. Y. 334; Manhattan L. Ins. Co. vs. F. S. S. & G. S. F. R. R. 139 N. Y. 146.)

Nor can the admissions or declarations of an agent be evidence against his principal, either to establish the fact of his agency or the nature or extent of his authority. Neither can he create authority in himself to do a particular act by its performance or by asserting his authority to do it. (Stringham vs. St. Nicholas Ins. Co. 4 Abb. Ct. App. Dec. 315; Hatch vs. Squires, 11 Mich. 185; Howe Machine Co. vs. Clark, 15 Kansas, 492; Brigham vs. Peters, 1 Gray, Mass. 139; Mitchum vs. Dunlap, 98 Mo. 418; Butler vs. C. B. & Q. R'y, 87 Iowa, 206; Mechem on Agency, Sec. 100.)

Even without eliminating from our consideration the incompetent testimony of the acts and declarations of the employees of the bank when not engaged in the transaction of the business of the latter, there is practically no evidence which would justify a jury in finding that the Cashier was acting for, or on behalf of, the defendant in making the representations which are the subject of this action. It is true that when the Cashier made such representations Lighthouse was indebted to the bank for more than $15,000, yet, as we have already seen, no duty was imposed upon the Cashier, as such, to communicate to a person inquiring as to the responsibility of a customer, the actual situation of his account at the bank. Nor is it within the line of the duty of a Cashier to disclose the condition of the account of the customers of a bank whenever inquiry is made as to their responsibility.

A careful study of the evidence discloses that there were no facts, circumstances or proof that would justify the conclusion that the defendant's Cashier was in any way engaged in the business of the bank in making any of the representations proved, or that his purpose in making them was that attributed to him by the court below. It is possible that, under the evidence, the court may have suspected that such was the purpose, but a mere conjecture, suspicion or surmise is not sufficient to authorize a finding to that effect. (Laidlaw vs. Sage, 158 N. Y. 73, 94.)

It follows that the trial court properly nonsuited the plaintiff, and, hence, the judgment of the appellate division must be reversed and that of the trial court affirmed, with costs.

Parker, *Ch. J.*; Cullen and Werner, *JJ.*, concur with Martin, *J.*; O'Brien, Vann and Bartlett, *J.*, dissented.

Judgment reversed.

ACTION TO RECOVER PENALTY FOR USURY—TRUSTEE IN BANKRUPTCY —ASSIGNMENT OF CAUSE OF ACTION.

Supreme Court of Texas, March 16, 1903.

LASATER vs. FIRST NATIONAL BANK OF JACKSBORO.

Where a bankrupt has a cause of action against a National bank for taking usurious interest, it will pass to the trustee in bankruptcy.

But if the trustee in bankruptcy fails to administer such asset, the bankrupt, after discharge, may sue on the claim.

Such a cause of action is assignable.

This case was presented upon the following certificate from the court of civil appeals for the second district:

This suit was brought by appellant on July 26, 1901, upon the Federal and State statutes, to recover from the bank twice the sum of $1,526.80, usurious interest paid to it, $3,053.60. The defense was a general denial, statute of limitation of two years, and that, since the usury was paid, the appellant had filed his petition in bankruptcy, and been discharged, and that he therefore had no right or interest in the claim. The case was tried by the court without a jury, who rendered a judgment for the bank. The facts are substantially as follows:

The appellant and one Maggard were partners in cattle raising, and on March 30, 1898, borrowed of the bank $4,000, and executed their joint note with A. M. Lasater for $4,350, due November 15, 1898, with ten per cent. interest after maturity. On November 22, 1898, the firm paid $390.90 on said note, directing it to be applied to the interest due thereon, and on the same day borrowed $100 more, which was added to the note, and after deducting the sum of $390.90, interest due, renewed the same for $4,450, dating it back to November 15, 1898. It was signed by the same parties as before, and bore ten per cent. interest from maturity. On August 17, 1899, the firm paid on said note $382.90, with no instructions how to apply it, and on the next day paid $167.50 more, instructing the bank to apply it to the payment of the interest; and on November 17, 1899, the appellant paid $62 more, with no instructions how to apply it. In same month of November the said Maggard sold all his interest in the firm to J. L. Lasater, the latter assuming all the liabilities, but nothing was said about this claim against the bank; and appellant, with A. M. Lasater, renewed the note for $4,313.50, dating it back to November 16, 1899, payable June 15, 1900, with interest at ten per cent. after maturity. On December 6, 1899, appellant paid $22.50; on June 29, 1900, $15—with no instructions as to the application of said payments. On October 15, 1900, A. M. Lasater, the surety, bought all the mortgaged cattle of appellant and some others, and agreed to assume and pay off the note in full consideration of said sale, and executed his note to the bank on the 17th day of said month, taking up the appellant's note, and in June, 1901, paid to the bank the sum of $4,457, in full of said note, and the bank delivered to appellant his note so taken up. The last-named note was also secured by another mortgage given to the bank on all of the same cattle. A. M. Lasater was a party to the original and all renewal notes made to the bank; he being as to the bank a principal thereon; but as between himself and the other signers a surety only on all but the last note, which was his obligation alone.

The certificate also set forth that the appellant had filed a petition in bankruptcy, and had been discharged.

WILLIAMS, J. (omitting part of the opinion): The weight of authority sustains the proposition that, when such a cause of action as that asserted has accrued, it will, upon bankruptcy of the owner, pass to the trustee in bankruptcy. (Monongahela National Bank vs. Overholt, 96 Pa. 327; Gray vs. Bennett, 3 Metc. 522; Tiffany vs. Boatman's etc., Ass'n, 18 Wall. 375, 21 L. Ed. 868; Tamplin vs. Wentworth, 99 Mass. 63; Louisville Trust Co. vs. Kentucky Nat. Bank [C. C.] 87 Fed. 143; Wheelock vs. Lee, 64 N. Y. 242; Spicer vs. Jarrett, 2 Baxt. 454: Moore vs. Jones, 23 Vt. 739, Fed. Cas. No. 9,768; National Bank vs. Trimble, 40 Ohio St. 629; Crocker vs. Bank of Chitopa, 4 Dill. 358, Fed. Cas. No. 3,397.)

The authorities cited by the court of civil appeals sustain the proposition that, after the close of the administration of the bankrupt's estate and the discharge of the trustee, unadministered assets may be recovered by the bankrupt. The decisions of the Supreme Court of the United States make somewhat doubtful the application of this proposition to a case like this, where the trustee had no knowledge of the existence of the asset, and, where the suit is brought so recently after the close of the bankruptcy proceeding that it may be reopened and further administration had. (Sessions vs. Romadka, 145 U. S. 29, 12 Sup. Ct. 799, 36 L. Ed. 609; Sparhawk vs. Yerkes, 142 U. S. 1, 12 Sup. Ct. 104, 35 L. Ed. 915; Dushane vs. Beall, 161 U. S. 513, 16 Sup. Ct. 637, 40 L. Ed. 791.)

The bankrupt law does not contemplate that any assets shall be left unadministered; but it sometimes happens that there are such, and, when neither the creditors nor the trustee asserts right to them, it is, we think, proper to regard them, at least as against a wrongdoer, as belonging to the bankrupt. This may often be found necessary, as it seems to be in this case, to prevent destruction of the property right, and a judgment thus preserving the right may be as easily reached by those entitled to do so by proper proceedings as the cause of action itself. If such persons do not choose to proceed, no good reason is seen why the bankrupt himself should not be allowed to recover. (Lancey vs. Foss, 88 Me. 218, 33, Atl. 1071.)

That the interest of plaintiff's former partner in any cause of action which accrued to the firm passed by assignment to plaintiff is, we think, also true. Most of the authorities which hold that such claims pass to trustees in bankruptcy, assignees for creditors, etc., are based upon the proposition that they are assignable, although some of them hold such successors to be "legal representatives," in the sense of statutes giving the action—an interpretation to which we are not now prepared to assent. It is true, however, as argued by Mr. Justice Hunter, that plaintiff has succeeded to the assets and liabilities of the partnership as fully as the assignees succeed to those of bankrupts and insolvents; and, if the latter are to be regarded as legal representatives, the former can as well be held to be such. We prefer to hold that the statute which gives the action to the person paying the usury or "his legal representatives" evinces the intent that it is not to be regarded as strictly a personal right and hence that it may be assigned.

The authorities cited by the court of civil appeals support its decision that the payment made by A. M. Lasater of the usurious interest which the contract bound plaintiff to pay, and the payment of which he procured by the conveyance of the property, is to be treated as payment made by him.

The assumption by plaintiff of the debts of the partnership did not change the relation of either partner to the bank. They both continued liable for the debt as before. There was imposed on plaintiff no increased obligation to the bank. As between himself and retiring co-partner, he became primarily liable, but only to the extent that the firm was liable. This was not an agreement on his part to pay for Maggard's usurious interest, and hence it cannot be held that, as part of the consideration for Maggard's interest in the assets, plaintiff agreed to pay the debt—usury and all. Their agreement does not affect plaintiff's right to recover. (Holland vs. Chambers, 22 Ga. 193.)

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

INSURANCE POLICY—MISTAKE IN DESIGNATING BENEFICIARY.

CORNWALL vs. THE HALIFAX BANKING CO. (32 Supreme Court Reports 442).

STATEMENT OF FACTS: This was an action brought by the Halifax Banking Company, who were creditors of Ira Cornwall, deceased, to have it declared that the sum of $1,000, received by Mrs. Cornwall under a policy of insurance on her late husband's life, belonged to his estate and was distributable among creditors.

On February 26, 1896, the late Ira Cornwall applied in writing for an accident insurance policy, the sum to be insured two thousand dollars, policy to be payable in case of death by accident under the provisions thereof to present appellant. The company, however, issued their policy payable on its face to the personal representatives of the said Ira Cornwall.

After receiving the policy from the company the said Ira Cornwall, believing that it was payable to his wife as he had ordered it to be, handed it to her and told her that it was payable to her. She did not look at it, but kept it in her possession as her own until after his death, after which it was found that it was through error on its face payable to his personal representatives.

On July 26, 1897, while the said policy was in force, the said Ira Cornwall was found drowned, in the River St. John, under circumstances which induced the company to believe that there had been a breach of the condition in the policy against suicide. The appellant then applied to the company for payment of the amount of the policy to her as beneficiary. The company thereupon set up merely the defence of suicide and refused to pay the amount of the insurance. Under the New Brunswick law, an action could not be brought in the name of the beneficiary.

Administration had, therefore, to be taken out on Ira Cornwall's estate to obtain a nominal plaintiff and, upon action by the appellant as such administratix for the two thousand dollars covered by the policy, the insurance company compromised her claim and paid her the one thousand dollars now in controversy.

The judge of probate determined that as, in law, the policy on its face was not payable to the appellant, he could not recognize the equitable or beneficiary right she claims, and, therefore, ordered her to account for that sum to the estate.

JUDGMENT (Taschereau, Sedgwick and Girouard; Mills and Davies dissenting): First, it cannot but be conceded that principles of equity govern the administration of estates in probate courts in New Brunswick in the same way, in effect, as they would if the estate was being administered in equity. (Harrison vs. Morehouse, 1.) Now, it seems to me incontrovertible, upon the evidence that the deceased believed that the policy he received from the company was payable in case of death to the appellant, as he had directed in his application, and agreed to receive the policy exclusively upon that belief. Then, the company themselves admit that by their real contract the appellant was, in case of death, to be the sole beneficiary of the insurance. That the policy is not in terms payable to her is, therefore, clearly a mutual mistake. And that, under these circumstances, a court of equity would not refuse a reformation of the policy so as to make it payable to appellant as both parties to it intended it to be, seems to me plain.

That, in my opinion, concludes the case. The learned counsel for the respondents invoked the acquired rights of the creditors and argued that as at the death of Ira Cornwall these one thousand dollars had passed to his estate, the appellant was now precluded from asserting any equitable rights in the matter she might have had during his life. But that is a *petitio principii*. It is assumed that she was not *ab initio* the beneficiary of this insurance. Now, that is the very question in issue. And by determining, as we do, that she was, at the date of the policy, the sole beneficiary thereunder, it follows that, at the death of her husband, the amount of the policy did not pass into his estate.

The respondents' attempt to imply a waiver or an estoppel against the appellant from certain allegations she made in her petition for letters of administration, entirely fails. It would be most unfair to declare her precluded from now asserting her just rights merely because she made a mistake of law in such a document which, as to the respondents, was *res inter alios acta*.

The appeal is allowed with costs; a decree to be entered that the $1,000 in question formed no part of Ira Cornwall's estate. Costs in all the courts will be against the respondents.

BILL OF EXCHANGE—PROMISSORY NOTE—JOINT AND SEVERAL—PROVISO AS TO GIVING TIME TO EITHER PARTY.

KIRKWOOD vs. CARROLL, *et al.* (In the Court of Appeal, 1903; 1 King's Bench, p. 531).

STATEMENT OF FACTS: This was an appeal from the decision of Wright, *J.*, upon a special case raising a question of law for the opinion of the court. The action was brought against the defendants as makers of a joint and several promissory note, and the case states that on January 24, 1901, the defendants signed and handed to the plaintiff an instrument in writing purporting to be a promissory note, which was in the following terms:

> "£125. We jointly and severally promise to pay Mr. John Kirkwood (carrying on business in the name or style of the Provincial Union Bank) the sum of £125, for value received, by installments in manner following; that is to say, the sum of £5 on Thursday, January 31 inst., and the sum of £5 on the Thursday in every succeeding week until the whole of the £125 shall be fully paid, and in case default is made in payment of any one of the said installments the whole amount remaining unpaid shall become due and payable forthwith. No time given to, or security taken from, or composition or arrangement entered into with, either party hereto shall prejudice the rights of the holder to proceed against any other party."

The document was witnessed. The plaintiff was the holder for value of the instrument. The defendants made default in the first payment due and in this action contended that owing to the last clause in the instrument it was not a promissory note and could not be sued on as such.

The question of importance here submitted to the court for opinion on a point of law was whether the instrument was a promissory note. Wright, *J.*, held upon the authority of Kirkwood vs. Smith (1896, 1 Queen's Bench, p. 582), that the document was not a promissory note within the meaning of the Bills of Exchange Act. This was a case in which the facts were identical, and Lord Russell, of Killowen, held that because Sec. 83, sub-sec. 3, of the act expressly enacted that, "A note is not invalid by reason only that it contains also a pledge of collateral security with authority to sell or dispose of it," any instrument containing any other departure from, "an unconditional promise to pay," was not a promissory note within the act.

Counsel for the plaintiff in argument in this case drew attention to the fact that no effect had been given in Kirkwood vs. Smith to the other sections of the act, and argued that the instrument being a promissory note within the definition in Sec. 83, sub-sec. 1, the rules of common law, including the law merchant, were applicable. Payments by installments were expressly permitted by Sec. 9 of the act.

JUDGMENT (Earl of Halsbury, Lord Chancellor): I am of opinion that the plaintiff's appeal must be allowed. The addition to this promissory note does not qualify it, and I doubt whether the addition is in any proper sense operative. The document contains a promise to pay a certain sum of money by certain installments, and it seems to me impossible to suggest that it is anything else but a promissory note within the meaning of the Bills of Exchange Act. The case of Kirkwood vs. Smith was decided without any reference to the other sections of that act and cannot any longer be regarded as authority.

Alverstone, *C. J.*, and Jeune, *P.*, concur.

BANK IN LIQUIDATION—STATUS TO SUE—LIQUIDATOR DOES NOT REPRESENT BANK—WINDING-UP ACT R. S. C. COP. 129.

AMBROISE L. KENT, *et al.* VS. LA COMMUNAUTE DES SOEURS DE LA PROVIDENCE AND ODILON BASTIEN, INTERVENOR (Quebec Reports, 12 King's Bench, p. 120).

STATEMENT OF FACTS: This was an appeal from a judgment of the Superior Court at Montreal. The plaintiffs as liquidators of the defunct Banque Ville Marie sued the Communaute upon a promissory note which they had given to the bank. After the case had been argued and while considering it, the trial judge had doubts a to the right of the liquidators to sue in their own names upon a security due the bank. He ordered the case to be reargued and then dismissed the action, holding that the bank being the holder and owner of the bill, which was overdue at the time the bank went into liquidation could alone sue upon it, and that the plaintiffs as liquidators and administrators for the purposes of the winding-up had no status to bring the action.

JUDGMENT (Sir Alexander Lacoste, *C. J.*): We are of opinion that the judgment of the trial judge is right. No person can plead in the name of another. Article 81 of the Civil Code provides that corporations must sue in their corporate name. Whence it follows that the Banque Ville Marie alone can sue upon a security belonging to it.

The bank is not deprived of the exercise of its rights because by the terms of Sec. 15 of the Winding-Up Act (R. S. C. c. 129) it is provided that, "the corporate state and all the corporate powers of the company, notwithstanding it is otherwise provided by the act, charter or instrument of incorporation, shall continue until the affairs of the company are wound up," and Sec. 31 (a) provides that the liquidator can sue in the name of the bank. The liquidator is not the representative of the bank in the same sense as a tutor or curator is the representative of the minor or of the lunatic. The liquidator has in his case and under his control the property of the company in liquidation but he does not represent the corporate person. His functions are limited to the liquidation, to the administration of property, and in certain specified cases he represents the creditors.

It has been argued that the plaintiffs are the holders of the promissory note and as such have a status to sue in their own name. But they sue, not as holders of the note, but as liquidators and administrators. It is for the benefit of the bank that they have taken this action, and it appears from their pleadings that it is the bank who are the holders of the note.

The plaintiffs being without a status to sue the court cannot maintain their action. Nor can we, as requested, permit the plaintiffs to amend by making the bank a party to the proceedings. Our code of practise does not permit us to substitute one party for another.

In argument what has been called the equity of the case has been very much pressed. It has been said it will be a costly proceeding to start anew and it would be better to give a judgment on the merits without regard to technicalities, as did the Supreme Court in the City of Montreal vs. Hogan. But we believe we ought to maintain the fundamental rules of our procedure as we understand them, and we fear much greater injustices if we set them aside.

The appeal will be dismissed with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

CHECK NOT INDORSED BY PAYEE.

Editor Bankers' Magazine: PAWTUCKET, R. I., April 9, 1908.

SIR: I received through the correspondence a check on us payable to the W—— Restaurant, endorsed, "The S—— Co., J. S., Treas." The endorsement is guaranteed by the bank in which it is deposited. It is generally known that the W—— Restaurant is a part of the S—— Co. Can a bank guarantee an endorsement which does not appear, and is it carelessness on my part to pay a check endorsed so? PAYING TELLER.

Answer.—It appears from the above statement that the W—— Restaurant is a name under which a firm or corporation is transacting a part of its business. In other words, it is a trade name, and not merely a fictitious designation. The instrument is, therefore, payable to order and before it can be negotiated requires the indorsement of the payee. (Negotiable Instruments Law [Laws R. I. 1899, Ch. 674] Sec. 38.) This should be in the form in which it appears upon the face of the check; for by the Negotiable Instruments Law, it is expressly provided that "where the name of a payee or indorsee is wrongly designated or misspelled, he may indorse the instrument as therein described, adding, if he think fit, his proper designation." (Sec. 51.) The fact that the S—— Co. and the payee are identical would make no difference. The drawer, therefore, could object to having the check charged against his account until so indorsed. Should he do this, a difficult question might arise as to the effect of the guarantee given by the presenting bank and the remedy thereunder, and hence the only perfectly safe course would be for the drawee bank to return the check for a proper indorsement.

PAYMENT TO BANK OF INDEBTEDNESS SECURED BY COLLATERAL—PREFERENCE UNDER BANKRUPTCY LAW.

Editor Bankers' Magazine: DALE, Wis., April 20, 1908.

SIR: This bank loaned in good faith to one of its customers $1,200 on his note, and the customer not furnishing an indorser we took the insurance policies of $3,350 on his stock as collateral. Several months later the borrower had a fire, settled with the insurance companies, and paid this bank in full. Finally he was compelled to go into bankruptcy, a Receiver was appointed, and the latter now sued this bank to repay the $1,200, claiming that we were preferred creditors. We don't think so, as we did not know he was insolvent at any time, otherwise we would not have made him the loan. What is your opinion of this case?

CASHIER.

Answer.—The general rule is that the Bankruptcy Law does not impair the rights of creditors to hold and enforce the collaterals deposited with them by the bankrupt, when they acted in good faith. But we note that it is stated in the inquiry the borrower himself "settled with the insurance company and paid this bank in full." This might raise a question whether the transaction was not in effect *a payment* by the bankrupt; and if so, it would clearly be a preference. The situation is illustrated by the case of Traders' Bank vs. Campbell (14 Wall. 87). In that case insolvents, upon the eve of bankruptcy, gave the bank a check upon funds to their credit in that bank, to apply upon the indebtedness due to the bank. The Supreme Court of the United States held the transaction to be a preference and voidable by the assignee in bankruptcy, and that he had the right to recover the amount so paid, and further held that although possibly had the bank stood upon its right of set-off, that right might have been available, yet when the bank treated the money as the bankrupt's own property by the taking of his check and crediting the amount as payment on the indebtedness, the transaction became a voidable preference. The decision of the case stated in the inquiry must therefore turn upon facts as to which we are not advised.

BANK LIABLE WHERE DRAFT PAID TO PARTY OF SAME NAME AS PAYEE.

Editor Bankers' Magazine: —— ——, April 17, 1908.

SIR: A draft is presented payable to John Doe, who, being properly identified, the money is paid to him. Subsequently, another John Doe turns up and makes claim to the money paid on the draft. It develops that the wrong John Doe was the one who presented the draft and received the money, Is the paying bank liable to the rightful owner of the draft?

BANKER.

Answer.—As the person who presented the draft did not have any title thereto, the real owner is entitled to have the draft returned to him. His remedy would be to make a claim against the bank for the draft itself, and not for the money. As payee, he could not maintain a suit against the bank for the amount of the draft; but as owner he could recover possession from anyone into whose hands it might fall. The payment upon the forged indorsement did not discharge the instrument, and the bank has no right to the possession thereof as against the lawful owner.

LIABILITY OF BANK WHERE CHECK LEFT TO PAY MORTGAGE.

Editor Bankers' Magazine: EATON, COLO., April 27, 1903.

SIR: January 11, 1902, a customer calls at the bank with a party called B, and they leave a check made to B for $200, interlined "this check is given for the purchase price of two lots now covered by mortgage." The check is indorsed by B but the instructions from both are for us to hold the check until C delivers us a release deed for the property. The customer has closed his account and gone away and sold the lots with the mortgage still on them. B brings suit for the $200, yet C has never been in the bank to give the release. Are we liable now? Would we be liable for the payment of the check if the release was produced?

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Answer.—The Negotiable Instruments Law (Laws of Colorado, 1897, Ch. 239, Sec. 189) provides that "A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank. and the bank is not liable to the holder, unless and until it accepts or certifies the check." But an acceptance or certification is required to be in writing. (Id., secs. 132, 134, 135, 185, 187.) The bank, therefore, under the circumstances detailed in the inquiry, does not appear to have incurred any liability upon the check to the payee, and we do not see upon what theory he can maintain an action against the bank upon the instrument. He might, perhaps, demand possession of the check, and if this was refused, sue for the value of the same. The question would then arise whether or not the condition upon which it was left with the bank had been performed, or had been waived by the drawer. This question must depend upon all the circumstances of the case, and without more information as to the facts, we could not express an opinion thereon.

AUTHORITY OF PARTNER TO USE FIRM NAME AS SECURITY FOR OTHERS —RECOVERY OF MONEY PAID UPON FORGED INDORSEMENT.

Editor Bankers' Magazine: SPRINGFIELD, Ill., April 21, 1903.

SIR: Will you kindly answer the following questions: (1) A and B are partners. A signs the firms name on a note as security for C. Does this hold the firm? (2) One of our depositors sends his check to, say, John Smith in Cleveland, Ohio, but another party takes it to the bank and gets it cashed by forging John Smith's name. We get it through our Chicago correspondent and pay the check, and in course of three or four weeks, it is found that John Smith's name has been forged. Can we not get back on our correspondent and they on theirs, without their stamping "endorsement guaranteed" on the check? CASHIER.

Answer.—(1) No. A partner has no implied authority to use the name of the firm as security for others. It is no part of the business of a partnership or the agency of a partner to guarantee the debts of others, or to lend their credit by giving accommodation paper or going surety, and such act by one partner without the consent of the others is a fraud on them; and a payee of a bill or note who knows that the name is signed as surety by a partner is not a *bona fide* holder, and cannot recover against the partnership. (Bates on Partnership, Sec. 349 and cases there cited.)

(2) Yes. The rule is well established that where the drawee bank is not chargeable with neglect which has operated to the injury of the other party, it may recover the money paid upon a forged indorsement as money paid under a mistake of fact. (Canal Bank vs. Bank of Albany, 1 Hill, 287; Bank of Commerce vs. Union Bank, 3 N. Y. 230.) In the case first cited, payment was made by the Canal Bank on a forged indorsement on March 28, and it

was not until the 7th of the following June that the Bank of Albany was notified of the forgery and called upon to refund the money. Still, it was held that there could be a recovery.

PROTEST OF CHECK WHERE ENDORSEMENT LACKING.

Editor Bankers' Magazine: GRAFTON, W. Va., May 2, 1903.

SIR: We telegraphed a customer who was visiting in a distant city that we would pay his check on us for a certain amount. The check was presented by another bank in this city, drawn by the customer to the order of himself, but was not endorsed by him. For this reason we refused to honor the check and it was protested by the presenting bank, notwithstanding the fact that we offered to certify that it would be "good when properly endorsed." Was the bank justified in protesting the check, and would it have been right in protesting even though we had not offered to certify? If the bank erred in protesting, is it liable for damages, and to whom is it liable? We do not ask this question with any intention of instigating a lawsuit, but the drawer of the check being a stranger in the city where he had check cashed, was threatened with arrest, for obtaining money fraudulently, upon receipt of notice of protest by the cashing bank, before they learned why it was protested.

H. W. CHADDUCK.

Answer.—The bank which presented the check for payment was bound, as collecting agent, to take all steps necessary to fix the liability of the indorsers, and, for this purpose, notice of dishonor was necessary, no matter for what reason payment was refused. (Ayrault vs. Pacific Bank, 47 N. Y. 579; Titus vs. Mechanics' Bank, 35 N. J. Law, 588; Bank of Lindsborg vs. Ober, 31 Kans. 599.) It was proper therefore for the bank to protest the check. Nor did that bank have the right to accept a certification of the check in lieu of payment. (Ward vs. Smith, 7 Wall. 447; Hazlett vs. Commercial Nat. Bank, 132 Pa. St. 118.)

NOTE MADE, DATED, AND DELIVERED ON SUNDAY.

Editor Bankers' Magazine: BROOKLYN, N. Y., April 28, 1903.

SIR: Is a note made, dated and delivered on Sunday void in the State of New York? Assuming that the note is accommodation paper, is the maker liable even if the note is void?

BOOKKEEPER.

Answer.—The Sunday law of New York does not apply to private contracts, but extends to only such acts as are "interruptions to the repose and religious liberty of the community." (Penal Code, Sections 259, 263; Merritt vs. Earle, 29 N. Y. 115; Boynton vs. Page, 13 Wend. 425.) Hence, a note made, dated and delivered on Sunday is valid and enforcible in this State.

SUFFICIENCY OF ENDORSEMENT OF NOTE.

Editor Bankers' Magazine: ST. LOUIS, Mo., March 31, 1903.

SIR: What is the effect of endorsing a note in the following language: "For value received I hereby endorse the within note to John Jones, signed, Richard Roe." Is such an endorsement binding? M. E. L.

Answer.—Yes, the endorsement is sufficient, and although a little different in form from the ordinary form of endorsement, is nevertheless entirely adequate.

RIGHT TO REFORECLOSE FOR SECOND INSTALLMENT OF INTEREST.

Editor Bankers' Magazine: OGDEN, Utah, March 10, 1903.

SIR: We have had a little discussion here with one of our friends, concerning the right of a mortgagee who has obtained a decree directing a foreclosure sale for an installment of interest then due, but subject to the lien of a balance of the debt not yet due. The mortgagee has commenced foreclosure of the reserved lien since the mortgagor has redeemed and I would like to know whether there may be such reforeclosure? T. H. H.

Answer.—Yes. The mortgagee may foreclose his reserved lien as against the mortgagor or a creditor of the mortgagor who has redeemed from the sale.

THE COMMISSION ON INTERNATIONAL EXCHANGE.

The Secretary of State has appointed as members of the Commission on International Exchange Hugh H. Hanna of Indianapolis, Charles A. Conant of New York city, and Professor Jeremiah W. Jenks of Ithaca, New York.

This commission is appointed under the provisions of the Sundry Civil Appropriation Bill of March 3, 1903, authorizing the Executive to co-operate through diplomatic channels with the Governments of Mexico, China, Japan and other countries, for the purpose of restoring and maintaining a fixed relationship between the moneys of the gold standard and silver-using countries.

It is the purpose of the commission to sail for Europe about the middie of May and there to confer with the governments of the leading powers on several questions relating to the general subject. The action of the American Government in establishing a definite exchange standard in the Philippines will probably be made the basis of the suggestion that a similar standard be established by the British Government in the Straits Settlements and Hongkong and by the French Government in its possessions in Asia.

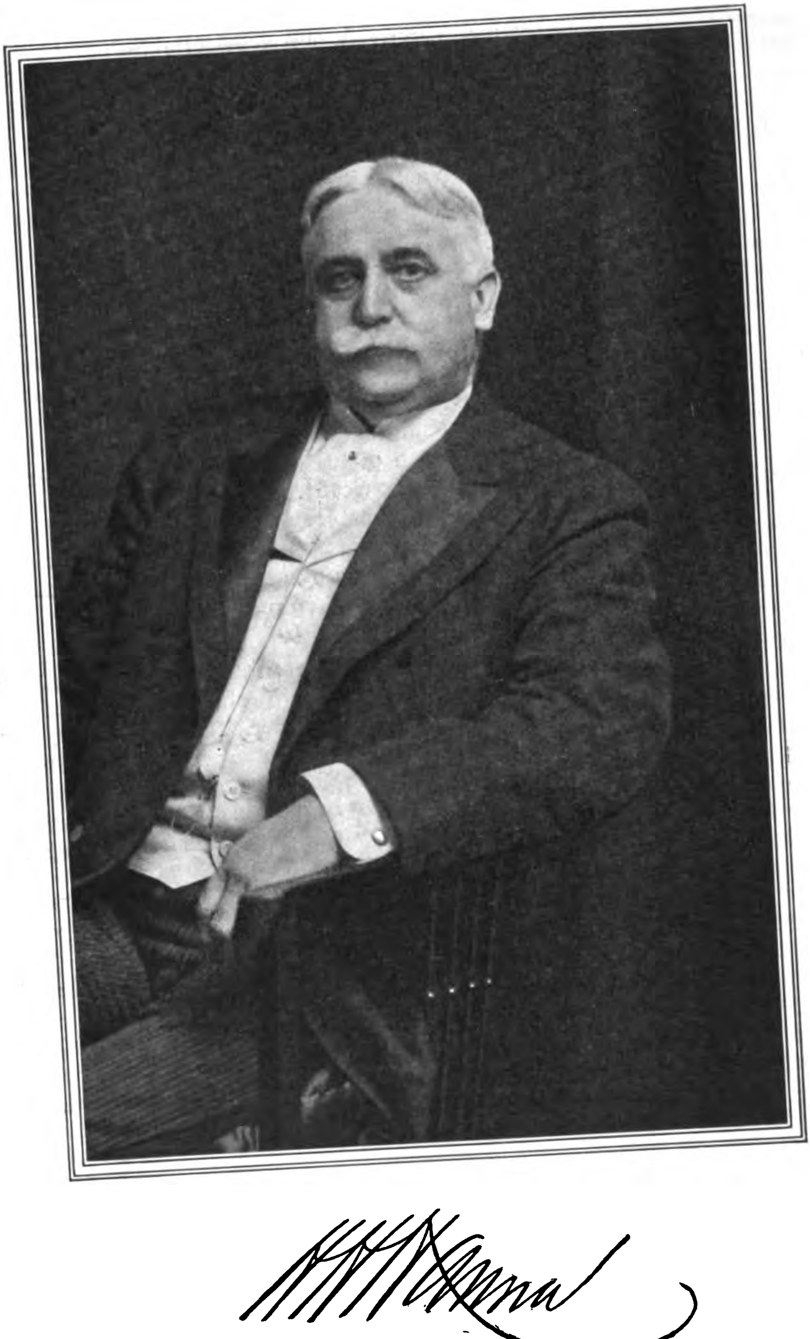
More important in some respects will be the conferences held regarding the monetary system of China, which it may be possible to establish upon a similar basis, but which may require a certain degree of co-operation among the Western powers. The proposal for action on the subject was made by President Roosevelt in a communication to Congress on January 19, last, with which he transmitted notes from the Mexican and Chinese Governments requesting the co-operation of the United States in steps to bring about stability of exchange between the gold standard countries and the silver-using countries. Since that time a monetary commission has been appointed by the Government of Mexico and is now engaged in gathering data for proposed legislation in that country.

Two of the three gentlemen named by the Department of State as members of the United States Commission on International Exchange—Mr. Conant and Professor Jenks—visited Mexico at the invitation of the Mexican Government to discuss this subject. Mr. Hanna, the chairman of the commission, is well known through his long and earnest work to secure the enactment of the gold standard and intelligent banking legislation in the United States.

Portraits and brief biographical sketches of each of the members of the commission appear below.

There has been no more untiring and effective worker in behalf of a sound monetary and banking system than Mr. Hugh H. Hanna, of Indianapolis, who is chairman of the Commission on International Exchange.

Hugh H. Hanna was born in Lafayette, Ind., September 19, 1848. His father, a well-to-do banker, gave him a liberal education in the schools of the United States and Germany. His business career began in his father's bank at Lafayette. In 1880 he removed to Indianapolis and purchased a half



interest in the Atlas Engine Works. A few years later he purchased the remaining interest in this industry and became the sole owner of its common stock. Under his management it has grown to be what is said to be the largest plant in the world engaged in the manufacture of steam engines and boilers.

For many years he has been active in various lines of philanthropic and eleemosynary enterprises, being identified with nearly all such affairs in Indianapolis and several that are national in their scope.

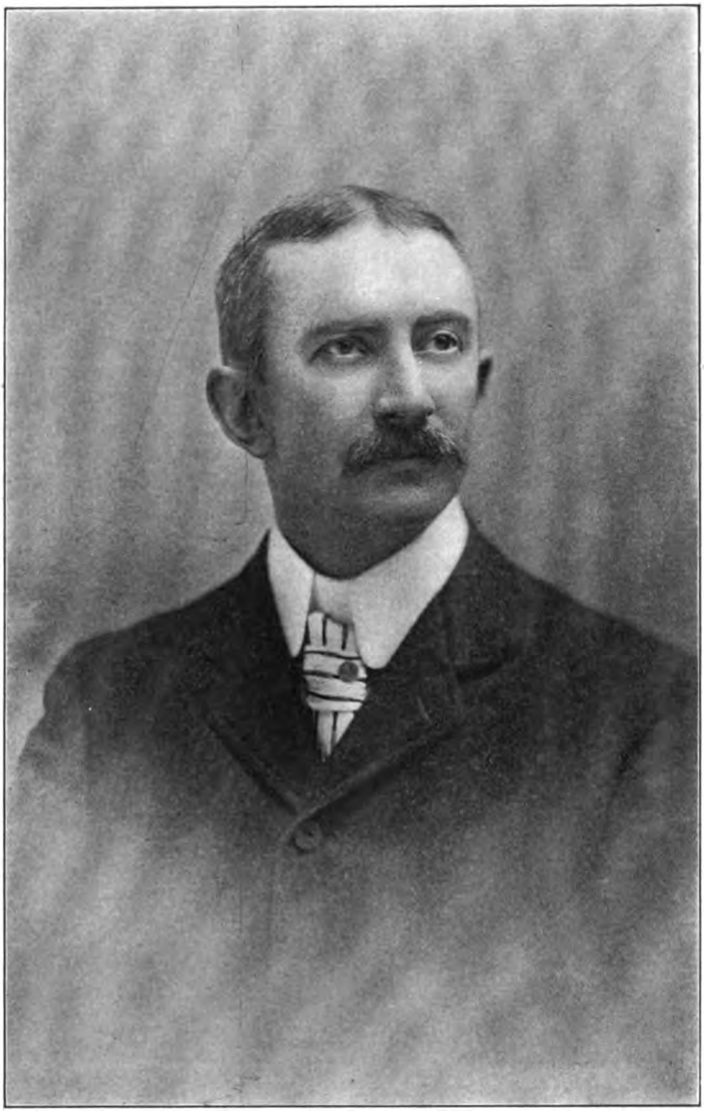
In 1896 he was influential in obtaining from the Republican party a gold standard declaration, and after the campaign of that year he organized the Indianapolis Monetary Convention and was made chairman of its executive committee. This committee carried on the agitation for the enactment of the gold standard law which was passed by Congress in 1900 and has since conducted a campaign for an elastic system of bank-note currency. Mr. Hanna has devoted nearly six years to this work giving to it liberally of both his time and money. In recognition of his service in this work Harvard University conferred upon him the degree of M. A. in 1900 and the New York Chamber of Commerce elected him an honorary member and awarded him a gold medal in the same year. The business men of Indianapolis also showed their appreciation of Mr. Hanna's work by a dinner given on the evening of March 28, 1900, ex-President Benjamin Harrison presiding.

Charles A. Conant, Treasurer of the Morton Trust Company, New York city, has long been a student of monetary problems and has written much on such subjects. He was born in Winchester, Mass., on July 2, 1861, and educated in the public schools. He entered newspaper work in Boston in 1880 and was engaged in such work for about twenty years. During a large part of this time he was correspondent in Washington of the New York "Journal of Commerce and Commercial Bulletin," which required special attention to financial and economic subjects.

Mr. Conant published in 1896 a book entitled "A History of Modern Banks of Issue, with an Account of the Economic Crises of the Present Century," giving an account of the banking systems of the leading nations. He has also published (in 1900) "The United States in the Orient: the Nature of the Economic Problem;" a brief "Life of Alexander Hamilton" (1901); and many studies on monetary and economic subjects in THE BANKERS' MAGAZINE, "North American Review," "Atlantic Monthly," and other periodicals.

Mr. Conant was a candidate for the Massachusetts Legislature in 1886; Secretary to the Postmaster at Boston in 1887; Democratic candidate for Congress in the Harvard University district in 1894; and a delegate to the Gold Democratic Convention in 1896, which nominated Palmer and Buckner. He became associated with the executive committee of the Indianapolis Monetary Convention in 1897, and several of the provisions of the Gold Standard Law of March 14, 1900, were the result of his suggestions.

Mr. Conant was appointed by Secretary Root special commissioner to the Philippine Islands in the summer of 1901, for the purpose of investigating coinage and banking conditions there. He made a report in favor of a gold exchange standard, which was adopted in principle in the Philippine Coinage Act of March 3, 1903. Soon after his return from this mission he was elected (in February, 1902,) Treasurer of the Morton Trust Company of New York.



Charles A. Conant.

J. W. Jenks.

Mr. Conant visited Mexico, with Professor Jenks of Cornell University and Mr. Edward Brush of New York, in March last, at the invitation of the Mexican Government, to confer with a committee on the reform of the currency in regard to the system proposed for the Philippines and the best means of securing the co-operation of other powers in giving stability to the currency of the silver-using countries. His appointment on the American Commission was in part an outgrowth of his familiarity with the subject thus acquired.

Jeremiah W. Jenks, professor of political economy and politics in Cornell University, Ithaca, N. Y., is well known for his contributions to the leading periodicals on topics relating to economic questions. He was born in Michigan and passed his boyhood in that State. He graduated with the degree of A.B. from the University of Michigan in 1878, and received the degree of A.M. in 1879. In 1885 he received the degree of Doctor of Philosophy from the University of Halle, Germany.

After his graduation he was admitted to the bar, and afterwards taught languages in the Mount Morris (Ill.) College. From 1886 to 1889 he was professor of political science and English literature at Knox College, Galesburg, Ill., and from 1889 to 1891 professor of political economy and social science in the Indiana University. Since 1891 Prof. Jenks has occupied the chair of political economy at Cornell University.

His writings on monetary and other economic subjects attracted favorable attention, and in 1899 he was appointed by the United States Industrial Commission special expert in charge of the investigation of trusts and industrial combinations. He also visited Europe for the Commission to make a study of combinations there. He edited or wrote and compiled the four volumes of the Commission's report which deal with that subject. From this work also came his own book, "The Trust Problem." In 1901 he was appointed as special commissioner by the War Department to study and report upon certain economic questions in the English and Dutch colonies in the Orient. Prof. Jenks visited the Orient, including India, the Straits Settlements and Federated Malay States, Java and Sumatra and the Philippines, as well as China and Japan, studying their systems of currency, labor legislation and internal taxation. The report made to the Secretary of War as a result of these investigations is a comprehensive and able document, and contains much valuable information in regard to the administration of the affairs of colonial dependencies.

This spring, at the invitation of the Mexican Government, Prof. Jenks visited the City of Mexico to confer with the Finance Minister and his representatives regarding the establishment of a new monetary system for that country.

New Governor of the Bank of England.—Samuel Hope Morley, Deputy Governor of the Bank of England, has been elected Governor of the institution to succeed Sir Augustus Prevost, Bart.

THE INFLUENCE OF FALLING EXCHANGE UPON THE RETURN RECEIVED FOR NATIONAL PRODUCTS.

ARGUMENT SUBMITTED BY MESSRS. CHARLES A. CONANT, JEREMIAH W. JENKS AND EDWARD BRUSH TO THE MONETARY COMMISSION OF THE REPUBLIC OF MEXICO, APRIL 18, 1903.

An important element in the influence of falling exchange upon national prosperity is its effect upon the real return received for that part of the national product which is sold abroad. Foreign trade is essentially the exchange of the commodities of one nation for those of other nations, rather than an exchange of commodities for money. Money serves chiefly as a means for facilitating exchanges of goods. The most important question is not how much gold nor how much silver is obtained for the products of a community, but how much in foreign products is obtained in return for a given part of the product of national labor. If a nation in payment for foreign commodities produced by the labor of one man gives up domestic commodities produced by the labor of two men, it is suffering an economic loss, if its own laborers possess the same average productive efficiency as the laborers of other countries.

The influence of a falling exchange upon foreign trade, it is generally granted, is to reduce the gold price of the exports from a silver country. The fall in the gold price of silver permits goods to be sold abroad for a falling gold price, so long as wages and the cost of materials at home remain unchanged in terms of silver. It is this influence which enables a country with a depreciating currency to underbid its rivals in selling its products in markets where gold is the standard. There are perhaps certain temporary benefits in this condition, in extending and developing the trade of the exporting country. It is an important question, however, whether the continuous depreciation of the standard may not reach a point which will soon result in the surrender of a given quantity of domestic goods to foreign purchasers in exchange for a continuously declining quantity of foreign goods. When this occurs, it is clear that the exporting country runs grave risk of suffering an economic loss, which is not compensated by the increase in its exports. This very increase in exports appears under these conditions to be the result of the conviction on the part of purchasers that the country having the depreciating standard is offering the products of its labor for a smaller return than competing gold countries.

Applying these general principles to the recent monetary history of Mexico, the question is proposed whether Mexico is not paying too dear in her own products for the foreign products which she imports, by reason of the low price of her own products, resulting from the falling gold price of silver. This can be determined, in part, by comparing the quantity of Mexican goods exported with the return at gold prices received for these goods from foreign countries.

The following table shows the value in silver of the total exports of Mexican products and their gold value at the average rate of exchange for representative fiscal years during the past two decades.

Fiscal Year ending June 30,	*Value of exports from Mexico.* *In silver.*	*In gold.*	*Gold value of the peso.*
1882	$29,206,772	$26,110,854	$0.894
1887	49,329,915	38,970,633	0.790
1892	75,660,880	63,328,157	0.837
1893	88,044,624	57,845,318	0.657
1894	80,083,944	43,165,246	0.539
1895	95,020,326	48,840,448	0.514
1896	110,022,356	58,971,983	0.536
1897	117,784,092	59,127,614	0.506
1898	138,068,504	61,854,690	0.443
1899	148,458,834	70,070,210	0.471
1900	158,247,933	75,326,016	0.476
1901	158,009,437	77,266,639	0.488
1902	168,041,272	74,106,200	0.441

One of the facts which first attracts attention in examining these figures is the relatively small increase during the last few years in the gold value of the national exports. The value expressed in the money of the country has increased by leaps and bounds, from 29,206,772 pesos for the fiscal year ending June 30, 1882, to 75,660,880 pesos in 1892, 117,784,092 pesos in 1897, and 168,041,272 pesos in 1902. The question at once suggests itself whether this increase in the silver price of the total exportations means that Mexican products have been exported in largely increased quantities, corresponding to their increase in silver value, or whether higher prices in silver have been received for such products in order to maintain their gold price. In the latter case, such increase in prices may be partly or wholly offset by the fall in the gold value of silver or it may have gone beyond this and brought an actual increase in the gold value of the return obtained by the labor and enterprise of the country. If, on the other hand, it appears by comparison of the quantities exported and by their prices when reduced to gold that a larger volume of the products of Mexico has been delivered up to foreign consumers for the same or less return in the products of gold countries, then Mexico has suffered an economic loss.

Leaving aside for the moment the question of the quantities of goods exported, some light is thrown upon one aspect of this subject by reducing the silver values of goods exported to a gold equivalent at the average rate of exchange prevailing for each year, as is done in the above table. This reduction shows that the increase in the gold value of the exports of Mexico within the past ten years has been comparatively trifling. The increase in gold value of the total exports was more than one hundred per cent. from 1882 to 1892, during which period the gold value of silver fell only from 89.4 cents in United States gold coin to 83.7 cents. From 1892 to 1902, however, the advance in the gold value of the exports of Mexico was only 18.38 per cent. This affords an average increase in the gold value of Mexican products exported of less than two per cent. per year upon the basis of the exports of 1892.

This is not a large increase in the gold value of the export trade of the country. It remains to be determined whether the increase in the quantities of the goods exported has merely kept pace with the small increase in their gold value or whether it has been greater or less. If it has been materially greater, then the conclusion follows that a smaller gold return has been received for the labor and capital of Mexican citizens. Whether this diminished return has been offset by the diminished gold price of the products of gold countries imported into Mexico, is a question which will be considered in due time. For the present, however, we shall deal with that side of the problem relating exclusively to the quantities and values of the exports of Mexico.

In considering these exports, the precious metals, gold and silver, may be eliminated for the present, in spite of the large part they play in the export trade of Mexico, because their export value is determined by conditions somewhat different from those which affect other natural products and manufactured goods. The exports of Mexico, aside from gold and silver, consist chiefly of several metals, fibres and natural products. Eight of these articles make up, upon the average, about two-thirds of the exports of Mexico, after gold and silver are excluded. These eight articles are copper, lead, coffee, beans, fresh fruit, sisal, ixtle and dyewoods. The gold value of these articles exported in 1892 was $19,933,588. The gold value of the same articles exported in 1902 was $26,182,847. The value of these articles in 1892 was equal to 63.17 per cent. of the value of all exported articles of merchandise. The value of the same articles exported in 1902 was 68.03 per cent. of the exports of merchandise.

It is necessary, in order to determine whether the country is now giving up a larger proportion of its own products for foreign products than was the case ten years ago, to ascertain whether the quantities of the articles exported have increased in a greater or less ratio than the increase in their gold value. Examination of the principal of these articles shows that with one serious exception the percentage of increase in the quantity exported is much greater than the percentage of increase in their gold value. In other words, every unit of Mexican production in these articles, upon the average, was sold for a less gold price in foreign markets in the fiscal year 1902 than in the fiscal year 1892. This appears from the following table, giving the percentage of increase in quantities and gold value for all these articles:

Quantities and Gold Values of Principal Articles, 1892 and 1902.

Copper.	*Quantity exported.* Kilograms.	*Gold value.*	*Value per unit.*
1891-92	4,348,702	$728,507	$0.167
1901-02	33,606,095	4,572,842	0.136
Per cent. of increase	672.78	527.70	
Lead.			
1891-92	10,676,548	$1,978,267	0.185
1901-02	98,254,083	2,520,561	0.0256
Per cent. of increase	820.28	27.41	
Coffee.			
1891-92	11,058,279	$4,615,515	0.416
1901-02	22,208,219	4,505,823	0.203
Per cent. of increase	100.78	—2.38	
Beans.			
1891-92	1,236,037	$96,760	0.0782
1901-02	5,159,839	244,378	0.0474
Per cent. of increase	317.45	152.56	

Quantities and Gold Values of Principal Articles, 1892 and 1902 (Continued).

SISAL.	*Quantity exported.* Kilograms.	*Gold value.*	*Value per unit.*
1891-92	56,103,279	$5,899,652	0.105
1901-02	91,944,355	12,881,396	0.140
Per cent. of increase	63.88	118.34	
IXTLE.			
1891-92	6,602,136	$516,680	0.0782
1901-02	12,475,362	769,578	0.0617
Per cent. of increase	88.96	48.95	
DYEWOODS.			
1892-93	33,186,127	$438,210	0.0132
1901-02	40,626,944	568,348	0.0140
Per cent. of increase	22.42	29.70	
FRESH FRUITS.			
1891-92	2,524,239	$88.215	0.0349
1901-02	5,364,553	119,921	0.0224
Per cent. of increase	112.52	35.94	

The variation between the rates of increase in quanties exported and in gold valuations in the above table reduces to somewhat concrete form the fall in the gold prices of Mexican products during the past ten years. It appears that only in one important case—sisal—has the unit of value increased. In the case of lead, the amount now necessary to be sold abroad to obtain a given return in gold is about seven times what it was in 1892. In the case of copper two pounds were given by Mexican miners in 1902 for the same gold return which was brought in 1892 by one pound. The character of the loss to Mexican industry by these changes is made even more precise by the following table, which computes the value of the exports of these leading articles at the gold prices of 1892 and compares with this value the gold values actually returned.

Principal Articles Exported from Mexico, 1902.

ARTICLE.	*Reported gold value.*	*Value per unit.*	*Gold value at unit price of 1892.*
Copper	$4,572,842	$0.1360	$5,612,218
Lead	2,520,561	0.0256	18,176,996
Coffee	4,505,823	0.2030	9,236,539
Beans	244,578	0.0474	403,499
Sisal	12,881,396	0.1400	9,654,157
Ixtle	769,578	0.0617	975,573
Dyewoods	568,348	0.0140	536,276
Fresh fruits	119,921	0.0224	187,223
Total	$26,182,847	......	$44,782,481

If there was a loss amounting to about $18,600,000 upon these important articles, constituting sixty-eight per cent. of the exports of merchandise, the same rate of loss (if extended to other such exports) would make the total loss on merchandise alone about $27,000,000. It remains to add to this considerable total the loss suffered by the fall in the gold price of the silver exported from Mexico. This is indicated in some degree by the following comparison:

Exports of Silver from Mexico.

YEAR.	*Silver value.*	*Rate of exchange.*	*Gold value.*
1891-92	$47,720,371	$0.837	$39,941,050
1896-97	59,578,046	0.506	30,146,491
1901-02	59,581,869	0.441	26,275,604

The silver exports of 1902, if they had fetched the gold price of 1892, would have represented a gold value of nearly $50,000,000, against an actual gold value at prevailing prices of about $26,300,000. The loss in gold price, therefore, on the silver exported from Mexico was about $23,700,000 for the fiscal year 1902. If this amount is added to the similar loss in the gold value of other products exported, amounting to about $27,000,000, it appears that the total loss suffered by Mexico in the gold value of her exports in 1902 as compared with 1892 cannot be less than $50,000,000 gold. This is about forty per cent. of the value which these exports would have reached at the gold prices of 1892. This loss, moreover, is not an isolated event of a single year. It has been going on ever since the fall of silver began and its proportions have grown rapidly in amount in every year since 1892.

There remains another side to the problem which, while thus far ignored, is vital to its intelligent consideration. The return paid by foreign countries to Mexico for her exports is ultimately not gold, but foreign goods. If the prices of these goods imported into Mexico have fallen in gold to the same degree that the prices of Mexican products exported have fallen, no real loss has been suffered on Mexican products exported and the entire argument made up to this point falls to the ground. The fall in prices must then be due, either to improved methods of production on both sides, which adds to the productiveness of the labor of the individual, or to a change in the relation of gold to human labor and its products.

It becomes necessary, therefore, to inquire whether Mexico is paying lower gold prices for her imports in a sufficient ratio to offset the lower gold prices which she receives for her exports. It is less easy to determine this side of the problem than the export side, because the articles imported into Mexico are of much greater variety, and are divided much more minutely into classes by the tariff classification than in the case of the exports. In many cases, moreover, the imports are of such a character that is impossible to classify them by quantities, and they are entered in the official returns only by their values in money. A few representative articles, which are largely consumed by the Mexican people, may, however, be compared as to the ratio of quantities and prices ten years ago and at the present time.

The following table, taken from the official returns of Mexican imports at gold values, at the nearest dates available, throws light on this side of the problem:

Cost of Imports into Mexico in Gold at Prices of 1893 and 1902.

ARTICLE.	*Gold value, 1902.*	*Value of same at prices of 1893.*	*Percentage of change in price.*
Raw cotton	$2,006,927*	$2,223,858	−9.75
Cotton shirting	815,266*	822,691	−0.90
Cotton cloth, colored	453,208	453,440	−0.05
Rails of iron and steel	2,293,863	1,760,590	+30.29
Miscellaneous machinery	3,490,721	3,934,762	−11.29
Steam engines	2,156,998	2,837,333	−23.98
Woolen cloths	243,992	197,043	+23.83
Coal	1,999,817	4,346,581	−53.99
Red wine	1,058,409	1,247,623	−15.17
Maize	518,384	664,341	−21.97
Total	$15,037,580	$18,488,262	−18.66

* Figures of 1901.

These figures indicate a fall in the gold prices of some of the chief imports into Mexico amounting to 18.66 per cent. of the gold import prices of 1893. If this ratio of fall in price should be applied to the gold value of the total imports for 1902, it would show a total saving in gold prices amounting to about $14,100,000. If this is set over against a decline in the gold price of exports amounting to $50,000,000, the result is to leave Mexico a loser by about $36,000,000 at the export prices of 1902 as compared with the prices of 1892 or 1893.

There is reason to believe that even this unfavorable showing under the operation of a depreciating standard is more favorable than the facts warrant. It is possible to check the import figures of the Mexican Treasury to some extent by the figures of the United States Treasury for some of the principal articles exported from the United States to Mexico. The following table gives some representative items from the reports of the Treasury Bureau of Statistics of the United States:

Quantities and Gold Values of Several Articles Exported from the United States to Mexico.

FISCAL YEAR.	*Article.*	*Quantity exported.*	*Gold values.*	*Cost per unit.*
1891-92.........	Corn......................(bushels)	754,548	$489,702	$0.6490
1896-97.........	" "	8,825,860	3,233,583	0.3660
1901-02.........	" "	746,929	477,670	0.6390
1891-92.........	Cotton....................(pounds)	22,117,381	1,844,500	0.0833
1896-97.........	" "	15,108,628	1,236,447	0.0812
1901-02.........	" "	13,750,196	1,273,741	0.0926
1891-92.........	Cotton cloths..............(yards)	6,381,992	347,687	0.0543
1896-97.........	" "	3,867,100	231,527	0.0598
1901-02.........	" "	3,839,386	261,695	0.0681
1891-92.........	Mineral oil, crude........(gallons)	3,499,514	238,173	0.0681
1896-97.........	" " "	7,090,853	349,021	0.0478
1901-02.........	" " "	10,844,913	550,694	0.0507
1891-92.........	Cotton seed oil...........(gallons)	415,355	125,346	0.3020
1896-97.........	" " "	1,616,407	320,496	0.1980
1901-02.........	" " "	3,340,022	1,069,741	0.3200
1891-92.........	Lard......................(pounds)	2,050,997	142,253	0.0693
1896-97.........	" "	7,195,787	332,235	0.0461
1901-02.........	" "	8,098,615	702,062	0.0866

An examination of these figures shows that exports from the United States to Mexico have not fallen in value on the average during the last ten years. In most cases, they have risen as the result of business activity and the expansion of credit in the United States. Thus corn, although having fallen off greatly in price in 1897, was only a trifle lower in 1902 than ten years earlier. Raw cotton materially advanced in price in ten years. The same was naturally true of cotton cloth, in spite of all the economies which have been introduced into production by improvements in machinery and administration. Mineral oil was somewhat lower in 1902 than in 1892, but cotton seed oil, of which the consumption has greatly increased, has risen in price. Lard also, although having fallen during the period of trade depression in the United States, is now twenty per cent. higher than in 1892.

These figures plainly show that the gold prices of the articles imported into Mexico from the United States have not fallen in a ratio nearly as great as the gold price of articles exported from Mexico. It would be reasonable to expect, if other things were equal, that the gold price of articles which were manufactured would fall more rapidly than the gold price of the principal articles exported by Mexico, because the saving of labor has been much greater in most cases by improvements in machinery than in the case of the natural products of Mexican farms, ranches and mines. Mexico, in other words, should be able, as the result of competition by foreign manufacturers among themselves, to obtain a greater number of yards of cotton for a given number of pounds of coffee or beans or sisal than she obtained ten years ago. The contrary appears to be the fact, and with the other facts given seems to indicate clearly that the country is suffering greatly in its economic resources by the fall in silver.

Important confirmation of the conclusions above set forth is afforded by an investigation made without reference to this subject by a leading New York financial paper, "The Wall Street Journal," whose results are set forth in the issue of Monday, February 16, 1903. A comparison is there made of the export prices of certain products of the United States for the ten years ending June 30, 1902, and the import prices of certain leading tropical products. The substance of this article is thus summed up:

"In the past ten years our commerce with tropical countries has been of increasing importance. More than that, for every successive dollar paid by us we have received increasing measure of tropical goods. Still further, we have ourselves come to be the granary of a large part of the globe; and we have increased not only the volume of our agricultural exports, but also the price per unit obtained therefor."

These statements are supported by tables of export and import prices which show that the average export price of corn per bushel for the five years ending June 30, 1897, was 38.79 cents, while for the five years ending June 30, 1902, it was 41.06 cents per bushel. The corresponding advance in the export price of wheat was from 70.2 cents to 78.7 cents, while raw cotton fell in price only from 7.4 cents to 7.3 cents per pound. The exports of cotton, wheat and corn for the fiscal year 1902, which were actually valued at $409,275,000, would have brought at the prices of 1899 only $319,232,000 or $90,000,000 less than was actually received. On the other hand, the average import price of coffee dropped from 14.04 cents for the five years ending with 1897 to 6.89 cents for the five years ending with 1902. The corresponding decline in sugar was from 2.47 cents to 2.26 cents, and of tea from 14.10 cents to 12.79 cents. The imports of these three articles into the United States for 1902 were actually entered at the gold value of $134,861,500, while at the prices of 1897 the same quantities would have been entered at $191,078,600. The United States, therefore, obtained these three important tropical products at $56,000,000 less than it would have obtained them at the prices of five years ago, while at the same time obtaining a considerably enhanced price for its own products.

It is not essential for the purpose of this discussion to consider whether the articles upon which the United States received so large a profit went largely to Mexico or to other countries. The essential point demonstrated is that a gold standard country succeeded in obtaining, even for agricultural products, which have fallen so greatly in value in silver countries, higher prices in 1902 than the average of previous years, while the gold prices of the exports of countries using a silver currency have heavily and almost continuously fallen.

It must be freely admitted that the changes which have taken place in prices in the products of silver countries and in the products of the gold countries can not be assigned exclusively to the character of their monetary systems. Changes in the prices of an aggregate of articles are produced by an almost infinite variety of causes. In manufactured goods improvements in machinery and the economies resulting from the consolidation of industries should have brought about a relative decrease in cost in recent years. Competition and the state of credit are also vital factors in determining price, even where actual cost of production is unchanged. Other things being equal, however, the intensity of competition should be at least as powerful in the manufacturing countries, with their large excess of plant in many cases, as in the agricultural countries, according to the well-recognized principle of economics that manufactured goods are capable of rapid and almost indefinite multiplication, so long as a supply of raw materials remains available, while agricultural products are capable only of the slow multiplication resulting from natural causes or from the careful culture of years. If, therefore, the effect of competition under similar conditions has been to depress the gold value of the exports of Mexico in a much larger ratio than the same cause has depressed the gold value of the imports into the country or the exports from gold countries, then strong color is lent to the presumption that the monetary system has been influential in the matter.

The contraction or expansion of credits within the exporting country might contribute to contract values at one period and inflate them at another, and this has undoubtedly been a potent influence within the last few years in raising the gold prices of articles exported from the United States. If Mexico had been subject during this period to depression in trade, the comparison between prices in Mexico and in countries under different conditions would have only a limited value. The fact appears to be, however, that business conditions in Mexico have been favorable, that there has even been a special stimulus applied to certain lines of production by the fall in silver, and that prices in silver have considerably risen. If this justifies the conclusion that credit conditions during the last few years have been parallel in the gold and silver countries, or at least in Mexico and the United States, the conclusion may reasonably be drawn that if prices have fallen in an undue degree in Mexico, while in many cases they have risen and in others have not fallen materially in the United States, then the argument is strengthened that this condition is related in some degree to the difference in monetary systems.

Conclusions upon so complex a problem as that here considered could not be drawn with certainty if the facts were not striking enough to point strongly in one direction. In economic problems, where they come into contact with practical life, there are always many elements of uncertainty which make it imprudent to be dogmatic in drawing conclusions. Some of these exterior influences, like the increased productive power of machinery and the changes in credit conditions in gold standard countries, have already been referred to. It may be added that neither the exporters of Mexico nor those of any other one country, are in a position to dictate prices in the markets of the world. There are many separate causes acting upon the import and export value of each separate article, and it is possible that the operation of these causes would counteract the effect of such a general cause as the tendency to undervalue Mexican products under a depreciating currency. In the case of sisal, the one article of importance where the gold price has risen, the war between Spain and the United States and the subsequent resistance to American authority in the Philippines, were influential in cutting off the supply of hemp from Manila, and thus contributed for a time to reduce the supply and raise the price of the product which came to market. In the case of coffee, the great fall in price is probably due in part to conditions in other countries than Mexico, and it might have been impossible for Mexican exporters to have obtained a much higher price if the country had been upon the gold standard. It is proper to maintain, however, if Mexico should contribute a large part of the supply of any article, that her production and the price fixed upon it would have much influence upon the market price throughout the world. It is proper also to observe that in the case of several of the principal articles exported from Mexico, other countries where they are produced have also been upon a silver or paper standard, and have been subjected to the same influence as Mexico in the depreciation of their currency and in the low gold price for which their exports have been exchanged for the products of the gold standard manufacturing countries. This fact would seem to strengthen the conclusion that the ability to reduce gold prices afforded by a depreciating standard, whether of silver or paper, tended everywhere to impoverish the economic forces of the countries having such a standard in their relations with the countries having a more stable standard.

Observation from a variety of points of view, therefore, of the problem of Mexican foreign trade, seems to justify the conclusion that Mexico has in recent years given up a growing proportion of the products of her own labor and intellectual efficiency in return for foreign products. If this is due even in part to the monetary system, it is an evil of the most serious character, because it involves a progressive impoverishment of the economic resources of the country and the needless enrichment of those with whom Mexico trades. On the one hand, fewer foreign products in many cases are received in Mexico for the same amount of gold as in former years, representing a greatly increased expenditure of the resources of the Mexican people; while, on the other hand, Mexican products are being given up in increasing quantities for the same gold return, at the cost of a burden steadily growing heavier upon the productive power of Mexican capital and labor.

Great Britain's Savings Banks.—The Postal Savings Banks of Great Britain are receiving considerable attention from leading financial authorities in that country. With the reduction of the interest on consols to 2½ per cent., which is also the rate paid to depositors, the necessity of either reducing the rate or finding some more remunerative investment is apparent. But whichever alternative is adopted some ill effects are apprehended. If the rate of dividends to depositors is reduced heavy withdrawals of deposits are possible, and the Government is not well prepared to meet such demands. In fact, with liabilities on this account amounting to almost $1,000,000,000, substantially no reserve is held, although the deposits are practically payable on demand. On the other hand, if new sources of investment are sought, the price of consols will be affected unfavorably and the money market deranged.

There is no question of the ultimate safety of the deposits, since there is a Government guarantee behind them; but grave doubts of the Government's present ability to meet sudden and extraordinary demands are expressed by some of the leading financiers of London. It is probable that since the matter has been brought to the attention of the Treasury officials an adequate remedy will be provided.

The experience of Great Britain with postal Savings banks does not seem to warrant the conclusion that such business can be carried on more economically and safely by the Government than by individuals. In the United States the trustee Savings banks of the New England and Eastern States are managed with economy and safety and they are a greater aid to local enterprise than any system of Government Savings banks could be.

THE INTERNATIONAL MONEY MARKET.

The March number of the "Journal of the Institute of Bankers," of London, contains a thorough and interesting discussion of conditions affecting the international money market, by Mr. Cornelis Rozenraad. We can find space only for that part of the address relating more particularly to American affairs. After making some comparisons of governmental budgets and other matters, Mr. Rozenraad said:

"And if America's balance of trade, after having shown for many years a considerable excess of exports over imports, is now less favorable, her balance of payment, her liabilities to other countries are so large that the rate of exchange (the true barometer of a country's liabilities) is constantly against her.

To explain this, we should not forget that America has not only repurchased the greater portion of her railway securities placed in Europe, and provided for the millions of dollars spent annually by American tourists in Europe, and for the freights due to Great Britain and other countries, but America purchased, also for her Atlantic trade, several European steamers (one deal made by American capital was for 1,034,886 tons at an inflated value).

Besides, American leading financiers acquired an interest in several European industrial concerns, and invested millions in English Exchequer bonds, consols and German Treasury bills, of which, however, a large portion seems to have been resold to Europe.

Large as these repurchases, payments and investments may have been, they alone could not explain the adverse rate of exchange with which America is constantly struggling.

There is more.

The great development of trade and industry in America in recent years, and the large and sometimes wild speculations on the New York Exchange, led gradually to borrowing in Europe of many millions and to the creation of paper drawn against securities, operations against which America has had to send remittances when Europe declined to renew these loans and bills. Even now it is not quite certain that America has settled all her liabilities in this respect. Even now there are many American bills on the international money market which are not always drawn against goods, freights, insurance, or other genuine transactions, but are merely bills drawn for stock exchange speculative purposes. It is unnecessary to point out to you, representatives of Great Britain's banking community, that such bills, of which sometimes large parcels are offered on the international money market, are drawn for the purpose of creating capital in an artificial way, and are certainly not the class of bills which ought to be encouraged. Of course, they can not always be avoided. For instance, when money is dearer in one country than in another, or when genuine bills are scarce, and quoted at a price at which an export of gold is probable, it happens frequently that foreign bankers take advantage of the difference between the rate of discount in their own country and that quoted abroad, and draw on their foreign correspondents, especially when the rate of exchange is such as to exclude the risk of loss. It happens also that finance bills are drawn against a deposit of stocks or at the moment of the conclusion of a large loan. In fact, there are cases in which the creation of finance bills can be explained, and, to a certain extent, even justified.

But if in some cases the creation of such bills can be explained, the issue banks, private banks, and discount houses, by declining as much as possible to discount a class of paper which lacks the first and foremost condition against which bills should be drawn—that of being based on genuine transactions—are acting in the interest of the country in the interest of their own market. For the creation of finance bills, especially if they are drawn for large amounts, would lead to an adverse rate of exchange, finally to gold exports, and consequently to higher rates of discount. The international issue banks therefore avoid as much as possible the discounting of finance bills. I say as much as possible, for sometimes it is extremely difficult to distinguish finance bills from bills drawn against real commercial transactions.

As stated before, at a certain moment a large amount of such finance bills drawn by American firms on their London, Berlin and Paris correspondents, were put in circulation when money was quoted in New York at higher rates than in Europe, and in considering the balance of payment of America, we ought, in order to have an exact idea of the position, to know exactly the amounts represented by these bills still in circulation, which is, of course, impossible. From time to time rough estimates have been made, but no one can give reliable figures. Every item of a balance of payment, freights, interest on securities, money spent abroad, the exportation and importation of securities, the amount of finance bills put into circulation, every item, in fact, is an unknown quantity, every item may vary every minute.

The True Barometer of a Country's Liabilities.

The only barometer which can give us any idea of a country's liabilities, of its balance of payment, is the rate of exchange, provided one takes into account also the difference in the rate of discount and the amount of paper circulation issued.

And in this respect America shows several weak points. For if the United States, whose national and economic history extends now to a hundred years, have, especially of late years, made gigantic progress in every direction, if with unequalled energy America has taken rank amongst the great commercial nations of the world, and if, thanks to the indefatigable activity of her sons, her trade has expanded by leaps and bounds, America has, on the other hand, up to now, never been able to free herself from the evils connected with her present banking system, has never succeeded in giving that system more elasticity by adopting a banking system corresponding to the requirements of her national and international trade.

True, the law of March 14, 1900, confirming the absolute gold standard, was a step in the right direction of currency reform, but it allowed at the same time the National banks to issue notes up to the par value (instead of only ninety per cent., as hitherto) of the Government bonds deposited by them in the Treasury for their notes.

The result was, that not only the creation of the banks increased, but that many other National banks were established. According to the annual report of the Secretary of the Treasury of December 2, 1902, there were in America 4,601 National banks working with a capital of 705 million dollars, against 3,574 at the end of March, 1899, and 4,226 working with a capital of 646 million dollars at the end of September, 1901. These 4,601 banks had issued $384,929,784."

Mr. Rozenraad then presented tables showing the foreign exchange rates prevailin New York and Paris at certain periods, and said:

"As you will notice, the tendency of the French exchange, nearly constantly in favor of France, is in absolute opposition to the tendency of the American rate of exchange, nearly constantly against that country. * * *

In America we see a banking system lacking elasticity, leading from time to time to an intervention of the Treasury in the money market; in France a central banking institution, working according to the principles of sound banking, but advancing, perhaps too often, money to the Treasury, and hampered at certain moments in its efforts to promote trade and industry, by the maximum fixed for her circulation of bank notes (since December, 1897, fixed at 5,000 millions of francs).

In America a yearly outflow to Europe, especially to Paris, of the richest part of the population, which spends yearly many millions abroad; in France, a laborious, economical people, seldom spending money abroad and saving constantly a large portion of their earnings.

America, only occasionally taking a leading part in international financial operations, on the other hand, often borrowing abroad; while France has become the banker of many Continental countries, which, without constant help of the Paris banks, would have been in serious difficulties.

America and France are both trying to increase their relations with the South. The United States, where the Monroe Doctrine has lately come more to the front, trying to strengthen her political and commercial relations with South America. Considering that at present the majority of banking and financial transactions between South and North America are conducted through European, especially English, banking houses, and being of opinion that this is a decided check upon the expansion of American trade in Spanish America, leading bankers in New York are contemplating the provision of better banking facilities between the South American States and North and Central America, while France neglects no opportunity to strengthen her relations with her Southern sisters, Spain, Italy, Portugal and Greece, taking one day the leading part in financial operations which aim to improve the Spanish currency, buying another day large parcels of Italian stock, preparing at the same time the way for the conversion of the Italian five per cent. (four per cent. net), an operation which, now that the quotation of the stock has reached 102½ per cent., is only a question of time.

And not only are America and France trying to strengthen the political and commercial relations, both so intimately connected, with their Southern neighbors, but the two Republics are contemplating large public works which, when accomplished, must have far-reaching consequences on international trade, and in the meantime, on the international money market. For the act of June 28, 1902, providing for the construction of a canal connecting the Atlantic and Pacific Oceans—the so-called Panama Canal—includes, among other provisions, authority for the Secretary of the Treasury of the United States to borrow on the credit of the United States, from time to time as the proceeds may be required to defray expenditures authorized by the said act, the sum of $130,000,000, or so much thereof as may be necessary, and to issue, therefor, United States bonds, redeemable after ten years, and payable after thirty years from date of issue, bearing interest at the rate of two per cent. per annum; while France contemplates the construction of a canal connecting Bordeaux and Marseilles, via Cette, which will bring Marseilles in direct communication with the Atlantic Ocean.

It is hoped in France that this new canal, the cost of which will be 703,350,000 francs (£28,134,000), payable in twelve years, will be of great benefit to Marseilles, which port is continually complaining of the competition of the other ports, and especially of her formidable rival, Genoa. This canal will, it is hoped, secure to her a large portion of the international trade which now passes via Gibraltar. And is this new canal, which has been approved by the French Parliament by a large majority (491 against 8 votes), in the interest of the principal French port (which will contribute to the cost of its construction a sum of 91 millions of francs—£3,640,000), if it also increases what she is constantly aiming at—the influence of France in the Mediterranean?

London and New York Free Gold Markets.

And if in some respects the two great Republics work identically, in other respects, as has been shown before, they differ materially; particularly in the settlement of their international liabilities, when bills are scarce and the gold point is reached, and the settlement of these liabilities has to take place in gold. In this case, knowing that one of the reasons that has made London the principal money market, the banking centre of the world, is the fact that England pays unconditionally all its debts in the international metal par excellence—gold—America never hesitates to give when required gold for export; while the Bank of France (which has the right to exchange her notes either in gold or in silver) has no real policy with regard to the delivery of gold. At one time it only sold gold against a constantly fluctuating premium; at another it stipulated for special condititions, or paid gold only to its customers. In a word, although lately the Bank, whose stock of gold is the largest in Europe, amounting to now over 101 million pounds, has given gold a little more freely, it can not be said that the Bank of France can be relied upon for the supply of large amounts of gold for export. Consequently, when the rate of exchange on London reaches the gold point, gold has to be taken from the internal circulation, which means delay, expenses, etc., and explains why checks on London were quoted in Paris at one time (in December, 1899) at 25.40, although an export of gold from Paris to London is profitable at 25.325.

I hope you will excuse me if I have spoken at an almost undue length on the two great Republics, but England, through the London money market, is so intimately connected with both of them, that everything that happens in New York or in Paris has an immediate and direct influence on the London money market. For London is not only the intermediary between Europe and America, the clearing-house of international transactions, but the situation of the London money market was of late years, to a certain extent, regulated by the tendency of the American and French rate of exchange, by the position of the American and French money market.

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We must not forget, however, that the rate of exchange may not always be adverse to America, and that the intervention of France and also of Germany (of late also a purchaser of English bills), is due to the cheapness of money abroad.

True, so long as America has such a large amount of paper money and silver, so long as her National bank system lacks elasticity, so long will the rate of exchange most probably remain unfavorable to America, more especially now that her imports are increasing, and her exports are declining; but the severe pressure felt upon the American money market in the autumn of 1902, and the extreme measures taken by the Treasury to relieve it, have called the attention of the American commercial community to the American banking system, while President Roosevelt's recent message to Congress, in which, referring to the currency and coinage of Mexico and China, he states that the fluctuations of silver threaten seriously to injure the trade of the gold-standard countries with the silver-using countries, and suggests that a definite relationship should be established between gold and silver as a basis of exchange, shows that the recent fall of silver and its consequences have not escaped the attention of America. Her proposal for the appointment of a commission of three financial experts to represent the United States in an international monetary conference may not lead to immediate results, but the fact that a country which is a large producer of silver, and which holds a large stock of silver, is trying again to bring about an adjustment of the ratio between gold and silver currency in the Far East and in other silver-using countries, is worth mentioning.

In a word, if America is suffering under a banking system which leaves much to be desired, if her paper circulation and stock of silver are not proportionate to the requirements of her trade, America may, and probably will, try to improve her shortcomings in this respect, and will try to remove every obstacle impeding the development of her trade. Besides, if the United States now owe a large amount to Europe, they will endeavor to pay off these debts. Then America will be by far the largest holder of her own securities, and with her efficient railway service, as a great ship-owner and a large exporter of food and raw materials, she will be in a most favorable situation, and the rate of exchange, now constantly against her, may turn in her favor, and instead of America exporting gold to Europe, Europe may have to export gold to New York to pay for the increasing quantities of food and raw materials received from her and South America."

The speaker concluded his address as follows:

"These are only a few examples to show you that everywhere the economic, the financial, the banking questions are coming to the front, that everywhere the nations are trying to improve their shortcomings, that from all sides attempts will be made by Great Britain's commercial rivals to compete in the field of commerce and banking.

But with the sound, businesslike principles followed by the British nation, with the great energy and perseverance they constantly display, Great Britain, with her excellent financial, banking and currency system, will no doubt continue to be in the future, what she has been in the past, the leading commercial nation of the world, neglecting nothing to extend her share in the world's trade.

For (it can not be repeated too often) trade and commerce are the political interests of the nation, and that nation whose trade and commerce are most extensive and widespread is the nation whose wealth and power will be the greatest, the one that can do most for the human race, carrying civilization, justice and freedom to the uttermost part of the globe."

Bracken County Bank.
- INCORPORATED -
Brooksville, Ky. January, 23, 1903

Bradford Rhodes & Co.
New York.
N.Y.

Dear Sirs:
Enclosed find exchange for nine dollars, same being in payment of my account. I find "The Magazine" indispensable and recommend it to all bankers, especialy to those, such as I, who are young in the work. It shuld be in the hands of every bank clerk. I am well pleased with "Modern Banking Methods" and use it beneficially both as a text and reference book

Yours very truly,
Gaston Parsons

RESERVES FOR TRUST COMPANIES.

A BANK CASHIER'S VIEW OF THE MATTER.

About a year ago the New York Clearing-House Association adopted a rule that every institution which thereafter might be granted permission to effect clearings through a member of the association should be required to keep in its vaults such a percentage of reserve to deposits as the clearing-house committee might determine. Recently this rule has been practically applied to the trust companies using the clearing-house. By unanimous vote of the membership of the clearing-house, the trust companies have been required to have five per cent of reserve on hand by next June. So the rule, which seems to be the result of the long-continued friction between the trust companies and the banks, is about to bear fruit of some kind.

The competition of the trust companies with the banks has been unfavorably commented on by the banks for a great many years. The trust companies have been enabled, because of lighter taxation and the absence of requirements as to reserve, to carry on their banking business at much less cost than the banks. How great a proportion the banking business of the companies bears to their trust business proper does not appear, nor is it definitely known what proportion of banking business, as compared with the total banking business of the city, is done by the trust companies.

At first sight the banks proper seem to have just cause of grievance, furnishing all the facilities by which the trust companies are enabled to work safely without holding cash in their own vaults. It also seems plausible at least, if it is necessary for any bank to hold cash reserves, that any institution that does a partial banking business should hold reserves in similar proportion to that business. But, in my opinion, there can be little question that the larger proportion of the deposits of the trust companies consists of funds of a more permanent character than the ordinary line of bank deposits. The banks themselves seem to recognize this by fixing the reserve that should be kept at only fifteen per cent. to be ultimately accumulated and held, as against twenty-five per cent. held by the banks. The trust companies are, however, inclined to resist the dictation of the clearing-house banks, and some of the large companies have marked out the course to be pursued by ceasing to avail themselves of clearing privileges. It is expected that this course will be followed by other companies, when the time comes for maintaining the reserve. They have until June to make up their minds.

It is a matter of some speculation what will be the result of the direct issue between the two classes of financial institutions thus made. Will the trust companies be able to conduct their business without modern clearing facilities? Are these facilities of so little importance that the companies can go back to the ancient method of messengers, collecting items from bank to bank? It is possible that this reactionary policy may not only add to the expense and difficulty of conducting the banking business of the trust companies, but it may also prove extremely inconvenient for the banks. Added to this inconvenience may follow the reduction of the deposits of the trust companies with the banks. It is not difficult to see that this attempt on the part of the present clearing-house association to dictate the home reserves of the trust companies may prove the beginning of a contest that will test the powers of the competitors, and may result in the evolution of new banking conditions.

It may be questioned whether the clearing-house banks will hang together in support of this line of reserve policy, in the face of competition for trust company deposits. If the banks do hold together in the face of opportunities of obtaining the patronage of the trust companies, there can be little doubt that this patronage will, to a great degree, be turned over to banks, statutory and private, outside of the clearing-house association. The present clearing-house can not claim a monopoly in the exercise of clearing methods. It is hardly to be expected that the continually increasing number of financial institutions outside of those belonging to the present clearing house will not avail themselves of their right to bring into existence a rival clearing apparatus. The present clearing house association possesses great power, but unless this power is exercised with discretion its present virtual monopoly may be handicapped.

These considerations lead to the belief that the banks, when determined opposition to the reserve mandate is apparent on the part of the trust companies, may find it to their interest to recede, either in whole or in part. All this merely has to do with the probable results that the enforcement of the reserve requirement dictated by the clearing-house may evolve.

But there is much more to be considered. The whole question of reserves is involved in the matter. Is it true, with the modern development of banking, that a cash reserve is of as much importance as it was in former days? The ideal of a perfect banking business is one so adjusted that the balance between the receipts and payments of cash shall each day automatically adjust itself. There is much justice in the observation that if this balance between the daily income and outgo of cash of a banking business becomes seriously disturbed by panic and disappearance of confidence, no possible percentage of reserve that could be profitably kept would prove of any avail. The present figure of twenty-five per cent., fixed nearly forty years ago, has time and again proved inadequate. There is reason to suspect that the so-called cash reserve is more or less of a fetich. During the greater portion of the time its assistance is not required, and under abnormal conditions it has repeatedly proved inadequate. The public is gradually becoming educated in uses of banking machinery and in the laws that govern its highest development.

The first man who entrusted a deposit of money with another was alarmed at once if he suspected that his depository did not have the whole deposit, intact and ready to deliver at all times. Experience taught the banker how, by the diverse requirements of a large number of depositors and customers, he could always have a fund to meet immediate demands. The public who use banks have been learning the same thing more slowly. When the National bank law was enacted, the public according to the views of the legislators of that period had arrived at a stage of banking education when they believed that if a bank held twenty-five per cent. of his liabilities, either in cash or available funds, the whole of their deposits was safe enough.

It is believed that the average depositor has reached a higher stage of education than this during the past forty years. The longer banking has continued the less the reserves necessary. The wealthier the depositor the more apt he is to understand the principles on which the safety of his bank deposits rests. The institutions which hold the deposits of the wealthier portion of the public naturally need less reserves. Therefore, it is evident that trust companies, which are the custodians of accumulated wealth and the managers of great estates, can feel safe with less reserve than institutions holding the deposits of a less wealthy class, or at least of a class of depositors whose demands for various portions of their means are more constant and active.

It is believed that very much of the contest now going on between banks and trust companies is due to the disadvantage the banks experience from being under an antiquated reserve law. The banks in conducting this contest are perhaps wrong to use the fancied power the association for clearing purpose gives them to force on the trust companies the ancient restraint under which they themselves labor. The companies are institutions of later evolution than the banks, and this evolution has been due to modern wants. The banks should endeavor to modify their own reserve requirements and thus place themselves more on a par with the companies.

It is believed that were the whole antiquated system of fixed reserves overhauled and modified, the amounts of available cash held at the important monetary centres would not be in the least reduced. I realize, however, that there are great difficulties to be overcome. The obtacles of legislative prejudice and of banking custom are in the way of modifying either national or State laws. The restrictions of these laws may be exceedingly valuable in parts of the country where banking education is still in a primitive state, but in the great central markets they are a detriment. It is possible that the time will come when it will be extremely hard for an institution organized under and subject to the restrictions of the so-called banking laws of the State or nation, to compete in business with institutions doing a banking business outside of these banking laws. Trust companies and private bankers already seem to point the possibility of this result. In New York State, the general banking law of the State is much more liberal than the national law respecting reserves. If the National banks of New York city did not have a preponderance in the present clearing-house, and were unable to use the power this association gives them to compensate for the disadvantage they have under the national law, it is probable that they would all of them very soon convert to the State system. They are also induced to maintain their present footing by the hope that Congress may grant an asset currency privilege. This exercise of power by which the clearing-house banks, chiefly National, seek to compel the trust companies to submit to onerous and perhaps useless reserve conditions, should it prove futile, will perhaps cause a revolution in banking in New York city.

NEW YORK, April 30, 1903. CASHIER.

A Bankers' Identification Button.

Editor Bankers' Magazine: MARLOW, I. T., April 22, 1903.

SIR: Why can't we have a lapel button for members of our American Bankers' Association, which will not only designate that we are members of the American Association but of State or Territorial bodies as well? How many times have we travelled in the same railroad coach with men we did not know, and after our destination had been reached we have found that they were fellow bankers whose society and acquaintance would have been of much pleasure and profit to us? And how many of us travel the road of life almost side by side, yet pass as ships in the night? Bankers, as a rule, are not quick to make the acquaintance of strangers, and if we had a lapel button to be worn by us, a barrier would be broken that has stood for years. I would suggest a design in the hope that the matter will be taken up by some who will think favorably of it and bring it to the attention of the proper officers. My design would call for a solid gold button with a dollar mark ($) in the centre, which should be the American Bankers' Association mark, and above and below, or arranged to suit the taste, should be the initials or the words of the State or Territory to which the wearer belonged, the dollar mark to be in enameled black, or other suitable combination that might be pleasing as well as quickly read. The buttons might be made in several sizes. I have prepared several designs but think the round one best, as it does not catch on the clothing.

THOMAS P. MARTIN, JR.

THE PRESENT BANKING SITUATION IN GERMANY.

There is no other country where the activities and functions of the so-called high finance affect so intimately the industrial and commercial as well as financial welfare of the nation as in Germany. This was clearly demonstrated by the general break-down of all branches of industry, the utter paralysis of all speculative activity and a complete standstill of all stock trade after the remarkable series of bank crashes just two years ago. The fact is that Germany is still cowering within the shadows of that awful period. Its optimists exhausted their vocabulary in describing Germany as on the "threshold of recovery." But it has been on the threshold ever since and has been unable to step over and through.

In no other European country is there such collectivism, such finely-woven system and fine computation as in the organization and administration of German banks and industries. It would appear that by co-operation and by mutual negotiations the high finance and the leaders of the giant syndicates and sale cartels of Germany would be able to bring about by artificial if not by other means a revival in the country's depressed economic condition. But the fact remains that all the efforts made so far have been unavailing and that Germany is still "on the threshold of recovery."

One of the tangible results of the recent bank crashes in Germany is the so-called cartel of large financial and banking syndicates. No other nation exhibits banking interests working so closely and harmoniously together as in Germany. There is no clearing-house system here, and on the surface it would appear as though each banking institution is an independent and exclusive body having nothing in common with other banking concerns. And yet the very reverse is true. This explains the many successful deals which have been launched of late by German banks, namely, the Bagdad railway construction, offering a new commercial highway to the Persian Gulf; the conversion of the bulk of the recent Russian bond issues; the conversion of Balkan bond issues and a score or more of other foreign so-called financial "scoops." The fact, however, remained clear that the high finance in Germany passes coldly over domestic enterprises, neglects German colonies, which the Government would like to have made profitable by cultivation and development schemes, and is excessively cautious in issuing loans on local securities.

Nevertheless German banks have of late made themselves supreme in the administration of the giant cartels. But a few days previous to this writing the Deutsche Bank, the Dresdener Bank and the Berliner Handels Gesellschaft concluded a combination of the new Rhenish-Westphalen coal syndicate, which saddles Germany with a coal monopoly more powerful and coercive in its scope than the much-abused coal trust of the United States. In a similar way leading German banks brought about the combination of German cement interests. The Deutsche Bank, the Reichsbank, the Disconto Gesellschaft, the Darmstadt Bank and numerous others are equally closely identified with the management of the big iron and steel cartels which have their headquarters at Dusseldorf and control the production, supply and sale as well as export of iron and steel products. In the same way a clique of banks engineers the finances of the big German steamship lines, the North German Lloyd and the Hamburg-American, issue marine issurance and conduct other departments of marine financing left to specific institutions in England and the United States.

Since the liquidation of the powerful Rothschild financial syndicate in Germany the chief financial clique which inherited the prestige of the Rothschilds is the Bleichroeder firm. The Bleichroeder brothers are rated the most powerful and astute financiers in Germany. One of their number was recently killed in an automobile accident, and it is understood that the interests of this firm are being gradually transferred to other hands and to leading banks. Just now the most powerful banking institutions, which are at the same time the most active, are the Deutsche Bank, Disconto Gesellschaft, Bank fur Handei und Industrie, S. Bleichroeder, Dresdener Bank, National Bank of Germany, Middle Germany Credit Bank and a number of powerful private banking institutions. But for the activity of these banks Germany would to-day be visited with still graver depression.

For upon the banks devolve the burden of reviving the industrial and investment interests of the Empire. Thus far they have been shy of introducing their money in home concerns for two good reasons, viz., first, the public prejudice against banks heavily interested in *acktien gesellschafts*, and secondly, the poor returns from domestic iron and steel, coal, coke, chemical, salt, manufacturing and other branches of trade. Despite the fact that the exports of Germany for the first quarter of the present year were in excess of all records since the high-tide period of the last decade, amounting to an increase of 18,507,112 marks to the United States alone over the first quarter of last year, the valuation and dividends have been so small as to make domestic stocks very unpopular as compared with foreign investments. This accounts for the fact that Germany has shipped many millions of marks of currency to London and Paris for New York account, taking in exchange common bonds and stock securities. It would be better to illustrate the apathy of German banks toward their own stock market by showing the willingness with which American securities have been accepted for loans, with a general feeling in the air here that Wall Street is on the verge of a collapse. This feeling is systematically nourished here by false press reports and the alarmist views of local financial writers who harp on the subject of over-capitalization and inflation of stocks until it has become an inoffensive scarecrow proposition with the better informed.

It is only within the last few years and since the bank collapses two years ago that Germany has exerted a powerful influence in the international European money market. During the high-tide period from 1893, after the creation of the Caprivi commercial conventions, until 1900, German capital was reserved for home uses, for the extention of *acktien gesellschafts* and boom enterprises within the confines of the Empire. Very little capital flowed across the borders for the reason that dividends were so extremely high at home, and the general exuberant feeling prevailed that nothing less than superhuman intervention could prevent Germany from rising to greater eminence from year to year as an industrial and exporting nation.

Half a dozen powerful and invincible banks, which withstood the shocks of 1901, discovered that their coffers were steadily filling with more enormous volumes of reserves than ever before in their history after the first spasm of fear had worn away. The banks which had the reputation of steering clear of the dangerous Treber Trocknung type of *acktien gesellschafts*, which brought about the ruin of the Leipziger Bank, were favored by the public. Among the number are the Deutsche Bank, the Disconto Bank, the Middle Germany Bank, the National Bank of Germany and several others. All the wealth which had been withdrawn from investments and from banks which threatened to tumble before the avalanche, was stored in these few banks. The result was that money dropped to two and one-half per cent., and that Germany has offered money cheaper and in larger quantities on the international market than any other country. Within the last six months the main efforts of these super-burdened banks were directed toward profitable investment in foreign bond issues, conversions, in Turkish investments, Russian Government issues and other steady and safe papers. But some of these ventures were not regarded as safe, especially those of Turkey, Roumania, Servia, Hungary and other Balkan States which have been turning toward Germany as their best financial backer. But the confidence displayed in countries like Roumania and Servia, undergoing an industrial and economic revolution, has thus far vindicated itself. This was revealed in the annual reports and the dividends paid on the big bank stocks recently.

One need not look far to learn why Germany is still in the grip of industrial and material depression despite large exports. It is due almost entirely to the failure of the banks to come to the rescue of German industries and the fact that available capital has been flowing to other countries, and German capitalists have been cutting coupons and receiving dividends upon foreign gilt-edged premium paper. The other day I visited a large machine manufacturing company at Magdeburg, with a capital of 22,000,000 marks, I found only two of five blast furnaces in operation, while the foreman of the shops stated that only one-third of the entire force was being employed and that the output of the plant was reduced by nearly sixty-five per cent. as compared with last year. One might encounter the same air of languid depression in other parts of Germany, except in the iron and steel regions of Rhineland and Westphalen, where the exports of iron and steel to the United States and England provides ample employment but requires sacrifice export prices which leave hardly any dividends.

One of the best examples of German financial genius is just now being exhibited in the financiering of the Bagdad railway. Several days ago a British Premier, Balfour, called the attention of the English Parliament to the fact that Germany was acquiring a new and important vantage point in absorbing Persian Gulf trade and opening new commercial paths to the Oriental markets by means of the Bagdad railway. The Premier suggested that British capital take a hand in the enterprise, especially inasmuch as German capitalists were willing to allow English capitalists to take up a large proportion of the bonds issued and guaranteed by the Turkish Government. The German Government is only indirectly interested in the Bagdad railway scheme because it will give the Empire a lead as against Russian economic and political designs. The Bagdad railway is controlled by a syndicate of capitalists identified with the Deutsche Bank which is negotiating another Turkish loan just now. The syndicate offered shares in the new road to Russian and French capitalists. In St. Petersburg the offer was rejected with suspicion. In Paris a large bulk of the shares was floated. This is evidence that the Bagdad railway syndicate follows no covert political aims but is intent solely upon international support in financing a scheme which will insure German investment interests a special advantage. Russian capitalists are now regretting the fact that they did not step up and join with Germany.

There was much talk of reforming the German banking system after the wrecks of two years. The bank *aufsichstrats* insisted that the crashes were due to the lax administration of the bank examiner office, to the evils of the Borsen law and other weaknesses in the German National bank system. But the Government has been in no hurry to correct these alleged weakness and abuses. If reforms have been effected they they have been due to the initiative of the banks individually and to careful management of their reserves. The banks are now upon their mettle and realize that their only safety and well-being lie in conducting their policy along conservative lines.

Not until German syndicates, *acktien gesellschafts* and industrial concerns undergo and complete their present reorganization efforts will the banks be willing to render liberal support to domestic conditions The tariff law and the uncertainties of the coming international tariff treaties with Russia, Austria-Hungary, Italy, the United States and other countries add to the industrial paralysis. The "Germany for the Germans" Agrarian is in the legislative saddle, and inasmuch as his policy has been one of rule or ruin, there is not much hope from this source for succor.

CHRISTIAN A. LUHNOW.

BERLIN, April 12.

* THE PRACTICAL WORK OF A BANK.

INCREASING THE NET EARNINGS.

II.

Any kind of business that cannot be made to yield some sort of income or dividends to its owners in return for the capital, energy and industry that have been invested in it, will eventually cease to exist. A community does not need an unprofitable business; it does not demand that men shall work on and on, at a given task, without recompense or reward. It is a law of social economy that a profit shall arise from business transactions and that at the end of the year a well-managed firm should be able to show something in the way of net earnings.

Some Fundamental Principles of Profitable Banking.

Believing then that a bank is entitled to "net earnings," the question "How can we increase our net earnings?" is a fair one to ask. It has received in the past, and doubtless will always continue to receive, the careful consideration of all thoughtful bank managers.

It may seem strange to say that in order to earn money to-day a bank ought to be in the banking business; but this is true. A bank should stretch out and have for its field of operation a large sphere; it must be prepared to transact banking business in all its branches.

Banking in all its branches has a larger meaning and a larger scope than one would ordinarily believe. We can easily realize this, by reminding ourselves of the type of banker of a half century ago, who in his small office with one or two assistants received deposits and made a few farm loans or occasionally advanced money to the butcher and grocer. The kind of banker who had for his library at least a couple of books, such as "Every Man His Own Lawyer" and the "Family Physician." This type of banker has nearly passed away, and to-day in his place we have the aggressive but nevertheless conservative bank manager who is in the banking business in all its branches; *i. e.*, a bank of to-day is in the trust, foreign exchange, bond, savings and safe-deposit vault business.

It is these aggressive and conservative bankers who are trying to increase their net earnings and trying to bring their bank to such a position as to enable them to keep adding to the surplus fund. These bankers are trying to do this in three ways:

1. By avoiding losses.
2. By securing new business.
3. By systematizing the office work in such a way as to lessen the operating expenses.

Methods for Avoiding Losses.

Banks lose money in a great many ways; for instance, through overdrafts, bad loans, embezzlements, and through mistakes on the part of its employees.

In order to avoid losses through bad loans and overdrafts a bank should have at the head of its affairs men who can say no, when no should be said. This ability to say no is an earmark that is characteristic of the true banker. A bank officer or

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

bank employee who has not the courage to say no when the best interests of the bank demand it, need not expect to increase the net earnings of the bank.

Having the courage to say no is not all that is necessary. It is equally important that the banker of to-day should have such information at hand as to enable him to decide quickly whether or not it is well to say no.

The information bureau, or what is sometimes called the statistical department, is a comparatively new feature of the banking business. The banker who tries to avoid losses does not attempt to get along without it.

In this department a record is kept showing who introduced each depositor and the general and financial standing of all firms and individuals who have dealings with the bank. Statements are periodically secured showing the liabilities and the resources of all borrowers. The volume of business that each customer transacts at the bank is closely watched, the average deposit balance, the highest and lowest loan made during the year, the amount of interest paid on each amount, and the expense to the bank of handling each depositor's out-of-town checks are carefully noted and recorded.

In all well-managed banks an officer will always have this kind of information at his finger-tips and it will prove of no small help to him when it comes to deciding whether to permit an overdraft or make a loan.

The fear of embezzlements and losses through errors and mistakes on the part of new or inexperienced clerks is perhaps one of the nightmares that annoy the banker who would increase the net earnings.

Embezzlements are not as frequent now as they were in former times, because nearly all the banks are larger than they were and they are better managed. A bank employee of to-day cannot easily steal anything without the co-operation of several confederates, and even then it will be found to be almost impossible to cover up a shortage if the affairs of the bank are examined as frequently as they should be by the board of directors and the Government bank examiner. Loss through errors on the part of inexperienced clerks is a problem that must work out its own salvation; losses of this kind cannot be done away with entirely, but all clerks can be given such thorough training and drilling as to make these losses very infrequent.

Securing New Business.

Before seeking new business as a means of increasing the net earnings, bank officers should be certain that they can handle the new business at a profit; for instance, a small bank not having direct connections in foreign countries should not spend a great deal of time in seeking the accounts of firms that require a large amount of this kind of assistance, neither should they enter the open money market and attempt to accommodate large borrowers at the risk of being unable to take care of their regular customers.

All new business is not desirable. A banker should be careful in accepting new accounts, but at the same time he can and should be ever on the alert for an opportunity to add to his pile of deposits if he can do so without taking something from his pile of earnings.

Advertising is an important feature of bank management. A bank cannot hold its own or secure new business in this day of aggressive competition without keeping its facilities for the handling of accounts constantly before the public.

It is well to have an attractive advertisement in the banking magazines, the law journals and the daily newspapers of the day. Too much care cannot be taken in regard to this matter. The circulation of the papers or magazines containing these advertisements should be looked into. A bank officer ought to know just what kind of people are reading the bank's advertisements. The bank's ability to handle country accounts, to make collections and promptly account for them, its willingness to correspond with any banker who may be thinking of entering into business relations with it, and the many accommodations that a conservative and properly-managed bank can give to its correspondents, should be advertised in magazines having a large circulation among the bankers of the country.

Where a trust company business is transacted, the ability to act in the capacity of receiver, trustee, administrator or guardian should be especially advertised in the law journals and in this way brought to the attention of any lawyer who may be interested in a bankrupt or other estate and who is not prepared to render the kind of service that such an estate needs.

It is well to advertise in the daily newspapers the facilities of the bank for the transaction of business in all the branches of banking.

At the same time it must not be forgotten that banks do not have wares for sale, neither do they have great sale-days as do large department stores. Banking advertisements ought not to partake of the scare-head or sale-day nature; they should be carefully studied and prepared, and then when they appear in print they will go a long way toward making business men realize that those who are behind the bank possess aggressive business intelligence.

In addition to newspaper and magazine advertising, bankers may prepare neat little pamphlets descriptive of the banking business and use them for advertising purposes with very good results. Some Savings banks have an advertisement printed upon envelopes and give them to firms to be used for pay-roll purposes and in this way remind the wage earner on pay-day of the desirability of having a savings account and calling attention to the accommodations that they offer in that respect.

A well-lighted, thoroughly-equipped and conveniently-arranged office is a good advertisement for any bank; but by far the best way to secure new business is to deal with the present customers in such a way as to have a large army of well-satisfied depositors, the kind that are ever ready and willing to say a good word for their bank and to tell of the kind and courteous treatment that they have always received at the hands of the men who are behind it.

Operating Expenses of the Bank.

Some large city banks are annually taking many thousands of dollars out of their profit and loss account to defray the expenses of the collection department in payment of the exchange charges made by their country correspondents for the handling of their out-of-town business. Of all the departments in a bank the collection department is without doubt the most expensive. This problem of exchange charges is of vital importance in the consideration of bank expenses. In order to avoid these charges, the collection department should be placed under the especial care of some one having broad banking experience and who is well informed in regard to the banking conditions existing throughout the country.

The volume of out-of-town business handled each day should be closely and systematically watched by this head of the department, who in the course of a day's business will be able to notice many things of interest. Under such a system it will be found to be impossible for a correspondent to make large and extravagant collection charges without attracting unfavorable attention.

When knowing just who makes the large charges and with such information at hand as comes only from close observation, one can work intelligently in an effort to build up an extensive par list by which means the expenses of the collection department may be cut down in a most surprising way. Not only as a means of lessening the expenses, is a par list valuable; it has also been found to be an important factor in the securing of new accounts.

Aside from exchange charges, there are not many expenses in connection with the banking business that can be wisely cut down, and the hatchet, when used in this direction should be used with exceeding care.

In laying out its systems of bookkeeping and office work it is better for a bank, the trusted guardian of the people's money, to adopt a system that guards against possible errors, frauds and embezzlements, rather than to adopt a system less secure because a trifle more inexpensive. Still there are no doubt many ways in which our present systems of office work can be improved upon, but this improvement must come, if it comes to stay, in a gradual and a natural way.

Nothing need be said at this time in regard to theoretical methods, or some of the new ways of doing things, because all problems of this kind that are worth solving at all can only be solved right when solved in the office in which they exist.

The successful banker will not, by indifference or otherwise, stand in the way of improvement and progress; he will always be willing to consider and examine methods that will place the office work upon a safe and economical basis.

There are no doubt ways, other than these, by which bank earnings may be increased, but the banker who keeps such information at hand as to enable him to so intelligently deal with his customers so that he can avoid losses; the banker who is constantly receiving new and profitable business, who keeps an eye on his collection department, and who manages his office affairs in a systematic and economical way, will not only increase the bank's profits, but he will bring the bank itself to a prominent and conspicuous place in the front row of the well-managed banks of the country. ·JUNE, 1902.

NOTICES OF NEW BOOKS.

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

FINANCIAL HISTORY OF THE UNITED STATES. By DAVIS RICH DEWEY, PH.D. New York: Longmans, Green & Co.

The growing financial power of the United States is strikingly evidenced by the frequent publication of important works relating to money, banking and kindred subjects, and if American citizens are not henceforth thoroughly informed on these matters it will not be for lack of text-books.

Prof. Dewey's work deals with the tariff, revenues and expenditures and money and banking. He appears to have chosen the chronological method of treatment, and the result has been a less closely connected consideration of the subjects embraced in the work than would have been possible if the topical method had been pursued. There are, of course, difficulties to be encountered whichever plan is adopted, and it would hardly be practicable to consider any one topic separately for the entire period, since the several subjects are intimately related.

An interesting and valuable feature of the work is the bibliography preceding each chapter.

Prof. Dewey does not deviate much from a plain statement of historical facts, avoiding extended argument or comment. In other words, he has chosen to write a history instead of a treatise. An opinion expressed by him not many years since seemed to justify the inference that he thought the province of history was to make deductions rather than to narrate facts; but he has wisely refrained from putting this opinion into practice.

It is not always easy to be impartial, especially when dealing with matters of contemporary interest, about which there has been heated partisan conflict. But we can detect no bias in what is here recorded, and consequently Prof. Dewey's Financial History of the United States will take high rank among works on financial topics. It is fortunate that men of such ripe attainments are devoting their attention to things of such vital concern to the economic well-being of the people.

DETERMINING THE PROFIT ON A BANK'S ACCOUNTS.

Many progressive manufacturing plants have introduced into their accounting departments a system of cost accounts, by means of which they arrive at the exact cost of every article which they manufacture. Formerly accurate estimates of cost were not as essential as they are now : the margin of profit was wider, and a rough estimate of the cost of manufacture was sufficient. But the keenness of competition has narrowed the margin of profit and rendered the cost account necessary.

In banking, no less than in manufacturing, competition is becoming keener and the margin of profit in the business is constantly growing smaller, especially in the large cities. It is therefore becoming more and more necessary for the banker to determine accurately the cost of the accounts carried on his books. While the manufacturer turns out goods, the banker's product is gross earnings, and the cost of manufacture is analogous to his total running expenses. Formerly bankers were content to see that the total gross profits were sufficiently above the total running expenses to insure a good dividend, without attempting to ascertain what part of the total profits were derived from each depositor's account. If the account was grossly misconducted, the banker would request that it be closed; but he did not attempt to arrive at more than a rough estimate of the matter.

The advantages of a method of determining the exact profit on each of a bank's accounts are apparent. Since a bank is organized solely on business principles, it is clear that if the banker can learn what accounts diminish instead of increasing his earnings, he will not continue such accounts on a losing basis. There are, of course, exceptions to this statement, which will be considered later on. Many bankers who do not doubt the advantages of such an analysis, say that it is not practicable, or that it costs more than it is worth to have the necessary clerical work done. That the introduction of cost accounts into the banking business is practicable, is evident from the fact that the system is in operation in some of the leading banks in New York, Philadelphia, and elsewhere. These banks consider it profitable to continue the analysis of their accounts year after year. Whether a continuous calculation of this kind would be profitable in a small bank, is difficult to say; the writer is of the opinion that a calculation made for one month of each year, or a singling out of the more doubtful accounts for constant attention, would answer the purpose as well as a running analysis.

Since there are a number of factors which complicate the calculation of the profit on a bank account, it may be well to take a simple example and introduce these factors one by one. Suppose that A deposits $1,000 and allows it to remain untouched for a month. The bank's required reserve being assumed to be twenty-five per cent., the balance of A's account available for purposes of loaning is $750. If the banker's funds earn an average of five per cent., A's account has netted $3.12 for the month. This monthly average rate earned by the bank on its funds is arrived at as follows: Multiply the amount of each loan or discount by the number of days for which it runs during the current month and add all products of investments having an identical rate. These sums will show the number of dollars invested for one day at the given rate. Find the interest for one day and add all the interest amounts thus found. The percentage which this total bears to the total investments is the average rate earned. A proper analysis of the loans and discounts makes the determination of this figure comparatively easy.

On the above supposition the problem is simple enough. Let us suppose, now, that the bank allows A interest at the rate of two per cent. on his balance; that is, $1.67. His account would of course net only $1.45. Suppose, further, that instead of an untouched balance of $1,000, A merely maintains an average balance of that amount, and deposits checks on Chicago (his account being kept in New York) during the month amounting to $1,200, for which he receives immediate credit. It is evident that the bank earns no interest on this $1,200 during the time required to secure returns for these checks, say five days; $1,200 outstanding for five days equals $6,000 outstanding for one day, or an average of $200 for every day in the month. This amount, therefore, being unavailable to the banker, should be deducted from the average balance of $1,000, leaving $800, interest on seventy-five per cent. of which at five per cent. shows the bank's gross income to be $2.50, and, deducting interest allowed, $1.67, as above, leaves a net profit of .83 Exchange collected from A must be added to this; and exchange paid to collecting banks deducted.

One more item must be charged against A's account, in order to determine exactly the profit derived by the bank from it. Each account must bear its due share of the general expenses of conducting the bank. This is perhaps the most difficult factor of all to determine. It is manifestly incorrect to divide the total expenses by the number of accounts and charge each, whether large or small alike. It is also incorrect, although nearer the truth, to charge each account in proportion to its average balance. The method most nearly approximating absolute accuracy seems to be to charge each account with the percentage which its total number of items deposited and drafts drawn bears to the total volume of the bank's business. This method involves so much clerical labor (and is even then not absolutely accurate), that most bankers are content either to use one of the other two methods, or simply to estimate this factor roughly. The number of items deposited and checks drawn can be determined, however, without a great amount of labor, if deposit slips and check lists are numbered along the margins, and if the calculation is to be accurately made, this would seem to be the best method to pursue.

The calculation to determine the profit derived by the bank from any particular account is, therefore, as follows: Take the average balance for the month (all well-managed banks have this figure at hand). Find the average amount of outstanding checks by multiplying the amounts of country checks by the number of days required to collect them, and dividing by the number of days in the month. Deduct the amount outstanding from the average balance to arrive at the net balance. Seventy five per cent. of this amount (in a central reserve city) constitutes the loanable or available balance. Find the interest on the available balance at the average rate earned by the bank. Add exchange charged the dealer and deduct exchange paid collecting banks on his checks. Deduct also interest, if any, allowed on the account for the month. Finally, deduct the proportion of the general expenses chargeable to the account, as determined by one of the methods above explained. The result will be the intrinsic value of the account to the bank.

It must not be supposed, however, that the result determined in this way can be made an invariable rule in deciding whether to accept or decline an account. Other considerations, which must not be overlooked, enter into the question. In the first place, some of the largest banks in New York city and elsewhere have grown to their present size by wisely seeking the accounts of new or small country banks, believing that as the country developed and the towns grew, the balances maintained by the banks with their correspondents would proportionately increase, and the result has abundantly vindicated their foresight. No hard-and-fast rule can be laid down to determine when a small account (perhaps showing a present loss by the above computation) should be retained in the hope that it will grow. In general, it may be said that bank accounts are more likely to grow than individual accounts or the accounts of firms, since money is the bank's whole stock-in-trade, while it is merely the working capital of the merchant.

A second consideration that should receive proper attention is the value of a reciprocal connection. Frequently a merchant having no other preference will decide to place his account with the bank which has a correspondent in some town with which he has intimate trade relations, his collections or telegraphic transfers to or from that point being thus more readily effected. A reciprocal connection frequently brings a city bank out-of-town mercantile accounts. The country merchant wishing to open a city account naturally goes to the bank which is the city correspondent of his home bank. In general it may be said that an account with valuable connections must always be considered by the banker with a view to the profit, present or prospective, to be derived from such connections. There can, of course, be no general rule laid down by which to determine the profitableness of such accounts; each must be decided upon its own merits.

A third consideration to be taken into account is the field for loans which an account affords. Since a bank's profits are derived from its loans and other investments, it is evident that the larger the bank's field in this respect, the better opportunity it has for making safe loans and for obtaining a good rate of interest. Under our American banking system it is frequently necessary for the small banks in rapidly developing sections of the country to rediscount some of their paper, in order to satisfy the demands of their customers. The accounts of such banks may appear to be unprofitable, when subjected to the rigorous analysis outlined above; but when the fact is taken into account that they afford a field for good loans at five to six per cent., while local rates are not above four per cent., it can be readily seen that due allowance must be made in estimating the value of the accounts. The allowance to be made in this instance can be reduced to the following rule: If the loss on the account, as shown by the analysis, is not as great as the excess earned on loans to the account over local similar loans, the account is a profitable one.

Finally, the shrewd banker never loses sight of the fact that every account, however small it may be, has a certain value as an advertisement for the bank. It is of course impossible to reduce this factor to rule; but, notwithstanding this and all of the other exceptions mentioned to the result arrived at by an exact analysis, it is well to guard against making too large an allowance for the future or contingent profits, as "a bird in the hand is worth two in the bush."

OSCAR NEWFANG.

New Counterfeit $5 National Bank Note.—On the Marion National Bank, of Lebanon, Kentucky; check letter D; series of 1882; J. Fount Tillman, Register of the Treasury; D. N. Morgan, Treasurer of the United States: portrait of Garfield. It is a photographic production, printed on two pieces of stiff paper, between which a few silk threads have been distributed. The seal, numbers and panel on the back of the note have been poorly colored with pen and brush, the color applied to the seal being a brick red and not wholly covering it. The signatures of O. D. Thomas, Assistant Cashier, and John B. Carlile, Vice-President, have been traced over in black ink. The Treasury number (962841) and the bank number (1578) have been colored blue, but, as in the case of the bank officers' signatures, the original photographic print can be discerned underneath the coloring. The panel containing the charter number on the back is smeared over with bottle green. This counterfeit should be readily detected.

Bank in Liquidation.—Stockholders of the Commercial National Bank, of Providence, R. I., recently voted to place the bank in liquidation. The Commercial Bank has been doing business in Providence since 1833, but is said to have sustained heavy losses lately.

CANADIAN BANKING, COMMERCE AND MANUFACTURES—A QUARTERLY REVIEW.

The most important event in Canada during the past three months was the announcement of the budget speech at Ottawa by the Hon. W. S. Fielding, Minister of Finance, which was the most satisfactory statement of affairs yet presented to the people of Canada.

The following are some of the features of the speech:

(1) Revenue for 1902–3, closing June 30, $65,000,000, an increase of $7,000,000. It is anticipated there will be an expenditure chargeable to income for 1902–3 of $51,650,000, an increase of $890,000.

(2) The estimated surplus for 1902–3 is $13,350,000, far ahead of any previous surplus in our history.

(3) The anticipated reduction in the public debt is $5,650,000, after providing for all expenditures.

(4) On the operations of the last four years all expenditures have been paid and not one cent added to the public debt. The public debt per head in 1891 was $49.20. In 1896, $50.96. It is estimated for the current year at $48.81 per head.

(5) It is proposed to issue, if there is a demand for them, Dominion notes or currency notes to the amount of $30,000,000, the present maximum being $20,000,000, still retaining the present reserve of twenty-five per cent., additional fund raised by increase in issue to be used to provide reserve of ten per cent. for security of $60,000,000 in Government Savings banks.

(6) There is no marked change in the tariff policy of the Government, as conditions in Canada uniformly show that nearly all classes are in a prosperous condition, and while certain changes have been asked for of great importance, the Government has decided to let these stand for consideration at a later date. There are just two important questions raised, one affecting reciprocity with the United States, which the Canadian Government show no great anxiety to press for at the present time, and the other, an increase of duties against Germany. Germany has increased her tariff on Canadian goods, and the reply of the Canadian Government is the imposition of a surtax equal to one-third of the general tariff on all imports from that country.

Revenue and Expenditure.

The returns for the nine months up to March 31, show very large gains over the same period of 1892, and Dominion finances indicate great prosperity. The ordinary revenue exceeded the ordinary expenditures by $14,929,156, and over all expenditures combined the excess of revenue amounted to $10,055,068. As compared with the same nine months of 1902, there has been a gain of $5,245,428 in the revenue, and a reduction of $3,968,868 in the capital expenditure, while the ordinary expenditure has only increased by $758,950, showing a total improvement in the national finances of $9,454,836. Taking the average of the past nine months and applying it to the remaining three months of the present fiscal year, it would give a total revenue for the year of $62,000,000. Adopting the same procedure in regard to the ordinary and capital expenditure, the total disbursements would on June 30 stand at about $47,000,000. There are several payments each fiscal year, on which return is not made until long after June 30. As a counterbalance to this, however, there may be a larger reduction of capital expenditure than has been allowed for, and it is expected the close of the present financial year will witness a surplus of $12,000,000 or $14,000,000 in the Government Treasury.

The following is a comparative statement of the receipts and expenditures, showing the total to March 31 of the years 1902 and 1903:

Revenue.	*1902.*	*1903.*
Customs	$23,431,691	$26,688,778
Excise	8,278,222	8,911,977
Post office	2,700,833	3,119,455
Public works, including railways	4,734,073	5,265,026
Miscellaneous	2,206,998	2,612,003
Total	$41,351,818	$46,597,241
Expenditure	$30,914,135	$31,668,065
Expenditure on Capital Account.		
Public works, railways and canals	$5,851,350	$2,271,465
Dominion lands	213,065	231,665
Militia capital	103,998	72,112
Railway subsidies	1,972,547	1,326,704
Bounty on iron and steel	494,660	802,569
South Africa contingent	202,552	172,002
Northwest Territory rebellion	716	2,431
Total	$8,837,451	$4,874,088

The Foreign Trade.

An increase of over thirty millions in the foreign trade of Canada for the nine months ending March 31 on the basis of imports for consumption and exports of domestic products, as compared with the same period of 1902, affords most satisfactory evidence of the continued expansion of commerce. The exports amounted to $162,420,763, being $6,980,727 in excess of imports. The imports show a gain of $14,707,327 and the exports an increase of $17,873,890, as compared with the same nine months of the year previous. In this statement no account is taken of coin and bullion. The agricultural industry contributes $87,465,533 of exports, or over fifty-three per cent. of the whole showing. Compared with 1902, the exports of animals and their products increased by $9,186,240, while the exports of agricultural products exhibit a gain of $7,212,845. The exports of manufactures were $1,813,650 over last year.

Imrorts, Nine Months.	*1902.*	*1903.*
Dutiable goods	$85,545,747	$96,988,705
Free goods	55,186,962	58,451,331
Total	$140,732,709	$155,440,036
Coin and bullion	4,670,936	3,669,398
Grand total	$145,403,645	$159,109,434
Duty collected	23,565,530	26,558,315
Domestic Exports, Nine Months.		
Products, mine	$26,098,560	$24,451,569
Products, fisheries	11,405,618	8,959,829
Products, forest	23,144,749	26,855,868
Animals and produce	46,989,163	56,175,403
Agriculture	24,077,785	31,290,130
Manufactures	12,801,194	14,614,844
Miscellaneous	29,804	73,120
Total	$144,546,873	$162,420,703

The Manufacturing Industries.

Intense activity is shown in manufacturing industries in Canada. The increase in the settlement of the West by well-to-do farmers from Great Britain and the

United States has largely expanded the demands of that part of the Dominion for all classes of staple manufactures, with the result that manufacturers in the eastern manufacturing centres are finding themselves under the necessity of increasing capacity to meet the additional demands made upon them.

Some of the features affecting the more important industries, such as iron, steel and lumber, will be dealt with separately. Apart from these, however, the general features of extensive production apply to almost all classes of manufacturing activity. The result of this large increase in production has caused such a scarcity of both skilled and unskilled labor in Canada that there are very few unemployed, and there is in many labor circles considerable unrest. This arises from the demands of the workingmen for increased pay and shorter hours of labor, and strikes and other interruptions of work are becoming very frequent in many of the large manufacturing centres.

The production of pig iron in Canada during the last year shows an increase of 74,581 gross tons, or over thirty per cent., as compared with 1901. The total production in 1902 amounted to 319,557 gross tons, against 244,976 tons in 1901 and 86,090 tons in 1900. In the first half of 1902, the production was 157,804 tons, and in the second half it was 161,753 tons, a gain of only 3,949 tons. Of the total production in 1902, 302,712 tons were made with coke, and 16,845 tons with charcoal. A little over one-third of the total production, 107,315 tons, was basic pig-iron. The Bessemer iron made amounted to 9,000 tons.

The production of iron in Canada has increased gradually from 44,791 tons in 1894, the first year when returns were collected, to 86,090 tons in 1900.

The past year has been a "banner" year for the staple Canadian industry, lumbering. Manufacturing industries using lumber as their raw material were operated to their full capacity, and there was an expansion in building operations, particularly in Manitoba and the Northwest Territories, where an abundant crop of grain was harvested. The figures of export trade make a favorable comparison with the previous year. Quebec and New Brunswick show increased shipments to Great Britain, Australia, South Africa and other distant countries, but the most substantial gain was doubtless made in the United States. The figures for the fiscal year ending June 30, and for the eleven months ending November 30, 1902, not only reflect the increased shipments, but also the advance in the value of lumber.

The following table shows the lumber exports to the United States for the past ten fiscal years, the valuation being based on the buying price in this country.

YEAR.	*Feet.*	*Value.*	*Per M. feet.*
1892	663,226,000	$7,540,700	$11.37
1893	742,351,000	8,217,331	11.06
1894	514,461,000	6,134,204	11.92
1895	600,790,000	6,859,078	11.41
1896	786,001,000	8,503,641	10.82
1897	883,770,000	9,073,312	10.26
1898	353,134,000	3,499,569	9.91
1899	423,720,000	4,186,664	9.88
1900	680,069,000	7,464,208	10.97
1901	490,570,000	6,343,836	12.93
1902	664,751,000	9,288,070	13.88

During the year 1902, the pulp output of Canada decreased by some 24,613 tons. There were thirty-five mills engaged in the industry, the output of which was 240,989 tons, of which 155,210 tons were mechanical pulp, 76,735 sulphite, 9,044 soda. The corresponding amounts in 1901 were: mechanical, 169,302 tons; sulphite, 84,500 tons; soda, 10,740 tons, a total of 264,202 tons, a decrease of 24,613 tons compared with 1902.

The value of the pulp output in 1902 was $4,383,182, of which there was exported $2,511,664 as follows: Great Britain, $976,192; United States, $1,598,139, and other countries, $17,333.

INCREASE IN IMMIGRATION.

Immigration returns for the first three months of 1903 was 17,988 as against 10,069 in 1902, and the total for the fiscal year will be 25,000 greater than in the last fiscal year.

There is a marked improvement in the quality of the immigrants this year. The vast majority come from the United States and Great Britain, and of those from the Continent of Europe, the majority are Germans or Scandinavians. The emigrants from the Northwest States to the Canadian Northwest are for the most part Canadians who have lived some years abroad and are now returning home. They are the most desirable of all immigrants.

THE TRANSPORTATION INTERESTS.

The transportation business in Canada is in an exceedingly satisfactory condition, the earnings of railways and other transportation companies being larger than in any previous year at this time.

The gross working expenses, net profits, increases or decreases, of the Canadian Pacific Railway over 1901-2, from July 1, 1902, are as follows.

	Earnings.	*Expenses.*	*Net profits.*	*Increase.*
July	$3,246,620.51	$2,070,909.25	$1,175,711.25	$79,844.32
August	3,554,184.56	2,191,283.11	1,362,901.46	57,269.36
September	3,651,481.42	2,240,726.92	1,410,754.50	58,022.78
October	4,127,402.07	2,511,267.44	1,616,134.63	149,095.41
November	3,976,068.87	2,417,828.63	1,558,240.24	117,362.10
December	3,959,146.15	2,286,704.31	1,672,441.84	103,750.33
Total	$22,514,903.58	$13,718,719.66	$8,796,183.92	$565,344.30

The accounts of the Grand Trunk Railway for the half-year to December 31, 1902, show the following results:

Gross receipts	£2,812,000
Working expenses, including special appropriation of £80,000 to bridge renewal account	1,975,000
Net receipts	837,000
Net revenue charges, less credits	509,000
Balance	£328,000
Deduct Detroit, Grand Haven and Milwaukee Railway deficiency for half-year	2,000
Surplus	£326,000

The development of Canadian railways during the last twenty years has been enormous The Government reports for the fiscal year ended June 30, 1881, and that ended June 30, 1901, show the following:

	1881.	*1901.*
Total mileage	7,260	18,139
Number of passengers carried	6.943,671	18,385,722
Tons of freight handled	12,065,323	36,999,371
Miles of steel rails	4,385	18,184
Total earnings	$27,987,508	$72,898,749
Operating expenses	20,121,418	50,368,726
Net earnings	7,866,090	22,530,023
Total paid-up capital	389,285,700	1,042,785,538

The report of the department of railways for the year ended June 30, 1902, states that the number of steam and electric railway companies reporting was 118, with

19,426 miles of railway completed. The paid-up capital of both classes of companies was $1 140,445,269. The gross earnings were $90,152,940, working expenses $61,-146,447, and net earnings $29,006,493. In all 158,361,376 passengers were carried, and 42,642,709 tons of freight. The number of steam railways in operation, including the Government lines, was 165 On June 30, 1902, the completed steam railway mileage was 18,868, an increase of 574 miles, not counting 2,829 miles of sidings. The paid-up capital of the steam railways was $1,098,852,206, an increase of $56,066,-667. The gross earnings of all the steam lines were $83,666,502, a gain of $10,767,574. The working expenses were $57,343,592, an increase of $6,974,866, leaving net earnings $26,322,911, an increase of $3,792,888. The number of passengers carried was 20,679,974, an increase of 2,294,252, and the freight traffic was 42,376,527 tons, a gain of 5,377,156.

A new line of steamers to be known as the Canadian Ocean and Inland Service, is to run this season between Rotterdam and Canadian ports. It will be composed of four vessels, two of which will run up the lakes to Port Arthur and Fort William, after making the round trip, while the other two will run as far as Montreal, where their cargoes will be transferred to vessels of the Canadian Lake and Ocean Navigation Company of Toronto. Arrangements will be made for a general shipping business, but a large part of the service will consist in bringing German-made steel rails into Canada.

Banks and Banking.

The demand for money continues to be unprecedently large. The increasing requirements of the great West for currency, due not only to increase in the population, but to the rapid development of its natural resources, are daily becoming an important factor in the monetary conditions of the country. Last autumn the note circulation of all the banks in Canada was well up to the legal limit, and but two of the larger banks in the country were then left in a position to render assistance in meeting the abnormal demands for funds. This amply justified the far-reaching policy of Canadian bankers in discounting the future requirements of trade by the liberal increases in capital for which they had provided. With increases in the western wheat area of twenty to fifty per cent. this spring, the outlook is for another year of expanding circulation, and with crop conditions in the West approaching those of 1902, the demand for funds the coming autumn will be even larger than they were six months ago.

The following banks have decided to increase their capital: Bank of Commerce by $2,000,000; Molsons Bank by $2,500,000; British North America by $1,000,000; Bank of Toronto by $500,000; Eastern Townships by $1,000,000, and Royal by $1,000,000.

The Bank of Commerce has recently absorbed the Halifax Banking Company. Under the terms of the agreement the Canadian Bank of Commerce will assume the liabilities of the Halifax Banking Company, and will give in exchange for the surplus of its assets over its liabilities stock of the Canadian Bank of Commerce of the par value of $700,000.

The Halifax Banking Company has a paid-up capital of $600,000 with a rest of $525,000. Its deposits are in the neighborhood of $4,000,000, and its total assets approximate $6,000,000.

Incorporation is sought for the following new banks: Bank of Canada, capital, $1,000,000; Northwest Bank of Canada, capital, $2,000,000; Crown Bank, capital, $2,000,000; Bank of Winnipeg, capital, $2,000,000, and the Pacific Bank, capital, $2,000,000.

Canadian bank clearings for the dates named at three of the leading cities, with comparisons were:

	April 23, 1903.	*April 16, 1903.*	*April 24, 1902*
Montreal	$20,441,086	$14,390,653	$24,552,366
Toronto	16,623,915	11,040,088	20,588,391
Winnipeg	4,432,041	3,459,508	3,135,570

The statement of the chartered banks for January displays the usual feature which year by year characterizes the banking returns of this month, viz., a very considerable redemption of circulation. This redemption amounted to the large sum of $5,530,000, or about nine per cent. of the whole. Deposits have fallen off by $7,100,000; which makes with the redemption of circulation a sum of $12,700,000, which the banks have had to provide during the month of January.

The February statement shows that there has been some shifting of call loan accounts, resulting in a reduction compared with January of upwards of a million and a half dollars. The total amount, however, is considerably in excess of a year ago, $44,668,557, compared with $36,550,397 in February, 1902. Circulation is $700,000 odd greater than it was in January, and is $6,300,000 in excess of what it was a year ago. The banks have also increased their loans and discounts $9,000,000 during February, and this item is $39,000,000 greater than it was a year ago. Deposits continue to accumulate, and the banks have increased their holdings of railway securities about $2,000,000, compared with a year ago.

The statements of the Canadian chartered banks for January and February, 1903, are presented below. They show capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, etc.:

LIABILITIES.	*January 1, 1903.*	*February 1, 1903.*
Capital authorized	$84,332,566	$86,332,566
Capital paid up	72,856,125	73,691,509
Reserve funds	44,630,856	5,023,697
Notes in circulation	55,040,987	55,746,598
Dominion and Provincial Government deposits	6,219,162	7,246,276
Public deposits on demand in Canada	107,767,043	105,304,362
Public deposits at notice	259,017,187	261,377,760
Deposits outside of Canada	36,129,904	36,145,405
Bank loans or deposits from other banks secured	725,622	769,083
Due to other banks in Canada	3,728,604	3,672,029
Due to other banks in Great Britain	4,799,345	4,576,815
Due to other banks in foreign countries	882,049	976,447
Other liabilities	11,947,362	10,417,519
Total liabilities	$486,257,265	$486,232,273
ASSETS.		
Specie	$12,912,676	$12,484,817
Dominion notes	26,148,231	25,169,582
Deposits to secure note circulation	2,797,270	2,797,166
Notes and checks on other banks	13,500,877	13,146,128
Loans to other banks secured	726,622	728,267
Deposits with other banks in Canada	4,495,999	4,532,159
Due from banks in Great Britain	5,740,863	4,099,740
Due from other banks in foreign countries	12,007,668	11,100,956
Dominion or Provincial Government debentures or stock	9,853,611	9,915,560
Other securities	53,738,791	53,670,650
Call loans on bonds and stocks in Canada	50,319,008	48,639,724
Call loans elsewhere	45,159,558	44,668,557
	$235,899,674	$230,944,406
Current loans in Canada	$322,597,941	$331,646,220
Current loans elsewhere	31,060,385	32,118,508
Loans to Dominion and Provincial Governments	3,340,977	2,480,016
Overdue debts	1,999,681	1,939,894
Real estate	854,096	878,319
Mortgages on real estate sold	765,318	763,895
Bank premises	7,646,645	7,754,916
Other assets	6,380,635	5,325,202
Total assets	$610,545,531	$613,850,954

	January 1, 1903.	*February 1, 1903.*
Average amount of specie held during the month..	$12,678,492	$13,068,213
Average Dominion notes held during the month...	24,751,941	24,944,668
Greatest amount notes in circulation during month.	60,149,936	56,496,318
Loans to directors or their firms....................	11,157,607	11,425,678

The statement for March is an interesting one and reflects the rapid expansion which is taking place in Canadian trade. The note circulation exceeded 58¼ millions, being a record for March, and shows an increase of $5,840,000 over the same month last year, and an expansion during the month of March last of $2,536,000. The public deposits continue to expand, the total at the close of March being returned as $406,900,000, against a total of $402,810,000 for the preceding month, and $362,010,000 for March, 1902. The total call loans in Canada for March decreased some $200,000, but the call or short loans outside of Canada amounted in March to $39,803,000, against $44,668,000 in February and $45,000,000 in January. A year ago they amounted to $44,000,000. Current loans show an expansion of some $14,000,000 for the month, the total being $346,000,000, against $330,000,000 a year ago. The total authorized capital of the thirty-five chartered institutions increased $5,500,000 during the month, and is now $91,832,566, compared with $77,126,666 in this month a year ago, an increase of $14,705,900 during the year. This increase for March is accounted for by an increase of capital by the banks.

A detailed statement is given below.

LIABILITIES.	*March, 1903.*	*Feb., 1903.*	*March, 1902.*	*March, 1901.*
Paid-up capital..........................	$74,883,880	$73,591,509	$68,406,624	$66,680,797
Reserve fund..............................	45,371,899	45,023,697	37,571,793	35,187,087
Circulation................................	58,283,484	55,746,498	52,442,982	47,611,967
Due to Dominion Government..........	3,739,612	3,280,267	3,637,755	2,590,953
Due to Provincial Governments........	3,726,546	3,966,009	3,512,974	3,364,301
Deposits on demand in Canada..........	107,620,884	105,304,362	92,380,118	90,645,676
Deposits on notice in Canada............	264,434,707	261,377,760	239,529,963	210,033,367
Deposits out of Canada..................	34,877,955	36,145,405	30,112,520	22,173,575
Loans from other Canadian banks......	788,986	769,083	626,063	1,788,032
Deposits by other Canadian banks......	3,140,175	3,672,029	3,140,271	2,262,351
Due to British banks.....................	6,947,157	4,576,815	6,423,912	4,314,964
Due to foreign banks.....................	1,130,724	976,447	1,188,116	864,826
Other liabilities..........................	13,060,204	10,417,519	7,501,583	5,535,293
Total......................................	$497,750,512	$486,232,273	$440,496,328	$391,549,305
ASSETS.				
Specie......................................	$13,563,359	$12,484,817	$12,261,266	$11,649,543
Dominion notes...........................	24,519,961	25,169,582	21,073,020	20,176,628
Security for circulation..................	2,799,768	2,797,166	2,569,513	2,402,973
Notes and checks of other banks........	18,265,295	13,146,128	12,060,802	10,730,708
Loans to other Canadian banks..........	789,583	728,267	686,063	1,715,167
Deposits with other Canadian banks....	4,236,184	4,532,159	3,554,638	4,032,327
Due from British banks..................	4,745,124	4,090,740	3,152,353	3,144,003
Due from foreign banks..................	1,260,947	11,130,956	11,890,626	9,361,102
Government securities....................	11,713,919	9,915,560	10,201,350	11,444,444
Municipal securities......................	14,714,483	15,010,879	14,052,508	11,480,188
Railway securities........................	37,170,907	38,659,771	34,329,610	28,243,623
Call loans in Canada......................	48,404,884	48,639,724	38,532,304	33,004,857
Call loans out of Canada.................	39,803,621	44,668,557	44,286,316	35,568,757
Current loans in Canada..................	346,292,550	331,646,220	300,066,698	280,041,076
Current loans out of Canada.............	29,468,472	32,118,508	27,776,895	19,580,081
Loans to Provincial Governments......	2,[illegible]50,309	2,480,016	3,668,618	2,995,190
Overdue debts.............................	1,[illegible]4,738	1,939,394	2,638,527	2,280,728
Real estate.................................	8[illegible],097	878,319	988,998	1,078,810
Mortgages..................................	[illegible]57,694	763,895	712,277	602,622
Bank premises.............................	7,926,314	7,754,916	6,812,417	6,421,183
Other assets................................	5,849,429	5,325,202	5,586,421	6,361,528
Total......................................	$627,976,830	$613,850,954	$556,901,406	$502,343,238
Directors' liabilities......................	$11,7[illegible],463	$11,425,678	$11,403,951	....
Average specie held.......................	12,972,[illegible]6	13,068,213	11,780,464	....
Average currency held....................	24,720,584	24,944,668	21,467,019	....
Greatest circulation at one time........	50,051,927	56,496,318	52,799,820	....

NEW YORK CHAPTER AMERICAN INSTITUTE OF BANK CLERKS.

SECOND ANNUAL BANQUET.

One of the most successful affairs ever attempted by the bank clerks of the city took place at the Hotel St. Denis on the evening of April 23. It was the occasion of the second annual banquet of New York Chapter of the American Institute of Bank Clerks. Among the large number of prominent bankers and speakers who enjoyed the event were many who had taken part at the meetings of the chapter during the past season, or have otherwise rendered encouragement to the work. The Colonial Room of the Hotel St. Denis had been specially arranged for the occasion and flowers were profusely scattered about the tables where smilax was also prettily arranged. After a very excellent ménu had been enjoyed by the members and guests, the toastmaster, Samuel Ludlow, Jr., of the Fourth National Bank, president of the chapter, called the gathering to order and made the following remarks:

REMARKS BY PRESIDENT LUDLOW.

"After a most enjoyable and profitable season, now almost at a close, I am again afforded the distinguished honor of greeting our friends and members on this most auspicious occasion.

It is not often that the junior members of the profession have an opportunity of meeting so many distinguished men upon as close, friendly intercourse as are the members and friends of New York Chapter this evening. This display of interest in the efforts of our organization to edify and elevate the bank clerks of this city speaks well for the attention and recognition which our work has attracted. There is an old maxim which says: 'You can't catch old birds with chaff,' and I am sure the gentlemen who have accepted our hospitality this evening would not lend their support to an object which is not worthy of encouragement.

It is painful for me to have to refer, upon such an occasion as this, to an incident in the past year's history of the American Institute which has brought a cloud of sorrow upon the organization. I refer to the death of Mr. A. O. Kittredge, Secretary of the American Institute of Bank Clerks, which took place but a short time ago. He devoted much of his energy and well-recognized ability to furthering the interests of bank clerks throughout the United States through the medium of this institute, and we will not alone feel the loss which we have sustained, but the world of accounting will likewise feel the loss of a competent and valuable worker. We shall always refer to his memory with kindly thought and appreciation.

The year which the chapter has just passed has been one fraught with most encouraging success. Our membership has not stopped on its upward trend, and I believe I can now safely say that out of the twenty-six chapters at present constituting the institute, New York Chapter stands at the top of the list both in numbers and enthusiasm. Our membership has increased since last we met about the festive board at the rate of forty per cent., and each day brings additional applications to the secretary. At the present time our chapter has official representation in seventy-eight different banking institutions throughout this great financial section and a membership represented by over one hundred financial institutions. During the past year a board of counsel, composed of official representatives in each institution, has been added to our administrative forces, and is working along lines which will, no doubt, prove beneficial and helpful. The members, themselves, by their attendance at the meetings during the past season, and by the active part they have taken, have demonstrated their appreciation of the worth of the organization, and have encouraged the officers and managers in their efforts to furnish the members with attractive and valuable entertainment. Various matters of importance to the banking world in general have been discussed at the meetings of the chapter, and considerable information gleaned by the members on subjects which have, heretofore, been beyond their reach. Committees are at present at work devising plans and suggestions on two or three important matters and their efforts, it is hoped, will result in advantages to the banks in general, and incidentally to their working staffs.

While it is regretted that the bank officers of this city have not favored us with their presence at our meetings to the extent we would like to have had them, we are, nevertheless, very grateful for the encouragement and advice they have afforded us on various occasions. There are very few bank officers in this city who do not speak in the highest terms of the work of the chapter. Many of them are active members of the association and several have likewise earned the title of honorary members through their valuable aid and friendly talks. During the past season we have enjoyed an especially valuable series of lectures and addresses by men distinguished in their various professions, and it is to them more especially that New York Chapter expresses its deep appreciation for the kind interest they have taken in the welfare of our members. There is always a certain amount of self-denial attached to preparing addresses and lectures, and it is not always an agreeable thing to accept invitations to take part in meetings which are organized for educational purposes. However, in spite of these objectionable features, the gentlemen whom we have had the pleasure of hearing during the past season have been most considerate and patient, and we are deeply grateful to them for the valuable assistance they have rendered and the information we have gained through them on subjects which are of vital importance to the young banker seeking success.

The one disappointing feature of the season's work was the decision rendered a few weeks ago by three distinguished men on the occasion of a certain debate, which was held between New York Chapter and Alexander Hamilton Chapter. We feel that we must congratulate our sister chapter upon the ability and enterprise of their members, but as for us, the only consolation we have is the knowledge that our recent honorable defeat but gives us an opportunity to challenge them to the third debate which we feel certain will discourage them in again crossing tongues with New York Chapter representatives. We extend to our sister chapter, however, and to all chapters throughout the United States, our cordial greetings, and stand ready at all times to take our part with them in promoting the interests of American bank clerks in general, as well as devising benefits for the banking business in particular.

It is interesting to note that among the guests whom we have had the pleasure of entertaining to-night, are found chief official representatives of the American Bankers' Association, the New York State Bankers' Association, and to all practical purposes, the New York city banks. It is most gratifying to know that these highly respected and influential bodies of men are taking a direct interest in the work of the chapter. It is said that 'it is a wise child that knows its own father,' but we know, and must therefore be considered wise, that the American Bankers' Association is a most indulgent father to the American Institute of Bank Clerks, and it therefore affords me great pleasure to introduce to you, as our first speaker, the President of the American Bankers' Association, Mr. Caldwell Hardy, of Norfolk, Va."

Colonel Hardy was enthusiastically received and spoke encouragingly of the work being conducted by the institute. He reviewed the efforts of the educational committee of the American Bankers' Association and explained how the seed of educational advancement had been originally sown by that association. Further on he spoke of the opportunities which were opened for young men who were energetic, intelligent and up-to-date, through the recent great developments in commercial and financial circles, adding that the bankers were especially seeking for such material, and were, more and more, beginning to look for it among the ranks of the various chapters of the institute. He also stated that the formation of large industrial corporations, such as had of late years been developed, would have a tendency to prevent financial panic, through the great influence and capital which those gigantic enterprises could command. He concluded his remarks by wishing the chapter continued success.

Mr. Ludlow then introduced the next speaker by saying:

"While it is but natural for a parent to proudly gaze upon its offspring, it does not always follow that mere acquaintances or relatives will also entertain the same feeling of high regard and esteem for the child; but in the case of the American Institute of Bank Clerks, it is not alone the parent that is active in its support and encouragement, but the kindred organizations of bankers throughout the various States are likewise giving their unanimous approval of the work being carried on by the chapters. The New York State Bankers' Association is not an exception, for at its last convention, held in this city, resolutions were adopted heartily commending the work being done, and as if to further emphasize their friendly interest, the President of the New York State Bankers' Association has done us the honor to be with us to-night, and we will now be addressed by that gentleman, Mr. Stephen M. Griswold, President of the Union Bank, of Brooklyn."

Senator Griswold's introduction called forth hearty applause and when quiet had been restored he addressed the young men in a happy vein. His remarks were interspersed with logical advice, and he left considerable material for thought in the minds of the young men. In the course of his talk he stated that no government could conveniently exist without the use of banks, and for that reason those who are identified with the banking business, whether it be as a clerk or as an officer, should feel proud of the business with which they are identified, for, said he, "it is certainly a noble calling." Among the many valuable suggestions made by him none were received with greater applause than were the five rules which he laid down for those who desired a successful career, and which were as follows:

1. Never borrow money except when absolutely necessary, and then only to an amount which you know you will be able to repay.
2. Always be neat and orderly in your work.
3. Always be prompt.
4. Let your intercourse with others be cheerful and pleasant.
5. Inspire confidence as far as you can in yourself and in the institution which you represent.

William Sherer, Manager of the New York Clearing-House, had been expected to address the meeting, but owing to illness was obliged to remain away.

Colonel Robert J. Lowry, of Atlanta, Georgia, who is a member of the Educational Committee of the American Bankers' Association, and also a trustee of the American Institute of Bank Clerks, was the next speaker. Col. Lowry proved himself very popular with his audience, and reciprocated their feeling by stating that never before in his experience had he felt more pleased than on the present occasion, as it gave him an opportunity, he said, to meet not only the officers but the future officers of the New York banks. He received rounds of applause when he stated that it was the bankers who saved the country from a frightful financial calamity in 1896, when the representatives of the two great parties were trying to straddle the financial plank in the city of St. Louis. At that time, it was stated, emphatically, by the bankers of the United States that the party who came out plainly for the gold platform would be the only party to receive their hearty support. The ignorance displayed by many, he said, during that period of uncertainty in the nation's financial affairs, was one of the motives which prompted the American Bankers' Association to organize an educational committee. That committee began their work by distributing financial literature in refutation of the silver advocates' claims; but after their work had been finished in that line, they turned their attention to higher objects in a more direct line with their business, with the result that the American Institute of Bank Clerks was established. He stated that while the institute was yet in its infancy, it has accomplished great work. He also intimated that, through changes which were in contemplation, greater results were anticipated. He wound up his remarks by stating that through all efforts in every sphere and calling, the American should always swear by the flag of his country, and he added that, "If a young man must drink, those present should never fail to drink to the success of New York Chapter."

J. C. Martine, of the City Bank, chief counsel of the chapter, was next introduced and spoke of what the chapter was doing. He spoke as follows:

Address of J. C. Martine.

At first thought it may seem strange to talk about work upon such an occasion as this. At times it may be agreeable to mingle a little play with our work, but most of us are usually unwilling to reverse the process. However, upon reflection, sufficient reason will be found in our central object, which is to make banking education attractive—to relieve the monotony of routine duties—in short, to make work pleasurable.

The institute dates the beginning of its history from the Richmond convention of the American Bankers' Association. The careful planning of the educational committee, the generous support of the association and its continued kindly interest in our welfare, will live long in the appreciative memory of our members. Never in the history of work and workers has so important a movement for the education of the employed been instituted by an organization of employers. The scheme is unique, but the success of its short life must attest to its founders the wisdom of their action. But we must go still further if we would find its real origin. The good will of the American bank officers was important, but existing before that and leading up to it was the ambition of the American bank clerks. It is not wonderful that the result of such a union should occupy the strong position in which we now find it. But its past is only an indication of its future. We believe that it will continue to prepare an increasingly large number of clerks to assume larger responsibilities—to obtain clearer vision in an enlarged sphere—to win success by deserving it.

It is well that we always bear in mind the early history of the institute, for it has contributed largely to its success and outlines the future course that must be followed if the full measure of its usefulness is to be attained.

It will follow naturally that the principal aim will always be the improvement of its members by furnishing them with every possible aid to increase their knowledge of their business, to make them better bank clerks.

We have enjoyed entertainments during the past two seasons and plans under way will result in more of these during the next year, but our chapter can never become purely a social club. On the other hand, although some, through the friends they have made here, have placed themselves in desirable positions, yet we would strike far away from the mark of our ideal should we seek to make this a prominent feature. We sometimes hear the remark, "I would like to join your chapter if you would secure a better position for me," but our answer is invariably: "No, but New York Chapter, by the concentrated effort of every member, will endeavor to qualify you for every opportunity for promotion offering itself where you are." Good institute men pride themselves that advancement never passes to some one else because they are unprepared for it through any fault of theirs. But much less would it be to our advantage to ever drift into the ways of the modern labor organization. We do not hesitate to say that the doctrines of unionism are directly opposed to the policy of the American Institute of Bank Clerks. While unionism seeks to limit individual capacity and in the aggregate restricts the productive power of the country, our effort to develop to the fullest extent the talents possessed by each tends to assure American supremacy. But, again, unionism, while favoring business competition, asserts its will by collective command, but the institute would secure for each the enjoyment of that degree of success carved out by his mental and physical ability.

From this it is evident that our work is laid out for us along educational lines and our committee having this in charge is the most important. They have two methods. Instructors unsurpassed in their knowledge of the subject treated have outlined to us the elements of the law of negotiable instruments, contracts, and National banks, pending currency legislation, the nature and theory of credit, the laws governing currency movement, and many other subjects related to the theory of bank work. But we also conduct what may properly be called an educational exchange, and in this we are exceptionally fortunate in having among our members every kind of bank man from messenger to President. Those who have attended all of our meetings have in this way heard the duties involved in the work of every department carefully explained by speakers practically acquainted with the subjects treated.

To-night we meet a better, larger, stronger chapter than we did a year ago, but we are not resting on our oars. But a small part of our ideal has been accomplished, for we confidently believe that the bank clerks of this city can effect an organization second to none in America.

Joseph C. Lincoln, Editor of the institute "Bulletin," and long prominent as a verse-builder, read the following humorous composition of his own:

THE MAN THAT KNEW IT ALL.—BY JOE LINCOLN.

Once on a time, long years ago,
  As story-tellers say,
A little man worked in a bank
  For very little pay;
He labored at a little desk
  Propped up against a wall,
And in his little heart content
  He knew he knew it all.

All, all, all!
Absolutely all!
His wisdom well was never dry,
His knowledge aye on call;
He'd frame a law to run the earth,
Decide a strike or ball,
And never get a headache once—
This man that knew it all.

The messenger in awe would stand
To hear the words he spoke,
The mail-clerks roared in ecstacy
Whene'er he deigned to joke,
The porters trembled in their shoes
When he passed down the hall,
And Dennett's waiters rushed to serve
The man that knew it all.
All, all, all!
Absolutely all!
Assistant superintendent he
Of this terrestrial ball,
'Twas strange that one so very great
Should draw a wage so small,
But no one thought of that who saw
The man that knew it all.

He criticized the gray Cashier
And dubbed his methods slow;
The President was "well enough,
But then, of course, you know—."
The bank itself, by bigger ones,
Was crowded to the wall:
'Twould smash unless—and then he shrugged—
The man that knew it all.
All, all, all!
Absolutely all!
And those that heard his prophecies
Let tears of pity fall;
They wept for that poor, dying bank,
So near the hearse and pall,
But then they thought, "He'll save it yet,
This man that knows it all!"

But, somehow, when that self-same bank
Had lost a well-known face,
It always chose another man
To fill the vacant place;
The messenger moved up a peg
In slow promotion's crawl,
The mail-clerks rose—but he sat still—
The man that knew it all.
All, all, all!
Absolutely all!
It may be that his wisdom vast
Did lesser minds appal;
Perchance they were too modest such
A marvel to install—
I know not, but I know he stuck—
This man that knew it all.

That bank is doing business still,
The messenger's Cashier;
The other clerks are filling now
High places there or near.

But, sitting at the same old desk
Beside the same old wall,
He's holding down the same old job—
The man that knew it all.
All, all, all!
Absolutely all!
His wisdom's still unlimited,
His pay's still just as small.
He talks of "pull" and "influence,"
With sneers like drops of gall,
But others think it didn't pay
To know he knew it all.

* * * * * * * * * * *

Three years ago, in this fair land,
Was born an institute
To teach the banking young idea
Financially to shoot;
'Tis but a lusty youngster yet,
But growing strong and tall,
And, bear in mind, it does not claim,
My friends, to know it all.
All, all, all!
Absolutely all!
It aims to help to greater things
Those now engaged with small:
It tries to lend a hand to those
Who fain would climb the wall;
It does not hope to help the few
Who know they know it all.

The reading of the poem was greeted with loud applause, as were several other of Mr. Lincoln's original verses which he subsequently read.

The next speaker, Professor Leslie J. Tompkins, of the New York University Law School, was very humorous, and his hearers were convulsed with laughter by his witty remarks. He took occasion, however, to disagree with the opinion of many prominent financiers, that the present financial system of our country is on a sound and practical basis. He claimed that from a legal standpoint the old United States bank methods were far more desirable than is the banking system of the present day. He stated that he was very much chagrined and disgusted when he watched the drift of affairs under the present regime ; adding that it is most discouraging to think that whenever the Nation is called upon to pass through a financial crisis it is necessary for Washington to come to Wall Street instead of Wall Street going to Washington. He allowed that he did not believe the bankers present would agree with him, but he felt the opportunity he was afforded to address the bankers was a good one to make known a lawyer's views on present-day financiering.

O. H. Cheney, a member of the chapter from the Garfield National Bank, was next called upon. After some introductory remarks in a humorous vein and a reference to after-dinner speaking in general, Mr. Cheney said :

Remarks by O. H. Cheney.

"From the earliest times mankind has exhibited a tendency to collect and preserve those specimens of human skill which seemed to best present the prevailing notion of the ideal. And so we have the quaint pottery images of the cliff-dwellers, the carved flint and bone of the savage, the wax emblems and designs that adorned the whatnots of our forefathers, down to the present-day treasures in bronze and porcelain, all striving to represent ideals. But though we take every precaution with our bric-a-brac and mark it 'fragile, this side up, with care,' Time, the great baggage-smasher, is heartless, and the ideals of yesterday become the dust-heaps of to-day. We find the worlds of theology, medicine, politics, society, law and business full of smashed bric-a-brac.

The Pilgrim pastor, in his first sermon on these shores, preached that the whole truth was not given to Luther—though he thought so—nor to Calvin—though his disciples said so—but that in the future there would be a development of the truth which they as Pilgrims must help nurse and nourish. They have nursed and nourished that truth into so many creeds and doctrines that they deny the existence of a heaven, many of them; and many more would deprive us of the comforts of a hell--for some people we know. By the way, have you ever thought of the three stages of spiritual development exhibited by the Yankee? First, the Puritan, who believes that all men and some angels are elected to destruction. Accordingly he has pie for breakfast and invents the Parker House roll. Second, the Unitarian—rationalistic squalls throw him on his beam ends. He shifts ballast and takes a skeptical list. He talks of eating to live. Third, the Agnostic—the germ theory is his religion. The balanced ration is his prayer-book. Salvation is a matter of proteids and phosphates. Sin is, starch and there is no hell outside the liver."

After speaking of some of the changes in medicine and medical science, Mr. Cheney continued.

"We once had two very striking bits of bric-a-brac, the one labeled, 'Once a Democrat always a Democrat,' and the other, 'Life-long Republicanism.' But to-day in truth's white light it has become very plain that an invariable partisan is an occasional lunatic. For party is a means, not an end. It is an instrument, not an idol. Man is its master, not its slave. Party lines will continue and men will continue to act upon those lines, but party slavery is a bad and disappearing form of smashed bric-a-brac."

After some further remarks upon the changed conditions in society and in the law, the speaker referred to the enormous amount of "smashed bric-a-brac" in the business world, but asked to be excused from a discussion of business cares and troubles upon such a festive occasion. He closed by giving the tale of woe which the Dutchman, Yawcob, imparted to his dog Schnitzel, and which was received with a great deal of laughter.

The last speaker of the evening, William A. Prendergast, Secretary of the National Association of Credit Men, spoke on "The Unity of Thought and Purpose and Their Possibilities." It was not surprising to those who had never had the pleasure of hearing Mr. Prendergast, to learn that he was a favorite with the members of the chapter. The quality of his oratory and the finish of his manner and elocution, are sufficient in themselves to place him in the front ranks of eloquent talkers. In addition to those qualities, the soundness of his logic could not be gainsaid. As a most pleasing finish to the arguments of the previous speakers, one or two of whom had good naturedly attempted to upset the old time-honored ideals, Mr. Pendergast collected the shattered fragments, and, after moulding them back to their old forms, presented them for reconsideration, amid loud applause. He stated that he believed in living up to the highest ideals possible. He thought that one seeking success must picture in his mind a high place for himself and should strive to acquire the position through diligence and perseverance. He thought the country in which we lived to be one worthy of the support of the highest ideals of citizenship. He thought the only way in which we could expect to continue in the paths of prosperity was by each and every citizen upholding the law and the Constitution of the United States, and by pinning their faith in the wisdom of the Supreme Ruler of all.

During the evening the Hanover Male Quartette rendered several selections, and the quality of their performance was most thoroughly enjoyed.

The only feature that marred the enjoyment of the evening was the absence of Mr. Sherer, who is a favorite with the bank clerks of New York city. The letter which he wrote to the chairman was read, however, and greeted with applause.

Among the guests present were the following:

Col. Caldwell Hardy, Norfolk, Virginia, President American Bankers' Association; Stephen M. Griswold, President New York State Bankers' Association; Col. Robert J. Lowry, Atlanta, Georgia; Wm. A. Prendergast, Secretary National Association of Credit Men; Prof. Leslie J. Tompkins, New York University Law

School; W. J. Kinsley; F. Howard Hooke; Alfred M. Barrett, President of Alexander Hamilton Chapter; Bradford Rhodes, President Thirty-Fourth Street National Bank, and Editor of the BANKERS' MAGAZINE; G. Lawrence Pegram; W. E. Stevens; James S. Gross, President Bank Clerks' Bowling League; Richard L. Purdy; George S. Morrisey; Prof. C. H. Summwalt; J. C. Lincoln; Mr. Kirby; Winthrop C. Sibley; W. E. Knox; George Marlor; Sereno S. Pratt; E. H. Cook; B. H. Fancher, and H. G. Parker, New Brunswick, N. J.

The unique souvenirs which the chapter presented each of the diners called forth considerable favorable comment. Each represented a bag of gold, prepared of the regulation duck, which had been filled and tied, with a tag attached representing an express tag, and which likewise bore the signet of the chapter in wax. On one side of the bag the following wording was very ingeniously arranged:

If our chapter could afford to spend

$5,000

we could not extend our hospitality with
greater sincerity than we do
with this our

MENU

(After which followed the list of good things.)

On the other side of the bag was the following:

GOLDen

thoughts

COINed

from fertile minds

TOASTS

(With the subjects and names of speakers to respond.)

The express tag was worded on one side as follows:

To Mr. ....

HOTEL ST. DENIS,
NEW YORK.

From New York Chapter
AMERICAN Institute of Bank Clerks who
EXPRESS COrdial welcome and trust that
you will be fully
PAID for your attendance to-night.

The committee names and the date of the banquet were on the reverse side. This souvenir was one of the most unique favors ever prepared by the bankers of this city, and was a very acceptable memento of the occasion.

New York Chapter was organized but two years ago with a membersip of sixty-nine clerks, but the work which it has pursued during the period it has been in operation has attracted the attention and support of many of the most prominent financiers of New York city. The membership has now passed the 400 mark, and with the corps of progressive young men which it can claim on its official staff, it is certain to grow both in numbers and success and bring to the bank clerks of New York city opportunities which they have never in any other way been able to enjoy. The chapter seeks to put into effect plans in the near future which will result in the establishment and maintenance of a bank clerks' club which will be used to promote the objects of higher education, as well as encourage out-door sports and social enjoyment among the junior bankers of the city.

SHADOWED A BANK TELLER.—"I have had all sorts of experiences," said a detective, "but last night I had an entirely new one. Two days ago the President of a banking house sent for me and said that he feared there was something wrong with his assistant teller, who appeared to be laboring under some excitement, and who showed signs of late hours and dissipation. I was asked to shadow him, and to look out for evidence of irregularities.

It was then noon, and I started at once by following my man to a cheap restaurant. I supposed he was going for his luncheon, but he went into a telephone booth and closed the door. It was impossible for me to hear with whom he was talking, so I went to the proprietor of the place and made some inquiries, and learned that my man telephoned every day at that time, and seldom bought more than a sandwich.

That day he paid the telephone toll, but bought nothing. As I followed him into the street I made up my mind that he was in communication with a stock broker, and that financial trouble was the cause of his strange actions. That was nothing new in my experience.

When he left the bank that afternoon he was in a great hurry, and I followed him toward his home in a car behind the one he was in; but by some means he gave me the slip, for he didn't get off at the corner nearest his home or several blocks afterward, so far as I saw. I went to his apartment to wait for him, and, meeting a little girl just entering the street door, I inquired if she knew him.

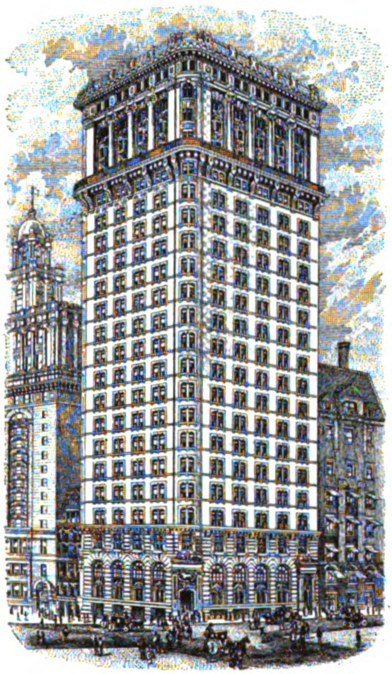
'He is my papa,' she answered, 'and will be home in a few minutes. He always stops to see the doctor after he leaves the bank, because mamma is very ill, and we are afraid she will die. The doctor comes every noon and telephones to papa and then he stops there on his way home. If you will come in you won't have long to wait, or you can call again, for he never leaves mamma after he comes home, and sits up all night with her.'

I said that I might call again, but instead I went to the home of the bank President and made my report. This morning that teller got a letter from the bank granting him two weeks' vacation and telling him that his salary was increased $20 a month."—*St. Louis Republic.*

KNOX'S HISTORY OF BANKING.—A new edition of this valuable work has just been issued by Bradford Rhodes & Co. The prospect of financial legislation at the next session of Congress and the numerous bankers' conventions shortly to be held will make it profitable for all bankers to become thoroughly informed with respect to the country's banking history.

THE HANOVER SAFE DEPOSIT COMPANY.

The Hanover Safe Deposit Company vault is located in the new Hanover Bank Building, with the entrance at 5 Nassau Street. The quarters occupy the ground floor opening on the main hallway of the building at the entrance.



HANOVER BANK BUILDING,
NEW YORK CITY.

The vault is seventy-two feet long by twenty-seven feet wide, and is fitted up with safe deposit boxes of a great number of sizes, varying in price from $10 to $700 per annum.

The vault is constructed of chrome steel of six layers of one inch each, all of which is surrounded by a steel fireproof covering, so that the vault has a thickness of twelve inches.

There are two circular doors, each eight feet in diameter and fifteen inches thick, of chrome steel, the doors over all being about twenty-four inches thick. These doors weigh, with the vestibules, about sixty tons each, and have been constructed in the most thorough and strongest manner possible, being absolutely drill and dynamite proof.

Connected with the vault are a large number of coupon booths and directors' rooms, which have been fitted up in a most modern manner.

The vaults are guarded day and night by special watchmen, and in addition between the steel fireproof covering and the chrome steel vault is an electric protective lining, so that the least disturbance would cause a large force to be dispatched immediately to the vault from the electric protective agency.

The vaults will be open from 9 A. M. to 5 P. M. and on Saturdays from 9 A. M. to 3 P. M., during which time the officers would be very glad to show the boxes to anyone interested.

The officers of the company are: President, Vernon H. Brown; Vice-President, William Logan; Treasurer, Henry R. Carse; Secretary and General Manager, Alex. D. Seymour.

Directors: Vernon H. Brown, of Vernon H. Brown & Co., Agents Cunard S. S. Line; Hudson Hoagland, merchant; Charles H. Marshall, chairman Liverpool and London and Globe Insurance Co., of England; William Logan, Cashier Hanover National Bank; Henry R. Carse, 2d Assistant Cashier Hanover National Bank.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

NEW JERSEY.

STATE OF NEW JERSEY,
DEPARTMENT OF BANKING AND INSURANCE,
TRENTON, February 14, 1903.

To the Honorable the Senate and General Assembly:

The report of this department for the calendar year of 1902, exhibiting the condition of Savings banks, trust companies and State banks of discount and deposit, as reported by the respective institutions, is herewith respectfully submitted, pursuant to the requirements of law.

The total number, resources and deposits of each of the three classes of institutions, as presented by their returns for the date nearest to the close of the year, are as follows:

CLASS.	*No.*	*Resources.*	*Deposits.*
Savings banks	27	$79,569,657	$71,915,834
Trust companies	55	113,392,760	82,593,108
Banks of discount and deposit	16	11,164,785	8,272,678
Total	98	$204,127,202	$162,781,620

The number of institutions reporting shows an increase of nineteen for the year. The total resources are greater by $44,790,317, which is equivalent to twenty-eight per cent. In deposits the gain is $32,781,317, or twenty-five per cent. Adding the $142,102,051 total resources and $87,352,683 total deposits of the one hundred and twenty-five National banks on November 25 last, as shown by the report of the Comptroller of the Currency, the whole number of banking institutions in the State is found to be two hundred and twenty-three, with combined resources of $346,229,253, and deposits of $250,134,303.

CONDITION OF THE SAVINGS BANKS.

The resources and liabilities of the twenty-seven Savings banks before the commencement of business on January 1 of the present year are shown in the aggregate in the following table, together with the same data for January 1, 1902:

RESOURCES.	*Jan. 1, 1902.*	*Jan. 1, 1903.*
Bonds and mortgages	$24,571,041	$25,223,304
United States bonds	5,712,211	3,487,713
Bonds of the District of Columbia	569,150	598,400
Bonds of counties in this State	6,238,925	7,070,194
Bonds of cities in this State	9,519,835	9,848,407
Bonds of towns and townships in this State	2,411,282	2,515,206
Bonds of boroughs and villages in this State	1,188,183	1,281,431
Bonds of school districts in this State	99,231	110,080
Bonds of other States	27,500	....
Bonds of counties in other States	5,000	....
Bonds of cities in other States	123,497	158,885
Railroad bonds (first mortgage)	13,722,517	18,527,739
Other bonds and stocks	516,245	542,998
Loans on collaterals	2,978,160	3,764,886
Banking-house properties	1,072,973	1,270,480
Other real estate	725,026	688,023
Cash deposited in banks and trust companies	2,211,496	2,604,892
Cash on hand	413,765	734,477
Interest due and accrued	825,587	861,026
Other assets	210,413	286,566
Total resources	$73,187,037	$79,569,657
LIABILITIES.		
Amount due depositors	$65,678,989	$71,915,834
Other liabilities	*579,587	*584,105
Surplus	6,878,461	7,069,718
Total liabilities	$73,187,037	$79,569,657

* Capital stock (one institution), $500,000.

STATISTICAL.	*Jan. 1, 1902.*	*Jan. 1, 1903.*
Number of deposits or open accounts	217,434	231,450
Average amount of each account	$302.06	$310.71
Number of accounts opened or reopened during the year	48,790	51,136
Number of accounts closed during the year	33,819	35,115
Amount deposited during the year, not including interest credited	$30,306,845	$35,164,124
Amount withdrawn during the year	26,510,822	29,460,545
Interest credited for the year	1,880,295	2,058,439
Salaries paid for the year	222,386	236,789
Other current expenses for the year	125,623	138,433

* Decrease.

The number of depositors or open accounts shows the substantial gain of 14,016 for the year, the percentage of increase being six and two-fifths.

The amount deposited during the year, not including interest credited, exceeded the amount withdrawn by $5,703,579. In the year before the excess was $3,796,023.

In total resources the increase is $6,432,620, which is equal to eight and four-fifths per cent. Mortgage loans have increased $652,263. Bonds owned exhibit an increase in amount of $3,762,009 at par values and $4,002,477 at market values, the larger relative increase being in railroad bonds.

Collateral loans exceed by $791,676 the amount outstanding at the beginning of 1902.

There is an increase in the reported values of banking-house properties of $197,507. Real estate acquired under foreclosure is less in amount by $37,003. Cash on hand and in bank is $714,108 greater than the amount reported for the previous year.

On market values of securities and book values of real estate the total surplus of the institutions, $7,069,718, is nearly ten per cent. of the deposits. On par values of bonds owned the surplus amounts to $2,127,444, which is slightly under three per cent.

The interest credited depositors for the past year amounted to $2,058,439, the average rate being approximately two and nine-tenths per cent. The total interest credited was $178,144 more than for 1901.

Including taxes and rents the current expenses of the Savings banks for the year 1902 aggregated $375,222, which is an average of $1.62 for each deposit account on January 1 of the present year, the increase being two cents per account over the average for 1901. On the basis of total assets at the beginning of the present year the expenses were forty-seven hundredths per cent., which is the same as for the previous year. Taking the amount due depositors on the first day of this year as the basis, the percentage of expenses is fifty-two hundredths, which is a decrease for the year of one hundredth per cent.

TRUST COMPANIES.

The whole number of trust companies incorporated at the date of this report is seventy. Of these forty-nine were formed under the law of 1899, the number incorporated during the past year being twenty-six.

CONDITION OF THE TRUST COMPANIES.

The returns of the fifty-five trust companies in business and reporting for December 31, 1902, show resources and liabilities at that date as follows (cents omitted):

RESOURCES.	*December 31, 1902.*	*Increase and Decrease.*
Bonds and mortgages	$12,819,714	$2,430,517
Stocks and bonds	31,112,014	15,190,255
Demand loans on collaterals	28,273,982	8,282,689
Time loans on collaterals	10,415,364	3,850,292
Loans to cities and towns	1,633,244	965,706
Notes and bills purchased	11,754,722	4,295,970
Overdrafts	4,086	*2,082
Due from banks and trust companies	10,326,846	1,011,375
Banking-house, furniture and fixtures, etc	3,066,376	873,795
Other real estate	473,125	222,433
Cash on hand	2,027,278	552,023
Checks and cash items	655,870	450,476
Title plant	243,195	15,324
Interest due and accrued	483,919	236,090
Other assets	83,017	15,974
Total resources	$113,392,759	$39,800,894

* Decrease.

Liabilities.	December 31, 1902.	Increase and decrease.
Capital stock paid in	$10,926,900	$3,926,800
Surplus fund	8,458,612	5,781,566
Undivided profits, net amount	5,695,906	924,364
Demand deposits	49,395,951	18,455,865
Time deposits	33,197,155	8,695,092
Interest accrued on deposits	95,011	35,119
Due to banks and trust companies, etc	3,406,223	1,444,126
Mortgage trust bonds	1,150,000	*50,000
Bills payable	484,641	337,141
Notes and bills rediscounted	78,872	*228,262
Dividends unpaid	43,163	12,558
Other liabilities	460,319	56,525
Total liabilities	$113,392,759	$39,390,894
Supplementary.		
Total profits received during 1902	$5,211,959	$1,811,425
Total expenses during the year	1,439,719	504,745
Interest paid to and credited depositors during the year	1,628,801	470,602
Dividends declared to stockholders during the year	571,698	288,787
Number of depositors at the date of this report	153,655	45,651
Number of deposits on which interest is allowed	119,473	47,043
Total amount of such deposits	$66,244,156	$19,435,048

With favorable conditions prevailing throughout the year and sixty per cent. more in number of institutions in operation, it is not surprising that the returns of the trust companies for 1902 should show great gains over the figures for the previous year. The deposits have nearly doubled in amount within the period, the increase being about forty-nine per cent. In number of depositors the increase is over forty-two per cent. In 1901 the gain in amount of deposits was twenty-four per cent. and in number of depositors thirty-one per cent. The total resources have increased over forty-two per cent. and are now $33,823,106 in excess of those of the Savings banks. Last year the excess was $864,828. Surplus and undivided profits amount to $14,154,519, the increase being $6,705,932, or nearly fifty per cent. The capital, surplus and profits together amount to $25,081,419, which is over thirty per cent. of the deposits.

State Banks.

The State Banking Company, of Newark, filed a certificate of dissolution on August 4, 1902, and its business has been taken over by the Union National Bank of that city.

The Farmers and Merchants' Bank, of Matawan, has changed to a National bank, and filed a certificate of surrender of its charter on January 17, 1903.

Condition of the State Banks.

The aggregate resources and liabilities of the sixteen State banks of discount and deposit in operation on November 25 last, the date of the last call of the year for reports from such institutions, are shown in the following summary (cents omitted):

Resources.	November 25, 1902.	Increase and decrease.
Loans and discounts	$6,894,965	*$695,237
Overdrafts	6,165	*3,994
United States bonds and premium	100,090	....
Stocks, securities, etc	1,661,068	*96,755
Banking-house, furniture, etc	388,667	*5,246
Other real estate	61,128	*38,464
Bonds and mortgages	311,950	32,080
Due from other banks	1,264,878	*161,778
Checks and cash items	30,986	5,860
United States currency and National bank notes	333,323	*54,583
Gold coin	49,640	*15,306
Silver coin	47,925	3,035
Nickels and cents	6,578	925
Other assets	7,505	*4,059
Total resources	$11,164,784	*$1,063,923

* Decrease.

LIABILITIES.	November 25, 1902.	Increase and decrease.
Capital stock paid in	$1,418,750	*$175,000
Surplus fund	807,500	*152,800
Undivided profits, less current expenses and taxes paid.	390,597	*10,723
Due to other banks	209,196	*99,793
Dividends unpaid	1,562	*6,371
Individual deposits subject to check	7,921,870	*672,825
Demand certificates of deposit	182,079	54,862
Time certificates of deposit	153,473	32,782
Certified checks	14,529	*16,334
Cashier's checks outstanding	724	*4,971
Notes and bills rediscounted	....	*27,000
Bills payable	60,000	40,000
Other liabilities	4,500	4,250
Total liabilities	$11,164,784	*$1,033,923

* Decrease.

The decrease of two in the number of the institutions, one of which was the second largest of the State banks, accounts for the reductions shown in the foregoing summary.

As indicated by their reports, our Savings banks, trust companies and banks of discount and deposit, with hardly a single exception, have prospered during the year. The very large increase in the deposits, resources and number of trust companies, which far exceeds the growth of any previous year, is, however, the most striking feature of the data herein presented. Yet notwithstanding the great gains by these companies and the many new ones in the field, the returns of the Savings banks show the same large proportionate increase in number and amount of deposits as in preceding years, which seems to negative the assertion that their business is being hampered or taken away by the trust companies. Every trust company is expressly authorized by law to receive deposits on interest, and it is doubtless true that a considerable proportion of their deposits is composed of what substantially are Savings bank accounts, but it is also true that the greater portion are business accounts which Savings banks could not get or in any event are not organized to hold. Both classes of institutions are recognized by the law, and it is neither the desire nor province of this department to laud or disparage either—as a class. While endowed with Savings bank powers, a trust company is nevertheless not a Savings bank, which under existing laws is an institution without capital and governed by much more stringent regulations as to investments and loans. On the other hand the trust company has the security afforded by its capital stock. Some of the trust companies, particularly the newer ones, acting apparently within what they believed to be their lawful powers and not with the intention of violating any law, have advertised in a manner calculated to create the impression that they were Savings banks, contrary to the provisions of the general Savings bank act of 1876 prohibiting other kinds of institutions, except banks and deposit companies then authorized by law to receive deposits at interest, from advertising, soliciting or receiving deposits as a Savings bank. Upon being admonished to that effect the companies generally have signified their willingness to abandon the practice. In individual cases, however, it is insisted by counsel that the companies are not exceeding the powers conferred upon them by the trust company law, and it is probable that the courts may be called upon to decide the question, or possibly there may be further legislation upon the subject. In the judgment of this department it would be unwise, as well as unfair to the Savings banks, which have long been recognized as of great value and usefulness, and as a rule have well served the purposes of their organization, to do away with the prohibition above mentioned. So long as we are to have this separate and distinct class of institutions and retain the restrictive statutes enacted for the security of their funds, it is but right that the law should protect them at least to the extent of not permitting institutions of a different class from holding out to the public that they are Savings banks; nor is it essential to the success of a genuine trust company or commercial bank that it should resort to such methods.

As this report is closed advices are received by the department of the appointment by the Comptroller of the Currency of a Receiver of the First National Bank, of Asbury Park, which did business in the same building and was more or less affiliated with the Monmouth Trust and Safe Deposit Company, a State institution. Examiner La Rue Vredenburgh has been placed in charge of and is now making an examination of the latter company. To what extent it may be involved remains to be determined.

Respectfully submitted, WILLIAM BETTLE,

Commissioner of Banking and Insurance.

OBJECTIONS TO A GREAT CENTRAL BANK.

[From "Life of Henry Clay," by CARL SCHURZ; American Statesmen Series.]

With the first session of the twenty-third Congress the struggle about the Bank of the United States was substantially decided. The great parliamentary cannonade in the Senate had availed nothing. The storm of distress petitions had been without effect. Jackson had remained firm. The House of Representatives had passed by large majorities a series of resolutions reported by James K. Polk, that the deposits should not be restored, and that the bank charter should not be renewed. Popular sentiment ran in the same direction. The bank was doomed. Jackson went on denouncing it in his messages, and distressing it with all sorts of hostile measures; but all energy of resistance was gone. It would have been well for Clay and his party had they recognized the fact that not only this Bank of the United States could not be saved, but that no other great central bank, as the fiscal agent of the Government, could be put in its place with benefit to the country.

When Jackson became President the bank was financially sound. The management was not faultless, but very fair. It did not meddle with politics. A financial institution of that kind is not naturally inclined to become a political agency. Its stockholders, who are anxious for the safety of their investments and desire to draw regular dividends, do not wish it to involve itself in the fortunes and struggles of political parties. This was the disposition of the United States Bank under Nicholas Biddle. Jackson's first attack upon the bank in that respect was therefore wanton and reckless. But it is also true that an institution whose interests depend upon the favor of the Government is always apt to be driven into politics, be it by the exactions of its political friends, or by the attacks of its political enemies. Its capacity for mischief will then be proportioned to the greatness of its power; and the power of a central bank, acting as the fiscal agent of the Government, disposing of a large capital, and controlling branch banks all over the country, must necessarily be very large. Being able to encourage or embarrass business by expanding or curtailing bank accommodations, and to favor this and punish that locality by transferring its facilities, it may benefit or injure the interests of large masses of men, and thereby exercise an influence upon their political conduct—not to speak of its opportunities for propitiating men in public position, as well as the press, by its substantial favors. So it was in the case of the Bank of the United States. Although Jackson's denunciations of its corrupting practices went far beyond the truth, there can be no doubt that, when it at last fought for the renewal of its charter and against the removal of the deposits, it did use its power for political effect.

It might be said that it did so in self-defense, and that, had there not been so violent a character in the presidential office, it would not have been obliged to defend itself. This would be an unsafe conjecture. A great central banking institution, a Government agent, enjoying valuable privileges, will always have the flavor of monopoly about it—and there is nothing more hateful than the idea of monopoly among a democratic people. It will always excite popular jealousy by the appearance of offering to a limited circle of persons superior opportunities of acquiring wealth at the public expense. It will always arouse popular apprehensions with regard to the harm it might do as a great concentrated money power. These apprehensions and jealousies will, in a democratic community, at any time be apt to break out, cause an attack upon the institution, and oblige it to "fight" in self-defense. Being attacked on the political field it will, in obedience to a natural impulse, try to protect itself on the political field, and thus easily become a dangerous and demoralizing factor in politics.

An institution like the Bank of the United States, whatever its temporary usefulness may have been, is therefore not a proper fiscal agent for the government of a democratic country; and the American people have reason to remember with gratitude Salmon P. Chase and the Congress of 1863 for having, in the greatest crisis of public affairs, given the country a National banking system equal to the United States Bank in efficiency, superior to it in safety, avoiding the evils of a concentrated money power, and, as subsequently perfected, entirely free from that flavor of monopoly which made the old bank in its time so odious.

Andrew Jackson's severest critics will have to admit that his war upon the United States Bank appealed to a sound democratic instinct, and negatively served a good end. But his most ardent admirers will hardly deny that the manner in which he accomplished the overthrow of the bank was utterly reckless, not only on account of the violence which was done to the spirit of the law, but also on account of the disposition which was made of the public funds. They were distributed among State banks, without any system, unless it be called a system that political favoritism had much to do with the selection, and that the deposit of the public funds became to a great extent a part of the executive patronage. Capital in the shape of bank deposits was arbitrarily located in different parts of the country, to be liberally used for bank accommodations, and this in constantly increasing sums as the public debt disappeared and the revenue surplus grew larger. Great rivalry sprang up among the State banks for a share of the deposits. New banks were started by aspiring individuals who hoped to be among the favored ones. Banks multiplied in all directions. Upon the business depression followed one of those expansions of credit which are so exhilarating in the beginning and so sure to end in disaster, and the scattering of the deposits served to make that expansion more and more reckless.

Thus the seed of a great disaster was sown broadcast. We shall see the harvest. But at first it looked like a suddenly growing crop of prosperity and wealth. Jackson was more popular and powerful than ever. Clay came out of the struggle about the United States Bank defeated, but with the honors of war. His friends clung to him with increased admiration of his courage and brilliant abilities, and he was ready for new conflicts.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on Nov. 25, 1902 and Feb. 6 and April 9, 1903. Total number of banks: April 9, 1903, 4,845; Feb. 6, 1903, 4,766; April 30, 1902, 4,423.

RESOURCES.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*April 9, 1903.*
Loans and discounts	$3,303,148,091	$3,350,897,744	$3,403,217,618
Overdrafts	43,522,543	35,721,746	29,920,759
U. S. bonds to secure circulation	341,328,820	342,071,460	343,119,320
U. S. bonds to secure U. S. deposits	131,376,700	134,339,030	134,984,170
Other bonds to secure U. S. deposits	19,705,749	17,665,067	17,365,252
U. S. bonds on hand	5,364,030	9,414,750	10,044,275
Premiums on U. S. bonds	13,783,389	14,189,052	14,779,570
Stocks, securities, etc	491,921,929	511,260,365	517,410,083
Banking house, furniture and fixtures	95,093,525	100,010,991	101,578,097
Other real estate and mortgages owned	21,515,274	21,398,452	21,370,412
Due from National banks	275,897,193	271,988,371	263,835,801
Due from State banks and bankers	88,228,677	92,465,790	94,052,977
Due from approved reserve agents	436,820,873	479,724,850	454,802,717
Internal-revenue stamps	211.075	148,847	97,013
Checks and other cash items	21,332,144	23,845,816	22 327,859
Exchanges for clearing-house	236,990,495	214,496,241	201,934,216
Bills of other National banks	23,168,903	23,394,425	24,619,614
Fractional currency, nickels and cents	1,407,269	1,633,212	1,579,272
Specie	391,281,660	417,572,146	389,081,521
Legal-tender notes	142,310,109	153,025,573	147,133,313
Five per cent. redemption fund	16,661,574	16,660,945	16,580,783
Due from Treasurer U. S.	3,021,887	2,848,275	2,957,839
Total	$6,104,091,916	$6,234,773,157	$6,212,792,489
LIABILITIES.			
Capital stock paid in	$714,616,353	$731,275,237	$734,903,303
Surplus fund	335,763,730	351,140,285	354,033,637
Undivided profits, less expenses and taxes	181,723,772	165,831,828	177,089,346
National bank notes outstanding	336,505,993	335,226,236	335,093,791
State bank notes outstanding	42,781	42,781	42,781
Due to other National banks	607,044,194	673,090,724	640,761,449
Due to State banks and bankers	281,071,701	298,878,012	295,049,962
Due to trust companies and Savings banks	230,041,156	269,502,545	253,622,374
Due to approved reserve agents	36,735,916	30,795,257	28,489,879
Dividends unpaid	1,025,534	1,291,510	1,234,119
Individual deposits	3,152,878,796	3,159,534,591	3,168,275,260
U. S. deposits	138,464,809	140,493,423	140,677,485
Deposits of U. S. disbursing officers	8,353,604	7,341,264	7,350,577
Bonds borrowed	39,254,256	42,219,112	43,029,101
Notes and bills rediscounted	7,640,449	6,068,612	6,477,639
Bills payable	25,728,041	16,853,225	18,524,595
Liabilities other than those above	7,200,825	5,188,508	8,137,194
Total	$6,104,091,916	$6,234,773,157	$6,212,792,489

Changes in the principal items of resources and liabilities of National banks as shown by the returns on April 9, 1903, as compared with the returns on Feb. 6, 1903, and April 30, 1902:

ITEMS.	SINCE FEB. 6, 1903.		SINCE APRIL 30, 1902.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$52,319,874	....	$230,460,133	....
U. S. bonds	2,322,525	....	43,598,575	....
Due from National banks, State banks and bankers and reserve agents	....	$31,487,517	5,884,913	....
Specie	....	28,490,625	....	$9,679,040
Legal tenders	....	5,892,260	....	12,350,913
Capital stock	3,628,066	....	63,726,991	....
Surplus and other profits	14,150,868	....	70,137,388	....
Circulation	....	132,455	25,312,052	....
Due to National and State banks and bankers	....	54,342,884	....	30,798,568
Individual deposits	8,740,668	....	56,585,064	....
United States Government deposits	193,375	....	27,923,201	....
Bills payable and rediscounts	2,080,397	....	9,669,160	....
Total resources	....	21,980,667	250,657,038	....

A LIBERAL EDUCATION.

[From an address by Jacob Gould Schurman, President Cornell University, at Quarto-Centennial Celebration University of Colorado, Boulder, Colo.]

"I must now leave these topics and address myself to that great and fundamental idea of the charter about which in university education everything else revolves. I allude of course to the idea of a liberal education, to the knowledge of the different branches of literature, arts, science, and philosophy. It is a matter of vital significance that the charter in defining the object of your University makes this idea central and controlling. I feel, therefore, that I shall not make an improper use of the time you have assigned me if I devote the rest of my address to a consideration of the idea of liberal education and of the modifications it has undergone since your University was founded and of the further changes which perhaps impend.

In this presence it is unnecessary to vindicate the idea of liberal culture. It is the education of man as man. It qualifies the student not for winning bread but for high thinking and intelligent living. It has to do not with the body and its needs but with the mind and its aspirations; it appeals to perception, to imagination, to emotion, to intellect, and to conscience. It is as old as civilization. Manual labor was, indeed, in Athens the work of slaves. But free Athenians all knew the value of liberal culture and rejoiced in its possession. Nothing better has been written upon the subject than you find in the writings of Aristotle and Plato more than two thousand years ago. The study of the Greek language may or may not survive in the progress of the human race. But the Greek conception of culture is immortal. They felt that man without liberal culture was undeveloped. They conceived the function of education as a development of the potencies of man. The arts and sciences not only liberalized the mind but humanized the individual. An ignorant, untrained man in their conception was only half a man. From the evolutionary point of view so familiar to our day we might say that liberal education is the process whereby the intellectual possessions of the races are taken up by the individual, who in the process becomes a worthy member of his race. To know and make one's own the best that has been thought and expressed in literature and art, to follow for one's self the method of science in exploring some province of the physical universe, to make one's self at home in the world of mind and spirit, and to know some science which records the nature of the environment in which we find ourselves; this is education: this is liberal culture for which your charter provides. It involves devotion to the needs of the mind for their own sake. It is impossible without leisure; the spirit of man will not be unduly hurried. Nor can this good be attained by any one who would subordinate it to some other end. Culture, like virtue, like religion, is its own end. We are so constituted that we long to know, and the mind's aspiration after knowledge is as much entitled to recognition as the heart's aspiration after goodness. A man may be honest because it pays to be honest, but he is not an honest man. A man may pursue liberal studies for the sake of results to be applied to utilitarian objects, but such a man will never be liberally educated. The poets will not breathe their secrets to him. The thoughts of the philosophers are voiceless to him. No object of beauty can be a joy to him and no law of nature can strike him with admiration or declare the glory of God. This conception of liberal culture is the most prominent conception contained in the definition of the object of this University. In an age in which educational landmarks are fading, in which everything seems to be in a flux, it should not be difficult for the scholars of Colorado to hold to this great and glorious conception of liberal education. To ignore it; to educate man merely as a bread-winner; to fit him merely for some profession; to teach him how to do something instead of to be something, would in practice be the abandonment of the Hellenic conception of liberal culture which has dominated Christendom and made civilization what it is and the adoption of the stunted and stagnant civilization which makes and keeps China what we know her to-day."

It is much in the fashion at the present time to decry the benefits of a liberal education, which are so finely set forth by Dr. Schurman in the foregoing remarks. Whatever truth there may be in the prevalent criticism of modern education for its failure to qualify men for success in business, the tendency now seems to be toward the opposite extreme, and the colleges are in a race to see which one can offer the most "practical" system of instruction. There are still educators, however, who realize that one of the purposes of education is to train people to live and to think aright as well as to fit them for making money.

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—The annual election of officers and luncheon of Group VIII (New York city bankers) of the State Bankers' Association was held at the Lawyers' Club May 9. The principal guest at the luncheon was Hamilton Fish, the recently appointed United States Assistant Treasurer at New York. No formal speeches were made, the affair being in the nature of an informal gathering.

The annual election resulted as follows: Chairman, Wm. A. Nash, President Corn Exchange Bank; secretary and treasurer, Charles E. Warren, Cashier Lincoln Bank. These officers, with the following, constitute the executive committee: W. M. Bennett, Cashier Bank of America; W. A. Simonson, Vice-President National City Bank; Charles H. Stout, Vice-President Liberty National Bank; David H. Pierson, Cashier Bank of the Manhattan Company; Charles L. Robinson, Cashier Western National Bank of the United States.

—On the evening of May 8 James Speyer gave a dinner to Senor José y Limantour, the Mexican Minister of Finance.

The guests included prominent bankers and business men of this and other cities. They were James H. Hyde, James Stillman, Lyman J. Gage, Charles S. Fairchild, Edward King, Effingham B. Morris, Hamilton Fish, A. Barton Hepburn, Gustav H. Schwab, Chandos Standhope, George F. Baker, Richard A. McCurdy, W. G. Raoul, Henry W. Taff, Valentine P. Snyder, Emil Boas, Adolph S. Ochs and Herman Ridder.

— A certificate of incorporation has been granted to the Monroe Bank, which will be located at 97 Canal street and will have $200,000 capital. Kaufman Mandell will be President and Herman Heidelberg, Vice-President.

— Appropriate ceremonies marked the opening of the new Stock Exchange on April 22. Addresses were delivered by President Rudolph Keppler, Mayor Low and others.

— The new bank to be established in Brooklyn near Fulton and South Oxford streets, will probably be known as the Bank of the Commonwealth. Frank R. Wyckoff, 362 Fifth avenue, is chairman of the committee on organization. It is understood that the bank will have a capital of $100,000 and a surplus of $50,000.

— Pending the completion of the Wall-Exchange Building, the National Bank of North America has removed from 35 William street to the offices formerly occupied by the Atlantic Trust Company.

— A movement is on foot to establish a new bank at Eighth avenue and Fifty-eighth street, to be known as the Bank for Discount. Capital, $100,000; surplus, $50,000. Those interested in it include J. Robertson and James Duane Livingstone, until recently Vice-Presidents of the Trust Company of the Republic; E. R. Thomas, formerly Vice-President of the Seventh National Bank, and W. H. Chesebrough.

— The customary spring meeting of the executive council of the American Bankers' Association was held in this city April 21, a dinner being given to the members on that evening at the New York Athletic Club. J. Edward Simmons, President of the Fourth National Bank, presided. Besides the out-of-town bankers thirty-three local bank officers attended the dinner.

The diners sat at an oval table which bore in the center a model of the United States Treasury, the interior illuminated by electric lights. The souvenirs were a package of one-dollar bills wrapped around with the manila paper band used in banks. On the top of the package was a real one-dollar bill, but beneath it the layers of paper were blanks.

One of the dinner committee said to another that he thought that was something new and unique. The other suggested that it was newer to bankers than it might appear to green-goods men.

It was decided to hold the next convention at San Francisco not later than October 15.

— Control of the National Shoe and Leather Bank has been acquired by the International Banking Corporation, although there will not be a merger of the two institutions. It is reported that the capital of the International Banking Corporation will be increased to $10,-000,000, and that a new building will be put up for the bank at 60 Wall street. William L. Moyer is President of the International Banking Corporation and of the National Shoe and Leather Bank also.

—At a largely-attended meeting held in the Dime Savings Bank Building, Brooklyn, on the evening of April 21, an organization of a chapter of the American Institute of Bank Clerks was effected. Membership is to include only clerks employed in Brooklyn banks.

— Messrs. Kuhn, Loeb & Co. have moved into their new twenty-story building at the corner of Pine and William streets.

— On the evening of April 22 a dinner was given at the Waldorf-Astoria, in honor of the fiftieth anniversary of the Oriental Bank and the fiftieth anniversary of the election of Stephen R. Halsey as a director of the bank. A silver loving-cup was presented to Mr. Halsey.

— Reports have been current for some time respecting an impending merger of the Western National Bank of the United States and the National Bank of Commerce. Both institutions are among the largest and strongest banks in the city, and their consolidation, should it be effected, would be an event of much importance in the financial world.

— R. W. Jones, Jr., was recently elected President of the Oriental Bank, in place of Nelson G. Ayres, resigned. Mr. Ayres was elected first Vice-President, and Erskine Hewitt, Vice-President. George W. Adams was appointed Cashier in place of Joseph E. Kehoe, who becomes Assistant Cashier.

— Stockholders of the Guardian Trust Company voted on April 21 to reduce the capital and surplus from $1,000,000 each to $500,000 each.

— The capital stock of the Fidelity and Casualty Company has been increased from $250,-000 to $500,000.

— Owing to the new rule requiring that trust companies making clearings through members of the clearing-house association shall keep a fixed reserve after June 1, several trust companies have announced their intention of giving up their clearing facilities.

Regarding the matter, an officer of a prominent trust company said:

"We decline to tie up funds at the request of the clearing-house. Our reserve is in our bank and it will stay there. This action antagonizes the best class of customers that the banks have, and if the banks can stand for the results, I guess we can. Wait and see."

Here is the bank side as voiced by a large clearing-house bank:

"By withdrawing from the clearing-house the companies advertise to the world their apparent unwillingness to keep a modest cash reserve. That will react on them later, as they will see. There are two sides to this controversy, and the conservative side would seem to be the one for financial institutions to take. However, the Legislature can act for itself next year."

— The directors of the Gallatin National Bank have presented to the New York Clearing-House a portrait of the late Frederick D. Tappen, who was President of the bank for nearly half a century, and also long identified with the clearing-house in official capacities. The painting was the last work of the late Thomas W. Wood and was painted from a photograph. It is an excellent likeness.

— It is reported that Messrs. Speyer & Co. recently purchased an issue of $12,500,000 4½ per cent. Mexican gold Treasury notes, payable in two years in United States gold coin at New York and in pounds sterling in London.

NEW ENGLAND STATES.

Boston.—On May 3 the clearing-house association moved from 66 State street to the India Building, State street and Merchants' row.

In 1856 the association began business with thirty banks and with Franklin Haven of the Merchants' Bank as President. The present President is also Franklin Haven, and he is President of the Merchants' Bank. The present head of the association is the son of the first. Both were assistant United States Treasurers before their connection with the clearing-house.

Another peculiar coincidence is that there are now just as many banks in the association as when it began business, thirty, although at one time there were as many as fifty-four banks which were members of the clearing-house. However, the volume of business is now so great that the Boston Clearing-House is the fourth largest in the world, with a business of about $25,000,000 a day. The transactions in the first year of the clearing-house amounted to $1,051,678,544, while the business for 1902 amounted to $6,981,960,415 and the total amount of the business transacted since its organization amounts to $176,739,421,347.

Only five Presidents and three Managers have served the association since it was organized. The Presidents were: Franklin Haven, Daniel Denny, James H. Beale and Geo. Ripley. The Managers were H. B. Groves, N. G. Snelling and the present Manager, C. A. Ruggles.

The old quarters had been occupied about twenty years.

Bank Examiner Resigns.—Charles P. Hatch, a National bank examiner for the Portland, Me., district, resigned recently to accept a more lucrative position in New York. He was a National bank examiner for the past ten years, and prior to that time was for four years assistant examiner of Savings banks in Maine.

MIDDLE STATES.

Port Deposit, Md.—The Jacob Tome Institute, which was established and liberally endowed by Jacob Tome, a wealthy banker of this place, had its inaugural celebration May 15 and 16.

Bank Stock Assessment Law.—Governor Odell has signed the bill amending the banking law by providing that the assessment of bank stock in process of liquidation shall be ascertained by dividing the actual assets by the number of outstanding shares.

New York State Bankers.—Stephen M. Griswold, president of the New York State Bankers' Association, has arranged for the next convention of the association to be held at the Grand Union Hotel, Saratoga, on Wednesday and Thursday, September 9 and 10.

Pittsburg.—An agreement has been made for merging the Safe Deposit and Trust Co. and the People's Savings Bank, and the purchase of the People's National Bank is also contemplated. The Safe Deposit and Trust Co. will hereafter be known as the People's Savings, Safe Deposit and Trust Co. When the merger plans are fully carried out the new institution will have a capital of $3,000,000 and deposits amounting to about $33,000,000.

— Stockholders of the Metropolitan National Bank have voted to increase the capital from $200,000 to $400,000.

— The stock of the North American Savings Co. is to be increased to $1,000,000, and it is reported that the company will purchase a considerable interest in the Fort Pitt National Bank.

— The Industrial National Bank, with $800,000 capital and $200,000 surplus, and the South Hills Trust Co., with $125,000 capital, are new institutions in process of organization.

—Regarding the growth of banking in this city and vicinity, "The Banker" for May says: "Between 1890 and 1901, the number of banks and trust companies in the county increased exactly 100 per cent. Between 1900 and 1901 there was an increase in the number of institutions of twenty-one, from 101 to 122. Between 1901 and 1902 there was an increase in the number of twenty, the total number of banks and trust companies reporting to the Comptroller of the Currency and the State Commissioner of Banking in November, 1902, being 142. The aggregate resources of these institutions foot up $414,804,187, as compared with $107,167,427 in 1890, an increase of 287.06 per cent.

The total deposits of all the banks in November, 1902, were $297,766,207, as compared with $78,323,877 twelve years ago, an increase of 280.30 per cent. The increase in loans and discounts for the same period was 289.05 per cent.

The largest percentage of increase in any single item was in investment securities held. The value of these in 1890 was only $18,767,096, while in 1902 the total reported was $83,899,371 for the entire county, an increase of 347.05 per cent. The percentage of increase in this item by the Pittsburg banks was 307.24 per cent.; by Allegheny City banks, 3811.16 per cent., and by out-of-town banks, 7847.62 per cent.

In 1890 the capital of all the banks and trust companies in Allegheny county was $16,837,850. By the close of 1902 it had increased to $48,520,350, an increase of 188.16 per cent. The surplus in 1890 was $7,476,453, and in 1902 amounted to $40,007,287, an increase of 436.44 per cent. The undivided profits in 1890 amounted to $2,609,623, and in 1902 to $13,535,194, an increase of 418.66 per cent. As frequently explained by "The Banker," this increase in surplus and undivided profits was not exclusively from earnings, but largely from the sale of new stock at a premium, the latter being added to surplus and profit account. Since November, 1902, the number of new banks and trust companies organized and the increase in capital by old institutions have been more than sufficient to bring the total capital above $50,000,000 and the total surplus and profits above $60,000,000."

Princess Anne, Md.—A contract has been awarded by the Savings Bank of Somerset county for the construction of a one-story brick and stone building. The bank has a capital of $50,000, and surplus and profits of $50,000. Ex-Congressman Joshua W. Miles is the President, H. F. Lankford, Vice-President and William B. Spiva, Cashier.

SOUTHERN STATES.

Louisiana State Banks.—L. E. Thomas, Examiner of State Banks, inform the MAGAZINE that in the first quarter of 1903 there have been eleven new State banks organized in Louisiana and three more are in process of organization. He reports thirteen State banks doing business in New Orleans, with $5,180,200 capital and total resources amounting to $37,927,380.

Denison, Texas.—The National Bank of Denison is experiencing a very satisfactory growth, and recently increased its surplus from $30,000 to $50,000. In making corrections in the advertisement of the bank in the last issue of THE BANKERS' DIRECTORY, while the surplus was correctly reported, by a printer's error the capital was also changed to $50,000. There has been no reduction in the capital, which is $100,000—the same as before the surplus was raised to $50,000. In the list of banks at Denison as published in the DIRECTORY the capital and surplus were correctly stated, the error being in the advertisement only.

By making this large addition to its surplus fund the bank gives another striking evidence both of its prosperity and its conservative management.

A Forger's Trick.—By obtaining a supply of checks of the Commercial National Bank, of Houston, Texas, a forger was recently able to get a number of checks cashed by merchants in various localities. The checks purported to be drawn by a Houston firm (which however did not do business with the bank named) and were made payable to C. D. Berry. The checks were apparently certified, by the following stamp: "Certified, Com. Nat'l Bank, A. L. Williams, Cashier." No town was given, and Mr. Williams has not been Cashier of the Commercial National of Houston for some time. But the swindler was able to pass a number of the checks for small amounts, usually $18.75, before his trick was discovered.

Montgomery, Ala.—The Merchants and Farmers' National Bank and the Farley National Bank have been consolidated under the title of the Merchants and Planters' Farley National Bank.

Jacksonville, Fla.—Business is prospering greatly here, and in consequence the National Bank of Jacksonville has found it necessary to increase its capital from $150,000 to $300,000. Besides doubling its capital out of its earnings, the bank will have a surplus of over $200,000. This bank was established as a private institution in 1877 and entered the National banking system in 1888. Since it began business there have been but three changes in the board of directors, and these were caused by death or removal from the State.

—Prominent Southern bankers and business interests are organizing the Atlantic National Bank, with $350,000 capital.

New Orleans.—Steps have been taken by the directors of the Provident Bank looking to the change of the title to the Provident Bank and Trust Company, the intention being to do a trust and banking business. An increase of capital will be made from $100,000 to $250,000, the new stock to be sold at $130 per share, the premium realized to be added to the surplus.

—The Germania National Bank will increase its capital from $300,000 to $700,000 and the surplus from $100,000 to $300,000. Several new directors have been elected, bringing the total number up to twenty, and S. V. Fornaris has been elected first Vice-President and Henry Abraham, second Vice-President.

—Another institution, the Commercial Trust and Savings Bank, is also to increase its capital, doubling the present $250,000 and adding $62,500 to the surplus.

—On April 20 the Inter-State Trust and Banking Company took possession of its new and handsome offices in the Tulane-Newcomb Building, occupying the first two floors.

Virginia Bankers' Association.—The tenth annual convention of the Virginia Bankers' Association will be held at Lynchburg June 18 and 19.

Galveston, Tex.—On June 1 the capital of the Texas Bank and Trust Company, which is the successor to the Island City Savings Bank, will be increased to $200,000 and the surplus to $200,000. An office of the company will be opened in Houston on June 15. John T. McCarthy, who was recently elected Cashier, has been with the bank twenty years. Among the directors are: Bird S. Coler, President Guardian Trust Co., New York; R. W. Jones, Jr., Vice-President American National Bank, Kansas City, Mo.

Louisiana Bankers' Association.—The annual convention of the Louisiana Bankers' Association was held at Shreveport May 13 and 14. W. H. Wise delivered the address of welcome, and G. W. Bolton, President of the Rapides Bank, responded. President J. H. Fulton, Manager of the Commercial National Bank, New Orleans, then delivered the annual address. After the usual reports addresses were made on a number of important banking topics. A report of the convention will appear in the next issue of the MAGAZINE.

WESTERN STATES.

Chicago.—John E. Shea has been appointed an additional Assistant Cashier of the Chicago National Bank.

—Permission has been obtained by Ralph I. Terwilliger and others to organize the Mechanics Trust and Savings Bank, with $200,000 capital.

—Deposits of the local National banks on April 9 amounted to $275,720,426.

—The directors of the Merchants' Loan and Trust Company have voted to increase the capital stock of the bank by $1,000,000, and have issued a call for a special meeting of the shareholders on June 9 to act on the proposition. There is no doubt the recommendation of the board will carry.

The stock is to be offered to shareholders at 200. Of the $2,000,000 realized from the sale of the stock $1,000,000 will be credited to surplus account and $1,000,000 to capital, making the total capital $3,000,000 and the total surplus $3,000,000.

Decatur, Ill.—James Millikin, President of the Millikin National Bank, recently gave $100,000 to the James Millikin University, of this city, to be added to the endowment fund, with the condition that the university raise $50,000 more from other sources.

Kansas Bank Deposits.—On April 14 the deposits of the banks of this State amounted to over $90,000,000, which is $3,000,000 more than the previous highest record on September 30, 1901.

Michigan Bankers' Association.—The Michigan Bankers' Association will meet in annual convention at Pointe aux Barques, a summer resort on Lake Huron, June 16 19. Saginaw bankers will have charge of the arrangements for the convention.

Indianapolis, Ind.—Within the past year the resources of the seven National banks of this city have increased $6,563,956, and amounted to $39,622,537 on April 14.

PACIFIC SLOPE.

San Francisco.—The Bank of California has purchased the National Bank of D. O. Mills & Co., of Sacramento, one of the oldest banking institutions in the State. The Mills bank has a paid-up capital stock of half a million, and a surplus and profits last April of $312,231. The Bank of California recently amended its by-laws so as to allow the bank to invest a portion of its vast surplus, now amounting to $4,292,163, or more than double its capital.

Tacoma, Wash.—At a meeting of the directors of the Fidelity Trust Co., April 25, Isaias W. Hellman, of San Francisco, was elected a director. Mr. Hellman is one of the best-known bankers of California, being President of three strong institutions—the Nevada National Bank and the Union Trust Co., of San Francisco, and the Farmers and Merchants' National Bank, of Los Angeles.

Prosperous times on the Pacific Coast are resulting in a rapid and substantial development of this city as a manufacturing and trading center.

NOTICES OF NEW BOOKS.

THE FUNDAMENTAL PROBLEM IN MONETARY SCIENCE. By CORREA MOYLAN WALSH. New York: The Macmillan Co.

In monetary science at the present stage of its development, the fundamental problem is to determine what is in good money the quality that constitutes its goodness. While authors frequently agree in their use of terms, they still differ widely as to the precise meaning of the terms employed. The present author, therefore, finds it necessary to enquire what kind of value is it that money measures and stores and should possess in a stable manner. A large part of the volume is devoted to a consideration of the various significations of the term "value."

The arguments adduced are of a scientific nature and should be found interesting to all who desire to study the money question in its economic aspects.

Death of President Williams.—George G. Williams, President of the Chemical National Bank, New York city, and one of the oldest and best-known bank officers of the country, died May 7. Early this spring Mr. Williams had an attack of grip, which later developed into pneumonia. He was progressing towards recovery, but heart disease supervened, resulting in death.

Mr. Williams was born at East Haddam, Ct., in 1826. At the age of fifteen he became connected with the Chemical National Bank, progressing through the various positions until 1878, when he became President. He was one of the leading bankers of the city for a very long period, and was universally honored.

A more extended sketch of Mr. Williams' life and banking career will appear in a later number of the MAGAZINE.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

NATIONAL BANKS ORGANIZED.

6698—First National Bank, Dodgeville, Wisconsin. Capital, $35,000.
6699—First National Bank, New Harmony, Indiana. Capital, $25,000.
6700—First National Bank, Farragut, Iowa. Capital, $30,000.
6701—German National Bank of Northern Kansas, Beloit, Kansas. Capital, $25,000.
6702—Farmers' National Bank, Kingfisher, Oklahoma. Capital, $25,000.
6703—Rockwall National Bank, Rockwall, Texas. Capital, $25,000.
6704—Farmers and Merchants' National Bank, Cannon Falls, Minnesota. Capital, $25,000.
6705—First National Bank, Deep River, Iowa. Capital, $25,000.
6706—First National Bank, Perry, Arkansas. Capital, $25,000.
6707—First National Bank, Elmer, New Jersey. Capital, $25,000.
6708—Farmers and Merchants' National Bank, Red Lion, Pennsylvania. Capital, $25,000.
6709—First National Bank, Addison, Pennsylvania. Capital, $25,000.
6710—Lindsay National Bank, Lindsay, Indian Territory. Capital, $25,000.
6711—First National Bank, Rib Lake, Wisconsin. Capital, $25,000.
6712—First National Bank, Wimbledon, North Dakota. Capital, $25,000.
6713—Brookport National Bank, Brookport, Illinois. Capital, $25,000.
6714—Roswell National Bank, Roswell, New Mexico. Capital, $50,000.
6715—First National Bank, New Freedom, Pennsylvania. Capital, $50,000.
6716—American National Bank, Washington, District of Columbia. Capital, $250,000.
6717—First National Bank, Muldrow, Indian Territory. Capital, $25,000.
6718—Selbyville National Bank, Selbyville, Delaware. Capital, $30,000.
6719—First National Bank, Carmen, Oklahoma. Capital, $25,000.
6720—First National Bank, Liberal, Kansas. Capital, $25,000.
6721—First National Bank, Martinsville, Illinois. Capital, $25,000.
6722—First National Bank, Dunkerton, Iowa. Capital, $30,000.
6723—Hamilton National Bank, Chicago, Illinois. Capital, $500,000.
6724—First National Bank, East Peoria, Ill. Capital, $25,000.
6725—Washington National Bank, Pittsburg, Pennsylvania. Capital, $200,000.
6726—People's National Bank, Laurel, Delaware. Capital, $35,000.
6727—First National Bank, Hart, Michigan. Capital, $30,000.
6728—Farmers' National Bank, Mullica Hill, New Jersey. Capital, $50,000.
6729—Merchants' National Bank, Nashville, Tennessee. Capital, $200,000.
6730—National Bank of Long Beach, Long Beach, California. Capital, $100,000.
6731—First National Bank, Royalton, Minnesota. Capital, $25,000.
6732—Stockyards National Bank, South St. Paul, Minnesota. Capital, $50,000.
6733—First National Bank, Bisbee, North Dakota. Capital, $25,000.
6734—Pana National Bank, Pana, Illinois. Capital, $50,000.
6735—First National Bank, Beckley, West Virginia. Capital, $25,000.
6736—First National Bank, Foss, Oklahoma. Capital, $25,000.
6737—First National Bank, Churdan, Iowa. Capital, $25,000.
6738—First National Bank, Dunnell, Minnesota. Capital, $25,000.
6739—Union National Bank, Summerville, Pennsylvania. Capital, $50,000.
6740—First National Bank, Danvers, Illinois. Capital, $25,000.
6741—First National Bank, Garrett, Pennsylvania. Capital, $25,000.
6742—First National Bank, Clarkston, Washington. Capital, $25,000.
6743—First National Bank, Hatton, North Dakota. Capital, $25,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

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

First National Bank, Logan, Iowa; by John W. Wood, *et al.*
First National Bank, Shingle House, Pennsylvania; by R. S. Litchfield, *et al.*

Landon National Bank, San Angelo, Texas; by E. R. Jackson, *et al.*
Farmers and Merchants' National Bank, Mount Morris, Pennsylvania; by J. B. F. Rinehart, *et al.*
First National Bank, Logan, Kansas; by Thomas Dye, *et al.*
First National Bank, Prairie City, Iowa; by Frederic S. Risser, *et al.*
First National Bank, Mapleton, Minnesota; by M. W. Mattecheck, *et al.*
First National Bank, Citronelle, Alabama; by E. F. Ballard, *et al.*
Tishomingo National Bank, Tishomingo, Indian Territory; by S. C. Treadwell, *et al.*
Industrial National Bank, Pittsburg, Pennsylvania; by L. A. Robinson, *et al.*
Citizens' National Bank, Anthony, Kansas; by Charles E. Morris, *et al.*
First National Bank, Campbell, Missouri; by W. A. Gehrig, *et al.*
Massasoit and Pocasset National Bank, Fall River, Massachusetts; by Eric W. Borden, *et al.*
First National Bank, Gretna, Nebraska; by P. H. Updike, *et al.*
First National Bank, Rushmore, Minnesota; by James Porter, *et al.*
National Pawtucket Bank, Pawtucket, Rhode Island; by S. W. Kilvert, *et al.*
First National Bank, Blackduck, Minnesota; by C. W. Baumbach, *et al.*
Third National Bank, Glasgow, Kentucky; by S. T. Young, *et al.*
First National Bank, Avalon, California; by Ed. Pierce, *et al.*
First National Bank, Marceline, Missouri; by W. S. Woods, *et al.*
First National Bank, Porterville, California; by H. C. Carr, *et al.*
Sheffield National Bank, Sheffield, Alabama; by S. McGaughey, *et al.*
First National Bank, Hampton, Virginia; by Nelson S. Groome, *et al.*
First National Bank, Derry, Pennsylvania; by B. W. Brown, *et al.*
Riverside National Bank, Riverside, New Jersey; by Charles Mitsch, *et al.*
First National Bank, Mohall, North Dakota; by H. H. Steele, *et al.*
Barnes National Bank, Muskogee, Indian Territory; by G. W. Barnes, Jr., *et al.*
Merchants' National Bank, Hampton, Virginia; by Wm. C. L. Taliaferro, *et al.*
Boone National Bank, Boone, Iowa; by A. J. Wilson, *et al.*
Carmen National Bank, Carmen, Oklahoma; by F. N. Winslow, *et al.*
Bank of Mobile, National Banking Association, Mobile, Alabama; by M. J. McDermott, *et al.*
Union National Bank, Braddock, Pennsylvania; by Chas. Zugsmith, Jr., *et al.*
First National Bank, Beemer, Nebraska; by Wm. A. Smith, *et al.*
National Bank of Ligonier, Ligonier, Pennsylvania; by John H. Frank, *et al.*
Oakes National Bank, Oakes, North Dakota; by E. J. Walton, *et al.*
Lehaina National Bank, Lehaina, Hawaii; by C. D. Lufkin, *et al.*
Newport News National Bank, Newport News, Virginia; by O. D. Batchelor, *et al.*
First National Bank, Harrisville, Pennsylvania; by R. L. Brown, *et al.*
Citizens' National Bank, Ortonville, Minnesota; by R. W. Green, *et al.*
Bristow National Bank, Bristow, Indian Territory; by M. Jones, *et al.*
First National Bank, Exira, Iowa; by John E. McGuire, *et al.*
First National Bank, Montevideo, Minnesota; by M. E. Titus, *et al.*
Merchants' National Bank, Pawtucket, Rhode Island; by Claude J. Farnsworth, *et al.*
First National Bank, Emory, Texas; by S. K. McCallon, *et al.*
American National Bank, Casper, Wyoming; by A. J. Cunningham, *et al.*
First National Bank, Potomac, Illinois; by Jno. W. Goodwine, *et al.*
Lowell National Bank, Lowell, Indiana; by Chas. E. Nichols, *et al.*
First National Bank, Wilbur, Washington; by E. L. Farnsworth, *et al.*
Citizens' National Bank, Windber, Pennsylvania; by John Lochrie, *et al.*
Stockyards National Bank, North Fort Worth, Texas; by M. Sansom, *et al.*
First National Bank, Beggs, Indian Territory; by P. I. Brown, *et al.*
First National Bank, Hector, Minnesota; by G. K. Gilbert, *et al.*
Western National Bank, Hereford, Texas; by G. A. F. Parker, *et al.*
Commercial National Bank, Mangum, Oklahoma; by S. N. Brees, *et al.*
San Diego County National Bank, San Diego, California; by Julius Wangenheim, *et al.*
National Bank of Coalgate, Coalgate, Indian Territory; by A. D. Davidson, *et al.*
Muskogee National Bank, Muskogee, Indian Territory; by A. W. Patterson, *et al.*
Citizens' National Bank, Patchogue, New York; by Walter S. Rose, *et al.*
Merchants' National Bank, Cass Lake, Minnesota; by Clifford W. Baumbach, *et al.*
Citizens' National Bank, Wagoner, Indian Territory; by F. C. Garner, *et al.*
First National Bank, Butler, New Jersey; by Wm. L. McCue, *et al.*
Twin City National Bank, Denison, Ohio; by T. H. Loller, *et al.*
First National Bank, Coquille, Oregon; by R. E. Shine, *et al.*
Plymouth National Bank, Plymouth, Pennsylvania; by J. N. Thompson, *et al.*
First National Bank, Toronto, Kansas; by J. G. Strean, *et al.*
Miles National Bank, Miles, Texas; by H. W. Robinson, *et al.*
First National Bank, Grove City, Ohio; by A. J. Solomon, *et al.*

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Wells Bank, Wells, Minnesota; into Wells National Bank.
C. M. Condon Co. State Bank, Coffeyville, Kansas; into National Bank of Commerce.
Citizens' Bank, Roswell, New Mexico; into Citizens' National Bank.
State Bank, Sheldon, North Dakota; into First National Bank.
Mankato State Bank, Mankato, Kansas; into Mankato National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

BIRMINGHAM—American Trust and Savings Bank (successor to Birmingham Savings Bank); capital, $100,000; Pres., G. B. McCormack; Vice-Pres., H. L. Badham; Cas., H. B. Urquhart; Asst. Cas., Geo. D. Reynolds.

ARIZONA.

GLOBE—Miners and Merchants' Bank; capital, $25,000; Pres., T. A. Pascoe; Cas., H. H. Barr; Asst. Cas., J. H. Pascoe.

ARKANSAS.

DENNING—Bank of Denning; capital, $10,000; Pres., J. C. Herrod.

HOXIE—Bank of Hoxie; capital, $10,000; Pres., W. E. Talley; Cas., J. W. Little.

JASPER—Newton County Bank; capital, $10,000; Pres., L. W. Clark; Cas., J. W. Hurd.

NASHVILLE—Commercial Bank; capital, $30,000; Pres., Julius Lesser; Asst. Cas., J. H. Skillern.

PERRY—First National Bank (successor to Perry Co. Bank); capital, $25,000; Pres., G. B. Colvin; Cas., Chas. E. Thomas.

CALIFORNIA.

LONG BEACH—National Bank of Long Beach (successor to Bank of Long Beach); capital, $100,000; Pres., Jotham Bixby; Cas., P. E. Hatch.

SAN DIEGO—Union Trust Co.; Pres., Homer G. Taber; Cas., T. R. Gay.

DELAWARE.

LAUREL—People's National Bank; capital, $35,000; Pres., Daniel Short; Cas., E. P. Horsey.

SELBYVILLE—Selbyville National Bank; capital, $30,000; Pres., W. R. McCabe; Asst. Cas., W. B. Dirickson.——Baltimore Trust Co.; capital, $25,000; Pres., John G. Townsend, Jr.; Cas., I. L. Long.

DISTRICT OF COLUMBIA.

WASHINGTON — American National Bank; capital, $250,000; Pres., Robert N. Harper; Cas., R. H. Lynn; Asst. Cas., Edson C. Olds.

GEORGIA.

MILLEDGEVILLE—Exchange Bank; capital, $15,000; Pres., John Conn; Cas., Otto M. Conn.

IDAHO.

NEZ PERCE—Kettenbach Co., Ltd.; capital, $50,000; Pres., F. W. Kettenbach; Cas., C. W. Nelson.

ILLINOIS.

BROOKPORT—Brookport National Bank; capital, $25,000; Pres., J. F. McCartney; Cas., K. L. McCartney.

CHICAGO—Hamilton National Bank; capital, $500,000; surplus, $125,000; Pres., Chas. B. Pike; Vice-Pres., D. W. Buchanan; Cas., Henry Meyer; Asst. Cas., Geo. H. Wilson.

DANVERS—First National Bank: capital, $25,000; Pres., Jno. H. Stephenson; Cas., Lee McClure.

EAST PEORIA—First National Bank; capital, $25,000; Pres., Samuel Mosiman; Cas., Herbert R. Dennis.

EWING—Ewing Bank; Pres., Albert Watson; Cas., D. F. Fitzgerrell; Asst. Cas., I. T. Link.

MARTINSVILLE—First National Bank; capital, $25,000; Pres., A. S. Phelps; Cas., J. I. Brydon; Asst. Cas., W. B. Linn.

MONEE—Eastern Will Co. State Bank; capital, $25,000; Pres., John Kohnstedt; Cas., Geo. S. Miller.

PANA—Pana National Bank; capital, $50,000; Cas., C. W. Bainbridge.

INDIANA.

GREENTOWN—State Bank (successor to Commercial Bank): capital, $25,000; Pres., S. T. Murray; Cas., F. R. Hill.

NEW HARMONY—First National Bank; capital, $25,000; Pres., Thomas Mumford; Cas., Ezra Stephens.

SELLERSBURG—Sellersburg Exchange Bank; Pres., C. D. Pickerill; Cas., J. H. Waters.

INDIAN TERRITORY.

LINDSAY—Lindsay National Bank; capital, $25,000; Pres., C. J. Grant; Cas., J. H. Knox.

MULDROW—First National Bank; capital, $25,000; Pres., I. H. Nakdimen; Cas., E. H. Bruce.

WESTVILLE—People's Bank; capital, $7,500; Pres., K. G. Comfort; Cas., R. L. Sellers.

IOWA.

ANITA—Anita Bank (successor to Bank of Anita); Pres., J. C. Voorhees; Cas. C. E. Faulkner.

BOYDEN—Farmers' Savings Bank (successor to Farmers' Bank); capital, $15,000; Pres., M. Brink; Cas., Will H. Eddy.

CHURDAN—First National Bank; capital, $25,000; Pres., C. J. Martin; Cas., M. F. Coons.

DEEP RIVER—First National Bank; capital, $25,000; Pres., J. R. Morris; Cas., H. W. Hatter.

DOWNEY—Downey Savings Bank; Pres., S L. Lefevre; Cas., J. E. Evans.

DUNKERTON—First National Bank (successor to Bank of Dunkerton); capital, $30,000 Pres., C. H. Dunkerton; Cas., M. T. Blake.

FARRAGUT—First National Bank; capital

$30,000; Pres., T. H. Read; Cas., H. Rogers; Asst. Cas., Wm. Rogers.

GILMORE—Gilmore State Savings Bank (successor to Security Bank); capital, $25,000; Pres., R. H. Van Alstine; Cas. Lyman Bevis.

KEOTA—Union State Bank; capital, $35,000; Pres., A. E. Stewart; Cas., John Randolph.

KANSAS.

BELOIT—German National Bank of Northern Kansas; capital, $25,000; Pres., Samuel A. Bonnifield; Cas., Frank Mergen.

CONCORDIA—Farmers and Merchants' State Bank; capital, $25,000; Pres., E. J. Messal; Cas., H. W. Barber.

LIBERAL—First National Bank; capital, $25,000; Cas., C. E. Woods.

ONAGA—Citizens' State Bank; capital, $25,000; Pres., Wm. Wasson; Cas., Wm. H. Pauly.

VIOLA—Viola State Bank; capital, $5,000; Pres., J. H. Robinson; Cas., Jesse Evans.

WATHENA—Farmers' State Bank; capital, $10,000; Pres., Aug. Miller, Cas.; Cas. L. A. Libel.

KENTUCKY.

COVINGTON—People's Savings Bank and Trust Co.; capital, $150,000; Pres., J. H. Mersman; Sec. and Treas., F. H. Hugenberg.

GLENDALE—Glendale Banking Co.; capital, $10,000; Pres., H. Y. Davis; Cas., Arch. B. Davis.

WHITESBURG—Whitesburg State Bank; capital, $15,000; Pres., J. J. Lewis; Cas., James P. Lewis; Asst. Cas., M. D. Lewis.

MASSACHUSETTS.

WALTHAM—Waltham Trust Co.; capital, $200,000; surplus, $50,000; Pres., Edw. P. Sanderson; Treas., Frank E. Morris.

MICHIGAN.

GRAND RAPIDS—Commercial Savings Bank; capital, $200,000; Pres., C. P. Kelsey; Cas., H. N. Morrill.

HART—First National Bank; capital, $30,000; Pres., Albert S. White; Cas., Carl L. Flood.

PONTIAC—American Savings Bank; capital, $50,000; Pres., H. S. Chapman; Cas., A. F. Newberry; Asst. Cas., A. W. Dickinson.

MINNESOTA.

CANNON FALLS—Farmers and Merchants' National Bank (successor to Farmers and Merchants' Bank); capital, $25,000; Pres., T. L. Beiseker; Cas., Edward Mattson.

DUNNELL—First National Bank; capital, $25,000; Pres., Frank P. Woods.

MONTROSE—State Bank; capital, $10,000; Pres., H. C. Bull; Cas., E. W. Swanson.

ROYALTON—First National Bank; capital, $25,000; Pres., A. H. Turrittin; Cas., Chas. R. Rhoda.

So. ST. PAUL—Stockyards National Bank (successor to Stock Yards Bank); capital, $50,000; Pres., John J. Flanagan; Cas., Wm. E. Briggs.

WARROAD—Bank of Warroad; capital, $10,000; Pres., Thomas Bruseguard; Cas., Hugo Lindbohm; Asst. Cas., L. P. Hedberg.

WEST DULUTH—Mechanics' State Bank; capital, $25,000; Pres., Robert R. Dunn; Cas., Sherman W. Halbert.

MISSISSIPPI.

RULEVILLE—Bank of Ruleville; capital, $25,000; Pres., W. H. Reid; Cas., E. P. Shofner.

MISSOURI.

DEWITT—People's Bank; capital, $5,000; Pres., R. M. Jenks; Cas., Ralph Jenks.

HUME—Hume Commercial Bank; capital, $10,000; Pres., W. B. Wayts; Cas., J. C. Biggs; Asst. Cas., H. L. Curtis.

KANSAS CITY—Pioneer Trust Co.; capital, $500,000; surplus, $500,000; Pres., W. H. Holmes; Vice-Pres., F. C. Miller; Treas., H. C. Schwitzgebel; Asst. Treas., Henry Teal.

SPRINGFIELD—Springfield Trust Co., capital, $60,000; Pres., Edgar P. Mann; Sec. and Treas., Thomas R. Gibson.

WARRENTOWN—Citizens' Bank; capital, $20,000; Pres., F. E. Schowengerdt; Cas., Theo. Koelling.

WAYNESVILLE—Bank of Waynesville; capital, $10,000; Pres., J. J. Clark; Cas., Sam T. Rollins.

WILLOW SPRINGS—Bank of Willow Springs (successor to Loy Bros. & Preston); capital, $5,000; Pres., J. B. Thomas; Cas., L. T. Preston.

MONTANA.

BOZEMAN—Martin & Hall; Cas., R. E. Brown.

NEBRASKA.

AMHERST—Farmers' State Bank; capital, $5,000; Pres., T. B. Gormson, Sr.; Cas., A. T. Reynolds.

ANSELMO—Anselmo State Bank; capital, $5,000; Pres., Frank H. Young; Cas. J. J. Tooley; Asst. Cas., N. L. Tooley.

MILFORD—Farmers and Merchants' State Bank; capital, $10,000; Pres., John Engelhaup; Cas., Floyd Seybolt.

SUTHERLAND—Sutherland State Bank (successor to Bank of Sutherland); capital, $5,000; Pres., J. W. Welpton; Cas., H. E. Worrell; Asst. Cas., J. A. Worrell.

NEW JERSEY.

BAYONNE—Bayonne Bank; capital, $50,000; Pres., Geo. Carragan; Cas., Oscar Gubelman; Asst. Cas., Emmet S. Hamilton.

ELMER—First National Bank; capital, $25,000; Pres., Samuel P. Foster; Cas., Thomas Newell.

HACKENSACK—People's Bank; capital, $75,000; Pres., Wm. A. Linn; Vice-Pres., Chas. H. Harris; Cas., Irving H. Labagh.

MULLICA HILL—Farmers' National Bank; capital, $50,000; Pres., Chas. W. Elkinton; Cas., Chas. H. Stiles.

NEW YORK.

HICKSVILLE—Bank of Hicksville; capital,

$25,000; Pres., Chas. E. Fassbender; Cas., G. Edwin Bartow; Asst. Cas., Robert Seaman.

JAMESTOWN—Bank of Jamestown; capital, $100,000; Pres., F. A. Bentley; Cas., W. D. Broadhead; Asst. Cas., W. R. Botsford.

NEW YORK — Bank of Discount; capital, $100,000; Pres., Jos. G. Robin; Vice-Pres., C. M. Wicker and James T. Wood; Cas., James Duane Livigston. —— Chelsea Exchange Bank; Pres., Irving M. Shaw; Cas., A. E. Stilger.

NORTH CAROLINA.

AYDEN—Bank of Ayden; capital, $10,000; Pres., Wm. H. Burgwyn; Cas., J. R. Smith.

BURLINGTON—People's Bank; capital, $15,000; Pres., J. A. Davidson; Cas., S. A. Halleman; Asst. Cas., W. B. Lasley.

GASTONIA—Gaston Loan and Trust Co.; Pres., W. T. Love; Treas., E. G. McLurd.

NEW MEXICO.

ROSWELL—Roswell National Bank; capital, $50,000; Cas., Chas. B. McCluskey.

NORTH DAKOTA.

BISBEE—First National Bank; capital, $25,000; Pres., F. D. Weck; Cas. A. Egeland.

BOWBELLS—Citizens' Bank; Pres., H. Dykeman; Cas., A. C. Wiper; Asst. Cas., B. M. Wohlwend.

COAL HARBOR—Citizens' State Bank; capital, $5,000; Pres., Wm. T. Robinson; Cas., I. Rovig; Asst. Cas., D. P. Robinson.

HAGUE—Hague State Bank; Pres., Geo. F. Porter; Cas., W. P. Brown; Asst. Cas., J. O. A. Schaap.

HATTON—First National Bank; capital, $25,000; Cas., Abraham Hanson.

PORTAL—Portal State Bank; Pres., G. H. F. Pierson; Cas., Elias Pierson.

STANLEY—Security State Bank; capital, $10,000; Pres., A. J. Cole; Cas., W. E. Barber.

WIMBLEDON—First National Bank; capital, $25,000; Pres., A. L. Ober; Cas., H. M. Stroud.

WYNDMERE—First State Bank; capital, $10,000; Pres., Geo. C. Ottis; Cas., J. McGann.

OHIO.

BERGHOLZ—Bergholz State Bank (successor to M. Moore & Co.); capital, $15,000; Pres., M. Moore; Cas., A. G. McBane.

LIBERTY CENTER—Ohio State Banking Co. (successor to Citizens' Bank); capital, $10,000; Pres., D.E. Haag; Cas., Robt. V. Shirey; Asst. Cas., R. K. Shirey.

OKLAHOMA.

CARMEN—First National Bank (successor to First State Bank); capital, $25,000; Pres., W. T. Barrett; Vice-Pres., A. H. Geissler; Cas., John M. Geissler.

CHATTANOOGA — Chattanooga State Bank; capital, $5,000; Pres., F. H. Wright; Cas., C. W. Beers; Asst. Cas., Jas. A. Sharpe.

COOPERTON — Bank of Cooperton; capital, $5,000; Pres., A. P. Smelzer; Cas., C. W. Smelzer.

DALE—Dale State Bank; capital, $5,000; Pres., A. G. Caldwell; Cas., D. E. Jenner.

FOSS—First National Bank (successor to Foss State Bank); capital, $25,000; Pres., W. O. Horr; Cas., D. M. Whiteside.

HELENA—Helena State Bank; capital, $10,000; Pres., F. N. Winslow; Cas., M. W. Denninger.

KINGFISHER—Farmers' National Bank; capital, $25,000; Pres., Gross Longendyke; Cas., J. P. Funk; Asst. Cas., H. W. Sipe.

TRYON—Farmers and Merchants' Bank; capital, $5,000; Pres., J. A. Hert; Cas., M. F. McClain; Asst. Cas., G. L. Brooks.

WANETTE—Bank of Wanette; capital, $6,000; Pres., Geo. L. Rose; Cas., Geo. M. Southgate.

PENNSYLVANIA.

ADDISON—First National Bank; capital, $25,000; Pres., W. M. Matsen; Cas., M. H. Dean.

BURGETTSTOWN — Burgettstown Trust Co.; capital, $200,000; Pres., A. H. Kerr; Vice-Presidents, John A. Bell and J. L. Patterson; Sec. and Treas., R. C. Cassidy.

GARRETT — First National Bank; capital, $25,000; Pres., Wm. A. Merrill; Cas., H. Bunn Philson.

NEW CASTLE—New Castle Savings and Trust Co.; Pres., Wm. G. Dunn; Sec. and Treas., J. S. Taylor.

NEW FREEDOM—First National Bank; capital, $50,000; Pres., W. D. Bahn; Cas., James E. Green, Jr.

PITTSBURG — Washington National Bank; capital, $200,000; surplus, $100,000; Pres., John C. Reilly; Cas., A. W. Hecker.

RED LION—Farmers and Merchants' National Bank; capital, $25,000; Pres., Cornelius Strayer; Cas., C. E. Smith.

SUMMERVILLE—Union National Bank; capital, $50,000; Pres., I. M. Shannon; Cas., I. J. Keck.

RHODE ISLAND.

PROVIDENCE—Hanaford, Moore & Co.

SOUTH CAROLINA.

ROCK HILL—Bank of Rock Hill; Pres., R. T. Fuvill; Cas., Ward Albertson.

SOUTH DAKOTA.

HUMBOLDT—Farmers' Bank; capital, $5,000; Pres., H. W. Hahn; Cas., H. M. Duncan; Asst. Cas., F. B. Lockwood.

TWINBROOKS—Bank of Twinbrooks; capital, $5,000; Pres., S. T. Lasell; Cas., G. G. Lasell.

TENNESSEE.

MEMPHIS — Tennessee Trust Co.; capital, $500,000; surplus, $100,000; Pres., J. R. Popper; Cas., James F. Hunter; Asst. Cashiers, J. C. Ottinger and T. M. Salter.

NASHVILLE—Merchants' National Bank (successor to Merchants' Bank); capital, $200,000; Pres., James McLaughlin; Cas., E. A. Lindsey.

PARSONS—Bank of Parsons; capital, $5,000; Pres., L. H. Burke; Cas., L. A. Rains; Asst. Cas., W. I. Carrington.

Trenton—Bank of Trenton; capital, $25,000; Pres., W. L. Wade; Cas., G. W. Wade.

TEXAS.

Canton—Wentworth Manning.

Manor—Gibbs & Rich; capital, $25,000.

VIRGINIA.

Crewe—Citizens' Bank; Pres., Landon P. Jones; Cas., A. L. Woody.

Newport News—City Trust Co.; capital, $27,000; Pres., George N. Wise; Cas., W. H. Kellogg.

WASHINGTON.

Clarkston—First National Bank; capital, $25,000; Pres., Chas. F. Allen; Cas., Leigh L. Dibble.

Elberton—Bank of Elberton (successor to Real Estate and Collection Bank).

Spokane—Bank of Montreal.—— Babcock, Cornish & Co.

WEST VIRGINIA.

Beckley—First National Bank; capital, $25,000; Pres., C. T. Jones; Cas., D. H. Johnston.

Berkeley Springs—Bank of Morgan Co.

Buckhannon—People's Bank of West Virginia; capital, $50,000; Pres., S. C. Rumisell; Cas., C. W. Heavner; Asst. Cas., A. A. Simpson.

WISCONSIN.

Dodgeville—First National Bank (successor to Dodgeville Bank); capital, $35,000; Pres., Jno. M. Reese; Cas., Ewd. A. Perkins.

North Freedom—Bank of North Freedom; capital, $25,000: Pres., H. G. Merritt; Cas., Wm. A. Warren.

Omro—Citizens' Bank; capital, $25,000: Pres., John Challoner; Cas., E. K. Hicks.

Rib Lake—First National Bank; capital, $25,000; Pres., L. Sperbeck; Cas., T. R. Begley.

CANADA.

ONTARIO.

Brussels—Metropolitan Bank; A. E. Mellish, Mgr.

Cardinal—Bank of Toronto; Frank E. Kimball, Mgr.

Delta—Merchants' Bank of Canada; R. A. Whitney, Mgr.

Elgin—Merchants' Bank of Canada; W. A. Burrows, Mgr.

Finch—Merchants' Bank of Canada; D. A. McMillan, Mgr.

Harrow—Sovereign Bank of Canada;

Madoc—Dominion Bank; F. G. Cottle, Mgr.

NORTHWEST TERRITORY.

Weyburn—Union Bank of Canada: F. E. Harrison, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ALABAMA.

Greensboro—First National Bank; O. M. Otts, Cas. in place of J. M. P. Otts, Jr.; no Asst. Cas. in place of O. M. Otts.

Jackson—First National Bank; B. H. Warren, Pres. in place of A. M. Wing.

Montgomery—First National Bank; A. S. Woolfolk, Cas.——Farley National Bank; title changed to Merchants and Planters' Farley National Bank.——Merchants and Farmers' National Bank; absorbed.——Fourth National Bank; capital increased to $200,000.

ARKANSAS.

Paragould—Bank of Paragould; capital increased to $50,000.

CALIFORNIA.

Imperial—First National Bank; J. A. Morrison, Asst. Cas.

COLORADO.

Hotchkiss—First National Bank; Fred Kehr, Vice-Pres. in place of E. P. Barrow; no Asst. Cas. in place of Charles L. Pike.

CONNECTICUT.

New Haven—Mechanics' Bank; F. W. Chatterton, Asst. Cas.

Stafford Springs—First National Bank; Richard M. Fish, Asst. Cas., resigned.

DISTRICT OF COLUMBIA.

Washington—Riggs National Bank; M. E. Ailes, Vice-Pres. in place of James M. Johnson; capital increased to $1,000,000.——Citizens' National Bank; F. C. Stevens, Pres. in place of E. S. Johnson; N. H. Shea, 2d Vice-Pres.; capital increased to $500,000.

FLORIDA.

Jacksonville—National Bank of Jacksonville; capital increased to $300,000.

GEORGIA.

Atlanta—Capital City National Bank; absorbed by Atlanta National Bank.

Blue Ridge—North Georgia National Bank; J. F. Holden, Cas. in place of A. S. J. Davis; no Asst. Cas. in place of J. F. Holden.

Columbus—Columbus Savings Bank; capital increased to $200,000.

Douglas—Union Banking Co.; capital increased to $100,000.

Fort Gaines—First National Bank; no Asst. Cas. in place of R. E. Peterson.

IDAHO.

Nez Perce—First National Bank; T. M. Mockler, Pres. in place O. M. Collins; J. A. Schultz, Vice-Pres. and Cas.; L. J. Schultz, Asst. Cas.

ILLINOIS.

Chicago—Chicago National Bank; John E. Shea, additional Asst. Cas.

Lovington—Shepherd National Bank; no Asst. Cas. in place of Homer Shepherd.

Peoria—Merchants' National Bank; W. L. Wiley, Cas. in place of Geo. H. Littlewood; Thomas D. McDougal, Asst. Cas. in place of W. L. Wiley; J. C. Paddock, additional Asst. Cas.

Prophetstown—Farmers' National Bank;

N. W. Paddock and H. E. Paddock, Asst. Cas.

INDIANA.

KOKOMO—Kokomo National Bank; E. E. Sanders, Cas. in place of J. W. Barnes.

SOUTH BEND—Merchants' National Bank; Harry Keller, Asst. Cas.

INDIAN TERRITORY.

DAVIS—First National Bank; W. F. Parker, Asst. Cas.

LINDSAY — Citizens' National Bank; title changed to First National Bank.

MANNSVILLE — First National Bank; A. J. Malcolm, Vice-Pres.; E. E. Chivers, Asst. Cas.

OKEMAH—First National Bank; Wm. H. Dill, Vice-Pres.; M. B. Flesher, Cas. in place of Wm. H. Dill; R. A. Dill, Asst. Cas.

SAPULPA—First National Bank; W. S. Bunting, additional Vice-Pres.; Willis W. Lehnhard, Cas. in place of W. S. Bunting; no Asst. Cas. in place of C. W. Parmenter and Willis W. Lehnhard.

TISHOMINGO—First National Bank; W. C. Rudisell, Asst. Cas.

WAPANUCKA—Farmers' National Bank; title changed to First National Bank.

IOWA.

CHARITON—First National Bank; S. H. Mallory, Pres., deceased; Will Culbertson, Cas. in place of H. O. Penick.

CHELSEA—First National Bank; E. P. Willey, Cas. in place of J. W. Shaler; no Asst. Cas. in place of E. P. Willey.

CLINTON—People's Trust and Savings Bank; Ward W. Cook, Asst. Cas.

CORRECTIONVILLE—Bailey State Bank; capital increased to $50,000.

FARMINGTON—First National Bank; M. Harnagel, Asst. Cas.

GOWRIE—First National Bank; F. W. Lindquist, Asst. Cas.

LEHIGH—First National Bank; F. A. Cox, Asst. Cas.

OSCEOLA—Osceola National Bank; A. J. Fowler, Asst. Cas.

OTTUMWA—First National Bank; W. B. Bonnifield, Jr., Cas. in place of M. B. Hutchison; no Asst. Cas. in place of W. B. Bonnifield, Jr.

KANSAS.

ANTHONY—First National Bank; P. G. Walton, Pres. in place of John D. Brown; Sam L. Smith, Cas. in place of P. G. Walton.

HOXIE—First National Bank; T. M. Walker, Pres. in place of M. A. Chambers; Tom L. Pratt, Vice-Pres.; E. M. Speer, Asst. Cas.

OSBORNE—Farmers' National Bank; E. E. Ellis, Pres. in place of W. H. Smith; Albert Smith, 1st Vice-Pres. in place of E. E. Ellis.

MUSCOTAH — Muscotah State Bank; A. B. Harvey, Pres. and Cas.; C. C. Hart, Asst. Cas.

WAKEENEY—Wakeeney State Bank; Carrie Mumert, Asst. Cas.

KENTUCKY.

CAMPBELLSVILLE — Taylor National Bank; W. T. Chandler, Vice-Pres.; R. L. Gowdy, Asst. Cas.

LEITCHFIELD — Grayson County National Bank; H. E. Owen, Asst. Cas. in place of J. Y. Rogers.

LOUISIANA.

MARKSVILLE — Avoyelles Bank; Charles C. Gaspard, Cas. in place of Thomas R. Roach; T. Frith Pearce, Asst. Cas.

NEW IBERIA—State Bank; capital increased to $100,000.

NEW ORLEANS — Provident Bank; reincorporated under the title of Provident Banking and Trust Co.; capital increased to $250,000.—Germania National Bank: capital increased to $700,000; surplus increased to $300,000. —Commercial Trust and Savings Bank; capital increased to $500,000.

WELCH—First National Bank; Paul W. Daniels, Vice-Pres.; Elwin C. Willard, Asst. Cas.

MAINE.

FORT FAIRFIELD—Fort Fairfield National Bank; Hubert W. Trafton, Pres. in place of L. W. Stevens.

PORTLAND—Casco National Bank; Frederick N. Dow, Pres. in place of Stephen R. Small, deceased; A. Whitney, Vice-Pres. in place of Frederick N. Dow.—Chapmen National Bank; Cullen C. Chapman, Pres., deceased. —Portland Trust Co. and Maine Savings Bank; William G. Davis, Pres., deceased.

MARYLAND.

SANDY SPRING—First National Bank; H. H. Miller, Cas. in place of Geo. F. Nesbitt, Jr., deceased; F. L. Thomas, Asst. Cas. in place of H. H. Miller.

MASSACHUSETTS.

CHICOPEE—First National Bank; F. B. Doten, Cas., deceased.

MEDWAY—Medway Savings Bank; Milton M. Fisher, Pres., deceased.

WEBSTER — First National Bank; Josiah Perry, Pres. in place of C. C. Corbin, deceased; John W. Dobbie, Vice-Pres. in place of Josiah Perry.

WEYMOUTH—Union National Bank; H. A. Nash, Jr., Cas. in place of H. A. Nash.

WOBURN—First National Bank; John Warren Johnson, Pres. in place of John M. Harlow.

MICHIGAN.

ITHACA—Ithaca National Bank; H. C. Barstow, Cas. in place of John J. Pellett.

SAULT STE MARIE—First National Bank; capital increased to $100,000

ST. JOHNS—St. Johns National Bank; John Hicks, Pres., deceased; R. C. Dexter, Cas. in place of P. E. Walsworth; no Asst. Cas. in place of R. C. Dexter.

MINNESOTA.

FULDA—First National Bank; F. G. Kickul, Cas.

HILLS—First National Bank; P. E. Brown, Pres. in place of A. C. Croft.

RUTHTON—First National Bank; Carl Diehl, Pres. in place of M. J. Evans; M. J. Calderwood, Cas. in place of S. B. Duea.

TRACY—First National Bank; R. C. Dahlhjelm, Asst. Cas.

MISSISSIPPI.

COLLINS—Bank of Collins; Joe Selby, Cas., resigned.

GULFPORT—Bank of Commerce; capital increased to $100,000.

MISSOURI.

EL DORADO SPRINGS—Bank of El Dorado Springs; capital increased to $15,000.

NEOSHO—First National Bank; J. H. Hughes, Vice-Pres.; E. C. Coulter, Cas. in place of J. H. Hughes; no Asst. Cas. in place of E. C. Coulter.

PIERCE CITY—Pierce City National Bank; J. E. Coppock, Cas. in place of Ben Mills.

NEBRASKA.

ELK CREEK—State Bank; Ira T. McClure, Asst. Cas., deceased.

FREMONT—Commercial National Bank; A. G. Christensen, Asst. Cas.

WISNER—First National Bank; J. W. Stewart, Cas. in place of Frank J. Malchow; Frank J. Malchow, Asst. Cas. in place of Wm. Armstrong.

NEW JERSEY.

SUSSEX—Farmers' National Bank of Deckertown; title changed to Farmers' National Bank of Sussex.

NEW YORK.

BROOKLYN—Mechanics' Bank and Twenty-Sixth Ward Bank; consolidated under former title.

MIDDLETOWN—Merchants' National Bank; Ira M. Corwin, Pres. in place of N. M. Hallock, deceased; no Vice-Pres. in place of Ira M. Corwin.

NEW YORK—Oriental Bank; Richard W. Jones, Jr., Pres. in place of Nelson G. Ayres, resigned; Nelson G. Ayres and Erskine Hewitt, Vice-Pres.; Geo. W. Adams, Cas.; Joseph E. Kehoe, Asst. Cas.——Guardian Trust Co.; capital reduced to $500,000; surplus reduced to $500,000.——Harriman & Co.; Wm. H. Harriman, deceased.——Fidelity and Casualty Co.; capital increased to $500,000.——National Broadway Bank; absorbed by Mercantile National Bank.

RIPLEY—First National Bank; F. W. Crandall, Pres. in place of J. A. Skinner, deceased; S. G. Flagler, Vice-Pres.; E. W. Skinner, Asst. Cas.

ROCHESTER—German-American Bank; capital increased to $500,000; surplus increased to $750,000.

SCHENECTADY—Mohawk National Bank; J. A. De Remer, Pres. in place of H. S. Edwards, deceased; H. V. Mynders, 1st Vice-Pres. in place of J. A. De Reimer; C. S. Washburn, 2d Vice-Pres. in place of H. V. Mynders.

SOUTHAMPTON—Southampton Bank; capital increased to $50,000.

NORTH CAROLINA.

GREENVILLE—Greenville Banking and Trust Co.; capital increased to $25,000.

OHIO.

CORTLAND—First National Bank; I. E. Kennedy, Cas. in place of Chas. R. Dodge.

FREDERICKTOWN—First National Bank; M. P. Howes, Asst. Cas.

GLOUSTER—Glouster Bank; David Edwards, Cas., deceased.

MCCONNELSVILLE—First National Bank; J. L. Cochran, Pres. in place of J. K. Jones, deceased.

PERRYSBURG—Citizens' Bank; Nathaniel L. Hanson, Cas., deceased.

ROSEVILLE—First National Bank; C. E. Porter, Asst. Cas. in place of E. A. Brown.

TIFFIN — City National Bank; Arlington Dunn, Asst. Cas.

WELLSVILLE—First National Bank; E. W. Riggs, Pres. in place of J. W. Reilly; J. W. Hammond, Vice-Pres; W. P. Sharer, Cas.

WOOSTER—Wayne County National Bank; J. A. Myers, Asst. Cas.

XENIA—Citizens' National Bank; M. L. Wolf, Acting Cas. in place of F. E. McGervey, Cas., deceased.

OKLAHOMA.

CORDELL—City National Bank; J. C. Harrel, Vice-Pres.; C. W. Parmenter, Cas., R. B. Wells, Jr., Asst. Cas.

HOBART—Hobart National Bank; E. F. Dunlap, additional Vice-Pres.; R. W. Aldrich, Asst. Cas. in place of R. Klatt.

MOUNTAIN VIEW—First National Bank; T. E. Givens, Asst. Cas. in place of Herman C. Schultz.

PAWHUSKA — First National Bank; H. H. Brenner, Pres. in place of E. F. Sparrow; W. T. Leahy, Vice-Pres. in place of D. T. Flynn; T. E. Gibson, Asst. Cas.

SHAWNEE — Shawnee National Bank; N. Douglas, Cas. in place of J. T. Pedigo; Jno. W. Jones, Asst. Cas. in place of N. Douglas.

OREGON.

PORTLAND—First National Bank; H. W. Corbett, Pres., deceased.

PENNSYLVANIA.

BRIDGEVILLE — First National Bank; John M. Boyce, Vice-Pres.; John M. Heaney, Cas. in place of J. D. Meise.

EASTON—Easton National Bank; James W. Long, Pres., deceased.

FREDERICKTOWN — First National Bank; First National Bank; J. H. Sanford, Pres. in place of Geo. L. Hill.

MEYERSDALE—Second National Bank; A. P. Truxall, Asst. Cas.

MILFORD — First National Bank; John C. Warner, Cas. in place of Robert W. Reid; no Asst. Cas. in place of John C. Warner.

MONACA—Monaca National Bank; Joseph C. Campbell, Cas. in place of Robert L. Hood.

PITTSBURG—Iron City National Bank; J. R. Paull, Pres. in place of Geo. F. Wright; Geo. F. Wright, Vice-Pres. in place of John C. Stevenson; Geo. F. Wright, Cas. in place of Chas. S. Lindsay.——United States National Bank; W. J. Davis, Asst. Cas.——Mortgage Banking Co.; capital increased to $1,000,000.——Safe Deposit and Trust Co.; capital increased to $2,000,000; Pres., D. McK. Lloyd; Edward E. Duff, Vice-Pres. and Treas.; W. T. Howe, Vice-Pres. and Sec.; James K. Duff, Asst. Treas.; G. L. Rodgers, Asst. Sec.

SAYRE—National Bauk of Sayre; L. W. Dorsett, Asst. Cas.

SCOTTDALE—Broadway National Bank; A. S. Livengood, Vice-Pres. in place of D. N. Carroll; T. J. Robinson, Cas. in place of E. B. Harshaw.

SCRANTON—West Side Bank; John T. Williams, Pres., deceased.

WASHINGTON—First National Bank; Alexander Murdoch, Pres., deceased.

WILMERDING—Wilmerding National Bank; W. S. Finney, Cas. in place of A. W. Hecker.

ZELIENOPLE—First National Bank; W. J. Lamberton, Pres. in place of G. D. Swain; J. S. McNalley, Vice-Pres. in place of W. J. Lamberton.

SOUTH CAROLINA.

SPARTANBURG—National Bank of Spartanburg; title changed to First National Bank.

SOUTH DAKOTA.

TORONTO—First National Bank; Hans Mathison, Vice-Pres. in place of O. C. Dokken; no Asst. Cas. in place of H. C. Peterson.

WAUBAY—First National Bank; A. C. Davis, Vice-Pres. in place of M. Rexford; E. F. Guernsey, Cas. in place of C. C. Guernsey; R. E. Thompson, Asst. Cas. in place of E. F. Guernsey.

TENNESSEE.

DYERSBURG—First National Bank; Geo. T. Weakley, Asst. Cas.

GREENFIELD—Bank of Greenfield; capital increased to $30,000.

NASHVILLE—Sykes Banking Co.; capital increased to $100,000.

TEXAS.

BROWNWOOD—Brownwood National Bank; capital increased to $100,000.

CHILDRESS—Childress National Bank; Will P. Jones, Asst. Cas.

COMANCHE—First National Bank; W. H. Eddleman, Pres. in place of Wm. Martin.

CRANDALL — Citizens' National Bank; A. Ledbetter, Asst. Cas. in place of A. E. Martin.

GALVESTON—Island City Savings Bank; title changed to Texas Bank and Trust Co.

ITALY—First National Bank; J. P. Williams, Vice-Pres. in place of E. J. Dunaway; Whit George, Asst. Cas. in place of R. C. Mitchell.

LAMPASAS—Lampasas National Bank; H. N. Key, Pres. in place of S. H. Brown.

NEVADA—First National Bank; C. J. Dennis, Asst. Cas.

PLAINVIEW—First National Bank; Andrew French, Vice-Pres.; Ralph C. Wedge, Asst. Cas.

ROBY—First National Bank; F. M. Long, Pres. in place of E. F. Elkin.

SAN AUGUSTINE—San Augustine National Bank; W. H. Freeman, Vice-Pres.; F. B. Sublett, Cas. in place of J. W. Porcher.

UTAH.

MURRAY—First National Bank; D. A. McMillan, Cas. in place of L. W. Burton, Act. Cas.

VIRGINIA.

LEESBURG—Loudoun National Bank; R. H. Lynn, Cas., resigned.

LYNCHBURG—People's National Bank; J. W. Ivey, Pres. in place of Chas. M. Blackford, deceased; John Victor, Cas. in place of J. W. Ivey; no Asst. Cas. in place of John Victor.

WASHINGTON.

MT. VERNON—First National Bank; D. H. Moss, Jr. Pres. in place of E. C. Million; E. C. Million, Vice-Pres. in place of E. W. Andrews.

PORT ANGELES—Cain National Bank; C. A. Cushing, Pres. in place of John Cain; W. F. Delabarre, Vice-Pres. in place of S. W. Hartt.

WEST VIRGINIA.

CHARLESTOWN—First National Bank of Jefferson; Samnel Howell, Cas., deceased.

WISCONSIN.

LADYSMITH—First National Bank; O. E. Pederson, Pres. in place of W. S. Manning; J. A. Corbett, Cas. in place of O. E. Pederson; no Asst. Cas. in place of J. A. Corbett.

MEDFORD—First National Bank; no Asst. Cas. in place of C. F. Peterson.

SPRING GROVE—S. M. Harris, Banker, deceased.

CANADA.

BRITISH COLUMBIA.

PHŒNIX—Eastern Townships Bank; A. B. Hood, Mgr.

ONTARIO.

LONDON—Bank of British North America; Geo. B. Gerrard, Mgr. in place of R. Inglis.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

MASSACHUSETTS.

WORCESTER—City National Bank; in voluntary liquidation March 30.

NEW YORK.

NEW YORK—Seventh National Bank; in voluntary liquidation April 9 (consolidated with Mercantile National Bank).

TEXAS.

MEXIA—Citizens' National Bank; in voluntary liquidation April 6.

NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the call on April 9, 1903. These are published below in conjunction with the two preceding statements of November 25, 1902, and February 6, 1903. In this form the figures become much more valuable by reason of the comparison. The complete returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*
Loans and discounts	$607,300,045	$639,383,359	$611,711,959
Overdrafts	677,170	448,634	246,630
U. S. bonds to secure circulation	46,596,500	46,096,500	44,746,500
U. S. bonds to secure U. S. deposits	33,850,500	44,757,500	41,857,500
U. S. bonds on hand	356,570	1,664,520	858,400
Premiums on U. S. bonds	3,462,018	3,449,704	3,646,705
Stocks, securities, etc	102,858,781	102,766,245	108,080,392
Banking house, furniture and fixtures	18,580,848	19,589,507	19,400,648
Other real estate and mortgages owned	2,282,693	2,392,686	2,693,523
Due from National banks (not reserve agents)	52,374,676	43,551,683	41,797,189
Due from State banks and bankers	6,433,939	8,881,910	8,094,973
Due from approved reserve agents	......	......	......
Checks and other cash items	3,535,905	4,727,040	3,531,820
Exchanges for clearing-house	167,926,503	141,485,063	132,318,841
Bills of other National banks	1,088,589	935,410	1,020,990
Fractional paper currency, nickels and cents	86,097	82,340	76,342
*Lawful money reserve in bank, viz.:			
Gold coin	3,876,574	4,674,013	5,000,261
Gold Treasury certificates	69,028,780	63,837,220	55,993,820
Gold clearing-house certificates	65,245,000	80,100,000	70,010,000
Silver dollars	91,787	83,069	79,281
Silver Treasury certificates	15,636,531	19,133,576	14,009,121
Silver fractional coin	732,275	726,138	731,078
Legal-tender notes	46,103,069	48,883,433	45,201,412
U. S. certificates of deposit for legal-tender notes	......	......	......
Five per cent. redemption fund with Treasurer	2,311,072	2,269,822	2,212,822
Due from U. S. Treasurer	1,262,696	1,288,385	1,287,706
Total	$1,251,698,624	$1,281,197,765	$1,214,657,422

LIABILITIES.			
Capital stock paid in	$92,010,000	$100,550,000	$100,550,000
Surplus fund	65,180,000	68,170,000	69,952,000
Undivided profits, less expenses and taxes paid	40,126,143	37,163,204	40,326,505
National bank notes issued, less amount on hand	45,855,855	44,449,085	43,681,297
State bank notes outstanding	16,542	16,542	16,542
Due to other National banks	243,024,455	267,800,429	240,432,629
Due to State banks and bankers	157,744,759	186,765,249	171,168,636
Dividends unpaid	70,842	71,056	73,794
Individual deposits	542,397,413	512,433,609	489,290,719
U. S. deposits	41,708,637	63,190,641	57,140,394
Deposits of U. S. disbursing officers	391,755	368,435	380,964
Notes and bills rediscounted	....	....	219,500
Bills payable	....	....	300,000
Liabilities other than those above stated	23,172,219	169,511	1,124,438
Total	$1,251,698,624	$1,281,197,765	$1,214,657,422
Average reserve held	28.41 p. c.	28.49 p. c.	26.96 p. c.
* Total lawful money reserve in bank	$200,714,016	$217,437,450	$191,024,974

Resources.	ALBANY, N. Y. Nov. 25, 1902.	ALBANY, N. Y. Feb. 6, 1903.	ALBANY, N. Y. Apr. 9, 1903.	BALTIMORE, MD. Nov. 25, 1902.	BALTIMORE, MD. Feb. 6, 1903.	BALTIMORE, MD. Apr. 9, 1903.	BOSTON, MASS. Nov. 25, 1902.	BOSTON, MASS. Feb. 6, 1903.	BOSTON, MASS. Apr. 9, 1903.
Loans and discounts	$13,706,216	$13,845,554	$13,243,508	$46,311,209	$46,190,119	$47,173,502	$168,797,664	$166,863,765	$162,244,195
Overdrafts	1,857	1,819	1,428	15,953	7,192	6,150	48,140	20,678	58,489
U. S. bonds to secure circulation	800,000	550,000	550,000	4,137,000	3,225,000	3,040,000	7,199,700	6,799,700	6,949,700
U. S. bonds to secure U. S. deposits	222,100	489,100	489,100	2,080,000	2,080,000	5,534,900	4,456,250	6,082,250	6,599,250
U. S. bonds on hand	......	......	......	......	12,500	51,500	1,113,000	517,000	18,500
Premiums on U. S. bonds	40,074	30,074	30,074	267,328	183,122	155,172	510,553	433,930	379,166
Stocks, securities, etc	1,788,023	1,576,223	1,658,136	6,210,118	6,334,000	5,349,471	10,395,613	9,732,673	9,424,230
Banking house, furniture and fixtures	215,431	245,484	268,039	2,644,485	2,741,097	2,789,105	1,703,773	1,702,668	1,751,380
Other real estate and mortgages owned	133,281	147,573	177,297	232,850	161,115	178,130	43,780	43,780	44,006
Due from National banks (not reserve agents)	4,104,942	3,345,657	3,837,649	5,076,531	5,137,755	4,904,703	14,840,388	13,376,631	14,635,185
Due from State banks and bankers	1,134,464	1,076,555	1,149,564	1,148,893	1,069,957	971,445	1,565,041	1,446,778	1,303,191
Due from approved reserve agents	3,055,570	2,788,964	2,872,354	5,139,533	6,402,879	5,139,093	31,296,486	28,521,178	29,474,116
Checks and other cash items	37,083	88,926	98,017	196,453	241,340	234,725	564,337	481,000	259,016
Exchanges for clearing-house	91,633	125,296	76,270	2,841,829	2,167,131	1,974,050	12,700,247	14,648,007	14,917,801
Bills of other National banks	45,355	50,410	42,407	205,506	239,629	197,303	1,510,386	1,842,404	1,151,197
Fractional paper currency, nickels and cents	2,968	3,995	3,160	20,198	19,279	20,797	21,365	31,016	25,881
*Lawful money reserve in bank, viz.:									
Gold coin	384,631	395,027	342,583	524,139	589,836	509,526	1,504,464	1,533,208	1,470,362
Gold Treasury certificates	368,000	205,000	343,000	1,467,500	1,697,600	1,158,560	9,278,818	7,869,150	7,135,930
Gold clearing-house certificates	......	150,000	......	190,000	545,000	40,000	3,437,000	3,555,000	3,405,000
Silver dollars	20,113	21,608	21,726	72,004	67,411	61,335	30,824	23,843	21,086
Silver Treasury certificates	60,000	58,000	87,000	1,482,116	2,240,824	1,508,942	3,206,462	3,507,906	2,866,397
Silver fractional coin	27,944	38,020	18,499	86,886	90,480	94,408	211,860	250,574	225,625
Legal-tender notes	804,762	843,993	794,364	934,159	1,276,168	1,085,950	5,452,209	4,932,882	4,583,221
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	40,000	27,500	27,500	206,850	161,250	152,000	359,984	339,985	339,985
Due from U. S. Treasurer	......	......	......	16,050	31,450	56,300	228,076	159,500	172,550
Total	$27,084,432	$26,104,784	$26,131,682	$81,057,596	$82,912,150	$79,387,073	$279,978,428	$274,215,507	$269,455,344
Liabilities.									
Capital stock paid in	$1,250,000	$1,250,000	$1,250,000	$12,403,260	$12,403,260	$12,403,260	$33,600,000	$33,100,000	$33,100,000
Surplus fund	1,420,000	1,420,000	1,390,000	6,240,594	6 514,400	6,514,400	13,872,700	14,477,700	14,641,400
Undiv. profits, less expenses and taxes paid	268,369	313,240	306,143	2,126,899	1,532,062	1,834,623	7,291,279	7,734,844	7,058,673
National bank notes issued, less am't on hand	787,747	540,550	532,300	4,115,547	3,200,800	2,995,200	6,990,464	6,692,040	6,678,880
State bank notes outstanding	......	......	......	493	493	493	......	......	......
Due to other National banks	11,766,936	11,302,458	11,122,538	12,738,077	13,028,424	12,581,155	37,363,419	38,838,094	34,491,149
Due to State banks and bankers	3,819,480	3,449,800	3,522,480	6,720,232	7,285,694	6,584,684	33,841,695	32,036,941	33,407,534
Dividends unpaid	556	3,208	337	56,055	74,081	52,244	15,193	10,769	63,693
Individual deposits	7,223,849	7,279,963	7,378,626	31,862,679	35,073,567	32,433,717	135,496,422	129,845,297	128,082,061
U. S. deposits	414,075	411,194	419,853	2,740,491	2,731,125	3,395,308	5,525,426	9,866,453	9,719,650
Deposits of U. S. disbursing officers	6,416	6,368	1,402	......	......	......	135,553	107,700	124,701
Notes and bills rediscounted	......	......	......	......	......	......	......	......	100,000
Bills payable	127,000	128,000	208,000	1,339,000	1,065,000	584,000	2,186,199	1,337,000	1,711,000
Liabilities other than those above stated	......	......	......	774,265	3,240	7,986	3,660,075	168,666	276,600
Total	$27,084,432	$26,104,784	$26,131,682	$81,057,596	$82,912,150	$79,387,073	$279,978,428	$274,215,507	$269,455,344
Average reserve held	27.30 p. c.	25.96 p. c.	26.64 p. c.	23.76 p. c.	......	22.38 p. c.	31.04 p. c.	29.75 p. c.	30.20 p. c.
***Total lawful money reserve in bank**	$1,665,451	$1,711,649	$1,607,173	$4,756,804	$6,507,319	$4,458,721	$23,123,637	$21,672,557	$19,707,571

	BROOKLYN, N. Y.			CHICAGO, ILL.			CINCINNATI, OHIO.		
RESOURCES.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*
Loans and discounts	$12,341,630	$12,404,123	$12,965,921	$171,850,544	$181,573,153	$186,767,723	$37,292,781	$37,636,418	$41,195,462
Overdrafts	2,744	4,118	4,216	65,987	56,680	88,962	15,060	15,344	14,356
U. S. bonds to secure circulation	642,000	642,000	642,000	3,223,000	3,223,000	3,273,000	4,895,000	4,620,000	4,720,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000	1,170,000	2,016,000	2,016,000	3,490,000	3,950,000	3,950,000
U. S. bonds on hand	......	......	......	85,970	105,190	46,620	94,470	62,370	294,080
Premiums on U. S. bonds	7,900	7,900	7,900	11,925	11,000	14,000	37,655	34,013	81,722
Stocks, securities, etc	2,691,083	2,616,122	2,637,292	16,337,272	16,984,095	15,768,843	10,544,250	11,786,665	10,943,500
Banking house, furniture and fixtures	483,550	483,250	483,250	304,138	1,013,333	1,006,150	483,888	484,350	484,403
Other real estate and mortgages owned	44,140	41,841	64,671	152,815	165,946	208,427	515,023	544,827	603,389
Due from National banks (not reserve agents)	76,070	66,057	81,220	45,607,976	48,198,097	39,813,104	4,938,798	5,475,705	4,926,865
Due from State banks and bankers	104,168	78,662	146,601	12,465,247	12,205,902	12,504,042	716,120	798,334	901,678
Due from approved reserve agents	1,615,822	2,368,593	2,145,418	......	......	......	5,049,409	7,889,279	5,384,430
Checks and other cash items	49,135	106,588	85,107	220,899	125,389	304,626	62,768	77,692	59,272
Exchanges for clearing-house	1,723,123	* 1,988,040	1,316,246	10,476,567	9,888,961	11,070,370	248,935	614,728	203,408
Bills of other National Banks	83,199	69,605	79,336	483,934	846,483	559,796	166,665	182,643	134,383
Fractional paper currency, nickels and cents	16,396	13,796	9,637	66,505	48,977	50,487	5,831	5,386	5,119
*Lawful money reserve in bank, viz.:									
Gold coin	437,293	411,241	426,566	11,412,680	10,966,717	11,108,712	312,561	455,189	405,695
Gold Treasury certificates	434,350	554,150	494,750	18,073,990	9,936,220	12,998,280	1,833,000	1,361,000	2,221,700
Gold clearing-house certificates	......	......	......	......	6,825,000	....	......	640,000	....
Silver dollars	9,000	15,229	5,044	141,218	136,941	124,517	61,977	82,920	77,756
Silver Treasury certificates	505,767	440,929	546,265	3,248,475	4,467,918	5,673,388	417,062	406,552	454,166
Silver fractional coin	80,671	64,713	60,372	218,451	269,280	320,516	43,929	47,732	45,348
Legal-tender notes	691,048	595,440	567,134	13,692,207	18,014,960	16,631,896	3,053,785	3,449,002	2,748,149
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	32,100	32,100	32,100	161,150	158,650	161,150	244,750	231,000	229,950
Due from U. S. Treasurer	5,000	....	......	297,114	176,900	162,700	10,750	8,574	10,400
Total	$22,276,194	$23,204,451	$23,021,046	$309,768,067	$327,414,779	$320,668,314	$74,534,474	$80,859,728	$80,095,237
LIABILITIES.									
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000	$24,750,000	$25,100,000	$25,100,000	$9,500,000	$9,500,000	$9,500,000
Surplus fund	1,900,000	1,950,000	1,950,000	11,600,000	12,900,000	12,900,000	3,700,000	3,725,000	3,725,000
Undiv. profits, less expenses and taxes paid	651,677	563,277	599,782	5,315,269	4,964,719	4,772,566	1,928,940	2,106,818	2,315,542
National bank notes issued, less am't on hand	640,900	634,000	641,950	3,186,297	3,091,197	3,116,697	4,845,347	4,567,097	4,670,097
State bank notes outstanding	1,846	1,846	1,846	......	......	......	......	......	......
Due to other National banks	218,938	196,358	259,332	85,386,197	98,761,170	94,930,909	11,866,727	13,348,002	12,280,652
Due to State banks and bankers	3,802,268	4,570,776	4,493,992	48,070,779	53,835,989	50,751,586	7,199,246	8,829,615	8,961,738
Dividends unpaid	794	1,483	1,681	5,762	6,839	67,218	6,669	6,367	2,401
Individual deposits	13,489,640	13,717,189	13,498,269	128,425,390	125,666,628	128,041,512	28,950,797	31,832,024	31,111,171
U. S. deposits	180,944	182,011	173,167	1,492,991	2,815,379	2,844,843	3,788,819	6,462,046	6,960,401
Deposits of U. S. disbursing officers	23,330	22,498	30,742	34,888	264,351	135,480	......	......	......
Notes and bills rediscounted	......	......	......	1,109,000	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	450,000	450,000
Liabilities other than those above stated	13,852	18,015	18,282	391,490	8,500	7,500	2,747,925	37,757	118,231
Total	$22,276,194	$23,204,451	$23,021,046	$309,768,067	$327,414,779	$320,668,314	$74,534,474	$80,859,728	$80,095,237
Average reserve held	24.49 p. c.	27.49 p. c.	25.67 p. c.	24.38 p. c.	24.50 p. c.	22.62 p. c.	24.09 p. c.	31.08 p. c.	25.05 p. c.
*** Total lawful money reserve in bank**	$2,158,129	$2,081,702	$2,100,131	$46,787,021	$50,617,017	$46,857,310	$5,722,314	$6,442,395	$5,952,814

RESOURCES.	CLEVELAND, OHIO. Nov. 25, 1902.	CLEVELAND, OHIO. Feb. 6, 1903.	CLEVELAND, OHIO. Apr. 9, 1903.	COLUMBUS, OHIO. Nov. 25, 1902.	COLUMBUS, OHIO. Feb. 6, 1903.	COLUMBUS, OHIO. Apr. 9, 1903.	DALLAS, TEXAS. Nov. 25, 1902.	DALLAS, TEXAS. Feb. 6, 1903.	DALLAS, TEXAS. Apr. 9, 1903.
Loans and discounts	$46,623,686	$45,317,464	$48,317,119	$11,183,087	$10,885,309	$10,935,412	$6,813,022	$6,922,534	$7,825,911
Overdrafts	47,009	50,806	42,800	15,658	9,013	19,109	346,560	387,162	273,872
U. S. bonds to secure circulation	4,575,000	4,350,000	4,400,000	566,000	566,000	566,000	587,500	587,500	587,500
U. S. bonds to secure U. S. deposits	1,500,000	1,900,000	1,850,000	575,000	575,000	575,000	625,000	625,000	625,000
U. S. bonds on hand	......	150,000	......	27,960	39,770	39,020	......	......	......
Premiums on U. S. bonds	171,790	166,951	165,691	21,470	22,261	3,061,697	29,000	29,000	29,000
Stocks, securities, etc.	4,131,688	3,616,639	3,725,925	2,635,850	2,622,065	295,000	16,961	16,961	13,961
Banking house, furniture and fixtures	582,919	576,184	579,192	292,311	292,892	84,679	127,999	126,999	126,999
Other real estate and mortgages owned	121,496	125,206	125,206	87,071	86,299	......	88,381	87,881	87,881
Due from National banks (not reserve agents)	4,413,545	3,950,211	3,982,622	1,363,430	1,470,781	1,562,716	1,276,804	1,096,532	954,578
Due from State banks and bankers	1,592,058	1,629,215	1,685,658	164,719	127,523	143,191	287,408	294,541	279,914
Due from approved reserve agents	3,960,563	5,445,177	4,068,735	1,449,522	1,960,455	1,780,144	1,182,628	1,920,863	1,471,289
Checks and other cash items	179,992	192,872	211,684	67,998	66,166	30,395	36,196	31,818	39,576
Exchanges for clearing-house	819,530	746,710	947,422	202,136	231,150	261,104	264,685	141,971	130,055
Bills of other National banks	169,596	201,926	134,451	130,068	167,188	141,853	96,832	52,315	65,500
Fractional paper currency, nickels and cents	9,610	13,863	12,233	1,795	2,622	1,808	6,636	8,885	6,207
*Lawful money reserve in bank, viz.:									
Gold coin	1,254,872	1,290,682	1,267,400	381,738	371,580	345,732	299,780	300,545	263,010
Gold Treasury certificates	680,000	774,000	713,000	521,250	389,040	537,070	134,300	44,000	106,520
Gold clearing-house certificates	1,120,000	1,100,000	1,020,000	......	......	......	......	10,000	10,000
Silver dollars	154,093	212,590	231,206	56,419	62,940	51,118	32,155	62,842	36,418
Silver Treasury certificates	175,100	254,777	92,740	281,981	320,593	311,417	62,087	45,200	85,477
Silver fractional coin	59,840	57,732	45,101	14,420	19,645	15,954	11,327	12,465	10,023
Legal-tender notes	1,706,387	1,900,811	1,702,656	939,243	1,060,991	911,926	445,940	445,000	587,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	217,147	207,498	204,050	28,300	28,300	28,300	29,375	29,175	28,780
Due from U. S. Treasurer	51,205	61,002	44,900	8,600	10,500	3,500	5,900	3,450	3,900
Total	$74,316,135	$74,292,274	$75,589,798	$21,016,002	$21,387,989	$21,744,315	$12,808,431	$13,282,643	$13,098,376
LIABILITIES.									
Capital stock paid in	$12,400,000	$11,900,000	$11,900,000	$2,300,000	$2,300,000	$2,300,000	$1,050,000	$1,050,000	$1,050,000
Surplus fund	3,706,000	3,606,000	3,557,000	755,000	755,000	755,000	1,061,000	1,112,000	1,112,000
Undiv. profits, less expenses and taxes paid	1,022,953	1,263,994	1,356,594	302,688	333,339	373,642	263,964	186,700	222,609
National bank notes issued, less am't on hand	4,571,000	4,328,850	4,385,400	566,000	566,000	565,200	587,500	587,500	587,500
Due to other National banks	9,005,418	9,907,873	8,828,543	1,434,464	1,528,987	1,535,527	2,161,634	2,622,528	2,429,615
Due to State banks and bankers	10,753,664	12,169,635	11,776,256	2,115,067	2,449,252	2,628,999	340,018	455,143	398,536
Dividends unpaid	4,728	2,627	139	3,967	1,689	874	6	392	300
Individual deposits	25,640,747	25,738,909	27,118,788	12,904,951	12,823,790	12,954,248	6,718,037	6,639,421	6,667,102
U. S. deposits	1,737,851	3,506,524	4,119,358	560,224	600,812	599,247	584,570	596,106	590,538
Deposits of U. S. disbursing officers	72,225	44,044	30,696	15,638	......	21,575	39,573	27,572	27,227
Notes and bills rediscounted	71,329	446,000	......	......	......	......	......	......	......
Bills payable	2,825,000	1,065,000	2,490,000	......	......	......	......	......	......
Liabilities other than those above stated	2,505,216	310,815	27,021	58,000	......	......	2,126	5,279	2,946
Total	$74,316,135	$74,292,274	$75,589,798	$21,016,002	$21,387,989	$21,744,315	$12,808,431	$13,282,643	$13,098,376
Average reserve held	24.27 p. c.	27.24 p. c.	22.86 p. c.	25.15 p. c.	28.42 p. c.	26.49 p. c.	30.00 p. c.	35.19 p. c.	31.47 p. c.
* Total lawful money reserve in bank	$5,150,292	$5,590,598	$5,072,108	$2,195,051	$2,224,739	$2,173,218	$985,539	$920,052	$1,048,448

	DENVER, COLORADO.			DES MOINES, IOWA.			DETROIT, MICH.		
RESOURCES.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.
Loans and discounts	$17,287,470	$16,659,283	$16,348,164	$4,992,845	$4,898,815	$5,453,096	$16,587,524	$16,971,756	$17,133,905
Overdrafts	125,198	126,144	142,197	46,948	27,069	29,441	24,947	13,659	3,447
U. S. bonds to secure circulation	1,750,000	1,750,000	1,750,000	450,000	450,000	450,000	1,250,009	1,250,000	1,250,000
U. S. bonds to secure U. S. deposits	1,050,000	1,050,000	1,050,000	800,000	800,000	400,000	900,000	900,000	900,000
U. S. bonds on hand	......	......	......	4,320	5,320	5,320	......	200,000	15,000
Premiums on U. S. bonds	58,437	58,187	57,987	22,966	22,080	22,080	242,420	244,575	222,918
Stocks, securities, etc	8,777,322	8,700,755	8,748,746	270,189	276,898	271,458	2,008,649	1,893,248	1,658,296
Banking house, furniture and fixtures	66,180	65,468	65,859	107,036	106,536	111,536	38,288	38,288	38,288
Other real estate and mortgages owned	813,488	819,745	818,245	46,932	40,338	40,355	63,805	58,658	56,921
Due from National banks (not reserve agents)	3,027,747	2,614,228	2,796,405	494,855	500,233	487,231	1,719,908	1,622,235	1,616,443
Due from State banks and bankers	926,561	1,315,979	1,223,479	91,466	79,086	132,671	439,608	470,891	434,875
Due from approved reserve agents	9,489,502	8,282,482	8,131,869	956,229	1,395,521	785,727	2,612,078	2,746,014	2,770,440
Checks and other cash items	50,082	45,020	38,869	25,595	15,743	18,014	33,058	22,021	18,898
Exchanges for clearing-house	585,657	575 281	626,700	69,368	111,761	77,691	476,804	490,384	801,373
Bills of other National banks	415,815	488,424	462,280	65,816	51,644	65,770	193,197	240,811	219,650
Fractional paper currency, nickels and cents	2,769	3,762	3,158	1,299	2,622	4,298	7,411	10,684	11,221
*Lawful money reserve in bank, viz.:									
Gold coin	2,176,745	2,375,565	2,509,597	146,417	189,235	223,138	813,627	877,252	716,898
Gold Treasury certificates	349,500	337,500	333,500	166,020	12,500	3,000	141,990	141,990	141,990
Gold clearing-house certificates	......	......	......	......	150,000	150,000	195,000	85,000	190,000
Silver dollars	106,825	114,004	109,714	37,686	46,976	46,298	39,434	48,078	72,202
Silver Treasury certificates	269,163	254,502	265,048	72,947	68,110	105,918	27,418	49,688	40,760
Silver fractional coin	40,560	52,184	37,615	12,615	15,928	16,621	22,263	24,832	19,905
Legal-tender notes	1,818,987	1,816,750	1,611,495	238,416	238,421	337,464	903,002	1,258,005	891,327
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	87,500	87,500	87,500	22,500	22,500	22,500	60,000	62,500	62,500
Due from U. S. Treasurer	29,534	56,434	39,384	......	2,000	3,000	28,500	16,000	32,800
Total	$48,802,550	$47,149,208	$46,757,268	$8,636,970	$9,029,342	$9,262,633	$28,828,927	$29,686,523	$28,820,063
LIABILITIES.									
Capital stock paid in	$2,500,000	$2,500,000	$2,500,000	$800,000	$800,000	$800,000	$3,100,000	$4,100,000	$4,100,000
Surplus fund	675,000	700,000	700,000	260,000	260,000	260,000	818,000	1,018,500	1,018,500
Undiv. profits, less expenses and taxes paid	1,037,771	1,023,683	1,051,642	103,911	51,358	72,758	283,132	272,679	336,764
National bank notes issued, less am't on hand	1,750,000	1,750,000	1,750,000	444,797	429,747	413,697	1,179,850	1,215,350	1,217,600
Due to other National banks	7,908,274	6,781,865	6,646,821	1,551,290	1,867,435	1,963,763	3,461,710	2,973,011	2,650,856
Due to State banks and bankers	4,961,196	4,019,246	3,240,478	2,184,170	2,499,891	2,297,775	5,840,850	6,219,631	6,014,441
Dividends unpaid	......	150	......	584	328	292	160	290	1,554
Individual deposits	28,969,070	29,513,286	29,955,950	2,975,468	2,820,640	3,016,930	13,055,443	12,769,116	12,410,469
U. S. deposits	264,431	251,364	320,831	203,851	217,432	315,771	837,627	867,901	888,811
Deposits of U. S. disbursing officers	766,805	609,607	591,544	91,699	81,761	75,534	74,542	45,048	29,959
Notes and bills rediscounted	......	......	......	21,000	......	45,000	......	......	8,106
Bills payable	......	......	......	......	......	......	30,000	210,000	148,000
Liabilities other than those above stated	......	......	......	746	746	1,108	152,610	......	......
Total	$48,802,550	$47,149,208	$46,757,268	$8,636,970	$9,029,342	$9,262,633	$28,828,927	$29,686,523	$28,820,063
Average reserve held	38.18 p. c.	37.13 p. c.	37.04 p. c.	27.09 p. c.	32.78 p. c.	25.66 p. c.	24.60 p. c.	......	26.52 p. c.
* Total lawful money reserve in bank	$4,756,280	$4,950,505	$4,866,970	$669,102	$721,170	$882,439	$2,142,729	$2,484,796	$2,073,062

Resources.	Houston, Texas.			Indianapolis, Ind.			Kansas City, Kans.		
	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.
Loans and discounts	$6,119,479	$5,819,604	$5,847,197	$16,876,325	$16,001,423	$16,512,499	$4,391,642	$4,146,977	$4,959,150
Overdrafts	1,200,542	1,064,231	734,205	855	841	2,055	17,393	8,929	1,188
U. S. bonds to secure circulation	590,000	580,000	580,000	980,000	660,000	705,000	800,000	800,000	850,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000	3,439,000	3,739,000	3,739,000	50,000	50,000	50,000
U. S. bonds on hand	......	......	......	20,580	199,900	201,960	......	......	......
Premiums on U. S. bonds	44,518	44,885	44,252	188,877	184,676	188,132	41,892	41,892	44,867
Stocks, securities, etc	58,396	59,244	58,279	2,355,889	2,688,099	2,783,033	261,321	261,323	279,485
Banking house, furniture and fixtures	226,429	226,788	231,832	269,747	276,301	276,398	4,300	4,300	4,300
Other real estate and mortgages owned	76,135	73,853	73,373	58,688	56,787	55,747	41,065	42,234	42,191
Due from National banks (not reserve agents)	971,497	1,461,470	1,599,129	4,271,698	4,828,110	4,136,112	210,729	259,277	178,688
Due from State banks and bankers	258,233	323,849	366,002	1,912,444	1,970,587	1,779,306	82,390	82,201	122,916
Due from approved reserve agents	1,215,814	1,741,082	1,847,003	3,569,900	4,342,160	4,020,115	585,979	672,348	462,838
Checks and other cash items	3,313	2,322	28,984	34,103	36,236	27,316	116,697	104,088	131,986
Exchanges for clearing-house	150,661	84,121	37,981	755,276	475,015	477,160	162,320	208,640	223,008
Bills of other National banks	186,048	158,006	176,126	680,125	668,088	750,457	31,080	12,247	7,460
Fractional paper currency, nickels and cents	4,276	9,056	4,781	5,463	8,284	5,843	661	766	722
*Lawful money reserve in bank, viz.:									
Gold coin	336,078	269,678	200,799	903,070	1,117,596	935,252	45,190	43,677	138,545
Gold Treasury certificates	379,690	366,850	507,590	1,460,000	1,494,340	1,474,500	10,000	15,000	10,000
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	117,404	177,686	151,602	76,751	106,097	90,029	6,219	14,453	12,342
Silver Treasury certificates	181,285	149,611	157,885	116,582	162,089	95,082	8,255	8,000	7,345
Silver fractional coin	86,481	37,611	34,801	19,031	18,146	28,283	2,716	7,406	11,484
Legal-tender notes	648,896	809,807	705,991	1,166,215	1,390,800	1,306,001	475,835	583,040	428,230
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	28,875	28,875	28,875	46,500	30,450	32,750	40,000	40,000	40,000
Due from U. S. Treasurer	......	......	......	9,378	8,750	550	5	5	5
Total	$12,869,055	$13,587,089	$13,516,194	$38,715,998	$40,458,180	$39,622,537	$7,385,663	$7,401,759	$7,996,155

Liabilities.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.
Capital stock paid in	$1,450,000	$1,450,000	$1,450,000	$4,100,000	$4,300,000	$4,300,000	$1,180,000	$1,200,000	$1,200,000
Surplus fund	850,000	870,000	870,000	1,370,000	1,540,000	1,540,000	260,000	265,000	265,000
Undiv. profits, less expenses and taxes paid	411,031	389,067	447,716	470,645	225,915	315,885	446,119	347,457	383,479
National bank notes issued, less am't on hand	548,800	544,800	586,550	930,000	609,950	654,950	800,000	800,000	787,500
Due to other National banks	2,070,812	2,393,788	2,452,628	5,949,567	6,397,219	5,821,223	1,176,173	1,416,844	1,556,615
Due to State banks and bankers	704,089	678,896	554,260	5,972,241	6,625,785	6,169,268	989,663	1,104,774	1,325,768
Dividends unpaid	749	8,911	1,200	30	73	1,255	360	381	186
Individual deposits	6,538,666	7,119,078	7,096,338	16,506,007	16,842,041	16,875,318	2,474,015	2,217,802	2,427,605
U. S. deposits	100,000	100,000	100,000	3,100,771	3,649,551	3,558,344	50,000	50,000	50,000
Deposits of U. S. disbursing officers	......	......	......	287,547	......	353,006	......	......	......
Notes and bills rediscounted	145,455	......	......	......	......	......	......	......	......
Bills payable	50,000	25,000	......	......	......	......	......	......	......
Liabilities other than those above stated	......	7,500	7,500	29,187	12,331	23,290	9,830	......	......
Total	$12,869,055	$13,587,089	$13,516,194	$38,715,998	$40,458,180	$39,622,537	$7,385,663	$7,401,759	$7,996,155
Average reserve held	37.74 p. c.	43.81 p. c.	45.85 p. c.	34.89 p. c.	39.07 p. c.	36.14 p. c.	28.27 p. c.	33.01 p. c.	23.11 p. c.
*** Total lawful money reserve in bank**	$1,699,834	$1,810,694	$1,758,168	$3,741,649	$4,288,517	$3,929,098	$548,215	$666,577	$602,946

	KANSAS CITY, MO.			LINCOLN, NEB.			LOS ANGELES, CAL.		
RESOURCES.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*
Loans and discounts	$33,534,224	$33,753,243	$36,987,525	$2,716,641	$2,623,692	$2,832,911	$9,722,754	$11,349,412	$15,611,129
Overdrafts	230,117	416,971	556,851	26,989	23,284	31,401	111,291	104,962	213,833
U. S. bonds to secure circulation	1,845,600	1,845,600	1,875,600	160,000	160,000	160,000	1,365,000	1,465,000	2,065,000
U. S. bonds to secure U. S. deposits	1,764,000	1,764,000	1,783,040	110,000	110,000	110,000	400,000	400,000	400,000
U. S. bonds on hand	59,040	49,040	......	3,460	4,000	4,000	17,000	29,900	915,150
Premiums on U. S. bonds	28,237	21,937	21,937	10,828	10,870	10,870	82,618	64,397	202,572
Stocks, securities, etc	6,328,347	6,200,842	6,284,727	176,001	178,345	253,524	882,431	1,062,378	1,786,697
Banking house, furniture and fixture	383,361	397,361	397,361	77,581	78,158	78,148	243,696	441,746	469,032
Other real estate and mortgages owned	98,008	111,008	111,008	10,675	11,113	11,453	41,234	38,898	39,270
Due from National banks (not reserve agents)	3,959,859	3,899,920	3,604,669	325,152	508,922	545,691	701,345	1,377,460	1,904,274
Due from State banks and bankers	4,811,816	6,085,976	6,005,095	187,752	202,122	140,795	361,168	722,032	1,136,947
Due from approved reserve agents	9,857,911	11,709,853	13,876,891	880,820	647,862	621,603	1,647,181	2,255,667	2,862,731
Checks and other cash items	38,810	46,177	40,269	19,064	18,282	16,402	51,310	29,968	78,879
Exchanges for clearing-house	1,713,455	1,250,898	1,522,665	46,576	67,588	41,814	255,271	310,805	501,611
Bills of other National banks	104,477	208,572	235,845	9,265	11,690	9,645	21,992	48,830	65,389
Fractional paper currency, nickels and cents	8,180	12,172	11,367	1,771	1,319	1,241	1,845	3,214	6,203
*Lawful money reserve in bank, viz.:									
Gold coin	1,454,725	1,700,350	1,865,060	88,425	87,725	115,890	1,112,070	1,592,340	2,568,740
Gold Treasury certificates	1,428,920	987,810	1,387,540	1,000	1,200	1,060	159,460	106,900	194,690
Gold clearing-house certificates	......	300,000	......	......	......	......	152,000	201,000	333,000
Silver dollars	158,647	176,984	132,544	14,686	16,792	8,143	40,137	68,350	64,643
Silver Treasury certificates	562,670	917,596	1,056,466	732	2,476	1,800	71,195	34,552	90,444
Silver fractional coin	64,128	46,665	86,274	7,637	12,597	12,221	68,251	107,159	110,260
Legal-tender notes	672,530	789,355	594,350	203,692	120,273	146,974	103,387	170,525	105,930
U. S. certificate of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	92,280	92,280	93,780	8,000	8,000	8,000	68,250	70,750	88,250
Due from U. S. Treasurer	50,000	35,900	24,050	......	......	......	......	......	......
Total	$69,249,348	$72,820,515	$78,504,920	$4,586,703	$4,906,315	$5,163,593	$17,630,892	$22,056,251	$31,814,680
LIABILITIES.									
Capital stock paid in	$2,650,000	$2,650,000	$2,650,000	$400,000	$400,000	$400,000	$1,800,000	$2,300,000	$3,800,000
Surplus fund	863,000	1,179,000	1,204,000	139,000	139,000	144,000	295,000	300,000	800,000
Undiv. profits less expenses and taxes paid	2,033,742	1,781,697	1,827,870	52,620	65,944	51,149	662,780	690,083	773,493
National bank notes issued, less am't on hand	1,797,600	1,797,300	1,796,350	160,000	160,000	160,000	1,355,795	1,390,395	1,640,915
Due to other National banks	8,221,446	19,799,530	20,962,157	480,360	551,344	603,991	294,146	427,106	634,774
Due to State banks and bankers	25,327,548	15,961,950	19,446,080	902,013	1,018,465	1,052,499	844,465	800,901	1,395,306
Dividends unpaid	990	1,853	30,954	60	60	588	455	917	5,204
Individual deposits	26,511,770	27,855,970	28,804,534	2,342,688	2,466,828	2,641,466	11,878,416	15,246,908	22,310,512
U. S. deposits	1,701,256	1,681,043	1,678,145	109,245	108,811	109,530	292,949	297,574	299,450
Deposits of U. S. disbursing officers	34,359	16,858	16,218	715	861	368	106,963	102,364	100,447
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	107,634	95,311	88,607	......	......	......	100,000	500,000	54,576
Total	$69,249,348	$72,820,515	$78,504,920	$4,586,703	$4,906,315	$5,163,593	$17,630,892	$22,056,251	$31,814,680
Average reserve held	28.90 p. c.	32.08 p. c.	32.90 p. c.	22.33 p. c.	27.66 p. c.	25.71 p. c.	29.04 p. c.	30.73 p. c.	29.38 p. c.
*** Total lawful money reserve in bank**	$4,341,620	$4,918,760	$5,072,234	$316,172	$241,063	$286,068	$1,706,500	$2,280,826	$3,467,707

Resources.	Louisville, Ky. Nov. 25, 1902.	Louisville, Ky. Feb. 6, 1903.	Louisville, Ky. Apr. 9, 1903.	Milwaukee, Wis. Nov. 25, 1902.	Milwaukee, Wis. Feb. 6, 1903.	Milwaukee, Wis. Apr. 9, 1903.	Minneapolis, Minn. Nov. 25, 1902.	Minneapolis, Minn. Feb. 6, 1903.	Minneapolis, Minn. Apr. 9, 1903.
Loans and discounts	$15,830,419	$15,923,849	$16,294,650	$24,828,114	$25,896,850	$28,188,884	$19,948,869	$19,173,099	$19,330,464
Overdrafts	27,931	23,908	35,702	573,811	485,745	446,694	9,487	8,139	4,791
U. S. bonds to secure circulation	4,600,000	4,350,000	3,850,000	662,500	662,500	762,500	1,150,000	1,150,000	1,150,000
U. S. bonds to secure U. S. deposits	2,807,800	3,310,800	3,298,800	1,210,000	1,247,500	1,247,500	450,000	450,000	450,000
U. S. bonds on hand	1,300	1,400	1,400	......	......	150,000	1,800	1,700	16,000
Premiums on U. S. bonds	107,987	94,437	94,437	57,750	58,662	73,600	4,940	4,940	4,940
Stocks, securities, etc	2,904,948	2,489,534	2,602,604	2,646,042	2,994,648	2,253,396	1,114,104	938,688	989,920
Banking house, furniture and fixtures	230,407	230,407	230,407	120,455	115,000	110,000	277,217	297,626	299,702
Other real estate and mortgages owned	117,046	117,046	116,383	82,239	81,401	81,248	30,000	30,000	30,000
Due from National banks (not reserve agents)	2,178,128	2,081,969	2,129,975	2,072,123	1,426,910	1,288,822	1,887,359	1,452,955	1,597,724
Due from State banks and bankers	886,235	1,087,859	1,080,345	1,333,107	893,088	958,691	1,002,069	753,474	823,722
Due from approved reserve agents	2,857,306	3,733,067	2,783,237	5,430,734	4,905,070	4,493,848	2,783,531	3,210,178	3,162,101
Checks and other cash items	19,360	15,384	44,711	17,784	14,996	45,225	70,905	52,435	84,818
Exchange for clearing-house	200,566	158,979	168,685	596,300	502,913	522,356	1,342,692	786,454	934,718
Bills of other National banks	97,319	144,899	170,857	73,175	54,848	72,335	91,926	87,258	134,925
Fractional paper currency, nickels and cents	3,307	4,180	3,367	5,745	8,163	9,509	3,051	6,151	5,952
*Lawful money reserve in bank, viz.:									
Gold coin	619,958	601,530	552,217	1,625,245	1,747,665	1,481,155	711,447	893,915	873,200
Gold Treasury certificates	270,000	155,000	242,500	550,000	550,000	640,000	466,200	264,200	461,200
Gold clearing-house certificates	......	60,000	60,000	......	......	......	......	200,000	......
Silver dollars	55,992	43,612	61,993	51,922	68,265	90,206	38,570	48,806	43,102
Silver Treasury certificates	27,242	68,252	65,000	90,231	118,702	91,295	35,000	33,283	30,506
Silver fractional coin	32,047	47,677	49,539	38,746	42,850	45,877	31,823	27,778	23,474
Legal-tender notes	953,236	1,470,409	902,646	1,315,596	1,166,050	1,371,904	595,580	815,000	842,000
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	230,000	217,500	192,500	33,125	33,125	33,125	57,500	57,500	57,500
Due from U. S. Treasurer	26,380	48,699	25,050	6,200	4,500	6,000	18,150	23,406	38,816
Total	$35,084,871	$36,479,853	$35,052,013	$43,420,898	$43,579,447	$44,459,126	$32,122,224	$30,766,979	$31,339,571
Liabilities.									
Capital stock paid in	$4,645,000	$4,645,000	$4,645,000	$4,250,000	$4,250,000	$4,250,000	$3,350,000	$3,410,000	$3,450,000
Surplus fund	1,785,500	1,792,500	1,792,500	1,285,000	1,315,000	1,315,000	805,000	1,055,000	1,055,000
Undiv. profits, less expenses and taxes paid	486,840	367,294	462,343	802,499	774,251	889,504	520,130	282,511	324,985
National bank notes issued, less am't on hand	4,600,000	4,345,550	3,850,000	662,500	662,500	661,700	1,078,300	1,145,950	1,118,000
Due to other National banks	5,085,898	6,018,265	5,149,115	4,352,453	4,838,549	4,833,331	5,798,166	5,965,944	6,015,069
Due to State banks and bankers	4,084,273	5,159,976	5,049,848	3,352,386	4,195,712	3,822,938	5,357,602	5,026,760	5,150,819
Dividends unpaid	6,573	5,524	4,073	167	1,094	1,461	1,531	1,967	8,779
Individual deposits	10,417,669	10,808,366	10,881,030	27,110,626	26,119,988	27,566,909	14,405,059	13,134,684	13,363,488
U. S. deposits	2,958,578	2,980,590	2,925,850	1,073,425	1,278,169	1,248,148	417,028	726,961	692,927
Deposits of U. S. disbursing officers	259,458	299,788	279,918	173,767	125,224	187,863	85,131	14,079	60,981
Notes and bills rediscounted	82,150	13,600	......	......	......	......	......	......	......
Bills payable	150,000	......	......	......	......	......	50,000	......	100,000
Liabilities other than those above stated	522,984	......	12,333	858,070	18,957	182,268	304,275	3,100	......
Total	$35,084,871	$36,479,853	$35,052,013	$43,420,898	$43,579,447	$44,459,126	$32,122,224	$30,766,979	$31,339,571
Average reserve held	30.65 p. c.	34.08 p. c.	27.60 p. c.	29.56 p. c.	27.06 p. c.	24.94 p. c.	22.20 p. c.	26.38 p. c.	26.07 p. c.
*Total lawful money reserve in bank	$1,958,475	$2,446,480	$1,933,896	$3,671,740	$3,693,532	$3,720,437	$1,878,621	$2,282,979	$2,273,482

	NEW ORLEANS, LA.			OMAHA, NEB.			PHILADELPHIA, PA.		
RESOURCES.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.
Loans and discounts	$16,041,866	$15,073,072	$14,445,998	$15,683,374	$14,713,457	$16,600,916	$147,888,457	$149,089,067	$145,438,639
Overdrafts	1,048,847	1,163,010	739,684	103,145	118,885	105,007	23,343	12,814	29,034
U. S. bonds to secure circulation	1,060,000	1,060,000	1,060,000	1,250,000	1,250,000	1,250,000	9,909,500	9,939,500	10,519,500
U. S. bonds to secure U. S. deposits	550,000	550,000	550,000	1,000,000	1,000,000	1,000,000	4,214,000	5,043,500	5,034,500
U. S. bonds on hand	9,760	3,090	2,660	9,600	10,500	10,700	9,700	9,700	9,700
Premiums on U. S. bonds	15,189	14,338	14,388	128,579	128,914	117,092	443,240	436,706	464,209
Stocks, securities, etc	2,121,615	2,538,144	2,639,094	1,285,308	1,732,849	1,852,394	28,724,092	28,518,672	27,312,218
Banking house, furniture and fixtures	466,785	596,657	596,657	777,160	577,160	577,160	3,828,326	3,737,618	3,743,501
Other real estate and mortgages owned	37,441	37,441	37,456	172,444	34,411	34,204	600,148	610,464	624,868
Due from National banks (not reserve agents)	744,051	713,475	1,046,981	1,648,262	1,540,800	1,571,408	21,386,414	21,258,236	20,702,970
Due from State banks and bankers	958,524	1,015,077	1,201,525	634,062	1,113,439	808,139	4,171,493	4,622,348	5,112,251
Due from approved reserve agents	2,210,224	2,551,419	2,592,935	2,682,990	3,416,827	3,080,977	31,044,459	32,664,527	30,943,974
Checks and other cash items	40,662	31,394	81,822	92,941	106,126	90,671	1,464,150	1,826,537	2,045,278
Exchanges for clearing-house	1,418,787	1,550,201	1,388,548	671,580	654,466	608,441	16,782,808	17,464,084	14,605,766
Bills of other National banks	150,720	146,165	77,692	161,980	108,477	126,577	338,837	293,186	389,029
Fractional paper currency, nickels and cents	3,970	14,588	11,186	3,128	4,766	3,491	55,051	56,255	49,381
*Lawful money reserve in bank, viz.:									
Gold coin	117,643	129,175	117,089	885,292	901,237	892,835	2,006,296	1,575,478	1,696,500
Gold Treasury certificates	798,900	506,190	395,980	125,460	177,000	270,000	4,072,860	1,887,680	1,998,400
Gold clearing-house certificates	330,000	490,000	320,000	......	......	......	5,595,000	11,995,000	8,240,000
Silver dollars	59,147	78,023	82,792	117,044	128,944	110,721	277,257	214,635	231,958
Silver Treasury certificates	556,581	582,013	492,751	440,366	378,248	403,886	4,207,492	3,444,467	3,556,151
Silver fractional coin	33,028	55,740	49,439	74,138	104,211	81,714	479,745	404,505	405,550
Legal-tender notes	497,116	657,463	686,620	1,225,342	1,025,112	1,110,994	3,142,758	3,048,784	2,821,574
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	53,000	53,000	53,000	62,500	62,500	62,500	495,475	495,725	498,475
Due from U. S. Treasurer	1,500	1,350	1,000	8,749	7,749	31,999	222,372	78,758	188,925
Total	$29,324,860	$29,608,990	$28,634,751	$29,091,449	$29,286,587	$30,751,831	$289,381,272	$298,678,149	$286,602,355
LIABILITIES.									
Capital stock paid in	$2,000,000	$2,000,000	$2,000,000	$3,250,000	$3,250,000	$3,250,000	$21,405,000	$21,405,000	$20,905,000
Surplus fund	2,800,000	3,025,000	3,025,000	545,000	565,000	565,000	21,655,000	21,840,000	21,390,000
Undiv. profits, less expenses and taxes paid	467,768	303,916	460,471	315,519	247,067	238,135	4,345,526	4,615,132	5,189,374
National bank notes issued, less am't on hand	1,056,095	1,041,545	1,045,445	1,250,000	1,250,000	1,247,700	9,794,885	9,775,835	9,912,535
Due to other National banks	2,560,123	3,129,880	2,607,126	5,504,976	5,393,504	5,569,765	65,682,124	64,421,794	61,816,142
Due to State banks and bankers	1,642,787	1,825,424	1,857,717	4,248,629	4,192,732	4,785,315	32,528,474	41,516,653	36,705,990
Dividends unpaid	3,001	5,537	3,559	......	175	1,847	45,466	31,231	25,565
Individual deposits	15,571,730	16,714,223	16,324,966	12,978,502	13,385,770	14,151,614	127,941,880	129,176,280	124,508,805
U. S. deposits	500,000	500,000	500,000	757,965	715,988	714,318	4,782,670	5,606,046	5,674,557
Deposits of U. S. disbursing officers	9,553	10,763	10,464	245,885	286,378	278,104	288,246	235,175	238,365
Notes and bills rediscounted	150,000	50,000	......	......	......	......	......	......	......
Bills payable	1,274,500	100,000	200,000	......	......	......	155,000	30,000	......
Liabilities other than those above stated	1,289,300	872,700	600,000	......	......	......	857,500	25,000	236,020
Total	$29,324,860	$29,608,990	$28,634,751	$29,091,449	$29,286,587	$30,751,831	$289,381,272	$298,678,149	$286,602,355
Average reserve held	28.19 p. c.	27.95 p. c.	28.03 p. c.	28.02 p. c.	31.19 p. c.	26.74 p. c.	27.96 p. c.	29.08 p. c.	27.63 p. c.
* Total lawful money reserve in bank	$2,392,414	$2,498,605	$2,144,671	$2,867,648	$2,707,753	$2,870,150	$19,781,408	$22,570,449	$18,945,133

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	PITTSBURG, PA.			PORTLAND, ORE.			ST. JOSEPH, MO.		
RESOURCES.	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*	*Nov. 25, 1902.*	*Feb. 6, 1903.*	*Apr. 9, 1903.*
Loans and discounts	$108,422,780	$111,291,173	$115,564,565	$4,854,487	$4,557,530	$5,433,334	$6,076,918	$5,846,873	$6,814,477
Overdrafts	55,221	113,657	200,047	317,255	245,342	341,673	34,678	31,855	36,943
U. S. bonds to secure circulation	6,585,000	6,735,000	6,545,000	800,000	850,000	850,000	265,000	450,000	450,000
U. S. bonds to secure U. S. deposits	3,504,000	3,504,000	3,504,000	1,000,000	1,000,000	1,000,000	185,680	185,680	235,680
U. S. bonds on hand	54,000	1,000	1,000	1,800	2,300	2,300	2,000	2,000	2,800
Premiums on U. S. bonds	416,251	423,413	451,724	38,250	42,734	42,734	12,897	26,637	30,237
Stocks, securities, etc	15,358,005	15,180,139	16,119,253	3,317,775	3,454,185	3,876,405	182,692	175,055	151,055
Banking house, furniture and fixtures	5,906,439	6,477,147	7,057,795	243,201	240,878	235,685	88,911	85,695	85,698
Other real estate and mortgages owned	517,606	524,250	399,511	109,391	134,370	128,797	......	......	......
Due from National banks (not reserve agents)	5,529,647	6,022,849	8,236,626	545,250	596,109	590,829	814,081	1,230,441	905,355
Due from State banks and bankers	1,515,467	1,284,845	1,623,345	171,280	431,550	348,976	230,182	330,728	377,745
Due from approved reserve agents	10,980,185	13,219,388	12,158,403	1,213,860	1,376,986	1,348,720	1,300,752	2,144,838	1,481,214
Checks and other cash items	356,564	680,316	766,003	35,911	39,167	42,343	50,056	44,571	43,556
Exchanges for clearing-house	4,145,829	4,888,405	5,707,510	123,715	183,002	86,661	241,258	124,673	154,989
Bills of other National banks	359,246	496,639	528,298	5,625	3,375	5,070	31,725	28,655	36,240
Fractional paper currency, nickels and cents	24,195	28,863	22,864	4,312	4,067	4,271	1,962	2,346	3,039
*Lawful money reserve in bank, viz.:									
Gold coin	3,440,170	3,845,871	3,719,163	1,557,730	1,959,040	1,811,495	352,470	355,812	423,442
Gold Treasury certificates	3,945,740	3,950,340	3,935,380	......	......	......	44,760	38,090	51,240
Gold clearing-house certificates	......	......	......	......	......	......	......	......	......
Silver dollars	200,950	324,477	356,457	18,626	15,205	17,021	48,818	53,892	75,890
Silver Treasury certificates	2,245,040	2,908,996	2,860,675	11,222	1,720	10,827	218,292	207,765	220,802
Silver fractional coin	159,469	229,244	155,689	30,968	29,787	38,798	25,640	16,421	25,966
Legal-tender notes	3,775,195	4,719,198	4,386,338	26,784	16,258	12,076	261,655	282,972	275,718
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	329,250	330,900	312,350	30,982	42,500	42,500	13,250	22,500	22,500
Due from U. S. Treasurer	72,684	193,926	54,479	......	......	2,250	6,300	5,000	2,000
Total	$177,898,940	$187,374,042	$194,666,481	$14,458,429	$15,176,110	$15,772,765	$10,489,861	$11,642,504	$11,906,092
LIABILITIES.									
Capital stock paid in	$19,000,000	$20,000,000	$20,000,000	$1,050,000	$1,050,000	$1,050,000	$550,000	$550,000	$550,000
Surplus fund	19,780,000	20,010,000	20,010,000	170,000	180,000	180,000	120,000	130,000	130,000
Undiv. profits, less expenses and taxes paid	6,199,133	6,418,799	6,910,445	781,253	783,158	818,356	208,816	161,412	188,113
National bank notes issued, less am't on hand	6,576,847	6,665,397	6,534,097	607,300	839,500	824,250	253,000	450,000	450,000
Due to other National banks	17,798,064	20,915,108	21,499,176	1,698,506	1,684,468	1,881,219	1,154,379	1,540,987	1,761,553
Due to State banks and bankers	15,666,309	18,885,140	17,475,118	1,229,711	1,579,052	1,682,212	3,098,581	3,458,569	3,346,964
Dividends unpaid	42,484	48,889	39,597	134	1,187	1,780	......	......	......
Individual deposits	86,814,813	88,973,744	95,537,572	7,922,224	8,072,658	8,440,835	4,859,478	5,095,892	5,173,880
U. S. deposits	2,843,063	3,825,704	3,814,620	382,098	403,501	306,826	181,217	251,257	301,778
Deposits of U. S. disbursing officers	660,802	127,634	130,806	617,200	582,583	587,334	4,407	4,384	3,807
Notes and bills rediscounted	791,123	500,000	160,000	......	......	......	......	......	......
Bills payable	720,000	210,000	115,000	......	......	......	......	......	......
Liabilities other than those above stated	1,506,300	793,623	2,440,048	......	......	......	70,000	......	......
Total	$177,898,940	$187,374,042	$194,666,481	$14,458,429	$15,176,110	$15,772,765	$10,489,881	$11,642,504	$11,906,092
Average reserve held	22.93 p. c.	25.44 p. c.	23.52 p. c.	27.21 p. c.	32.00 p. c.	28.39 p. c.	29.09 p. c.	36.66 p. c.	29.25 p. c.
*** Total lawful money reserve in bank**	$13,766,564	$15,978,127	$15,413,703	$1,645,330	$2,022,010	$1,890,212	$951,635	$904,925	$1,078,059

RESOURCES.	ST. LOUIS, MO. Nov. 25, 1902.	ST. LOUIS, MO. Feb. 6, 1903.	ST. LOUIS, MO. Apr. 9, 1903.	ST. PAUL, MINN. Nov. 25, 1902.	ST. PAUL, MINN. Feb. 6, 1903.	ST. PAUL, MINN. Apr. 9, 1903.	SAN FRANCISCO, CAL. Nov. 25, 1902.	SAN FRANCISCO, CAL. Feb. 6, 1903.	SAN FRANCISCO, CAL. Apr. 9, 1903.
Loans and discounts	$82,358,313	$84,842,485	$90,880,742	$15,533,590	$14,848,514	$15,453,747	$23,513,198	$24,261,105	$26,703,152
Overdrafts	155,046	112,559	100,186	2,027	3,796	1,565	247,557	216,472	428,399
U. S. bonds to secure circulation	12,420,640	12,420,640	11,270,640	696,000	696,000	696,000	4,655,000	4,730,000	4,975,000
U. S. bonds to secure U. S. deposits	2,856,360	3,103,110	3,103,150	1,458,000	1,547,000	1,547,000	1,424,000	1,424,000	1,424,000
U. S. bonds on hand	500	500	500	......	......	......	121,080	3,228,600	3,397,920
Premiums on U. S. bonds	235,700	234,700	201,450	......	......	......	282,662	580,837	599,604
Stocks, securities, etc	5,884,912	5,445,959	6,374,735	2,978,477	2,774,689	2,894,956	2,491,522	2,437,879	2,582,020
Banking house, furniture and fixtures	200,000	1,200,000	1,200,000	535,218	535,218	535,218	341,121	341,823	342,988
Other real estate and mortgages owned	117,910	63,098	68,358	131,694	109,884	109,884	......	......	......
Due from National banks (not reserve agents)	18,139,076	15,188,291	15,230,485	1,285,942	1,329,443	1,180,145	2,667,978	1,828,408	1,654,810
Due from State banks and bankers	4,915,619	4,526,056	5,464,590	543,606	361,763	417,328	3,708,459	4,012,826	3,556,383
Due from approved reserve agents	......	......	......	4,552,195	4,686,504	3,412,903	3,266,356	3,017,276	2,294,819
Checks and other cash items	371,915	502,135	442,066	284,743	187,413	120,550	84,043	18,308	14,550
Exchanges for clearing-house	2,006,973	3,307,814	2,758,627	640,758	345,252	403,939	944,211	1,190,351	740,679
Bills of other National banks	131.643	218,219	218,398	140,978	117,223	123,002	303,881	91,551	48,137
Fractional paper currency, nickels and cents	4,756	8,937	5,256	4,272	7,373	5,296	2,991	3,745	6,854
*Lawful money reserve in bank, viz.:									
Gold coin	2,757,457	1,975,815	1,769,653	1,483,708	1,672,093	1,405,963	3,582,952	4,323,640	4,234,175
Gold Treasury certificates	10,180,950	6,555,870	12,882,280	489,200	90,800	355,700	1,126,770	8,110	2,680
Gold clearing-house certificates	......	4,450,000	......	......	300,000	......	315,000	1,880,000	1,445,000
Silver dollars	55,379	74,672	87,966	57,690	121,820	107,100	58,654	145,016	98,768
Silver Treasury certificates	1,875,108	2,132,009	2,195,793	116,125	164,327	177,699	85,846	11,723	19,143
Silver fractional coin	19,414	23,276	3,629	52,345	36,108	73,428	87,748	170,684	173,578
Legal-tender notes	3,829,530	4,292,607	3,949,166	426,998	435,899	412,404	48,282	18,782	39,358
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......	......	......	......
Five per cent. redemption fund with Treas.	582,580	621,030	543,232	34,800	34,800	34,050	232,750	232,750	248,750
Due from U. S. Treasurer	59,000	44,800	57,000	38,285	39,400	5,800	......	......	2,450
Total	$144,158,782	$151,339,083	$158,334,852	$31,486,656	$30,445,311	$29,423,683	$49,487,066	$53,667,875	$55,083,172
LIABILITIES.									
Capital stock paid in	$15,400,000	$15,400,000	$15,400,000	$3,800,000	$3,800,000	$3,800,000	$6,700,000	$6,850,000	$7,350,000
Surplus fund	10,250,000	10,250,000	10,850,000	880,000	1,005,000	1,005,000	3,150,000	3,560,000	3,685,000
Undiv. profits, less expenses and taxes paid	4,129,333	4,456,415	4,677,304	667,715	518,502	514,070	1,170,519	601,422	784,409
National bank notes issued, less am't on hand	12,349,740	12,345,545	11,238,937	649,720	649,220	648,170	4,472,700	4,503,597	4,799,482
Due to other National banks	25,725,465	27,301,570	32,229,581	4,728,631	4,515,888	3,894,239	1,824,767	3,203,051	3,749,750
Due to State banks and bankers	23,768,126	28,385,825	29,054,992	3,540,654	3,631,379	3,401,729	7,807,964	8,508,782	8,306,386
Dividends unpaid	5,075	6,372	18,363	471	2,553	2,866	1,252	4,376	1,747
Individual deposits	48,228,153	48,824,695	50,943,921	15,777,909	14,839,625	14,621,715	22,903,240	21,675,111	21,469,151
U. S. deposits	3,044,165	4,256,389	4,245,555	944,698	1,078,269	1,201,382	1,438,745	4,736,273	4,711,997
Deposits of U. S. disbursing officers	81,220	12,131	21,027	496,855	409,873	334,559	......	......	......
Notes and bills rediscounted	......	......	......	......	......	......	......	......	......
Bills payable	......	......	......	......	......	......	......	......	......
Liabilities other than those above stated	1,227,502	100,638	155,168	......	......	......	22,876	25,251	175,297
Total	$144,158,782	$151,339,083	$158,334,852	$31,486,656	$30,445,311	$29,423,683	$49,487,066	$53,667,875	$55,083,172
Average reserve held	24.90 p. c.	24.77 p. c.	23.67 p. c.	32.94 p. c.	35.57 p. c.	29.84 p. c.	34.92 p. c.	35.42 p. c.	31.09 p. c.
* Total lawful money reserve in bank	$18,717,833	$19,503,749	$20,415,487	$2,626,066	$2,821,032	$2,532,295	$5,200,252	$6,052,945	$6,012,702

RESOURCES.	SAVANNAH, GA. Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.	WASHINGTON, D. C. Nov. 25, 1902.	Feb. 6, 1903.	Apr. 9, 1903.
Loans and discounts	$1,995,031	$2,041,265	$2,043,397	$13,772,481	$18,166,691	$14,132,526
Overdrafts	152	964	1,169	14,682	7,852	15,396
U. S. bonds to secure circulation	200,000	200,000	200,000	1,219,000	1,219,000	1,219,000
U. S. bonds to secure U. S. deposits	127,000	127,000	127,000	451,000	451,000	3,551,000
U. S. bonds on hand	......	......	......	148,730	148,060	157,670
Premiums on U. S. bonds	1,500	1,500	1,500	67,208	67,124	68,186
Stocks, securities, etc	25,924	25,974	26,024	1,581,520	1,564,092	1,572,813
Banking house, furniture and fixtures	54,131	54,181	54,181	1,284,769	1,284,621	1,287,740
Other real estate and mortgages owned	29,496	29,632	29,744	106,105	106,105	106,105
Due from National banks (not reserve agents)	33,422	38,592	21,543	2,395,771	2,146,512	2,421,768
Due from State banks and bankers	9,374	8,723	6,355	464,919	364,565	327,863
Due from approved reserve agents	91,698	197,907	95,796	3,449,643	3,619,075	6,209,760
Checks and other cash items	......	......	......	133,899	209,548	199,918
Exchanges for clearing-house	......	17,101	......	307,246	290,498	464,508
Bills of other National banks	20,000	9,000	10,000	7,130	5,795	8,985
Fractional paper currency, nickels and cents	2,649	1,057	2,236	7,504	9,120	7,725
*Lawful money reserve in bank, viz.:						
Gold coin	14,000	5,500	50,000	72,533	79,765	94,032
Gold Treasury certificates	75,000	63,000	45,000	1,192,990	1,567,060	2,055,270
Gold clearing-house certificates	......	......	......	......	50,000	50,000
Silver dollars	29,500	8,000	16,000	11,331	8,075	6,492
Silver Treasury certificates	61,900	38,800	58,020	705,143	707,091	643,441
Silver fractional coin	11,500	11,131	26,500	66,104	71,647	46,196
Legal-tender notes	87,796	20,427	22,471	448,540	396,044	252,348
U. S. certificates of deposit for legal-tenders	......	......	......	......	......	......
Five per cent. redemption fund with Treasurer	10,000	10,000	10,000	55,950	55,950	55,950
Due from U. S. Treasurer	2	2	2	4,300	5,500	......
Total	$2,880,078	$2,909,731	$2,846,893	$27,968,449	$27,600,805	$34,953,669
LIABILITIES.						
Capital stock paid in	$750,000	$750,000	$750,000	$2,775,000	$2,775,000	$2,775,000
Surplus fund	225,000	225,000	225,000	1,905,000	1,946,500	1,946,500
Undivided profits, less expenses and taxes paid	152,532	135,882	150,254	490,060	445,362	542,636
State bank notes outstanding	197,395	196,095	197,295	1,134,275	1,084,225	1,072,415
Due to other National banks	122,920	298,861	158,698	819,833	517,285	399,666
Due to State banks and bankers	332,309	250,274	292,118	1,059,809	942,356	991,343
Dividends unpaid	460	291	59	4,567	6,804	6,009
Individual deposits	817,005	832,369	838,180	19,850,419	19,421,799	20,441,487
U. S. deposits	63,384	58,533	70,187	396,694	412,119	6,489,814
Deposits of U. S. disbursing officers	69,119	72,941	57,598	62,089	......	67,545
Notes and bills rediscounted	......	......	......	......	46,453	......
Bills payable	150,000	98	107,500	......	......	......
Liabilities other than those above stated	......	9	......	1,200	2,900	221,250
Total	$2,880,078	$2,909,731	$2,846,898	$27,968,449	$27,600,805	$34,958,669
Average reserve held	29.82 p. c.	25.78 p. c.	24.74 p. c.	30.63 p. c.	34.27 p. c.	46.97 p. c.
*Total lawful money reserve in bank	$279,696	$146,855	$217,991	$2,496,641	$2,879,682	$3,147,799

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, May 2, 1903.

THE DECISION IN THE NORTHERN SECURITIES CASE by the United States Circuit Court of Appeals on April 9 was the most pregnant influence in financial affairs during the month. The decision was of the most sweeping character, and should it be sustained by the Supreme Court, will put in jeopardy a number of amalgamation schemes which in the last few years have been proposed or completed.

The announcement of the decision came on a day just preceding a three-days'—including Sunday—holiday on the Stock Exchange. The market became weak on Thursday, April 9, and when the Stock Exchange reopened on Monday, April 13, there was at once a rapid decline in values. The decline, however, spent its force on that day and very few stocks have sold lower since than they did on that memorable day. Nearly the entire list recorded its lowest figures of the year on April 13, and while the market has been irregular during the remainder of the month there have been substantial recoveries in the majority of stocks.

The decline also affected the bond market and gilt-edged securities suffered a drop, but in these also there have been advances in the last two weeks. Still, the market is not yet responsive to favorable conditions and the volume of transactions is insignificant compared with the extraordinary sales which at one time reached 2,000,000 to 3,000,000 shares a day.

One part of the Northern Securities decision had a peculiarly depressing influence, for it absolutely prohibited the Northern Pacific Railroad Company and the Great Northern Railroad Company from paying any dividends to the Northern Securities Company upon any shares of the former companies owned by the latter. This restriction was finally removed by Judge Sanborn, of the United States court, who modified the original decree to that extent.

A local event of general interest was the formal opening of the new Stock Exchange building on April 22, and the resumption of business in its own house by the Exchange on the following day. Never before was the Stock Exchange so well provided with facilities for transacting business on a large scale, and it is somewhat remarkable that so far the volume of sales has been from one-third to nearly one-tenth of what they were while the Exchange was occupying cramped quarters under the roof of the Produce Exchange.

Labor troubles have been conspicuous in various quarters during the entire month. That they have had any important influence upon the financial situation has not been apparent. Rather the demands of labor have been taken as evidence of a general condition of prosperity without which they would not have been possible. Yet, it is felt that the future must hold serious set-backs as the result of the present attitude of organized labor.

The railroads are certainly feeling the effect of the increased cost of labor and materials. Commenting on the gross earnings of the railroads in March, which showed an increase of $8,031,817, or 14.42 per cent., the "Financial Chronicle" says: "Except for these large gains the railroads would find it difficult to provide for the great increase in operating expenses arising from the enhancement in wages and the higher cost of fuel, materials and supplies. The effect of this higher operating cost during January and February was to counterbalance substantially the whole of the gain in gross receipts, leaving little or no improvement in net—that is speaking of the roads as a whole."

This view is supported by the compilation of net earnings made by the same journal for the months of January and February. While the gross earnings show an increase in February of $10,461,964, the net earnings increased only $961,987. For the first two months of the year the gross earnings increased $19,073,287 and the net earnings only $1,242,528. Compared with 1901 the gross earnings in two months have increased approximately $31,500,000 and the net earnings less than $4,000,000.

These results are the more significant from the fact that it may be assumed that the railroads are no longer making extraordinary expenditures as they did in the early part of the period of prosperity, to offset the enforced economies of the previous period of depression. Except in the early part of the month and during the time of the excitement caused by the Northern Securities episode, the money market has been fairly easy in spite of predictions of an April squeeze. Call money touched fifteen per cent. on the first day of the month and that was the highest point it reached. On April 9, when the decision in the Northern Securities case was announced, there was a flurry in money, but the rate did not go above eleven per cent. Since that date rates have been very much lower. There seems to be no reason to look for any stringency for some time to come, especially in the absence of a more active stock market than now exists.

Some surprise was occasioned by the announcement of the engagement by a Philadelphia bank on April 28 of $500,000 gold to be shipped to Paris. This is not only the first direct shipment made by a Philadelphia bank, but it is the first export of gold to Europe negotiated since the summer of last year. That there is to be any extensive movement of gold from the United States in the near future, no one believes.

The efforts of the Secretary of the Treasury to increase the volume of bank circulation by refunding bonds into two per cent. bonds have been eminently successful. More than $55,000,000 of three and four per cent. bonds have been exchanged and it is thought probable that the entire $100,000,000 called for in the Secretary's circular will be offered. About $10,000,000 of new notes have been issued during the month, and the net increase in circulation exceeds $8,000,000. The National banks in the city of New York have increased their circulation nearly $600,000 since April 1, and now have about $43,600,000 of notes outstanding. The circulation of the New York National banks has had many extraordinary fluctuations, and for many years was almost extinct. The following summary traces the course of this circulation since 1877:

Oct. 13, 1877........	$15,081,000	June 30, 1894........	$9,688,000	April 6, 1901........	$31,781,700
May 11, 1878........	20,033,100	Oct. 17, 1896........	20,521,100	Aug. 24, 1901........	29,007,600
Sept. 7, 1878........	19,06[illegible],300	Aug. 14, 1897........	13,185,500	Jan. 11, 1902........	32,013,700
Jan. 10, 1880........	23,812,900	Oct. 30, 1897........	16,071,300	April 12, 1902........	30,920,000
Mar. 5, 1881........	15,448,500	Feb. 26, 1898........	13,727,700	Jan. 3, 1903........	45,705,200
Dec. 10, 1881........	20,236,400	Dec. 3, 1898........	16,439,200	Mar. 21, 1903........	42,863,500
Feb. 22, 1890........	3,336,600	July 29, 1899........	13,575,800	May 2, 1903........	43,586,000
Oct. 14, 1893........	14,956,800				

Had the changes as shown above been caused by the fluctuating needs of currency, there would be *prima facie* evidence of an elasticity in National bank circulation equal to all requirements. But the fact is that the changes have been of an arbitrary character. When the Government has been issuing bonds they have been marketed largely in New York, and the New York banks have at times availed themselves of the opportunity to increase their circulation. But as the Government retired its bonds the banks promptly reduced their circulation. From June, 1894, to October, 1896, the New York banks increased their circulation from $9,000,000 to $20,000,000. In that time the Government was issuing bonds. In nine months after they reduced their circulation $7,000,000. The same operation was gone through in 1899, 1900 and 1901. Between April, 1902, and January, 1903, circulation was increased from $30,000,000 to $45,000,000 in response to the efforts of the Government to expand the currency. Yet, there was a reduction of nearly $3,000,000 in the first three months of the present year. Now we are witnessing another increase, but with no better assurance that it will not be followed by another reduction.

With no reason to apprehend a money stringency, the investor may turn with a fair amount of confidence to the general conditions which are now controlling or which promise to control in the future. The April report of the Department of Agriculture regarding the winter wheat crop is most encouraging. The average condition is estimated at 97.3, the highest recorded for April 1 in eleven years. From the available data a yield exceeding 500,000,000 bushels has been figured out. Such a result would be most favorable. The spring wheat crop is yet to be heard from, and while it is too early for any estimates, the conditions so far have been favorable to that crop.

A good yield of wheat and corn this year would assure a continuance of the heavy export movement. Our exports of manufactures have, however, grown so large that agricultural products are not so important a factor in our foreign trade as they were formerly. The exports of merchandise in March were nearly $132,000,000 in value, exceeding all previous records for that month, except in 1900, while they were within $2,200,000 of being as much as in March that year.

Imports of merchandise are close to the record-breaking point, exceeding $96,000,000 in March, and exceeding the total for any month since April, 1897. So large has become our import trade that the Bureau of Statistics has issued a special bulletin treating of the imports in the twelve months ended March 31. In that period, the first time in any twelve months, the value of imports exceeded a billion dollars. Prior to 1870 they never reached a half billion dollars, and not until 1890 did they ever reach three-quarters of a billion dollars. In the last five years they have increased very rapidly. The Bureau furnishes the following comparative statement of imports and exports for the twelve months ended March 31 in each of the last nine years:

Twelve months ending March 31.	*Total imports.*	*Total exports.*
1895	$704,215,585	$805,720,397
1896	804,091,852	862,731,707
1897	670,941,016	1,028,646,341
1898	721,116,936	1,154,618,452
1899	660,818,871	1,253,569,929
1900	838,761,870	1,332,863,022
1901	807,591,823	1,480,521,013
1902	902,440,060	1,429,063,878
1903	1,001,596,683	1,414,786,954

The Bureau of Statistics has also in preparation an interesting review of the growth in production and in exports of agricultural and manufactured products. It will show that the gross value of manufactures produced in the United States in 1850 was $1,000,000,000 and in 1900 $13,000,000,000. The exports of manufactures in 1850 was $17,000,000 and in 1900 $433,000,000.

A table prepared by the Bureau makes the following comparison between 1870 and 1900:

	1870 value.	*1900 value.*	*Per cent. increase.*
Agricultural products	$1,958,030,927	$3,764,172,706	92.1
Agricultural exports	361,188,483	835,858,123	131.8
Manufactures produced	4,232,325,442	13,039,279,566	209.1
Manufactures exported	68,279,764	483,851,756	537.7

Another factor of prosperity is found in the iron industry, the production of pig iron again exceeding all previous records. The weekly capacity of furnaces in blast on April 1 was 376,576 tons, or at the rate of nearly 20,000,000 tons a year, and there is a probability that there will be further expansion. Since January 1 there has been an increase of 22,776 tons in the weekly output, while compared with a year ago the increase is more than 77,000 tons per week. Consumption is keeping pace with production, and the total of furnace stocks is only about 170,000 tons, or less than half a week's output.

The completed figures of steel production in the United States in 1902 have just been published and they make a most impressive showing. In two years the production of Bessemer and open-hearth steel has increased from about 10,000,000 to nearly 15,000,000 tons, or almost fifty per cent. The following table shows the product yearly since 1892:

UNITED STATES PRODUCTION OF BESSEMER AND OPEN-HEARTH STEEL INGOTS—GROSS TONS.

YEAR.	*Bessemer.*	*Open hearth.*	*Total.*
1892	4,168,435	669,889	4,838,324
1893	3,215,686	737,808	3,953,495
1894	3,571,313	784,936	4,356,249
1895	4,909,128	1,137,182	6,046,310
1896	3,919,906	1,298,700	5,218,606
1897	5,475,315	1,608,671	7,083,986
1898	6,609,017	2,230,292	8,839,309
1899	7,586,354	2,947,316	10,533,670
1900	6,684,770	3,398,135	10,082,905
1901	8,713,302	4,656,309	13,369,611
1902	9,306,471	5,687,729	14,994,200

Of the 9,306,471 tons of Bessemer steel produced last year the United States Steel Corporation produced 6,759,210 tons, or 72.6 per cent. Of the 5,687,729 tons of open-hearth steel it produced 2,984,708 tons, or 52.5 per cent., making about sixty-five per cent. of the total steel production.

In this connection brief reference may be made to two important announcements promulgated by the United States Steel Corporation during the past month. First was the annual report of the company showing gross sales and earnings amounting to $560,510,479, manufacturing and operating expenses $411,408,818, net income $140,155,191, interest charges, etc., $6,846,427, and net earnings for the year $133,308,763. From this sum was deducted $24,774,889 for various funds and $18,227,850 for interest and sinking fund, leaving a balance of $90,306,524. The company paid dividends of seven per cent. on the preferred stock, amounting to $35,730,177 and of four per cent. on the common stock, amounting to $20,332,690 making a total of $56,052,867 and leaving a balance of undivided profits of $34,253,656. The capital stock is $1,018,583,600 and total capital and current liabilities $1,438,970,648.

On April 27 the $200,000,000 syndicate organized two years ago to underwrite the securities of the United States Steel Corporation was dissolved, and a final settlement made with the members. They put up $25,000,000 cash for a few months, when it was returned to them. They received $46,000,000 dividends in cash and $4,000,000 in preferred stock.

The future relation of the trust companies of New York with the New York Clearing-House Association are exciting considerable interest. The clearing-house rule which is to become effective June 1 requires that the trust companies shall carry a reserve of five per cent., which is to be increased to 7½ per cent. by February 1, 1904. After June 1, 1904, the reserve will be fixed from time to time but at not more than fifteen nor less than ten per cent. The Union Trust Company on April 15 terminated its connection with the clearing-house, and other trust companies it is reported will follow its example.

THE MONEY MARKET.—The local money market has grown easier, but early in the month rates were high, call money touching fifteen per cent. on April 1, twelve per cent. on April 2 and eleven per cent. on April 9. By the 21st the rate had fallen to two per cent. At the close of the month call money ruled at 2½ @ 3 per cent., the average rate being 2¾ per cent. Banks and trust companies loaned at 3½ @ 4 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4 per cent. for 60 days, 4½ per cent. for 3 to 4 months and 4¾ per cent. for 5 to 6 months on good mixed collateral. For commercial paper the rates are 5 per cent. for 60 to 90 days' endorsed bills receivable, 5 @ 5½ per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Dec. 1.	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.	May 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances........	4 —6	8 —12	2½–3¾	3 —4	6 —15	2½—3
Call loans, banks and trust companies..............................	4½—	8 —12	4 —	3 —	6 —	3½—4
Brokers' loans on collateral, 30 to 60 days..............................	6 —	6 —	4½—	4¾—5	5½— 5¾	4 —
Brokers' loans on collateral, 90 days to 4 months........................	6 —	6 —	4½— ¾	5 —	5¼— 5½	4½—
Brokers' loans on collateral, 5 to 7 months...........................	5 —5½	5½—	4½— ¾	4¾—5	5¼— 5½	4¾—5
Commercial paper, endorsed bills receivable, 60 to 90 days............	5½— ¾	6 —	4¾—5	5 —5¼	5½— 5¾	5 —
Commercial paper prime single names, 4 to 6 months..............	5½—6	6 —	4¾—5	5 —5¼	5½— 6	5 —5½
Commercial paper, good single names, 4 to 6 months...............	6 —6½	6½—	5 —5½	5½—	6 — 6½	5½—6

NEW YORK CITY BANKS.—As was expected a change for the better came over the bank statements after the first week of the month. March had witnessed a severe decline in deposits, loans and reserves and on April 4 the surplus reserve was down to nearly $2,000,000. In each of the four succeeding weeks, however, there

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Apr. 4...	$903,984,900	$158,146,200	$66,175,200	$888,762,300	$2,130,825	$42,970,700	$1,589,710,700
" 11...	902,779,500	158,954,700	65,994,300	884,830,800	3,741,300	43,126,400	1,189,787,200
" 18...	905,207,300	160,972,500	66,857,700	887,290,200	6,007,650	43,495,000	1,453,074,100
" 25...	900,625,100	164,275,100	68,611,200	887,603,300	10,985,475	43,538,000	1,311,282,400
May 2...	914,079,000	167,438,300	70,183,600	905,760,200	11,181,850	43,586,000	1,378,981,600

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1901.		1902.		1903.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,198,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,800	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,853,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June..........	952,398,200	21,258,050	948,826,400	11,929,000	....	....
July	971,382,000	8,484,200	955,829,400	12,978,350	....	....
August........	965,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,298,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,628,000 on Feb. 3, 1894.

has been an increase and on May 2 the surplus was reported at $11,181,850, which is nearly $3,700,000 larger than it was a year ago, while the deposits are $62,000,000 less than at that time. The deposits fell to below $885,000,000 by April 11, but have since increased nearly $21,000,000. Loans fell to below $901,000,000 on April 25, a decrease of nearly $50,000,000 since February last, but in the last week of the month there was an increase of $13,400,000. Compared with a month ago loans have increased $10,000,000, deposits $17,000,000, cash reserves $13,000,000 and surplus reserve $9,000,000.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
Mar. 28....	$77,593,400	$83,279,600	$3,379,700	$4,114,300	$8,308,600	$2,269,700	$* 2,747,600
April 4....	78,124,000	84,081,600	3,425,800	3,887,700	8,020,100	3,040,900	* 2,645,900
" 11....	77,931,400	84,067,500	3,687,000	4,235,500	7,494,900	2,272,100	* 3,327,375
" 18....	79,091,900	85,818,500	3,659,500	4,476,400	8,962,100	2,385,800	* 1,970,825
" 25....	79,333,400	85,082,400	3,604,800	4,416,800	8,052,500	2,440,000	* 2,906,500

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Mar. 28.......	$187,128,000	$196,047,000	$15,138,000	$4,913,000	$6,445,000	$113,531,600
April 4.......	184,802,000	200,271,000	14,789,000	4,799,000	6,418,000	140,562,700
" 11.......	184,066,000	198,248,000	14,622,000	5,235,000	6,445,000	129,071,100
" 18.......	182,766,000	204,139,000	16,436,000	5,865,000	6,505,000	147,944,100
" 25.......	183,788,000	205,726,000	17,242,000	6,409,000	6,534,000	124,072,600

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
March 28.................	$184,071,000	$208,982,000	$50,100,000	$9,364,000	$109,443,700
April 4.................	183,602,000	208,210,000	49,197,000	9,385,000	122,555,600
" 11.................	182,297,000	207,805,000	49,644,000	9,497,000	93,321,500
" 18.................	181,725,000	211,817,000	52,836,000	9,635,000	126,262,900
" 25.................	181,604,000	213,230,000	54,881,000	9,811,000	120,453,100

EUROPEAN BANKS.—There was a considerable movement of gold out of the leading European banks last month, and in several cases the holdings are less than they were a year ago. The Bank of England has $3,000,000 less, the Bank of France

GOLD AND SILVER IN THE EUROPEAN BANKS.

	March 1, 1903.		*April 1, 1903.*		*May 1, 1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£36,045,496	....	£37,682,365	....	£35,347,486	....
France............	101,339,418	£43,845,350	301,048,872	£43,986,428	99,824,195	£44,272,209
Germany...........	35,322,400	13,064,500	34,695,000	12,191,000	33,336,000	11,718,000
Russia.............	76,995,000	7,543,000	79,689,000	8,489,000	76,370,000	8,291,000
Austria-Hungary..	46,288,000	12,755,000	46,163,000	12,896,000	45,978,000	13,082,000
Spain..............	14,423,000	19,970,000	14,452,000	20,093,000	14,487,000	20,323,000
Italy..............	17,309,000	2,178,400	17,559,000	2,273,300	17,699,000	2,266,400
Netherlands.......	4,699,000	6,611,900	4,107,400	6,587,000	3,936,100	6,570,800
Nat. Belgium......	3,223,333	1,611,667	3,197,333	1,598,667	3,086,000	1,543,000
Totals..........	£335,644,647	£107,579,817	£338,593,970	£108,114,395	£329,963,781	£108,061,409

$15,000,000 less and the Bank of Germany $22,000,000 less than in 1902, while Russia has a gain of $18,000,000.

FOREIGN EXCHANGE.—Rates for sterling exchange early in the month were weak under the influence of the high rates for money in New York. The market was also dull. In the last half of the month it became more active and rates advanced rather sharply and at the close of the month were so near the gold-exporting point that a continuance of the rates might assure exports. Two shipments of $500,000 each were made, one to Paris and the other to Buenos Ayres.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Apr. 4	4.8370 @ 4.8380	4.8690 @ 4.8700	4.8750 @ 4.8760	4.83⅜ @ 4.83½	4.82¾ @ 4.83¾
" 11	4.8355 @ 4.8375	4.8665 @ 4.8675	4.8715 @ 4.8725	4.83¼ @ 4.83⅜	4.82⅝ @ 4.83⅝
" 18	4.8375 @ 4.8385	4.8690 @ 4.8700	4.8740 @ 4.8750	4.83½ @ 4.83⅝	4.82⅞ @ 4.83⅞
" 25	4.8425 @ 4.8435	4.8740 @ 4.8750	4.8790 @ 4.8800	4.84 @ 4.84⅛	4.83⅜ @ 4.84⅜
May 2	4.8465 @ 4.8475	4.8775 @ 4.8785	4.8825 @ 4.8835	4.84¼ @ 4.84⅜	4.83¾ @ 4.84¾

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.	May 1.
Sterling Bankers—60 days	4.83⅛— ¼	4.83¾— ⅞	4.84¼— ⅜	4.83⅝— ⅞	4.84⅝— ¾
" " Sight	4.86½— ⅝	4.86¾— ⅞	4.87½—	4.86⅞— 7⅛	4.87¾— ⅞
" " Cables	4.87½— ⅝	4.87⅛— ⅜	4.87⅞—88	4.87½— ¾	4.88¼— ⅜
" Commercial long	4.82¾— ⅞	4.83½— ⅝	4.83½— 4	4.83 — 4	4.84¼— ⅜
" Docu'tary for paym't.	4.82⅛— 3⅜	4.82¾— 3¾	4.83½— 4⅛	4.82¾— 3¾	4.83¾— 4¾
Paris—Cable transfers	5.15⅝—	5.15⅝—	5.15⅝— 1/32	5.15⅝—	5.15 1/16— 1/32
" Bankers' 60 days	5.18¾—	5.18¾—	5.18¾— ⅛	5.18¾—	5.18⅛—
" Bankers' sight	5.16¼—	5.16¼—	5.15⅝—	5.16¼—	5.15⅝—
Swiss—Bankers' sight	5.16¼—	5.16⅞—	5.16⅞— ¼	5.16⅞—	5.15⅝—
Berlin—Bankers' 60 days	94 11/16— ¾	94¾—	94¾— 13/16	94⅝— 11/16	94¾— 13/16
" Bankers' sight	95 1/16— ¼	95 — 1/16	95 1/16— ⅛	95 — 1/16	95¼—
Belgium—Bankers' sight	5.16⅞— ¼	5.16⅞—	5.16⅞— ¼	5.17½—16⅞	5.16¼—
Amsterdam—Bankers' sight	40⅛—	40⅛—	40⅛— 3/16	40 1/16— ⅛	40¼— 5/16
Kronors—Bankers' sight	26.82—85	26.74 —77	26.75—78	20.74— .76	26.79—26.81
Italian lire—sight	5.15⅝—	5.16¼—15⅝	5.15⅝ - 1/16	5.16¼—15	5.16¼—15

SILVER.—There was a very rapid advance in the price of silver in London during April, which was coincident with the buying of silver by the United States Government for Phillipine coinage. The price advanced to 25 1-16 on April 28 and closed at 24⅝ on April 30, a net gain for the month of 1⅞d.

MONTHLY RANGE OF SILVER IN LONDON—1900, 1901, 1902.

MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.	MONTH.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.
January	29 3/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July	28 3/16	27¾	24 3/16	24 3/16	....	....
February	28 7/16	27⅞	25⅝	25 5/16	22 5/16	21⅞	August	28 7/16	27 13/16	24 7/16	24⅛	....	....
March	28 3/16	27 5/16	25 7/16	24 13/16	22 13/16	22⅛	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April	27 13/16	26 13/16	24⅞	23 5/16	25 1/16	22⅝	October	30 3/16	29⅛	23 13/16	23¼	....	....
May	27⅝	27 3/16	24⅛	23 5/16	....	....	Novemb'r	29 13/16	29 7/16	23¼	21¾	....	....
June	27⅝	27¼	24 7/16	23 13/16	....	....	Decemb'r	29 13/16	29⅛	22⅛	21 11/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.86	$4.89	Mexican 20 pesos	$19.52	$19.60
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.74	4.78	Mexican dollars	.41⅛	.44
Twenty-five pesetas	4.78	4.81	Peruvian soles	.38	.44
Spanish doubloons	15.53	15.60	Chilian pesos	.38	.44
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24⅝d. per ounce. New York market for large commercial silver bars, 53 @ 54⅛c. Fine silver (Government assay), 53⅛ @ 54⅝c. The official price was 52⅞c.

GOLD AND SILVER COINAGE.—The coinage at the United States Mints in April aggregated $2,141,220, consisting of $137,400 gold, $1,809,000 silver and $194,820 minor coin. There were 928,000 standard silver dollars coined.

COINAGE OF THE UNITED STATES.

	1901.		1902.		1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,800	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,278	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	....	....
June	5,948,030	2,836,185	500,845	2,464,353	....	....
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	3,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,141,008	$6,632,987

NATIONAL BANK CIRCULATION.—There was an increase in National bank notes outstanding last month of $8,633,470. The circulation based upon Government bonds increased $9,214,541 while the circulation based upon deposits of lawful money was reduced $582,071. There was an increase of more than $17,000,000 in two per cent. bonds used as a basis of circulation and more than ninety-seven per cent. of all the bonds securing circulation are now of the two per cent. issue.

NATIONAL BANK CIRCULATION.

	Jan. 31, 1903.	Feb. 28, 1903.	Mar. 31, 1903.	Apr. 30, 1903.
Total amount outstanding	$383,973,546	$382,798,845	$382,519,258	$391,151,728
Circulation based on U. S. bonds	340,587,939	338,660,361	338,349,814	347,564,355
Circulation secured by lawful money	43,385,607	44,138,484	44,169,444	43,587,373
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	8,843,850	8,856,350	8,047,850	3,994,950
Five per cents. of 1894	1,037,400	1,037,400	1,037,400	701,400
Four per cents. of 1895	2,197,100	2,195,100	2,255,100	2,010,100
Three per cents. of 1898	5,549,020	5,593,020	5,067,020	3,078,920
Two per cents. of 1900	325,276,150	324,482,800	325,753,400	342,910,750
Total	$342,903,520	$342,164,670	$342,160,770	$352,696,120

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $7,776,950; 5 per cents. of 1894, $4,018,450; 4 per cents. of 1895, $9,437,750; 3 per cents. of 1898, $8,198,320; 2 per cents. of 1900, $104,304,600; District of Columbia 3.65's, 1924, $1,671,000; State and city bonds, $17,998,900; a total of $153,405,970.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Government revenues in April exceeded the disbursements by $1,562,286, making for the ten months of the current fiscal year a surplus of $35,419,646. In the previous year the surplus was more than $65,000,000 for the corresponding period. The total revenues in spite of the reduction in taxes are $2,000,000 larger than they were last year, but the expenditures are $32,000,000 larger also, civil and miscellaneous expenditures having increased $12,000,000, war $6,000,000, navy nearly $11,000,000, Indians $2,500,000 and pensions $1,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	April, 1903.	Since July 1, 1902.
Customs	$22,488,130	$241,723,367
Internal revenue	18,064,556	190,276,540
Miscellaneous	2,773,414	34,419,594
Total	$43,326,100	$466,419,501
cess of receipts	1,562,286	35,419,646

EXPENDITURES.

Source.	April, 1903.	Since July 1, 1902.
Civil and mis	$11,429,778	$106,221,833
War	9,653,182	102,269,742
Navy	6,472,348	67,193,329
Indians	584,148	10,954,687
Pensions	10,337,163	116,058,255
Interest	3,287,195	26,302,009
Total	$41,763,814	$430,999,855

United States Public Debt.—The public debt statement issued on May 1 shows that nearly $54,000,000 of two per cent. bonds have been exchanged for other bonds. There were about $45,500,000 of the four's of 1907 and $8,000,000 of the three's of 1908 retired under the Secretary's refunding plan. There was no change in the principal of the bonded debt, but nearly $500,000,000 out of a total of $914,-000,000 now bears a rate of only two per cent. The net cash balance in the Treasury on May 1 was $373,326,187 and the net debt, less cash in the Treasury, was $938,-935,418. The changes for the month in these items were unimportant.

United States Public Debt.

	Jan. 1, 1903.	*Mar. 1, 1903.*	*Apr. 1, 1903.*	*May 1, 1903.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$445,940,750	$445,940,750	$499,622,550
Funded loan of 1907, 4 "	233,178,650	233,179,200	233,179,200	187,690,400
Refunding certificates, 4 per cent	31,230	30,860	30,810	30,730
Loan of 1904, 5 per cent	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	97,515,660	97,515,660	89,322,760
Total interest-bearing debt	$914,541,240	$914,541,420	$914,541,370	$914,541,390
Debt on which interest has ceased	1,255,710	1,230,510	1,230,100	1,230,050
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	42,169,652	43,136,981	43,147,884	42,883,611
Fractional currency	6,872,594	6,872,593	6,871,690	6,871,690
Total non-interest bearing debt	$395,774,109	$396,744,438	$396,754,437	$396,490,165
Total interest and non-interest debt.	1,311,574,059	1,312,516,368	1,312,525,907	1,312,261,605
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	399,062,069	402,008,069	410,257,869
Silver "	468,957,000	463,431,000	466,498,000	464,373,000
Treasury notes of 1890	24,053,000	22,232,000	21,501,000	20,795,000
Total certificates and notes	$876,574,069	$884,725,069	$890,007,069	$895,425,869
Aggregate debt	2,188,148,128	2,197,241,437	2,202,532,976	2,207,687,474
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,344,077,366	1,355,375,325	1,357,763,183
Demand liabilities	966,671,820	969,533,896	982,453,336	984,436,996
Balance	$364,409,380	$374,543,470	$372,921,988	$373,326,187
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	224,543,470	222,921,988	223,326,187
Total	$364,409,380	$374,543,470	$372,921,988	$373,326,187
Total debt, less cash in the Treasury.	947,164,679	937,972,898	939,603,919	938,935,418

United States Foreign Trade.—The exports of merchandise from the United States in March were nearly $132,000,000, the largest ever reported in that month except in the year 1900, when they were $134,000,000. The imports were in excess of $96,000,000, the largest total recorded in any corresponding month. The March balances are: merchandise exports, $35,752,406; gold imports, $3,429,463; silver

Exports and Imports of the United States.

Month of March.	Merchandise.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1898	$112,620,496	$61,562,183	Exp., $51,058,313	Imp., $29,979,613	Exp., $1,518,368
1899	104,559,689	72,820,746	" 31,738,943	" 2,077,730	" 1,931,794
1900	134,157,225	86,522,456	" 47,634,769	" 839,756	" 2,303,276
1901	124,473,643	75,886,834	" 48,586,809	" 2,030,186	" 2,443,820
1902	106,749,401	84,227,082	" 22,522,319	Exp., 1,796,633	" 994,792
1903	131,951,579	96,199,173	" 35,752,406	Imp., 3,429,463	" 2,183,978
Nine Months.					
1898	925,905,356	455,253,362	Exp., 470,651,994	Imp., 57,561,112	Exp., 17,431,563
1899	947,992,955	500,022,579	" 447,970,376	" 66,893,761	" 20,036,561
1900	1,053,630,696	641,776,030	" 411,854,666	" 7,769,846	" 16,774,288
1901	1,139,668,627	599,426,674	" 540,241,953	" 25,946,381	" 21,084,424
1902	1,080,987,514	678,694,539	" 402,292,975	" 1,203,163	" 16,524,903
1903	1,114,055,067	776,970,274	" 337,084,793	" 20,917,068	" 19,009,533

exports, $2,183,978, making the net exports of merchandise and specie more than $34,500,000. For the nine months of the current fiscal year the exports were $1,114,-000,000, or within about $25,000,000 of the record total made in 1901. The imports were about $777,000,000, which is the largest recorded total, and the excess of exports over imports was $337,000,000. In the nine months we imported nearly $20,000,000 gold and exported $19,000,000 silver.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was $22,600,000 added to the amount of money in circulation in April. As the increase in gold coin and certificates was nearly $20,000,000 and in National bank notes $8,500,000, it follows that there were decreases in other forms of money. There was a decrease of about $3,000,000 in silver certificates and a similar amount in National bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	*Mar. 1, 1903.*	*Apr. 1, 1903.*	*May 1, 1903.*
Gold coin	$629,680,632	$625,262,655	$622,002,398	$623,132,460
Silver dollars	78,810,834	75,151,254	74,476,840	73,966,478
Subsidiary silver	94,850,669	91,990,343	92,285,445	92,309,566
Gold certificates	346,418,819	373,132,044	362,924,999	381,631,459
Silver certificates	463,570,632	457,154,583	461,587,553	459,243,646
Treasury notes, Act July 14, 1890	23,920,426	22,125,099	21,420,172	20,670,740
United States notes	343,770,858	342,392,793	344,274,682	342,073,249
National bank notes	368,678,531	366,787,559	372,785,854	381,306.122
Total	$2,348,700,901	$2,353,996,330	$2,351,757,943	$2,374,353,720
Population of United States	79,799,000	80,028,000	80,142,000	80,257,000
Circulation per capita	$29.43	$29.41	$29.34	$29.58

MONEY IN THE UNITED STATES TREASURY.—While the total stock of money in the United States Treasury increased more than $7,000,000 last month, an increase of about $16,000,000 in certificates outstanding caused a reduction of more than $8,000,000 in the net money in the Treasury. The net gold was reduced $276,815,804 to $262,589,660.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	*Mar. 1, 1903.*	*Apr. 1, 1903.*	*May 1, 1903.*
Gold coin and bullion	$617,196,063	$632,783,826	$639,740,803	$644,171,119
Silver dollars	470,783,167	476,792,247	478,492,986	479,911,348
Silver bullion	23,057,667	20,972,163	20,146,491	19,165,230
Subsidiary silver	6,419,206	8,624,789	8,500.673	8,831,967
United States notes	2,910,158	4,288,223	2,406,334	4,607,767
National bank notes	16,251,253	16,011,286	9,733,404	9,845,606
Total	$1,136,617,534	$1,159,472,484	$1,159,020,691	$1,166,533,057
Certificates and Treasury notes, 1890, outstanding	833,909,877	852,411,726	845,932,724	861,545,845
Net cash in Treasury	$302,707,657	$307,060,758	$313,087,967	$304,987,212

SUPPLY OF MONEY IN THE UNITED STATES.—Something over $14,000,000 was added to the total stock of money in the country last month, about $5,500,000 of the increase being gold and $8,500,000 National bank notes. Since January 1 the supply of money has increased nearly $28,000,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1903.	*Mar. 1, 1903.*	*Apr. 1, 1903.*	*May 1, 1903.*
Gold coin and bullion	$1,246,876,715	$1,258,046,481	$1,261,743,201	$1,267,308,579
Silver dollars	549,093,501	551,943,501	552,969,826	553,897,826
Silver bullion	23,057,667	20,972,163	20,146,491	19,165,230
Subsidiary silver	100,769,875	100,615,082	100,786,118	101,141,553
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	384,929,784	382,798,845	382,519,258	391,151,728
Total	$2,651,408,558	$2,661,057,088	$2,664,845,910	$2,679,340,982

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of April, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	Year 1902.		Highest and Lowest in 1903.		April, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan. 10	77¼—Apr. 13	83⅝	77¼	81⅝
" preferred	106⅛	95½	103⅛—Jan. 10	95¼—Apr. 14	98	95½	97½
Baltimore & Ohio	118⅛	95⅝	104 —Jan. 9	85½—Apr. 13	94⅛	85½	92½
Baltimore & Ohio, pref.	99	92	96¾—Feb. 11	91 —Apr. 14	94	91	93½
Brooklyn Rapid Transit	72⅜	54¾	71⅛—Feb. 17	63¼—Mar. 11	69¼	64⅛	65⅝
Canadian Pacific	145¼	112¼	138¾—Feb. 10	126 —Mar. 9	133	126⅛	131¼
Canada Southern	97	71	78½—Jan. 5	70 —Mar. 27	74	70	71⅛
Central of New Jersey	198	165	190 —Jan. 19	170 —Apr. 14	171	170	171
Ches. & Ohio vtg. ctfs	57⅛	45⅝	53⅝—Feb. 10	41 —Apr. 14	45⅞	41	44⅞
Chicago & Alton	45⅝	29⅛	37¼—Jan. 5	28 —Apr. 13	32⅛	28	31⅛
" preferred	79	68	73⅛—Jan. 7	67¾—Apr. 13	70½	67¾	69⅝
Chicago, Great Western	35	22	29⅝—Jan. 9	19¾—Apr. 13	24⅛	19¾	22⅛
Chic., Milwaukee & St. Paul	198¾	160½	183¼—Jan. 7	158 —Apr. 13	164⅛	158	160⅞
" preferred	200¾	186	194¼—Jan. 9	182½—Apr. 3	184	182½	183¼
Chicago & Northwestern	271	204⅛	224½—Jan. 14	174 —Apr. 13	184	174	180
" preferred	274½	230	250 —Jan. 7	235 —Feb. 18	....	....	....
Chic., St. Paul, Minn. & Om.	170½	140	162 —Jan. 19	140 —Apr. 9	141	140	140
" preferred	210	194⅞	194 —Jan. 5	194 —Jan. 5	....	....	....
Chicago Terminal Transfer	24⅞	15	19⅞—Jan. 9	14 —Apr. 13	17¼	14	17
" preferred	44	29	36 —Jan. 8	27½—Apr. 13	30⅝	27½	30¼
Clev., Cin., Chic. & St. Louis	108⅝	93	99⅝—Jan. 6	88¼—Apr. 14	93	88¼	92
Col. Fuel & Iron Co.	110½	73¾	82½—Jan. 6	54 —Apr. 3	66⅛	54	65
Colorado Southern	35¾	14⅛	31⅝—Jan. 7	22⅛—Apr. 14	26¾	22⅛	23⅞
" 1st preferred	79½	59¼	72 —Jan. 9	62 —Apr. 14	67	62	65½
" 2d preferred	53⅞	28	48 —Jan. 8	35 —Apr. 14	40½	35	37
Consolidated Gas Co.	230¾	205	222 —Jan. 7	201 —Mar. 16	213¾	202½	210½
Delaware & Hud. Canal Co.	184½	153½	183½—Feb. 2	161 —Apr. 14	168	161	167½
Delaware, Lack. & Western	297	231	276½—Jan. 8	240 —Apr. 13	253	240	250¼
Denver & Rio Grande	51¾	35⅛	43 —Feb. 9	33½—Apr. 14	37¾	33½	36⅞
" preferred	96¾	86½	90½—Feb. 9	83½—Apr. 13	87	83½	86
Erie	44⅝	28⅝	42⅝—Jan. 9	31½—Apr. 13	35⅝	31½	34¾
" 1st pref.	75¾	60½	74 —Feb. 5	62½—Apr. 13	68½	62½	67
" 2d pref.	63¾	41½	64⅞—Feb. 5	47½—Apr. 13	56¼	47½	54⅞
Evansville & Terre Haute	74⅝	50	72½—Jan. 8	62 —Apr. 14	68½	62	67
Express Adams	240	198	235 —Feb. 11	214 —Mar. 10	225½	220	225
" American	265	210	235 —Feb. 5	200 —Apr. 13	215	200	205
" United States	160	97	150¼—Feb. 4	125 —Apr. 13	130	125	125
" Wells, Fargo	251	185	249½—Feb. 6	200 —Apr. 13	220	200	200
Great Northern, preferred	203	181½	209 —Jan. 22	190 —Apr. 13	190	190	190
Hocking Valley	106	66	106½—Feb. 20	94½—Apr. 13	101½	94½	98
" preferred	98⅜	81⅛	99¼—Mar. 2	92 —Apr. 13	96½	92	93⅞
Illinois Central	173½	137	151 —Jan. 10	130¾—Apr. 14	138⅜	130¾	135½
Iowa Central	51¾	37½	48 —Jan. 12	33 —Apr. 13	36½	33	35½
" preferred	90⅝	65	77⅜—Jan. 12	56 —Apr. 14	63½	56	62
Kansas City Southern	39	19	36¼—Jan. 12	27 —Apr. 13	31	27	30
" preferred	63¾	44	61¼—Jan. 22	48 —Apr. 14	53½	48	52½
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb. 26	76 —Apr. 15	79	76	78½
Lake Erie & Western	71½	40	53 —Jan. 8	38 —Apr. 13	41½	38	41
" preferred	138	120	118 —Feb. 6	105 —Apr. 7	113	105	105
Long Island	91⅞	72½	83 —Jan. 7	70 —Mar. 31	72	70	72
Louisville & Nashville	159½	102⅛	130½—Jan. 8	113 —Apr. 13	119	113	117½
Manhattan consol	158	128	155½—Jan. 14	135¼—Apr. 14	142¼	135¼	141¼
Metropolitan Street	174	135	142⅞—Jan. 6	127 —Apr. 17	136⅝	127	131¼
Mexican Central	31⅛	20⅝	29 —Mar. 23	24½—Apr. 14	28¼	24½	27⅜
Minneapolis & St. Louis	115	105	110 —Jan. 9	90 —Apr. 28	100	90	90
" preferred	127¾	118½	118 —Feb. 27	108 —Apr. 16	112	108	110½
Missouri, Kan. & Tex.	35¾	22½	30½—Jan. 5	22⅞—Apr. 13	26⅜	22⅞	25⅝
" preferred	69¾	51	63½—Feb. 10	51 —Apr. 13	56¾	51	55½
Missouri Pacific	125½	96¾	115⅞—Feb. 10	102¾—Apr. 14	111¼	102¾	109⅝
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan. 10	128½—Apr. 13	133¼	128⅛	130
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan. 7	30 —Apr. 13	35½	30	35
" 2d preferred	100	80	87 —Jan. 19	74 —Apr. 14	77½	74	77½
N. Y., Ontario & Western	37⅞	25¼	35¼—Feb. 5	27½—Apr. 13	30⅝	27½	29½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1902.		Highest and Lowest in 1903.		April, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78⅛	55	76¼—Feb. 10	66¾—Apr. 13	72⅛	66¾	70⅝
• preferred	98	90	93½—Feb. 2	89 —Apr. 16	90	89	89
North American Co	134	88	124½—Jan. 7	93 —Apr. 14	101¾	93	98½
Pacific Mail	49⅝	37	42¾ - Jan. 7	31⅛—Apr. 14	36	31⅛	33¾
Pennsylvania R. R	170	147	157⅞—Jan. 10	132⅛—Apr. 13	138⅛	132⅛	135⅞
People's Gas & Coke of Chic	109½	98¼	108⅝—Feb. 10	99¼—Apr. 14	105½	99¼	104⅝
Pullman Palace Car Co	250	215	235¾—Jan. 14	215 —Apr. 14	222	215	218
Reading	78⅛	52¼	69¼—Jan. 2	51¼—Apr. 13	60	51¼	54⅛
• 1st prefered	90¼	79⅞	89⅞—Feb. 5	81⅛—Apr. 13	84¾	81⅛	83¾
• 2d preferred	80⅞	60	81 —Jan. 6	66 —Apr. 13	70	66	67½
Rock Island	50⅛	32½	53⅝—Jan. 9	40⅛—Apr. 13	46	40⅛	43¾
• preferred	85½	71	86 —Jan. 9	74 —Apr. 13	77⅝	74	76½
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	63¾—Apr. 14	79¼	63¾	75
• 1st preferred	90	77	88 —Feb. 20	78 —Apr. 16	82	78	82
• 2d preferred	80⅝	65½	78 —Feb. 24	64⅛—Apr. 13	70⅝	64⅛	70
St. Louis & Southwestern	39	24½	30 —Jan. 7	21½—Apr. 14	25⅛	21½	24⅛
• preferred	80	55¼	66 —Jan. 7	48 —Apr. 13	57½	48	55
Southern Pacific Co	81¼	56	68¼—Mar. 19	53¾—Apr. 28	61	53¾	55⅞
Southern Railway	41⅝	28	36⅞—Jan. 9	28½—Apr. 13	32	28½	30⅞
• preferred	98½	89¾	96 —Feb. 9	90 —Apr. 13	93½	90	92½
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	59¾—Jan. 2	66⅝	61	65⅝
Texas & Pacific	54¾	37	43⅝—Feb. 10	30 —Apr. 14	37¾	30	35¾
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	23¼—Apr. 14	26½	23¼	28
• preferred	49¾	35	48 —Jan. 8	40½—Mar. 9	44	41½	43¼
Union Pacific	113¼	93½	104⅝—Jan. 9	86¼—Apr. 13	93⅛	86¼	90⅝
• preferred	95	86⅝	95¼—Feb. 11	87½—Apr. 13	91¼	87½	91¼
Wabash R. R	38¾	21¾	32¾—Feb. 27	24¾—Apr. 14	29	24¾	27⅞
• preferred	54⅛	37	55¼—Feb. 24	42¾—Apr. 14	50	42¾	46⅝
Western Union	97½	84¾	93 —Jan. 14	84 —Apr. 3	87½	84	85
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	21 —Apr. 13	24¼	21	23¾
• second preferred	42⅜	28	38½—Feb. 10	30¾—Apr. 13	34	30¾	33⅞
Wisconsin Central	31	19⅛	29¼—Feb. 9	22¾—Apr. 14	25¼	22¾	24
• preferred	57⅜	39½	55½—Feb. 6	46 —Apr. 14	49	46	48½
"Industrial"							
Amalgamated Copper	79	53	75⅝ - Mar. 12	60 —Apr. 13	67½	60	64
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	35⅞—Jan. 3	41⅝	38⅛	39⅞
• pref	93⅜	85¼	93 —Jan. 6	89½—Apr. 13	92	89½	91¼
American Co. Oil Co	57¾	30½	46¼—Feb. 20	39¾—Apr. 14	43½	39¾	42
American Ice	31⅞	9½	11⅞—Jan. 31	5¾—Mar. 10	9¾	7	9⅛
American Locomotive	36⅞	23½	31⅝—Feb. 17	25¼—Apr. 13	28¼	25¼	27
• preferred	100¼	89	95¾—Feb. 17	92½—Apr. 13	95⅛	92½	93⅞
Am. Smelting & Refining Co	49⅝	36⅞	52⅞—Feb. 17	42¾—Jan. 3	51⅞	46¾	50
• preferred	100⅛	87½	99½—Feb. 16	91¾—Apr. 13	95⅝	91¾	95
American Sugar Ref. Co	135⅛	113	134⅜—Jan. 8	119 —Apr. 6	127¾	119	125⅛
Anaconda Copper Mining	146	80	125½—Feb. 25	95 —Jan. 21	115¾	100½	103
Continental Tobacco Co. pref	126½	114	119 —Jan. 2	111¾—Apr. 14	116	111¾	115
Corn Products	38⅜	27	35 —Mar. 23	30¼—Jan. 2	34¼	31	32¾
• preferred	90	79⅝	85⅛—Jan. 19	80 —Apr. 13	82	80	81½
Distillers securities	33	27	34¾—Jan. 6	28 —Apr. 28	31	28	29½
General Electric Co	334	170	204 —Feb. 16	179 - Apr. 14	194¾	179	193½
International Paper Co	23⅝	16½	19⅞—Jan. 5	15 —Apr. 13	17½	15	16
• preferred	77⅛	70	74¼—Feb. 6	70¼—Apr. 25	71⅝	70¼	70¼
International Power	199	49	73 —Jan. 19	40 —Apr. 27	55	40	44
National Biscuit	53¼	40	47⅝—Feb. 17	41¾—Apr. 13	45¾	41¾	43½
National Lead Co	32	15⅝	29½—Feb. 5	23 —Apr. 13	26	23	24¾
Pressed Steel Car Co	63½	39	65¾—Jan. 26	60 —Mar. 6	61¾	60	60⅞
• preferred	96½	82¾	95 —Feb. 20	91½—Apr. 29	94½	91½	92
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	17⅞—Apr. 13	20	17⅞	19
• preferred	83⅜	68	80⅝—Feb. 18	75⅞—Apr. 13	79	75⅞	77½
Rubber Goods Mfg. Co	25⅝	17¼	30 —Feb. 16	21¾—Jan. 5	26⅝	23⅜	25¾
• preferred	74	63	84½—Feb. 17	72¾—Jan. 2	82	77½	81¼
U. S. Leather Co	15¼	10½	15¼—Feb. 11	12 —Mar. 10	14⅝	12	14
• preferred	91¼	79⅞	96 —Feb. 11	88¼—Jan. 16	95	90¼	94½
U. S. Realty & Con	32	20	28½—Jan. 2	18½—Apr. 13	23¾	18½	21¼
U. S. Rubber Co	19⅝	14	19⅛—Feb. 10	14 —Apr. 14	15⅝	14	14½
• preferred	64	49½	58 —Feb. 10	48 —Apr. 13	51	48	50
U. S. Steel	46¾	29¾	39⅞—Feb. 5	33⅞—Apr. 14	36½	33⅞	35¼
• pref	97¾	79	89¾—Jan. 7	83 —Apr. 13	87⅜	83	85

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	94	Apr. 29,'03	95	93½	35,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	138,155,000	A & O	100¼	Apr. 30,'03	100½	99½	1,166,000
" registered.................	....	A & O	102⅝	Feb. 11,'03	....	....	....
" adjustment, g. 4's.....1995	25,616,000	NOV	91	Apr. 30,'03	91	89½	179,500
" registered.................	....	NOV	94½	Apr. 15,'02	....	....	....
" stamped...............1995	26,112,000	M & N	91½	Apr. 30,'03	91½	89½	143,000
" serial debenture 4's—							
" series A................1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series B................1904	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series C................1905	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series D................1906	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series E................1907	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series F................1908	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series G................1909	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series H................1910	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series I................1911	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series J................1912	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series K................1913	2,500,000	F & A	....	....	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" series L................1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
" registered.................	....	F & A	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	30,281,000	M & S	95	Apr. 28,'03	95	93⅝	294,000
" registered...................		M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s..1925	69,798,000	J & J	94¼	Apr. 30,'03	94¼	92½	409,000
" registered...............		J & J	94½	Jan. 12,'03	....	....	....
" g. 4s...................1948	65,963,000	A & O	101	Apr. 30,'03	101	99½	653,000
" g. 4s. registered...........		A & O	100⅛	Apr. 21,'03	100¼	100⅛	7,000
" ten year c. deb. g. 4's..1911	592,000	M & S	103	Apr. 18,'03	103	100	35,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	90⅛	Apr. 20,'03	90⅛	90⅛	1,000
" registered................		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s........1941	20,000,000	M & N	97	Apr. 30,'03	97	95¼	229,000
" Southw'n div. 1st g. 3½s. 1925	41,990,000	J & J	89⅛	Apr. 30,'03	89½	87½	338,000
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	114¼	June27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,018,000	M & S	112	Nov.14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	116¼	Apr. 29,'03	116¼	115¼	15,000
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	125	Mar. 9,'03	....	....	....
" cons. 1st 6's, ...1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	3,021,000	J & J	103	June16,'02	....	....	....
" registered......		J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	104	Apr. 23,'03	104	100¾	16,500
" con. 1st & col. tst 5's...1934	7,803,000	A & O	121	Apr. 20,'03	121	120	15,000
" registered.................		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug.24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	104¼	Apr. 30,'03	104¼	103¾	179,009
• 2d mortg. 5's, ...1913	6,000,000	M & S	106⅛	Apr. 28,'03	106⅛	105¼	13,000
• registered..................		M & S	104⅛	Mar. 30,'03	....	....	....
Central Branch U. Pac. 1st g. 4's. 1948	2,500,000	J & D	93	Feb. 17,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1937	4,880,000	M & N	108¾	Apr. 18,'03	108¾	107½	14,000
Central R'y of Georgia, 1st g. 5's. 1945	7,000,000	F & A	122⅛	Jan. 5,'03	....	....	....
• registered $1,000 & $5,000		F & A	....	....	....	....	....
• con. g. 5's...............1945	16,700,000	M & N	108¼	Apr. 29,'03	108⅛	105	176,000
• con. g. 5's, reg. $1,000 & $5,000		M & N	105⅛	Sept. 18,'01	....	....	....
• 1st. pref. inc. g. 5's, ...1945	4,000,000	OCT 1	77	Apr. 30,'03	77	75	110,000
• 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	36¾	Apr. 30,'03	37	34	167,000
• 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	24	Apr. 25,'03	25	24	43,000
• Chat. div. pur. my. g. 4's. 1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
• Macon & Nor. Div. 1st g. 5's..................1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
• Mid. Ga. & Atl. div. g 5s. 1947	413,000	J & J	102	June 29,'99	....	....	....
• Mobile div. 1st g. 5's....1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's..................1987	45,091,000	J & J	132	Apr. 30,'03	132	129¼	36,000
• registered...............		Q J	129	Apr. 24,'03	129	128¼	43,000
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	113¼	Apr. 30,'03	113¼	113¼	4,000
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	103	Apr. 17,'03	103	103	1,000
• con. extended gtd. 4½'s. 1910	12,175,000	Q M	101½	Apr. 30,'03	101½	101	13,000
N.Y. & Long Branch gen. g. 4's. 1941	1,500,000	M & S	....	....	....	....	....
Charleston & Sav. 1st g. 7's.......1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	111	Mar. 30,'03	....	....	....
• Mortgage gold 6's......1911	2,000,000	A & O	112	Apr. 29,'03	112	111⅛	4,000
• 1st con. g. 5's............1939	25,858,000	M & N	117⅛	Apr. 24,'03	117½	116½	20,000
• registered..................		M & N	116	July 16,'01	....	....	....
• Gen. m. g. 4½'s..........1992	34,884,000	M & S	104⅛	Apr. 30,'03	104½	102¾	230,000
• registered..................		M & S	103	Apr. 18,'01	....	....	....
• Craig Val. 1st g. 5's.....1940	650,000	J & J	112	Nov. 3,'02	....	....	....
• (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	103	Apr. 23,'03	103	102	13,000
• 2d con. g. 4's............1989	1,000,000	J & J	97	Apr. 21,'03	97	93	22,000
• Warm S. Val. 1st g. 5's, 1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	....	....	....	....	....
Chic. & Alton R. R. s. fund g. 6's. 1903	1,671,000	M & N	101¾	Mar. 13,'03	....	....	....
• refunding g. 3's......1949	29,696,000	A & O	81½	Apr. 29,'03	82⅛	80	127,000
• • registered.....		A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s. 1950	22,000,000	J & J	76⅞	Apr. 30,'03	77	74	379,000
• registered................		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's. 1903	21,699,000	J & J	102⅛	Apr. 29,'03	102⅛	102	43,000
• Chic. & Iowa div. 5's....1905	2,820,000	F & A	104¾	Apr. 11,19'	....	....	....
• Denver div. 4's..........1922	5,126,000	F & A	100	Apr. 29,'03	100¾	100	2,000
• Illinois div. 3½s.........1949	37,096,000	J & J	95¼	Apr. 29,'03	95½	94⅝	24,000
• registered..................		J & J	....	....	....	....	....
• (Iowa div.) sink. f'd 5's, 1919	2,505,000	A & O	114⅜	Aug. 6,'02	....	....	....
• 4's.......................1919	8,222,000	A & O	101⅝	Apr. 30,'03	102	101⅜	24,000
• Nebraska extensi'n 4's, 1927	25,900,000	M & N	108¼	Apr. 29,'03	108¼	107¼	11,000
• registered..................		M & N	112¾	Apr. 17,'01	....	....	....
• Southwestern div. 4's..1921	2,750,000	M & S	100	Mar. 20,'02	....	....	....
• 4's joint bonds..........1921	215,155,000	J & J	93¾	Apr. 30,'03	93¾	90¼	1,202,000
• • registered		Q JAN	91	Apr. 21,'03	91¼	90	41,000
• 5's, debentures..........1913	9,000,000	M & N	107⅛	Apr. 24,'03	107⅛	106⅝	9,000
Han. & St. Jos. con. 6's.......1911	8,000,000	M & S	114⅜	Apr. 29,'03	114⅜	113	24,000
Chicago & E. Ill. 1st s. f'd c'y. 6's. 1907	2,989,000	J & D	110⅝	Apr. 29,'03	110⅝	110⅝	17,000
• small bonds...............		J & D	113	Apr. 2,'96	....	....	....
• 1st con. 6's, gold......1934	2,653,000	A & O	136½	Feb. 27,'03	....	....	....
• gen. con. 1st 5's.......1937	13,643,000	M & N	119	Apr. 30,'03	119	118½	338,000
• registered................		M & N	119½	Apr. 13,'03	119½	119½	50,000
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.							
• refunding g. 6's...........1947	4,700,000	J & J	128½	Apr. 21,'03	129	128½	9,000
• ref. g. 5's...................1947	4,142,000	J & J	110½	Apr. 23,'03	110½	110½	1,000
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	110⅛	Apr. 13,'03	110⅛	110⅛	5,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	LAST SALE. *Price.*	*Date.*	APRIL SALES. *High.*	*Low.*	*Total.*
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	2,136,000	J & J	194½	Oct. 21,'02	....	....	....
" terminal g. 5's.........1914	4,748,000	J & J	111	Apr. 29,'03	111	111	5,000
" gen. g. 4's, series A....1989	23,676,000	J & J	109	Apr. 29,'03	110¾	109	4,000
" registered................	....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B.1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered................		J & J	....		....	....	....
" Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	116⅛	Apr. 29,'03	116⅛	116⅛	1,000
" Chic. & M. R. div. 5's, 1926	3,083,000	J & J	118½	Apr. 20,'03	118½	117¼	4,000
" Chic. & Pac. div. 6's, 1910	3,000,000	J & J	113¼	Mar. 26,'03	....	....	....
" 1st Chic. & P. W. g. 5's. 1921	25,340,000	J & J	117¼	Apr. 25,'03	117¼	116	17,000
" Dakota & Gt. S. g. 5's. 1916	2,856,000	J & J	111⅜	Mar. 17,'03	....	....	....
" Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	119¾	Mar. 23,'03	....	....	....
" 1st 5's..................1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D. ex, 1908	1,132,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav...1919	2,500,000	J & J	114	Apr. 7,'03	114	114	4,000
" Mineral Point div. 5's, 1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's....1910	7,432,000	J & J	113	Apr. 29,'03	113⅛	113	42,000
" 1st 6's, Southw'n div., 1909	4,000,000	J & J	112⅛	Apr. 29,'03	112⅛	112⅛	51,000
" Wis. & Min. div. g. 5's. 1921	4,755,000	J & J	116⅛	Feb. 25,'03	....	....	....
" Mil. & N. 1st M. L. 6's. 1910	2,155,000	J & D	117	Mar. 19,'02	....	....	....
" 1st con. 6's.............1913	5,092,000	J & D	118½	Apr. 30,'03	118⅛	118	4,000
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	132¼	Apr. 23,'03	132⅜	131⅞	12,000
" extension 4's.....1886-1926	18,632,000	F A 15	101	Mar. 16,'03	....	....	....
" registered................		F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s...........1987	20,538,000	M & N	99	Apr. 27,'03	99	99	8,000
" registered		Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's..1879-1929	5,753,000	A & O	115½	July 22,'02	....	....	....
" registered................		A & O	111	Oct. 18,19'	....	....	....
" sinking fund 5s'..1879-1929	6,837,000	A & O	106	Apr. 1,'03	106	106	5,000
" registered................		A & O	106¾	Mar. 30,'03	....	....	....
" deben. 5's..............1909	5,900,000	M & N	105	Mar. 27,'03	....	....	....
" registered................		M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's..............1921	10,000,000	A & O	109½	Apr. 10,'03	109½	108	2,000
" registered................		A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's. 1933	9,800,000	M & N	116⅛	Apr. 16,'03	116⅛	115⅞	8,000
" registered................		M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's........1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	107	Oct. 28,'01	....	....	....
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	115⅜	Apr. 30,'03	115⅜	115⅜	7,000
Mil., L. Shore & We'n 1st g. 6's. 1921	5,000,000	M & N	131¾	Apr. 24,'03	131¾	130¾	2,000
" ext. & impt. s. f'd g. 5's 1929	4,148,000	F & A	119¼	Apr. 13,'03	119¼	119¼	3,000
" Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's. 1924	1,281,000	J & J	139¾	Jan. 10,'02	....	....	....
" con. deb. 5's...........1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes...............1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	127	Mar. 2,'03	....	....	....
" registered.............1917		J & J	125½	Mar. 12,'03	....	....	....
" gen. g. 4's.............1988	40,581,000	J & J	106	Apr. 30,'03	106	105	109,000
" registered		J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's........							
" series A...............1903	1,473,000	M & N	....		....	....	....
" B.....................1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
" C.....................1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
" D.....................1906	1,473,000	M & N	....		....	....	....
" E.....................1907	1,473,000	M & N	....		....	....	....
" F.....................1908	1,473,000	M & N	....		....	....	....
" G.....................1909	1,473,000	M & N	....		....	....	....
" H.....................1910	1,473,000	M & N	99⅝	June 30,'02	....	....	....
" I.....................1911	1,473,000	M & N	....		....	....	....
" J.....................1912	1,473,000	M & N	....		....	....	....
" K.....................1913	1,473,000	M & N	....		....	....	....
" L.....................1914	1,473,000	M & N	....		....	....	....
" M.....................1915	1,473,000	M & N	99½	July 10,'02	....	....	....
" N.....................1916	1,473,000	M & N	99⅜	June 28,'02	....	....	....
" O.....................1917	1,473,000	M & N	....		....	....	....
" P.....................1918	1,473,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's..2002	69,155,000	M & N	86¼	Apr. 30,'03	86¾	84¼	701,000
" registered................		M & N	88¼	Jan. 7,'03	....	....	....
Des Moines & Ft. Dodge 1st 4's. 1905	1,200,000	J & J	98⅜	Feb. 26,'03	....	....	....
" 1st 2½'s...............1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4's	672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st [illegible] 5's..1923	2,750,000	A & O	100	Apr. 28,'03	100	100	14,500
" small bond.. 1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,605,000	J & D	133⅜	Mar. 17,'03	....	....	....
" con.6's reduced to 3½'s	1930	2,000,000	J & D	....	....	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,907,000	M & N	137	Apr. 3,'03	137	137	1,000
North Wisconsin 1st mort. 6's	1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	123¼	Apr. 7,'03	123¼	123¼	15,000
Chic., Term. Trans. R. R. g. 4's	1947	18,635,000	J & J	84⅛	Apr. 30,'03	84⅛	82⅛	22,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,868,000	Q M	113⅛	Apr. 20,'03	113⅛	113⅛	1,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's	1952	5,062,000	M & N	....	....	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	115	Jan. 30,'03	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	100¼	Apr. 29,'03	100¼	99⅜	43,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100	Jan. 8,'03	....	....	....
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	102¾	Apr. 17,'03	102¾	102¾	13,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Nov. 22,'99	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	103	Mar. 13,'03	....	....	....
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115	Nov. 3,'01	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134½	Jan. 7,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	132	Apr. 24,'03	132	132	1,000
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	97¼	Apr. 30,'03	98⅛	95	88,000
" income 4's	1990	4,000,000	A	74⅛	Apr. 30,'03	74⅛	72⅛	119,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,986,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	77	Apr. 28,'03	78	76¼	54,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	89¾	Apr. 30,'03	89¾	88	254,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	113	Mar. 4,'03	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	132	Apr. 24,'03	132	132	1,000
" 1st c. gtd 7's	1915	12,151,000	J & D	133½	Apr. 24,'03	133½	133½	4,000
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	131⅛	Apr. 23,'03	131⅛	130⅛	5,000
" const. 5's	1923	5,000,000	F & A	115	Apr. 1,'03	115	115	3,000
" terml. imp. 4's	1923	5,000,000	M & N	103	Apr. 28,'03	103	103	30,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	113⅜	Feb. 18,'02	....	....	....
Warren Rd. 1st rfdg. gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	137	Mar. 20,'03	....	....	....
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	111¼	Feb. 27,'03	....	....	....
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
" 1st r 7's	1921		M & N	147½	June 18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	99½	Apr. 30,'03	99½	98	264,000
" con. g. 4½'s	1936	6,382,000	J & J	105¾	Apr. 16,'03	106	105¾	15,000
" impt. m. g. 5's	1928	8,103,500	J & D	107¼	Apr. 28,'03	107¼	107¼	2,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	78	Mar. 3,'03	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
" g. 4s	1995	1,250,000	J & D	93½	Apr. 13,'03	93½	93½	1,000
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,266,000	M & S	91⅝	Feb. 28,'03	....	....	....
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	109½	Apr. 1,'03	109½	109½	1,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	113	Mar. 26,'03	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	112½	Mar. 4,'03	....	....	....

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Erie 1st ext. g. 4's.....1947	2,482,000	M & N	116⅛	Dec. 23,'02	....	....	....
" 2d extended g. 5's.....1919	2,149,000	M & S	119¼	June 6,'02	....	....	....
" 3d extended g. 4½'s...1923	4,618,000	M & S	116⅛	Apr. 16,'02	....	....	....
" 4th extended g. 5's....1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's....1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons. gold 7's.......1920	16,890,000	M & S	134½	Apr. 20,'03	134½	134½	11,000
" 1st cons. fund g. 7's....1920	3,699,500	M & S	132¼	Apr. 1,'03	132¼	132¼	6,000
Erie R.R. 1st con.g-4s prior bds.1996	34,000,000	J&J	98½	Apr. 30,'03	98½	97	158,000
" registered..........		J&J	98	Jan. 2,'03	....	....	....
" 1st con. gen. lien g. 4s.1996	34,885,000	J&J	86	Apr. 30,'03	86	83⅝	389,000
" registered..........		J&J	....	....	....	....	....
" Penn. col. trust g. 4's.1951	32,000,000	F & A	91⅝	Apr. 29,'03	91⅝	88	115,000
Buffalo, N. Y. & Erie 1st 7's.....1916	2,380,000	J & D	129	Mar. 18,'03	....	....	....
Buffalo & Southwestern g. 6's..1908	1,500,000	J&J	....	....	....	....	....
" small..........		J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's.....1982	12,000,000	M & N	120	Apr. 7,'03	120	120	7,000
Jefferson R. R. 1st gtd g. 5's....1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.......1935	7,500,000	A & O	130	Apr. 14,'03	131	130	4,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's..........1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's..........1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's..1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small..........					....	....	....
Midland R. of N. J. 1st g. 6's...1910	3,500,000	A & O	112½	Mar. 6,'03	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's..1937	3,750,000	J & J	112¼	Apr. 30,'03	112¼	109	7,000
" 2d g. 4½'s..........1937	453,000	F & A	97¾	Apr. 15,'03	97¾	97¾	1,000
" gen. g. 5's..........1940	2,546,000	F & A	106	Mar. 23,'03	....	....	....
" term. 1st g. 5's.......1943	2,000,000	M & N	115	Jan. 17,'03	....	....	....
" registered......$5,000 each		M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	112	Apr. 2,'03	112	112	1,000
Evans. & Terre Haute 1st con. 6's.1921	3,000,000	J & J	122	Apr. 28,'03	122	122	3,000
" 1st General g 5's.........1942	2,223,000	A & O	103	Apr. 28,'03	103	103	10,000
" Mount Vernon 1st 6's...1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's...1930	450,000	A & O	95	Sept.15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's....1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's...1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's..1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's..........1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs.dep.1st 6's..1921	8,176,000	......	110	Apr. 30,'03	110½	107	72,000
Ft. Worth & Rio Grande 1st g 5's.1928	2,863,000	J & J	84½	Apr. 30,'03	85	84	23,000
Galveston H. & H. of 1882 1st 5s..1913	2,000,000	A & O	103	Apr. 20,'03	103½	100½	7,000
Geo. & Ala. 1st con. g 5s..........1945	2,922,000	J & J	109	Apr. 21,'03	109	109	1,000
Ga. Car. & N. Ry. 1st gtd. g. 5's..1927	5,360,000	J & J	108¾	Mar. 31,'03	....	....	....
Gulf & Ship Isl. 1st refg.&ter.5's..1952	2,931,000	J & J	108¼	Mar. 9,'03	....	....	....
" registered..........		J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s...1999	11,397,000	J & J	106½	Apr. 21,'03	108	105½	43,000
" registered..........		J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's.1848	1,401,000	A & O	105¾	Mar. 20,'03	....	....	....
Illinois Central, 1st g. 4's.........1951	1,500,000	J&J	113½	Apr. 7,'03	113½	113½	3,000
" registered..........		J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s..........1951	2,499,000	J&J	101¾	Apr. 23,'03	101¾	101¾	11,000
" registered..........		J&J	94	Mar. 28,'03	....	....	....
" 1st g 3s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered..........		M & S	....	....	....	....	....
" total outstg....$13,950,000							
" collat. trust gold 4's..1952	15,000,000	A & O	113	Apr. 24,'03	113	113	10,000
" regist'd..........		A & O	102	Oct. 4,'01	....	....	....
" col.t.g.4sL.N.O.&Tex.1953	24,679,000	M & N	102¼	Apr. 20,'03	102¼	102¼	2,000
" registered..........		M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's.....1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered..........		J & D	123	May 24,'99	....	....	....
" Louisville div.g. 3½'s.1953	14,320,000	J & J	95	Apr. 14,'03	95	95	2,000
" registered..........		J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's...1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's....1951	4,939,000	J & J	87¼	May 24,'02	....	....	....
" registered..........		J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s..........1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered..........		J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered..........		J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's, 1951	5,425,000	F & A	108¾	Mar. 14,'03	....	....	....
" registered..........		F & A	101½	Jan. 31,19'	....	....	....
Belleville & Carodt 1st 6's......1923	470,000	J & D	124	May 16,'01	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	125 1/8	Jan. 12,'03	....	....	....
" gold 5's, registered.......			J D 15	126 1/4	Nov. 18,'01	....	....	....
" g. 3 1/2's................	1951	1,352,000	J D 15	104 5/8	Apr. 11,'02	....	....	....
" registered................			J D 15	106 1/4	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106 1/8	Jan. 28,'03	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	107 1/2	Mar. 28,'03	....	....	....
" 1st gtd. g. 5's...........	1935	933,000	J & J	107 1/2	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	98 1/2	Mar. 19,'03	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,742,000	M & N	122 1/2	Apr. 28,'03	122 1/2	122	4,000
" 2d g. 5's..................	1909	9,842,000	M & S	96 1/2	Apr. 29,'03	97 1/4	96 1/2	37,000
" 3d g. 4's..................	1921	2,730,000	M & S	74 1/4	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	113 3/4	Apr. 30,'03	114	112	13,000
" refunding g. 4's ...	1951	2,000,000	M & S	91 3/4	Apr. 27,'03	92	91	9,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's........................	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	70	Apr. 27,'03	70	67 5/8	367,000
" registered....................			A & O	63 1/4	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	120	Apr. 18,'03	120	119 1/2	21,000
" 2d mtge. g. 5's...........	1941	3,625,000	J & J	113 1/2	Mar. 14,'03	....	....	....
Northern Ohio 1st gtd g 5's....	1945	2,500,000	A & O	111	Apr. 13,'03	111	111	6,000
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered....................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4 1/2's.	1940	15,000,000	J&J	107 3/4	Apr. 29,'03	107 3/4	107 3/4	7,000
" registered....................		....	J&J	109 1/2	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	117 1/2	Dec. 1,'02	....	....	....
" registered....................			A & O	109 1/2	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	106 1/2	Sept. 8,'01	....	....	....
" registered...............	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	93 1/2	Apr. 29,'03	93 1/2	93 1/2	1,000
" registered....................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
" 1st con. g. 4's...........	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........	1938	3,000,000	J & D	102	Apr. 24,'03	102	101 3/4	7,000
" Ferry 1st g. 4 1/2's......	1922	1,500,000	M & S	102	Apr. 20,'03	102	102	2,000
" g. 4's...................	1932	325,000	J & D	102 1/2	May 5,'97	....	....	....
" unified g. 4's...........	1949	6,860,000	M & S	97 7/8	Apr. 7,'03	98	97 7/8	3,000
" deb. g. 5's.......	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
" 1st 5's..................	1911	750,000	M & S	105 1/4	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112 1/2	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112 1/2	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,911,000	J & D	116 1/2	Apr. 30,'03	116 1/2	116 1/2	16,000
" gold 5's................	1937	1,764,000	M & N	112	Apr. 27,'03	112	112	1,000
" Unified gold 4's........	1940	29,677,000	J & J	101	Apr. 28,'03	100 1/2	100	157,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	112	Apr. 21,'03	112	112	15,000
" E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	111 1/2	Mar. 13,'03	....	....	....
" L. Cin. & Lex. g. 4 1/2's..	1931	3,258,000	M & N	108 1/4	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	126	Apr. 27,'03	126	125	2,000
" 2d g. 6's................	1930	1,000,000	J & J	124 5/8	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116 3/8	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125 1/2	Aug. 12,'02	....	....	....
" 2d g. 3's................	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,621,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	100	Apr. 6,'03	100	100	18,000
" L. & N. & Mob. & Montg 1st. g. 4 1/2s..........	1945	4,000,000	M & S	110 1/2	Mar. 20,'02	....	....	....
" South. Mon. joint 4's.	1952	11,683,000	J & J	91	Apr. 28,'03	91	90	130,000
" registered....			Q Jan	....		....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	113	Mar. 30,'03	....	....	....
" Pen. & At. 1st g. g. 6's,	1921	2,550,000	F & A	111 1/2	Mar. 2,'03	....	....	....
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s,	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	101 1/4	Apr. 25,'03	101 7/8	101	216,000
" registered....................			A & O	103 7/8	Dec. 17,'02	....	....	....

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			Price.	*Date.*	*High.*	*Low.*	*Total.*
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	110	Apr. 29,'03	111	110	46,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's..........1911	65,643,000	J & J	79	Apr. 30,'03	79	76½	115,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	26⅝	Apr. 30,'03	27⅜	24	1,322,000
" 2d 3's....................1939	11,724,000	JULY	16⅝	Apr. 30,'03	18¼	14¾	392,500
" equip. & collat. g. 5's....1917	650,000	A & O	....	....	....	....	....
" 2d series g. 5's..........1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	94¼	Apr. 30,'03	94¾	94	181,000
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd................	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,083,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	144½	Apr. 7,'03	144½	144½	1,000
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	123½	Apr. 29,'03	123½	123½	2,000
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's............1934	5,000,000	M & N	117	Apr. 30,'03	117¼	117	10,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	100½	Apr. 30,'03	100½	98	12,000
Minneapolis & Pacific 1st m. 5's..1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.			....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	39,718,000	J & D	99½	Apr. 30,'03	99½	98⅜	213,500
" 2d mtge. g. 4's.........1990	20,000,000	F & A	82	Apr. 30,'03	82¼	80	146,000
" 1st ext gold 5's.. 1944	2,548,000	M & N	102½	Apr. 24,'03	102½	102	23,000
St. Louis div. 1st refundg 4s...2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.1942	3,597,000	M & S	102	Apr. 29,'03	103½	102	12,000
Sher.Shrevept & So1st gtd.g.5's1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	88	Apr. 21,'03	88	88	3,000
Tebo. & Neosho 1st 7's.........1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	108	Apr. 30,'03	108	107½	21,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	120½	Apr. 14,'03	120½	120¼	16,000
" 3d mortgage 7's.......1906	3,828,000	M & N	111½	Apr. 30,'03	111½	111	46,000
" trusts gold 5's stamp'd1917	14,376,000	M & S	104¼	Apr. 30,'03	104¼	103¼	132,000
" registered................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	104⅜	Apr. 30,'03	104⅜	102¾	164,000
" registered................		F & A	....	....	....	....	....
Cent. Branch Ry.1st gtg. g. 4's.1919	3,459,000	F & A	90	Apr. 30,'03	91	90	45,000
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	103½	Apr. 30,'03	103½	103½	1,000
" 2d extended g. 5's.....1938	2,573,000	F & A	112	Apr. 13,'03	112	112	3,000
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,258,000	A & O	112¼	Apr. 30,'03	113	110½	443,000
" stamped gtd gold 5's..1931	6,945,000	A & O	112½	Dec. 18,'02	....	....	....
" unify'g & rfd'g g. 4's.1929	25,726,000	J & J	87⅞	Apr. 30,'03	88½	87	125,000
" registered................		J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small........................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's..............1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small........................	500,000	......	....	....	....	....	....
Mob. Jackson&Kan.City 1stg.5's.1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	124	Apr. 14,'03	124	124	5,000
" 1st extension 6's......1927	974,000	J & D	124⅜	Apr. 28,'03	124⅜	124⅜	2,000
" gen. g. 4's............1938	9,472,000	Q J	93	Apr. 17,'03	93	93	2,000
" Montg'rydiv.1st g.5's.1947	4,000,000	F & A	114	Mar. 30,'03	....	....	....
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's........1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	122¾	Apr. 15,'03	122¾	122¾	3,000
" 1st cons. g. 5's..........1928	7,412,000	A & O	112½	Apr. 29,'03	112½	112	21,000
" 1st g.6's Jasper Branch.1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	116	July 31,'02	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s.1926	20,000,000	J & J	101	Apr. 23,'03	102	101	51,000
" 1st con. g. 4's............1951	22,000,000	A & O	76½	Apr. 29,'03	76½	73	239,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
N.Y. Cent. & Hud. R. g. mtg. 3½s. 1997	64,112,000	J & J	102	Apr. 30,'03	102	102	7,000
" " registered		J & J	102	Mar. 10,'03	....	....	....
" debenture 5's.....1884-1904	4,480,000	M & S	101	Apr. 13,'03	101	101	2,000
debenture 5's reg..........		M & S	102⅝	Nov. 28,'02	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	100⅝	Jan. 13,'03	....	....	....
" registered..................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,781,000	M & N	100⅝	Apr. 28,'03	100⅝	100⅝	3,000
" registered..................		M & N	99⅛	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	92	Apr. 30,'03	92¾	91¼	201,000
" registered..................		F & A	90¼	Apr. 30,'03	90¼	89	132,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	90⅛	Apr. 29,'03	90⅛	89	21,000
" registered..................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	107⅛	Mar. 14,'03	....	....	....
" registered..................		J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's..........1936	500,000	J & J	....		....	....	....
" registered..................	....	J & J	....		....	....	....
" ext. 1st. gtd. g. 3½'s..1951	4,500,000	A & O	....		....	....	....
" registered..................		A & O	....		....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B......	33,100	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....		....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107⅛	July 6,19'	....	....	....
" inc. 5's..................1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........		F & A	....		....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105⅛	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....		....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	109⅞	Apr. 30,'03	110	109	99,000
" registered..................		J & J	109¾	Apr. 29,'03	110	109	119,500
Lake Shore con. 2d 7's..........1903	6,312,000	J & D	103	Jan. 13,'03	....	....	....
" con. 2d registered....1903		J & D	102¾	Jan. 9,'03	....	....	....
" g 3½s..................1997	43,820,000	J & D	101	Apr. 23,'03	101	101	2,000
" registered..................		J & D	105	Jan. 6,'03	....	....	....
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....		....	....	....
McKspt & Bell. V. 1st g. 6's...1918	600,000	J & J	....		....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	112⅛	Mar. 3,'03	....	....	....
" 5's......................1931	3,576,000	M & S	123⅛	Mar. 13,'03	....	....	....
" 5's reg..................1931		Q M	127	June 19,'02	....	....	....
" 4's......................1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg....................		J & J	106⅛	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.............	2,000,000	M & S	....		....	....	....
" 1st g. 3½'s..............1952	10,000,000	M & N	....		....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....		....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	119⅛	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	118⅛	Apr. 30,'03	118⅛	118	2,000
coup. g. bond currency..........		A & O	....		....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....		....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	107⅜	Feb. 2,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	103⅛	Apr. 30,'03	103⅛	102	92,000
" registered..................		A & O	103	Apr. 29,'03	103	103	2,000
N. Y., N. Haven & H. 1st reg. 4's. 1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
" con. deb. receipts.....$1,000	856,000	A & O	206	Apr. 3,'03	206	206	1,000
" small certifs.............$100	136,700	......	218	Feb. 11,'03	....	....	....
Housatonic R. con. g. 5's.........1937	2,838,000	M & N	131¾	Apr. 29,'03	131¾	128¾	9,000
New Haven and Derby con. 5's..1918	575 000	M & N	115⅛	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's......1905	6,000,000	J & J	105	Apr. 15,'03	105	105	3,000
" 1st 6's....................1905	4,000,000	J & J	103¾	Apr. 17,'02	103¾	103¾	2,000
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	16,937,000	M & S	100½	Apr. 30,'03	101	99	114,000
" registered.......$5,000 only.	....	M & S	100⅝	Mar. 4,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,380,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	133½	Apr. 25,'03	133⅛	133⅛	8,000
" imp'ment and ext. 6's...1934	5,000,000	F & A	128	Apr. 1,'03	128	128	2,000
" New River 1st 6's........1932	2,000,000	A & O	132¼	Jan. 16,'03	....	....	....

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Norfolk & West. Ry 1st con. g. 4s.	1996		A & O	98½	Apr. 30,'03	98½	97¾	214,500
" registered		34,210,500	A & O	100½	Jan. 13,'02			
" small bonds			A & O					
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	93½	Apr. 29,'03	93½	90¼	204,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01			
" Sci'o Val & N.E. 1st g. 4's,	1989	5,000,000	J & N	101	Apr. 17,'03	101	100¾	73,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	100,209,500	Q J	102½	Apr. 29,'03	102¾	101½	374,000
" registered			Q J	102¾	Apr. 25,'03	102¾	100	18,000
" gen. lien g. 3's	2047	56,000,000	Q F	71¾	Apr. 30,'03	72½	71	629,500
" registered			Q F	70½	Mar. 9,'03			
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	102½	May 20,'02			
" registered			J & D					
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	125	Apr. 21,'03	126	125	11,000
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	118	Nov. 6, 02			
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02			
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Mar. 3,'03			
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	94½	Feb. 19,'01			
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,692,000	J & J	115½	Mar. 13,'03			
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114	Dec. 30,'02			
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	107½	Mar. 26,'03			
Panama 1st sink fund g. 4½'s	1917	2,386,000	A & O	102	Apr. 21,'03	102	102	19,000
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	107¾	Apr. 8,'03	108½	107¾	3,000
" reg	1921		J & J	106	Mar. 26,'03			
" gtd. 3½ coi. tr. reg. cts.	1937	5,000,000	M & S	96½	Dec. 11,'02			
" gtd. 3½ col. tr. cts. ser B	1941	10,000,000	F & A	96	Mar. 19,'03			
" Trust Co. ctfs. g. 3½'s.	1916	18,666,000	M & N	97½	May 12,'02			
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	122¼	Feb. 9,'03			
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con. gtd. g. 4's.	1942	1,063,000	J & J					
Clev.&P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	121	Oct. 22,19'			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,933,000	F & A					
E.&Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,250,000	J & J	102	Nov. 7,19'			
" " " C.	1940	1,508,000	J & J					
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	114½	Jan. 20,'03			
" Series B gtd	1942	8,786,000	A & O	110⅛	Apr. 29,'03	110⅛	110⅛	5,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01			
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02			
" Series E gtd. g. 3½s.	1949	10,840,000	F & A	96	Jan. 13,'03			
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,407,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	2,047,500	J & J	128	Jan. 26,'03			
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03			
Tol Walhonding Vy.&O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,492,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	104	Apr. 6,'03	104	104	1,000
con. sterling gold 6 per cent	1905	22,762,000	J & J					
con. currency, 6's registered	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S					
" registered			Q M					
con. gold 4 per cent	1943	3,000,000	M & N					
" ten year conv. 3½'s.	1912	50,000,000	M & N	98	Apr. 30,'03	98¼	96⅛	1,859,000
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	110	Aug. 28,19'			
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del. R. RR.& BgeCo 1st gtd g. 4's,	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Dec. 8,'02			
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	124½	Apr. 18,'03	124½	124½	1,000
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'			
Pere Marquette.								
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	120	Apr. 20,'03	120	119	2,000
" 1st con. gold 5's	1939	2,850,000	M & N	110½	Mar. 10,'03			
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	111½	Apr. 4,'03	111½	111½	2,000
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			
Pittsburg, Clev. & Toledo 1st 6's.	1922	2,400,000	A & O	107½	Oct. 26,'93			

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Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	119	Nov.25,'02	....	....	....
" 1st cons. 5's............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's, 1917	1,589,000	J & J	100⅛	Mar. 25,'03	....	....	....
" J. P. M. & Co., ctfs., ...	8,111,000	......	100¼	Feb. 13,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's...........1997	64,526,000	J & J	97¾	Apr. 30,'03	97⅞	96½	436,000
" registered..................		J & J	92	Apr. 16,19'	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	92½	Apr. 30,'03	92⅞	91¾	57,000
" " registered.....	....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's. 1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	98	Apr. 30,'03	98¼	94	150,000
" mge & col.tr.g.4's ser.A.1949	12,200,000	A & O	89	Apr. 27,'03	89¾	88	43,000
" Utah Cen. 1st gtd. g. 4's.1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	92	Mar. 23,'03	....	....	....
" guaranteed..............	2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s 1941	2,440,000	J & J	....		....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2,342.......1947	3,500,000	J & J	87	Mar. 19,'03	....	....	....
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....		....	....	....
" 2d g. 6's................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	105⅞	Mar. 17,'03	....	....	....
" 2d g. 6's, Class C 1906	829,000	M & N	106	Apr. 14,'03	106	106	3,000
" gen. g. 6's...........1931	3,681,000	J & J	127¾	Apr. 30,'03	127¾	127½	2,000
" gen. g. 5's 1931	5,803,000	J & J	114	Apr. 29,'03	114	110	18,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's........1947	829,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's.......1951	45,663,000	J & J	87⅝	Apr. 30,'03	88¼	86½	1,238,000
" " registered...		J & J	....		....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	124	Mar. 19,'03	....	....	....
Kan.Cy Ft.S&MRyrefggtd g4s.1936	12,355,000	A & O	86	Apr. 30,'03	86	85	83,000
" registered..................		A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	96½	Apr. 29,'03	96¾	94½	120,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	83	Apr. 21,'03	83	83	3,000
" con. g. 4's..............1932	12,054,000	J & D	82½	Apr. 30,'03	82½	82	9,000
Gray's Point, Term. 1stgtd.g.5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,428,000	A & O	113½	Feb. 24,'03	....	....	....
" 1st con. 6's............1933	13,344,000	J & J	132½	Apr. 28,'03	132½	131½	15,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g.4½'s...	20,108,000	J & J	110½	Apr. 29,'03	110½	109	8,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,573,000	M & N	113⅝	Apr. 23,'03	113¾	113⅝	6,000
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	102½	Apr. 24,'03	102½	102½	5,000
" registered.................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std.1stg.5's..1908	4,700,000	A & O	103½	Apr. 8,'03	103½	103½	1,000
" registered................		A & O	....		....	....	....
" Minn. N. div. 1stg.4's..1940	5,000,000	A & O	....		....	....	....
" registered................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	124½	June12,'02	....	....	....
" registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	125½	Feb. 17,'02	....	....	....
" registered................		J & D	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's...1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's...............1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.1928	2,800,000	M & N	111	Apr. 20,'03	111	111	2,000
Brunsw. & West.1st gtd. g.4's..1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.S.Oc.&G.R.R.& lg. gtd.g.4's.1918	1,107,000	J & J	96½	Feb. 10,'03	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	82½	Apr. 29,'03	82½	79	94,000
" registered................		A & O	....		....	....	....
" col. trust refdg g. 5's..1911	10,000,000	M & N	103	Apr. 24,'03	103	102	29,000
Seaboard & Roanoke 1st 5's......1926	2,500,000	J & J	104¾	Feb. 5,'98	....	....	....
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	APRIL SALES. *High.*	*Low.*	*Total.*
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	99	Apr. 30,'03	99	98½	128,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	91	Apr. 30,'03	91	89	179,500
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..1949	60,017,000	F & A	99	Apr. 29,'03	99¼	98	329,500
" registered...............		F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s...1929	18,069,500	J & D	86½	Apr. 23,'03	86¾	86	21,000
" " registered		J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's...............1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's.1924	1,514,000	M & N	109½	Feb. 24,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	103	Aug. 18,'02	....	....	....
" 1st gtd. g. 5's.........1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	2,826,000	J & J	111	Apr. 24,'03	111	110½	22,000
" con. g 6's int. gtd......1912	2,911,000	A & O	111	Mar. 14,'03	....	....	....
" gen. g 4's int. gtd......1921	4,287,000	A & O	90½	Apr. 30,'03	92	90½	37,000
" W&Nwn. div. 1st. g. 6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's.................1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,207,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	81	Apr. 30,'03	83¾	80½	238,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	110¼	Apr. 9,'03	110¼	110¼	1,000
" " " 1910	4,000,000	J & J	111½	Apr. 6,'03	111½	111½	5,000
" of Cal. 1st g 6's ser. A.1905	29,192,500	A & O	103¼	Apr. 29,'03	103¼	103	22,000
" " " ser. B.1905		A & O	104⅜	Apr. 23,'03	104⅜	104⅜	5,000
" " " C. & D.1906		A & O	105¾	Apr. 8,'03	105¾	105¾	1,000
" " " E. & F.1902		A & O	119¾	Feb. 20,'03	....	....	....
" " " 1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's...1937	6,809,000	M & N	107	Nov. 27,19'	....	....	....
" stamped........1905-1937	20,420,000	......	110	Mar. 9,'03	....	....	....
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	112	Dec. 31,'02	....	....	....
Tex. & New Orleans 1st 7's......1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's..............1943	1,620,000	J & J	101	Apr. 25,'03	101	101	9,000
Southern Railway 1st con. g 5's.1994	35,367,000	J & J	116	Apr. 30,'03	117	114¾	325,000
" registered..................		J & J	117	Feb. 26,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	95⅛	Apr. 25,'03	95⅛	94	28,000
" registered................		M & S	....		....	....	....
" Memph. div. 1st g. 4-4½-5's.1996	5,183,000	J & J	112½	Apr. 15,'03	112½	112½	2,000
" registered..................		J & J	....		....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	95½	Apr. 30,'03	95⅝	95½	41,000
" " registered.........		J & J	....		....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.1930	3,106,000	J & J	115¾	Apr. 6,'03	115¾	115¾	5,000
" con. 1st g 5's...........1956	12,770,000	M & N	119½	Apr. 30,'03	119½	117¼	66,000
" reorg. lien g 4's.......1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered.................		M & S			....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	124½	Feb. 18,'03	....	....	....
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	118	Apr. 23,'03	118	117	6,000
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	109¼	Apr. 21,'03	109¼	109	2,000
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	108	Apr. 29,'03	108	107	9,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....		....	....	....
" small......................		M & S	....		....	....	....
" ser. B 6's.............1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small......................		M & S	....		....	....	....
" ser. C 6's.............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small......................		M & S	....		....	....	....
" ser. D 4-5's...........1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small......................		M & S	....		....	....	....
" ser. E 5's.............1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small......................		M & S	....		....	....	....
" ser. F 5's.............1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......1936	2,392,000	M & N	114¾	Apr. 16,'03	115	114	26,000
" gen. 5's. gtd. stamped.1926	2,466,000	M & N	116½	Dec. 30,'01	....	....	....

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	April Sales. High.	April Sales. Low.	April Sales. Total.
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	93	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's........1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	112¾	Feb. 13,'03	....	....	....
" 1st con. g. 5's.....1894–1944	5,000,000	F & A	116¼	Apr. 24,'03	117	116¼	7,000
St. L. Mers. bdg. Ter. gtd g. 5's. 1930	3,500,000	A & O	117⅞	Mar. 18,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	101¾	Sept.25,19'	....	....	....
" 1st gold 5's..............2000	22,059,000	J & D	117	Apr. 27,'03	117	115	98,000
" 2d gold income, 5's......2000	963,000	MAR.	99	Feb. 20,'03	....	....	....
" La. Div.B.L. 1st g.5's...1931	3,348,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	112	Apr. 23,'03	112	112	3,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	113⅞	Nov.17,'02	....	....	....
" gen. g. 5's...............1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	92	Apr. 28,'03	92	90	4,000
Toledo Peoria & W. 1st g 4's....1917	4,900,000	J & D	90	Apr. 17,'03	90	89	30,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	85½	Apr. 28,'03	85¾	85	28,000
" registered..................		J & J	....		....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	75	Apr. 30,'03	77	74	36,000
" registered..................		A & O	....		....	....	....
Toronto, Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	98	98	1,000
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	110	Apr. 25,'03	110	109	5,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	102¼	Apr. 30,'03	103	101⅛	1,028,500
" registered.................		J & J	101¾	Apr. 30,'03	102¼	101¾	28,000
" 1st lien con. g. 4's......1911	87,259,000	M & N	102⅛	Apr. 30,'03	102⅞	99¾	7,590,000
" registered.................		M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	101	Apr. 30,'03	101	99⅞	92,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	124⅛	Apr. 29,'03	124¾	123⅞	45,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	113½	Apr. 30,'03	113½	112	68,500
" 4's&participat'g g.bds.1927	41,000,000	F & A	93	Apr. 30,'03	93¼	90	1,203,000
" registered................		F & A	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
" g. 5's.....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	102⅛	Apr. 27,'03	102⅛	102	29,000
Wabash R.R. Co., 1st gold 5's....1939	32,470,000	M & N	117¼	Apr. 30,'03	118	115¼	82,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	107⅞	Apr. 29,'03	108⅛	104⅛	113,000
" deben. mtg series A...1939	3,500,000	J & J	101½	Apr. 28,'03	101⅞	100	5,000
" series B.................1939	26,500,000	J & J	75⅝	Apr. 30,'03	77¼	67	8,172,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	109⅛	Apr. 27,'03	109⅛	108	11,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	81	Apr. 18,'03	81	81	1,500
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.& N.St.Chas.B.1st6's1908	510,000	A & O	109½	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	117½	Apr. 15,'03	117¾	117¼	33,000
" gen g. 3–4's..............1943	9,789,000	A & O	98½	Apr. 24,'03	99	97¾	15,000
" inc. 5's...................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	112	Apr. 27,'03	112	112	1,000
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	116½	Jan. 21,'03	...	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	91⅝	Apr. 30,'03	92⅛	90¾	26,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,879,000	J & J	91	Apr. 28,'03	92	90	86,000
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	105	Apr. 29,'03	105	103	11,000
" Atl. av.Bkn .imp.g.5's,1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	110	Apr. 14,'03	110	109¼	3,000
" Qu. Co. & Sur. con. gtd. g. 5's..................1941	2,255,000	M & N	102	Jan. 8,'03	....	....	....
" Union Elev. 1st. g. 4–5s.1950	16,000,000	F & A	101	Apr. 30,'03	101⅝	100	217,000
" stamped guaranteed......		......	100	Apr. 8,'03	100	100	5,000
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	87½	Apr. 3,'03	87½	87½	3,000
" stamped guaranteed......		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105¾	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	780,000	A & O	97½	June 13,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	918,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....		....	....	....
Louisville Railw'y Co.1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	114⅝	Apr. 29,'03	114⅛	113	70,000
" refunding 4's..........2002	12,780,000	A & O	92⅛	Apr. 16,'03	92⅛	92	83,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	117	Mar. 17,'03	....	....	....
" registered..................		J & D	119⅛	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	118⅛	Apr. 21,'03	118⅛	118⅛	5,000
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	118	Mar. 31,'03	....	....	....
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	97⅛	Apr. 30,'03	98	95	339,000
" registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	119¾	Apr. 17,'03	119¾	119¾	10,000
Met. West Side Elev. Chic. 1st g.4's.1938	10,000,000	F & A	99⅛	Mar. 27,'03	....	....	....
" registered..................		F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's......................1919	4,050,000	J & J	110	June 28,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g.5's.1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	109¼	Apr. 14,'03	109¼	109¼	1,000
" gtd. gold 5's............1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
United Railways of St.L. 1st g.4's.1934	28,292,000	J & J	85⅝	Apr. 30,'03	85⅞	85⅝	155,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	79	Apr. 30,'03	79	77	556,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104	Apr. 28,'03	104	103	56,000
Am. Steamship Co. of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
B'klyn Ferry Co. of N.Y. 1st c.g.5's.1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
De. Mac. & Mar. ld. gt. 3½'s sem. an. 1911	2,771,000	A & O	88	Apr. 29,'03	90½	87½	46,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	103	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	91	Apr. 27,'03	91	89½	83,500
" registered..................		F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J	....	....	....	....	....
" E 4's................1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's................1903-1918	1,000,000	M & S	....	....	....	....	....
" G 4's................1903-1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's................1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's................1904-1919	1,000,000	F & A	....	....	....	....	....
" J 4's................1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's................1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds......................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co. sink. fund deb.5's.1919	9,234,000	M & S	34	Feb. 2,'03	....	....	....
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	97¾	Apr. 30,'03	97¾	97½	17,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	91	Apr. 31,'03	92½	90¾	72,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	89	Mar. 25,'03	....	....	....
Am. Thread Co., 1st coll. trust 4's.1919	6,000,000	J & J	80	Jan. 12,'03	....	....	....
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	62⅝	Apr. 30,'03	63⅛	60¼	2,328,000
" registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	9,240,000	A & O	68½	Apr. 28,'03	70¼	68	112,000
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	100	Mar. 25,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con.g 6's.1918	9,326,000	F & A	108	Apr. 14,'03	108½	108	3,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
Knick'r'ker IceCo.(Chic)1st g 5's.1928	2,000,000	A & O	98	Feb. 24,'03	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	95	Mar. 2,'03	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	69	Apr. 29,'03	69	69	17,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	62	Apr. 18,'03	68	60	9,000
" " inc. g. 5's.1946	7,500,000	......	9	Apr. 28,'03	9¾	8⅛	252,000
United Fruit Co., con. 5's........1911	4,000,000	M & S	....		....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	3,797,000	J & J	....		....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	113⅛	Apr. 28,'03	113⅛	113⅛	17,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	82	Apr. 16,'03	82½	82	8,000
U. S. Shipbldg. 1st & fd g. 5's Ser. A. 1932	14,500,000	J & J	80	Jan. 16,'03	....	....	....
" collat. and mge. 5's..1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
BONDS OF COAL AND IRON COS.							
Colo. C'l & I'n Devel. Co. gtd g. 5's.1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....		....	....	....
Colo. Fuel Co. gen. g. 6's..........1919	680,000	M & N	112	Apr. 30,'03	112	112	4,000
Col. Fuel & Iron Co. gen. sf g 5's..1943	5,315,000	F & A	102½	Apr. 24,'03	103	102	20,000
" conv. deb. g. 5's.........1911	14,068,000	F & A	84½	Apr. 30,'03	86¾	79	2,029,000
" registered...................		F & A	....		....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	....		....	....	....
Grand Riv. Coal & Coke 1st g. 6's.1919	949,000	A & O	115	June 23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.							
" 1st g. 5's.................1926	1,777,000	J & D	105½	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's 1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s.1928	1,174,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.1946	1,092,000	M & N	....		....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	879,000	J & D	....		....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's...1917	1,244,000	A & O	107	Mar. 30,'03	....	....	....
{ " Bir. div. 1st con. 6's...1917	3,399,000	J & J	108	Mar. 12,'03	....	....	....
{ Cah. Coal M. Co. 1st gtd. g 6's..1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
{ De Bard. C & I Co. gtd. g 6's...1910	2,771,000	F & A	102	Apr. 16,'03	102	102	1,000
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,993,000	M & S	78¼	Apr. 30,'03	78½	77	87,000
Wheel L. E. & P. Cl Co. 1st g 5's.1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....		....	....	....
B'klyn Union GasCo. 1st con g. 5's.1945	14,493,000	M & N	116	Apr. 28,'03	116	115	16,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	76½	Apr. 29,'03	76½	76	5,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	98	Apr. 28,'03	98	97	9,000
Detroit Gas Co. 1st con. g. 5's.....1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.							
1st con. g. 5's............1932	3,500,000	M & S	102⅞	Feb. 19,'03	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Grand Rapids G. L. Co. 1st g. 5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	....		....	....	....
Kings Co. Elec. L. & Power g. 5's..1937	2,500,000	A & O	....		....	....	....
} " purchase money 6's....1997	5,010,000	J & J	125	Mar. 16,'03	....	....	....
} Edison El. Ill. Bkln 1st con. g. 4's.1939	4,275,000	J & J	95	Apr. 17,'03	95	95	10,000
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	107	Apr. 28,'03	107¼	105	25,000
" small bonds.................			97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....		....	....	....
N. Y. GasEL. H & P Co 1st col tr g 5's.1948	15,000,000	J & D	109	Apr. 30,'03	109	107	196,000
{ " registered....................		J & D					
{ " purchase mny col tr g 4's.1949	20,389,000	F & A	92½	Apr. 30,'03	93	90½	135,000
{ Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	104½	Apr. 25,'03	104½	104	33,000
{ " 1st con. g. 5's...........1995	2,156,000	J & J	119	Apr. 24,'03	119	119	4,000
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's 1930	2,272,000	F & A	104	Mar. 25,'03	....	....	....
N. Y. & Richmond GasCo. 1st g. 5's.1921	1,000,000	M & N	102¾	Apr. 30,'03	102¾	102¾	2,000
Paterson & Pas. G. & E. con. g. 5's..1949	3,317,000	M & S	....		....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	103½	Feb. 25,'03	....	....	....
{ " 2d gtd. g. 6's............1904	2,500,000	J & D	102½	Mar. 17,'03	....	....	....
{ " 1st con. g 6's............1943	4,900,000	A & O	102¾	Mar. 20,'03	....	....	....
{ " refunding g. 5's........1947	2,500,000	M & S	105¼	Apr. 12,'03	105¼	105¼	1,000
{ " refuding registered....		M & S	....		....	....	....
{ Chic. Gas Lt & Coke 1st gtd g. 5's.1937	10,000,000	J & J	107½	Apr. 28,'03	108	106¾	29,000
{ Con. Gas Co. Chic. 1st gtd. g. 5's.1936	4,346,000	J & D	107	Apr. 29,'03	107	107	1,000
{ Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.1905	2,000,000	J & J	103¼	Mar. 7,'03	....	....	....
{ Mutual Fuel Gas Co. 1st gtd. g. 5's.1947	5,000,000	M & N	105	Feb. 16,'03	....	....	....
{ " registered..................	....	......	....		....	....	....
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D	....		....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's.1950	500,000	J & J	....		....	....	....

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	APRIL SALES. *High*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	28,000,000	J & J	96⅛	Apr. 29,'03	96⅛	96⅛	7,000
Commercial Cable Co. 1st g. 4's.2397.	10,828,000	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered....................		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	3,905,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	108¼	Apr. 15,'03	108¼	108¼	2,000
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110	Apr. 2,'03	110	110	7,000
" fundg & real estate g.4½'s.1950	16,000,000	M & N	104¼	Apr. 25,'03	104¼	102¾	46,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	109	Apr. 23,'03	109	109	2,000
Northwestern Telegraph 7's...1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903. *High.*	YEAR 1903. *Low.*	APRIL SALES. *High.*	APRIL SALES. *Low.*	APRIL SALES. *Total.*
United States con. 2's registered...1930	445,940,750	Q J	....	....	....	....	......
" con. 2's coupon............1930		Q J	107⅛	107⅛	....	....	......
" con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908–18	97,515,660	Q F	108⅛	107	108⅛	107¾	26,000
" 3's coupon.............1908–18		Q F	109	107⅛	108¾	107¼	11,500
" 3's small bonds reg.....1908–18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908–18		Q F	108⅛	107⅛	108⅛	108⅛	400
" 4's registered..............1907	233,177,400	J A J&O	111⅛	109	111⅛	110¾	51,450
" 4's coupon.................1907		J A J&O	112	109¼	112	110⅛	19,000
" 4's registered..............1925	118,489,900	Q F	135¾	135	135¼	135⅛	20,000
" 4's coupon.................1925		Q F	137⅛	136	137⅛	137	70,000
" 5's registered.............1904	19,385,050	Q F	....	....	....	....	......
" 5's coupon.................1904		Q F	103⅜	103	103⅜	103¼	59,000
District of Columbia 3-65's...........1924	14,224,100	F & A	121	121	121	121	14,000
" small bonds.....................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5...............1906	6,859,000	J & J	....	....	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's.....................1906	575,000	J & J	....	....	....	....	......
" Class C 4's.....................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new ocn. 4's................1914	10,752,800	J & J	106	106	106	106	1,000
" " small bonds..........			....	....	....	....	......
Missouri fdg. bonds due.........1894–1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	....	....	....	....	......
" small..........................		J & J	....	....	....	....	......
" 6's.......................1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20–40.............1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	95	95	95	3,000
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond.....................	362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of...........1991	18,045,897	J & J	....	....	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	8,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	12	8⅛	8½	8⅛	5,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's...........................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................	....	Q J	98⅝	90½	98	98	2,000
Regular delivery in denominations of £100 and £200..........................	£22,357,680	......	....	....	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Chapman.—Cullen C. Chapman, President of the Chapman National Bank, Portland, Me., died March 22. He was born at Bethel, Me., December 27, 1833, and after being educated, worked in stores in his native place and in Portland. In 1890, with his two brothers, he established the Chapman Banking Company, which was successful and was converted into the Chapman National Bank, of which Mr. C. C. Chapman became President.

Davis.—Hon. William G. Davis, President of the Maine Savings Bank, of Portland, Me., and also President of the Portland Trust Co., died April 19. Mr. Davis was one of the leading business men of Portland, being extensively interested in banking, real estate, railway and other enterprises. He had been a member of both houses of the Maine Legislature.

Doten.—Frederick B. Doten, Cashier of the First National Bank, Chicopee, Mass., died April 9, aged sixty-one years. He served in the Union army throughout the Civil War, and was for part of the time attached to the staff of Gen. Hancock. In 1866 he located at Chicopee, but afterwards engaged in business in Connecticut and New York, returning to Chicopee in 1871, where he became associated in mercantile enterprises and was also elected Cashier of the First National Bank, which position he held until his death.

Edwards.—David Edwards, Cashier of the Glouster (Ohio) Bank, died March 31.

Fisher.—Hon. Milton M. Fisher, President of the Medway (Mass.) Savings Bank, died April 21, aged ninety-four years. He was prominent in local business circles and also in politics, having served in both houses of the Massachusetts Legislature.

Hanson.—Nathaniel L. Hanson, Cashier of the Citizens' Banking Co., Perrysburg, Ohio, died April 7, aged about sixty years.

Hicks.—John Hicks, President of the St. Johns (Mich.) National Bank, died April 2, aged seventy-nine years.

Howell.—Samuel Howell, until recently Cashier of the First National Bank of Jefferson, Charlestown, West Va., died April 8, aged about seventy-five years. He had been Cashier of the bank for thirty years.

Long.—James W. Long, President of the Easton (Pa.) National Bank, died April 20, aged eighty-eight years. He was prominent in the business affairs of Eastern Pennsylvania for half a century, and was a trustee of Lafayette College, to which he contributed liberally.

Mallory.—S. H. Mallory, President of the First National Bank, Chariton, Iowa, died March 26, aged sixty-eight years. Mr. Mallory had served as a member of the State Legislature and was otherwise prominent in the affairs of his State and locality.

McClure.—Ira T. McClure, Assistant Cashier of the State Bank, of Elkcreek, Neb., died April 3, aged twenty-nine years.

Murdock.—Alexander Murdock, President of the First National Bank, Washington, Pa., died April 14, aged eighty years. In 1861 he was appointed United States marshal for the Western District of Pennsylvania, and served in this capacity for eleven years.

Royce.—Geo. E. Royce, a director of the Baxter National Bank, of Rutland, Vt., since its organization in 1870, died March 5. Mr. Royce was born at Orwell, Vt., in 1829. He was largely interested in successful business enterprises and had received a number of political honors, having been elected to the State Senate last fall. He was highly regarded by his fellow directors for the faithfulness and ability with which he upheld the bank's interest during a service of thirty years on its board of directors.

Strain.—David Strain, Vice-President of the National Bank of Kinderhook, N. Y., died April 24, aged fifty-nine years. He began life as a poor boy, but at the time of his death was one of the wealthiest men of his county.

Williams.—Hon. John T. Williams, President of the West Side Bank, Scranton, Pa., died April 3. He was born in Wales in 1839, and came to this country at the age of sixteen. He secured work as a laborer in the mines, and was later made foreman. In 1886 he engaged in the mercantile business at Scranton. Mr. Williams was twice elected a member of the Pennsylvania Legislature. He was one of the original stockholders in the West Side Bank, and had been President for some time.

THE

BANKERS' MAGAZINE

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

FIFTY-SEVENTH YEAR. JUNE, 1903. VOLUME LXVI, NO. 6.

ANNOUNCEMENT.

The firm of Bradford Rhodes & Co., publishers of THE BANKERS' MAGAZINE, THE BANKERS' DIRECTORY and other publications, was on May 1, 1903, succeeded by The Bankers Publishing Co., a corporation organized under the laws of the State of New York.

BRADFORD RHODES is President of the new company, and GEO. W. ENGELHARDT, whose successful identification with the publishing business in New York city is well known, is Vice-President and Treasurer, and will be active in the management of the company. ELMER H. YOUNGMAN is Secretary.

The large and rapidly growing business of the firm of Bradford Rhodes & Co. has now assumed such proportions as to demand the supervision of a manager, or officer, who should devote exclusive attention to its conduct and extension. Mr. RHODES has extensive and increasing interests in the banking business, which demand a large part of his time and labor. He is President of three successful banks, the most important of which is The Thirty-Fourth Street National Bank of New York, which was organized in 1902. In 1887 BRADFORD RHODES and his associates organized The Union Savings Bank of Westchester County, and in 1891 The First National Bank of Mamaroneck was organized by the same interests, Mr. RHODES being President of both banks from their organization to the present time.

There are several manifest advantages in the corporate form of organization. It not only affords the personal supervision of officers whose entire time is given to its affairs, but it insures the perpetuation of the several publications issued for many years past, and also renders it possible substantially to improve them and to add to their already unrivalled circulation and value. Every resource that capital, energy and enterprise can supply will be put forth to maintain the superiority heretofore achieved.

THE BANKERS' MAGAZINE will continue to be conducted on the same lines that have given it a standing and circulation unequalled by any financial periodical in the world. The publishers will endeavor to maintain the high character of the MAGAZINE and will steadily strive to better its appearance and the quality of its contents —in short, to make each issue a worthy representative of American banking and financial interests.

While the immediate editorial supervision of the MAGAZINE will remain in charge of ELMER H. YOUNGMAN, who has been Associate Editor for the past ten years, the new management is fortunate in retaining the services of Mr. RHODES in an advisory capacity for at least a year.

The staff of contributors on monetary, banking and kindred subjects now embraces many of the leading American and foreign writers on these topics, and such additions will be made from time to time as may be required to keep the readers of the MAGAZINE in touch with the best information relating to the progress of banking and the practical matters that directly contribute to their business prosperity.

Appreciating the generous patronage bestowed upon the firm heretofore issuing the publications, it will be the aim of the new corporation to merit the respect and confidence of the banking and business interests of the country by energy and enterprise and a faithful devotion to a system of banking and currency whose safety, stability and adaptability to commercial needs will be a sure guaranty of the public welfare.

THE BANKERS PUBLISHING COMPANY,
Successors to BRADFORD RHODES & CO.

In severing my editorial connection with THE BANKERS' MAGAZINE after a service of twenty-four years in financial journalism, I wish to express my hearty thanks to the bankers and others who have so loyally seconded my efforts in promoting the principles of sound finance and furthering in some degree at least the best interests of the banking institutions of the United States. BRADFORD RHODES.

THE SENATORIAL CONFERENCE held last month at Hot Springs discussed the advisability of reviving the ALDRICH bill. The feature of the ALDRICH bill which excited the widest attention was the substitution of State, municipal and railway bonds for Government bonds as collateral for public deposits. Another feature was the requirement of interest on public deposits. It might have been foreseen that the permission to use State, municipal and Government bonds as collateral was no compensation for an interest requirement.

If banks are required to pay interest on public moneys, they ought not to be required to put up collaterals at all.

It seems impossible to draw up a financial bill involving the banks which does not contain some scheme to benefit one class of people at the expense of another, or at least to favor one class of banks at the expense of another. The influence of the National banks in maintaining the high price of Government bonds through their use as collateral, both for circulation and for public moneys, has been so great that those who are interested in other classes of securities have long desired that there could be some way devised to use other securities in a similar manner. There was a manifest propriety, if any securities should be benefited by use in banking, that they should be the securities of the Government. The aid thus given to the Government by the banks in paying off and refunding the public debt has been of great importance, and has benefited the whole people. But there seems to be no reason why the National banks should be used to bolster up State and municipal bonds and more especially those of private corporations. The use of these last-named securities, as was proposed in the ALDRICH bill, would make the National banks pay tribute to the class of bankers who do a special business in these securities. Whatever advance would be gained by these securities would undoubtedly be compensated for by a decline in Government securities, especially the two per cents. National banks, which hold most of this class of bonds, would be the losers.

It has been pointed out heretofore that one objection on the part of the National banks to a change to an asset currency would be the loss they would incur from a decline in the Governments which would be released. Opposition of the banks, more particularly those of the West, to the ALDRICH proposition was discussed at the Senatorial conference. The asset currency proposition, as embodied in the FOWLER bill, was also looked upon with disfavor. There was, however, a general feeling in favor of some simple financial legislation which would satisfy the unrest and discontent that undoubtedly prevail with regard to the present monetary laws. What this bill will provide does not yet appear.

The banking interests of the country undoubtedly feel that there should be some way of obtaining currency to meet unexpected demands; in other words, that some elasticity should be imparted to the general circulation. They do not care whether these supplies come from the Government, in the way of deposit of public moneys, or by way of an increased power to issue currency. But no measure which seems to give advantage to some of the banks, of which others cannot avail themselves, will receive enough banking support to carry it. Public moneys cannot be deposited with all the banks alike. However carefully the Secretary of the Treasury selects depository banks, there are always large numbers of other banks which feel that there has been favoritism shown. The substitution of State, municipal and railway bonds for Governments would give still more definite grounds for these charges.

The prospect for the passage of an asset currency measure is not at all promising at the present time. Whether it will improve before Congress meets, is difficult to say. Even if the monetary experience of the summer and fall should still further impress the business public with the belief that financial legislation is necessary, it will be as difficult as ever to secure agreement as to what should be done. But it is also difficult to believe that nothing will be evolved out of all the agitation and discussion of banking and financial questions. Perhaps the solution of the bank question will be found in removing some of the restrictions that now prevent the free exercise of banking powers, rather than in devising new and untried privileges.

THE EFFECT OF LABOR DIFFICULTIES upon the production and consequent prosperity of the country is as yet a problem which has not been worked out by economists. Industries are so diverse in character that there seems at first no standard by which the full consequence of a retardation in any one branch upon all the rest can be judged. Contests between labor and capital delaying and restricting production spring up so unexpectedly that it is as difficult to make calculation about them as it is to make calculations about the weather or other natural operations affecting production. It is certain that as many industries are consolidated under one management, the effect of cessation of work brought about by a strike will be more immediately apparent. The consolidation of the anthracite coal-mining interests is one reason why the effect of the strike of the coal miners was so severely felt by the whole country. This was no doubt an extreme case, but there are undoubtedly other large productive combinations where the refusal to work by the armies of laborers employed would bring about a similar strain on the ordinary life of the whole country.

The organization of labor has its main strength in the power which it gives to effect the accumulation of funds with which to enable the workers to remain idle for indefinite lengths of time. The organizations form what may be called a war fund that gives them the material for a respectable contest.

Retardation of the productive energies of a population may not prove an unmitigated evil. The ideal of the economist is reached when all the workers are employed, and when the various industries are so distributed that the production from each is sufficient to meet the demand for it, and where there is no overproduction in any line of work. It is the desire of the Socialists to marshal and adapt the working forces so that this result may be attained. It is probable that it is more nearly reached under the modern system of combination than it was under a regime of the free competition of numerous rivals in the same industry. Under this free competition strikes did not perhaps produce so wide an effect as they now do; but the overproduction that was a result of the competitive system was often more disastrous to general prosperity than is the retardation of industry when large bodies of men employed in one branch of labor go on a strike.

The history of the past shows that the confidence in the future which is characteristic of prosperous times may be overdone. This overconfidence in the successful issue of any and all enterprises often leads to financial disaster. The recalcitration of labor acts as a natural check on the too rapid exploitation of prosperous conditions. The whole industrial machine is compelled to stop and rest.

It may be concluded that while at first sight the struggles between labor and capital seem to be wholly unfortunate for the general public, such a view is more or less superficial. Every employer of labor is compelled when forming his plans to consider the possibility of desertion of his working force, and he is thus rendered more cautious in his undertakings. It of course remains to be seen whether periods of prosperity will be perpetuated by the checks which labor difficulties impose, but if it be true that prosperous times tend to a finish because of a too speedily-gathered momentum, then any check upon too great an increase of speed must be more or less beneficial.

THE USE OF CERTIFIED CHECKS AS CURRENCY would seem to be the easiest means of giving the required elasticity to the circulating medium.

In the debate for and against an asset currency between two chapters of the American Institute of Bank Clerks in New York city, it was asserted that the banking business was done in this country and in some of the leading countries of the world simply by the use of bank checks without the use of any circulating notes whatever. It is no doubt true that in the United States the circulation of checks as compared with the circulation of actual money in banking transactions has reached a very high percentage.

The history of banking shows that what are known as bank credits may be passed from one person or business unit to another in a variety of ways. Bank notes were not the first plan adopted for such transfer of credits, nor were checks. The Bank of Venice was one of the first banks, and the amounts to the credit of its depositors and customers were passed from one to another by transfers on its books from the account of the payer to that of the payee. No checks or notes were circulated.

But this method of transfer, while convenient enough when almost all business was determined and settled in a locality close to the bank, was found susceptible of improvement. Checks and circulating notes were invented at about the same time, and in principle as devices for the transfer of bank credits they are similar. The circulating note is a check drawn by the bank itself in convenient denomination, and furnished to its depositor in exchange for his bank credit. By means of these notes he is able to transfer a credit of the bank to any one he chooses. The check proper, instead of being drawn by the bank is drawn by the depositor himself, and may be used to transfer any part of his bank credit. The difference is that the bank note, being issued by the bank, is already accepted by the bank when it comes into the hands of the customer, while the check drawn by the customer himself is not accepted by the bank until it is presented for payment or for certification.

A certified check is almost if not quite on the same footing as a bank note. The only reason why the business of the country could not be done as well by certified checks as by bank notes, is because in providing for the protection of the bank-note issues of the National banks the Government has forbidden the National banks to issue post notes, *or any other notes to circulate as money*. There is nothing under the sun but this provision, as far as National banks are concerned, which would prevent them from providing their customers with certified checks in form and denomination capable of circulation. It is well known that in former years GEO. SMITH'S Bank issued certificates of deposit in large amounts, and which circulated satisfactorily as money. The State banks are prevented from issuing certified checks in this form, because they would be construed to be taxable at ten per cent. whenever paid out.

These certified checks could be provided to customers, made payable to bearer, and made good when signed by the customer. It would be no more difficult to prevent money of this kind from being forged or counterfeited or raised than it is to prevent the same abuse of bank bills. These certified checks need only be in small denominations, larger transactions being performed with the checks now used.

In order to provide for the issue of such checks by the National banks it would be necessary to except them from the prohibition of law above mentioned. They would already be subject to provisions of law forbidding the certification of a check unless the customer has a *bona-fide* account in the bank. Uniformity of device and pattern could be secured by the printing of the forms under the direction of a Government bureau, or by agreement among the banks.

It is well known that the check is not so liable to abuse as the bank note. The bank is usually very vigilant to prevent its depositors from overdrawing their accounts. An overissue of certified checks is something that rarely occurs. And when checks have finished the payment they are drawn to effect and returned to the paying bank, they are at once cancelled. This it was originally supposed would be the result with the bank note. The Bank of England to-day never issues a note a second time.

The bank-note privilege possessed in an unrestricted form is liable to abuse, because its issue is dependent on one will directing one policy. The bank check is dependent on two opposed interests, that of a drawer and drawee. The drawer and drawee of the bank note are one and the same; that is, the bank draws on itself and accepts its own draft. There is no check but self-interest on the amount it may draw when unrestricted. All bank circulation laws have been designed to prevent the bank from being tempted to use this privilege to the detriment of the public. A little further adaptation of the check would enable it to fulfill all the functions for which the bank note has proved useful, without the liability to abuse which exists in the case of the bank note.

In fact, it may be said that unless the issue of the bank note is left free and unrestricted it will not impart the elasticity to a currency which is necessary to prevent periodical spasms of the money market. If such freedom of issue were permitted the worst abuses would follow under a system permitting the free organization of banks all competing with each other. The restrictions which the experience of the country for the last century has proved it necessary to impose on bank-note issues by banks organized under a free banking law, have been such as to deprive the notes of any automatic elasticity. But under this very system of banks there has grown up, without the aid of legislation, a most effective and complete use of checks. They have grown in use and effectiveness to a certain point, because of the prohibition of any other form of bank-note circulation except the National bank note. But they have now reached the end of their useful development, because of this very prohibition. If the check is developed further with a view of occupying the field and superseding the bank note, it encounters this prohibition. Neither the National nor the State banks can use the check in a form adapted to serve as money. The bank note, virtually a check drawn by the bank on itself, and furnished its depositors as a means of transferring their bank credits, is probably the best possible device for banks working under a monopolistic system. The great banks of England, of France, of Scotland and of Canada, are all proof of this assumption. Nowhere in the world do we find such absolute freedom of capital in large or small amounts to enter into banking as in the United States. The bank note, to be universally safe under such a system, must be hedged and guarded till its usefulness for its intended purpose is lost. This has, as said before, been conclusively proved by the experience of the country. What the restricted bank note has failed to do the check, although neglected by law, has nearly accomplished. A careful further adaptation of the check so that it might circulate somewhat longer than it does will probably solve the problem of an elastic currency without endangering safety in the slightest degree.

THE PROSPECTS FOR AN ASSET CURRENCY as a substitute or addition to the present National bank note based on bonded security do not brighten. However much the financial world would like to see the experiment tried, it is well to be honest and admit that the difficulties in the way are many and great and, in fact, almost insuperable. It cannot be introduced without legislation either amending or adding to the present monetary laws. The success of any legislation now rests chiefly with the Senate. The House of Representatives may approve measures, but the Senate must also approve, and at the present time it looks as if the Senate was wedded to the present system or at least averse to any decided innovation.

If the banking and financial interests of the country were united in favor of granting this privilege to the National banks, it is very possible that the Senate might consent to the enactment of the necessary law. But even the National banks, which could first avail themselves of the benefits of an asset currency, are by no means united in favor of it, much less banks doing business under State laws and private bankers.

The risks of such a currency loom very large in the minds of many bankers and financiers. For thirty-eight years the banks have done business with the present paper currency of National banks and United States notes. The safety of this paper has for many years been beyond question. It has been one point in the monetary system of the country that has stood on a rock foundation. There has been a relief from worry that any loss might occur from paper money. It has been just the same as if the only money consisted of coined gold or silver. No bank or other failures have occurred because of depreciation or irredeemability of the currency for nearly forty years. It is not to be wondered at that conservative men feel that the certainty and safety of our system will be endangered by any letting down in the security of the bank notes, even if some other advantages may be gained. Moreover, it will be generally admitted that systems of banking under which asset currency has been or now is safely issued differ greatly in character from the heterogeneous system of independent banks which do business in the United States. Under the secured bank-note currency these independent banks very successfully meet the wants of the community. Whether with an asset currency they would give the general satisfaction they now do, is open to legitimate doubt.

Another grave doubt is whether, in the event of a free issue of currency, whenever more money seemed to be required, would it not become more difficult to maintain gold reserves? As it is now the only source of elasticity in the supply of money is the supply of gold coin. When money becomes scarce the country retains its own supply of gold and imports from other countries; when money is plentiful gold can be taken by other countries. If the banks could issue notes to meet real or supposed emergencies, there would certainly be temporary overissues, and a redundancy of paper currency would be reduced, not as some seem to assume by retirement of the notes, but by exportations of gold. In process of time the gold reserves would be greatly reduced, especially as there is no way of checking exportation of gold. The Canadian system does not suffer in this respect, because they are in a situation to draw gold from this country whenever they need it. The Bank of France is successful with its asset currency because it protects its gold reserve. It is doubtful if the asset currency of the Canadian banks would be as safe and successful as it is if it were not for their contiguity to the great money centres of the United States. They can deposit their gold reserves in our banks and draw interest on them, and at the same time have them within twenty-four hours' call. With these and other considerations in view, it is not strange that a feeling of hesitation as to the adoption of an asset currency is manifest among the most conservative politicians and business men of the United States.

ALTHOUGH THE PRICE OF PIG IRON is still high, there has been a reduction within the last month. With many financiers the price of iron is looked upon as a sort of barometer of the condition of trade, and the belief that the rise or fall of the price of this metallic backbone in an age when everything depends on machinery indicates either greater or less prosperity, is a well founded one. Of all metals iron is the one in the greatest use. Unlike precious metals, it is subject to waste, and the stock is not permanent when once produced. This waste must be constantly supplied, and there is a continual enlargement of the uses to which the metal adapts itself which must be met by new supplies. All over the country cars, and steamers on the rivers and lakes and oceans, are loaded with iron either in the ore or in the finished product, and a very slight change in the price of pig iron, the basis on which all other iron products are founded, affects more industries than the change in price of any other material. While therefore the falling off in price is slight, there is some feeling of apprehension that it is the beginning of a general decline in prices and of the country's prosperity.

But nevertheless more importance than is deserved may be attached to this symptom. The great demand for iron during the past few years has undoubtedly stimulated the supply, but the present price is still high enough to remove all fears of overproduction. A considerable fall from the present quotations could still be witnessed, and it would undoubtedly conduce to the benefit of many enterprises in which large quantities of iron are demanded. The price has been so high that railway improvements which would otherwise have been made have been checked. Large numbers of new blast furnaces have been constructed to supply the demand which the operations of 1902 indicated to be necessary. It is not strange that the business may have been overdone a little.

THE GROWTH OF THE RESERVE CITIES OF THE WEST no doubt gives some color to the statement that is now so often heard that the West is becoming independent of the East in regard to the money necessary to move the crops. But in contemplating their own growth the banks in these cities are apt to forget that the country around them is also growing, and that perhaps the financial strength of the banks bears no greater proportion to the work that may be required of them than it ever did. It is also true that as the resources of a bank increase its capacity for furnishing banking facilities increases in more than arithmetical proportion. That is, double the amount of resources in capital and deposits shown by a balance-sheet indicates more than double the capacity to meet the requirements of customers. But as things are, with an extraordinary prestige derived from an unexampled continuance of prosperous conditions, expectations are apt to be raised excessively, and overconfidence result. The general condition of the reserves of the Western centres does not indicate that the banks will be any more prepared to meet the demands of a large crop movement without calling for Eastern funds than they ever were. This rivalry between the West and the East is more a sentiment than a feeling founded on any real competition. The Eastern banks as well as the Western depend on the resources of the whole country for their best development. The spirit of local self-government fostered by political institutions reflects itself more or less in all kinds of business. Each city is anxious to place itself at the head, and to prove that it is metropolitan as far as it can. The bankers of each city are affected by their civic pride when they seek to magnify their condition of financial independence of the bankers of rival cities. When it comes to actual business demands such feelings are allowed to fall into the background.

It is hard to conceive that the necessary transfer of funds from one section of the country to another can detract from the dignity of the banking business in either locality.

Joined with the feeling of pride in local strength and resources there is in the United States a feeling of pride in the strength and resources of the country as a whole, and the resources of any one locality, however great, bear a small proportion to those of the whole nation. In the midst of the greatest confidence in local strength there exists the comfortable feeling that if this should prove insufficient there are abundant outside resources that may be called on for assistance, and that when this assistance is called for it will be given.

The United States as a whole has not yet anywhere reached the possible limit of its development, either in population or wealth. The great cities of to-day are stretching out in all directions. The growth of electric roads connects them with large suburban territories. It is not inconceivable that many cities now rivals may become so connected that all thought of rivalry will be dissipated. However this may be, it is certain that the use of bank capital, instead of tending to localization, is really becoming more cosmopolitan.

This talk about the financial strength of localities savors of provincialism, and it will disappear as the development of the resources of all sections of the country progresses, and as a wider intelligence realizes the interdependence of every part of the country.

THE OUTWARD MOVEMENT OF GOLD prophesied for some weeks commenced as predicted, but did not reach any great proportions.

The underlying apprehension with which the export of gold is regarded is apparent in the explanations and attempts to minimize its importance. Those who are looked upon by themselves and others as the special providences of the money market are no doubt right in dreading the sentimental effect of these drafts on the stock of gold.

It may be true that the stock is so large that ordinary exports will not sensibly diminish it. It may also be true that the production of the mines will more than make good the loss, but it remains that the sense of confidence in the continuance of the prosperity of the country will receive something of a shock when this palpable evidence of the necessity of paying debts abroad manifests itself.

When other products of the country are insufficient to meet the debts incurred abroad for goods and securities imported, there is no good reason why gold should not make good the deficiency. But there seems to be a sense of loss when gold is exported that does not arise when any other commodity is sent to foreign markets. When gold is coming here, optimistic views prevail; when gold is exported, caution at once manifests itself.

For some time it has been apparent that the exchange rate has been against the United States, but gold exports have been prevented by international loans, of which the exact status and amount have been more or less of a mystery. The bankers who have thus taken upon themselves the regulation of gold exports have undoubtedly thought to avert and palliate in this way the effect which the too palpable evidence of an adverse balance of payments would have on the prosperity which gives so much business confidence. It is evident, however, that the proceeds of the products, agricultural and manufactured, which have been sent abroad so freely during the last three or four years, have not been managed with the greatest economy, and that the continuance of prosperity now depends very much upon the crops of the coming season.

So far nothing serious has occurred to impair to any extent the outlook for a large production of the staple articles of export. It cannot, however, be entirely overlooked that the weather so far has been less favorable than might be wished. The slow and regular manner in which the exports of gold are beginning, taken with the length of time their commencement was deferred, seems to point at a controlling influence which has at length found absolute prevention unwise and is accustoming the country gradually to the inevitable. It is not impossible that the outward movement of gold will gain force during the coming months, and that it will not cease until the balances due abroad have been squared. But while the possibility of a large gold export movement should not be disguised from the business public, it is proper to seek to allay undue apprehension on account of it. There has never before been so large a stock of gold coin and bullion in the country. This stock now amounts to nearly 1300 millions of dollars, and it is probable that the export of two hundred millions would not in reality reduce the stock on hand below what ought to be carried. Of course, an export of much less, under the imperfect means that exist for supplying a substitute currency, might cause great stringency in the money market through the fears excited in the minds of financiers and the business public. If, however, there were adequate means of preventing a scarcity of money, it would be much better financially to let other countries have a larger share of our gold production, and even of the present stock on hand. The consequence of a considerable addition to the European gold resources would be a revival of business there, with increasing prices. An increasing volume of money in the European markets would make it easier to sell American manufactures, and increase the probability of turning the trade balance in this direction. It would, of course, be better in case a policy of decreasing the stock of gold held in the country were deemed advisable, to effect this object in a way that would make it patent that it was not forced upon us by circumstances, but that it was done deliberately and with a purpose.

It must be confessed that the banking machinery of the United States is yet destitute of those features that might enable the gold reserves of the country to be of the greatest advantage to the business public. Under present law, in order to maintain an inadequate supply of paper currency, it seems necessary to hold the very largest gold reserve possible.

Whatever may be the extent of the outflow of gold this summer, it is believed if the promise of the crops is fulfilled that the balance will turn in our favor in the fall, and that if desirable the importation of the precious metal will more than return the losses of the summer.

THE LAST RETURNS OF THE NATIONAL BANKS to the Comptroller of the Currency indicate that the expansion of loans has been a prominent feature of the operations of the Western banks. Between February 6 and April 9, while the loans of the banks east of Ohio and North of Virginia have decreased some eighteen millions of dollars, west of the Ohio line the loans of the banks have increased over fifty-nine millions. For the twelve months previous to April, this tendency to increased loans in the West is still more striking. It must also be remembered that these data relate to the National banks only. In all the western territory indicated banks other than National are a very important factor. They bear if anything a greater proportion, both in number and resources, to National banks in the West than in the East.

If full returns from all the banks could be obtained it is probable that the loan expansion in the West would be even more noticeable than it is. These conditions seem to indicate a greater confidence in the continuance of prosperity than exists in those localities where loans have decreased. The Western banks are finding full use for all their funds in their own locality and less money is being held with Eastern correspondents.

Is this condition likely to continue and become permanent? Is the West to become more and more independent of the Eastern money centres? As the whole country becomes more developed in the realization of its own resources, it may be expected that the influence of the old money centres will decline or at least be exerted in new directions. As the enterprises and industries of any section of the country become more diversified and established, the problem of flow of funds into and out of its banks becomes more complicated. When the industries of the West were almost exclusively agricultural it was not difficult to determine at what dates the money of that section would flow toward Eastern investment, and when it would be needed to move the crops. Conditions which favor the periodical high tides of monetary movement from one section of the country to another are not ideal ones for secure banking.

It will promote financial stability at the money centres, when the growth of other forms of industry in all sections of the country more nearly equalizes the relative financial importance of agriculture and manufacturing. The retention of larger reserves at home by the Western banks shows that this process has already commenced. When the demands of agriculture are satisfied there is still local use for money. It is not probable that New York city, as a money centre, will ever exercise the same predominating influence in the United States as is exercised by Paris as a money centre in France. As far as it is possible to overcome the natural laws of trade and finance by which the flow of capital to certain centres of influence is guided, every local point for the accumulation of wealth seeks to maintain its independence and promote its own growth. It is not because the rest of the country desires to build up the Eastern money centres that capital flows there. These centres grow because of the unwritten laws which grow out of a suitable situation in the line of the currents of trade. The direction of trade is determined by facilities of transportation. The seaports seek to make inland cities tributary to them, and there was little trouble in securing such a result. Now the inland cities seek to control the seaports, by making seaports for themselves and constructing means of transportation to them. There is to-day no seaport in the United States that does not have to guard against the loss of trade and make strenuous effort to maintain and increase the stream of commerce that flows through its harbors. Nor is the ambition of an inland city to become the financial centre of the country wasted on an impossibility.

INTERNATIONAL CO-OPERATION IN BEHALF OF SILVER.

The United States Commission on International Exchange sailed for Europe May 19. The three commissioners are H. H. Hanna, Chas. A. Conant and Prof. Jeremiah W. Jenks. The object of the commission is to sound foreign governments as to some monetary arrangement by which permanent rates of exchange may be established between gold-standard and silver-standard countries.

The general adoption of the gold standard by the principal commercial nations seems to have placed the countries that have not adopted this standard but still measure their products against silver, either coined or in the form of bullion, at a great disadvantage in two respects—first, in the losses they sustain in the exchange of their products for those of foreign countries; and, second, in the actual depreciation of their stocks of silver, either on hand or still in the mines.

Admitting that gold will henceforward be the only generally accepted standard, and that the position of countries like Mexico and China, possessing large stocks of silver, is not only unfortunate for themselves but also more or less of an inconvenience to the gold standard nations desiring to trade with them, it may be wise to endeavor to assist such countries to establish themselves on the gold standard.

From the first the question, What shall be done with the discarded metal, has been the greatest obstacle in the way of the successful introduction of the simpler plan of measuring values by gold alone. From the earliest times both silver and gold had been used indifferently as mediums of universal exchange. The proposition to dispense with silver and use gold alone must have possessed marvelous inherent power to find acceptance to the extent it has, in the face of the traditions and customs of mankind as to the use of silver as money. The resistance to the abandonment of silver has been very stubborn, and perhaps the natural forces which have driven on the change to the gold standard have seemed hard and inexorable. Before 1870 no one foresaw, or could have foreseen, the great change that was to take place in monetary ideas during the last thirty years of the nineteenth century. If the triumph of the gold standard could have been foreseen, the question of what should be done with the discarded metal would have occupied the minds of statesmen.

The whole history of the battle of the standards shows how these great problems are worked out with little or no assistance from human foresight. It is plain now that international agreement adopted beforehand might have prevented many of the difficulties which the introduction of the gold standard encountered.

Almost every nation adopting the gold standard has had to make some disposition of its stock of silver money or bullion. England adopted the gold standard in 1816. She had no silver money or silver either mined or unmined on which any loss was incurred. Both France and Germany had large stocks of coined silver money. The United States was forced to pay for the adoption of the gold standard by the purchase of a large stock of silver in order to satisfy the silver-mining interests. Not only have the people of the United States paid the purchase price of this silver, but they are to day taxed to maintain reserves to keep this silver at a par with gold at the rate of exchange between gold and silver prevailing in 1791. The difference between France and the United States was that France had a stock of coined silver, the United States had none. France had practically no silver mines; the United States was a leading producer of silver. Germany, like France, had a stock of coined silver. This she sold for its bullion value. France, on the other hand, retained her coined silver but maintained it at par at the old rate of exchange between gold and silver of 15.5 to one.

The nations now adhering to the silver standard have either large stocks of silver or they have silver mines.

The experience of the past shows that when the gold standard is adopted the silver coins must be maintained at something near the old ratio, and the silver-mining interests must be placated. The holders of the silver coins may be satisfied, either by their purchase by the Government, as was done in Germany, or by their being artificially maintained at the old par, as was done in France. The United States performed a double movement. Silver miners were placated by large silver purchases for coinage at the artificial ratio of 16 to 1, and the public who hold the coins were protected by the maintenance of this ratio by the influence of gold reserves and financial machinery.

The commission which has just gone abroad has done so in consequence of the initiative of two nations still upon the silver basis which have sought the good offices of the United States. China and Mexico both seem to be willing to accept the protective patronage of this country.

China, in relation to the gold standard, is in the situation of France and Germany, in that she has a large stock of silver in the shape in which it has passed from hand to hand as currency. Like France and Germany she has no large silver mines. If without seeking foreign aid China had resolved on the gold standard, she must, in order to be just to her citizens who hold silver, either have bought up the silver at its nominal value in gold, and sold it as bullion at the market price, as was done by Germany, or like France and the United States she must adopt such a system of gold reserves and gold redemption as will maintain the ancient par ratio.

Mexico, also seeking to adopt the gold standard, has a still more difficult problem. Like France she has an enormous stock of full legal-tender silver coins in circulation at home, but unlike France, an enormous amount of Mexican coinage (dollars) is in circulation abroad. Mexico has to provide in some way for the dollars held by its own citizens at least. But in addition Mexico has a silver-mining interest second to that of no other country. The owners of these silver mines must be placated and recompensed if justice is to be done.

Of course, the problem is lightened in the case of both China and Mexico by the fact that the depreciation of silver already endured will not have to be made good. The present market ratio can be made the basis. The difficulty seems to be that when China, Mexico, and other countries now on the silver basis shall adopt the gold standard, there will ensue such a further lessening of the demand for silver for monetary purposes as to cause a further depreciation of the bullion price. All silver-producing countries, whether on the gold standard or not, are interested to keep up the price of silver as they are to keep up the price of any other commodity produced in their boundaries. If the demand for silver for monetary purposes is to cease, and the stock already on hand used for those purposes is to be thrown back on the market to seek an equal demand from other directions, every one knows the price will sink. But if the stock now on hand used as money can still be used as money even under the gold standard, then production can be adjusted to the demand for uses not connected with money, and the price of bullion will be maintained.

The United States is a great silver-producing country, and if there is any way to maintain a large stock of silver money throughout the world, at some uniform ratio compared with gold, just as much silver as can be used would be taken out of the bullion market.

The quest of this commission therefore seems to be to sound the nations whose credit and wealth make them powerful enough to modify to some extent the natural laws of supply and demand, and see if they are willing to make a united effort to keep the present stock of silver above ground in use as money.

Of the nations now holding full legal-tender silver coins at par by artificial means, the United States and France are the most important. The ratio maintained in the United States is 16 to 1, and that maintained in France, 15.5 to 1. At present bullion prices the market ratio between gold and silver is about 37 to 1. How the United States and France would benefit from any change in their ratios it is impossible to see. Every one who takes a five-franc piece or a silver dollar knows that it is equal in gold to its nominal value, not because of the silver it contains but because of the credit behind it.

Will China or Mexico in introducing the gold standard use a ratio of 37 to 1, or 16 to 1, or 15.5 to 1? It really makes no difference to the public what ratio is chosen. More silver would be used if the 37 to 1 ratio were adopted.

The commission itself, if the remarks of Mr. Hanna are correctly quoted, seems to have but vague ideas of the purpose of its mission or the prospects of its success. To put an end between fluctuations of exchange between gold-standard and silver-standard countries, is all very well, but how? Mr. Hanna says the only feasible way is to bring the silver-standard countries to the gold standard. It takes no conjurer to evolve such a solution. It is really more of a puzzle, if China wants the gold standard, why she needs to consult the rest of the earth on the subject.

Assistant Secretary of the Treasury.—The appointment of Charles Hallam Keep as Assistant Secretary of the Treasury, to succeed Milton E. Ailes, who recently resigned to accept the Vice-Presidency of the Riggs National Bank, of Washington, was announced at the Treasury Department, May 24.

Mr. Keep, who is a resident of Buffalo, N. Y., was graduated at Harvard University in the collegiate and law courses. His age is 40 years. Since graduating Mr. Keep has been a practicing lawyer in Buffalo, his specialty being along investment and financial lines.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Court of last resort will be found in the MAGAZINE'S Law Department as early as obtainable
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PROMISSORY NOTE—PROOF OF TITLE.

Supreme Court of Colorado, March 2, 1903.

GUMAER, *et al.* vs. SOWERS.

The production of a note with an indorsement thereon by one whose name is identical with that of the payee, and purporting to be the indorsement of the payee, is *prima facie* evidence of the title of the holder.

This was an action by an indorsee against the makers of four promissory notes.

The only evidence offered at the trial consisted in the production by plaintiff of the promissory notes upon the back of each of which was what purported to be a written transfer by the payee to the plaintiff. No objection was made to the introduction of these notes, and the defendants offered no evidence. When the plaintiff rested, defendants moved for a dismissal of the action because there was no evidence of an assignment by the payee to the plaintiff.

CAMPBELL, *C.J.* (omitting part of the opinion): It seems to be the rule that some proof of transfer is necessary in cases of this sort. The notes were admitted without any specific evidence of the signature of the payee. It is a well-established rule, however, that possession and production of a promissory note by the plaintiff at the time of the trial is sufficient *prima facie* proof of his title thereto. (Palmer vs. Gardiner, 77 Ill. 143–146; Morris vs. Preston, 93 Ill. 215.)

So it has been frequently held that possession of a note payable to bearer is the *prima facie* evidence of title in any holder. (2 Daniel on Negotiable Instruments [4th Ed.] § 1191.) In section 1192*b* of the same work it is said that production of a note indorsed by the payee makes a *prima facie* case for the plaintiff. (See, also, Hayes vs. Hathorn, 74 N. Y. 486.) At section 1200 is the statement that possession of a note is *prima facie* evidence that the same was indorsed by the person by whom it purports to be indorsed, and to this are cited Bank vs. Mallan, 37 Minn. 404, 34 N. W. 901; Tarbox vs. Gorman, 31 Minn. 62; First Nat. Bank vs. Loyhed, 28 Minn. 396. But these cases were based on a statute so providing.

We are of the opinion, however, that in this jurisdiction, under previous decisions of this court and the Court of Appeals, the production of a note by plaintiff at the trial, with an indorsement thereon by one whose name is identical with that of the payee, and purporting to be the indorsement of the payee, is *prima facie* evidence of title in the holder. (15 Am. and Eng. Enc. Law [2d Ed.] 920.) In Wyman vs. Bank, 5 Colo. 30, 33, 40 Am. Rep. 133, it was ruled that possession of a promissory note, by one who holds as indorsee, imports *prima facie* that the holder is the owner thereof, and that, when such possession is once shown, the burden of proof is on the one seeking to impeach any of the elements of validity or rights of the holder which such possession implies. To this is cited 1 Daniel on Negotiable Instruments (4th Ed.) § 812.

If such was not the law, still, under the doctrine of Davis vs. Johnson, 4 Colo. App. 545, the judgment in this case was right. For it was there held that, under our law and Code of Procedure, a note payable to order may be transferred by delivery only, and without indorsement, so as to vest in the purchaser a complete title, subject, of course, to defenses in favor of the maker existing at the time of notice of the transfer. It is also held that such purchaser can sue in his own name. This case meets with our approval.

PLEDGEE OF NATIONAL BANK STOCK—WHEN NOT LIABLE TO ASSESSMENT.

Supreme Court of the United States, April 6, 1903.

GEORGE C. RANKIN, RECEIVER, Etc., vs. FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY.

A mere pledgee of National bank stock, who receives from his debtor a transfer of shares, surrenders the certificate to the bank and takes out new ones in his own name, in which he is described as "pledgee," and holds them afterwards in good faith, as collateral security for the payment of his debt, is not subject to personal liability as a shareholder.

If the holder in fact holds the stock merely as collateral security, he may list the shares in his own name as pledgee, or in the name of another and irresponsible party, even though this were done for the purpose of avoiding liability.

Where there is a question of fact whether the holder held himself out as owner of the stock, it is to be submitted to the jury.

In error to the United States Circuit Court of Appeals for the Third Circuit.

This was an action at law by the Receiver of the Keystone National Bank, of Erie, Pennsylvania, against the defendant company, as the actual owner and holder of 172½ shares of the capital stock of the bank, standing upon its books in the name of one William W. Hand, to recover an assessment upon the shareholders of 100 per cent. made by the Comptroller of the Currency pursuant to Rev. Stat. § 5151 (U. S. Comp. Stat. 1901, p. 3465).

On November 15, 1890, Delamater & Co., a banking firm of Meadville, Pa., borrowed $15,000 of the defendant company, in renewal of prior loans, giving therefor their note for sixty days, and as collateral security deposited 230 shares of the capital stock of the Keystone National Bank, of the par value of $100 per share, standing in the name of the individual members of the firm. The shares were valued at the time at par, $23,000; the bank was in good credit, and for twenty-seven years had regularly, and was then paying semi-annual dividends. With its certificates of stock thus deposited, powers of attorney signed by the individual holders of the stock were also delivered to the defendant. These documents empowered the defendant to transfer the shares—the name of the transferee and the attorney being blank. Twenty days thereafter, and on December 5, 1890, Delamater & Company failed and made a general assignment for the benefit of their creditors, and on December 17, defendant having received notice of the assignment, wrote to the assignees declining to renew the note, but offering to anticipate its payment and return the collaterals. It seems the assets of Delamater & Co. were insufficient for this purpose.

On January 10, 1891, defendant sent to the Keystone National Bank of Erie the original certificates, deposited as collateral, and requested the bank to transfer the shares to William W. Hand, a clerk in the employ of the defendant. Three days later, and on January 13, the bank paid a semi-annual dividend of two per cent., but it does not appear who received this dividend, which proved to be the last one paid by the bank. The transfer was made on the books of the bank, and new certificates issued in the name of Hand, dated January 15, 1891, and were transmitted by the bank to the company, which acknowledged receipt of the stock, and stated that it would like to have a bid for the stock "if you know of a purchaser." Hand signed the transfer in blank on the back of these certificates, and in that form they were retained by the defendant. There was no receipt for the certificates except a memorandum in the handwriting of the clerk on the stub of the stock book: "Sent to the Fidelity Insurance, Trust and Safe Deposit Company, Philadelphia, Penn., 1-17-'91."

Fourteen months thereafter, and on March 16, 1892, the Comptroller of the Currency, finding that the capital of the bank was impaired, ordered an assessment of twenty-five per cent. on the capital stock to make good the deficiency. The assessment upon these shares amounted to $5,750. This amount was paid by the defendant and charged on its books to Delamater & Co. as an additional advance. Its check was sent to the bank in a letter signed by Mr. Hand.

On December 22, 1892, pursuant to Rev. Stat. § 5143 (U. S. Comp. Stat. 1901, p. 3463), and with the approval of the Comptroller of the Currency, the capital stock of the bank was reduced from $250,000 to $150,000, divided into 1,500 shares of $100 each. Thereupon, and on January 24, 1893, the defendant sent to the bank the certificates for 230 shares, and on February 7 received the certificates in the name of Hand, for 172½ shares, being the reduced number. Hand signed a transfer in blank on the back of the certificates, and in that form they remained in the possession of the defendant. On March 20, 1894, the vice-president of the defendant company addressed a letter to the bank, stating that the company held 172½ shares of the stock registered in the name of W. W. Hand, and requesting a copy of their last statement and any other information regarding the business of the bank, and as to whether there were any sales of stock, saying "We would like to sell our holdings, if marketable." No reply being received to this letter, the defendant company repeated its substance in another letter of April 4, stating that "as we have a loan of $22,000 depending upon the value of 172½ shares, we desire the above information." Several other letters were written to the same purport.

On June 20, 1897, the Keystone National Bank closed its doors, on July 26 the Comptroller of the Currency appointed a Receiver, and on November 3 ordered an assessment of 100 per cent. on the stockholders. Whereupon this action was brought to recover an assessment of $17,500 on the shares registered in the name of Hand.

The case was tried before a jury, and the question submitted to them "whether, before this Keystone National Bank failed, the defendant company, the Fidelity Trust Company of this city, was the real owner of these shares of stock, or whether it continued to be the pledgee of the stock—whether the stock had become theirs in the sense in which we use in ordinary speech the word 'owner,' or whether it had been continued to be pledged to them as collateral security for the payment of the note which has been offered in evidence."

Upon the issue thus submitted the jury returned a verdict for the defendant, upon which judgment was entered, and the case taken to the circuit court of appeals upon writ of error. That court affirmed the judgment (46 C. C. A. 509, 108 Fed. 475).

Mr. Justice Brown delivered the opinion of the court :

There being but little conflict in the testimony as to the actual facts, the question really is whether the court should have submitted the case to the jury, or instructed a verdict for the plaintiff.

By Rev. Stat. § 5151 (U. S. Comp. Stat. 1901, p. 3465), "the shareholders of every National banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts and engagements for such association to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares;" and by § 5234 (U. S. Comp. Stat. 1901, p. 3507), the Receiver may, upon order of the proper court, enforce this individual liability.

Most of the cases arising under this section have turned upon the question whether defendant was in fact the owner of the shares. In this connection the following propositions may be considered as settled:

1. That liability may be established by allowing one's name to appear upon the books of the corporation as owner, though in fact he be only a pledgee. (Pullman vs. Upton, 96 U. S. 328, 24 L. ed. 818.) Nor can the real owner exonerate himself from responsibility by making a colorable transfer of the stock, with the understanding that, at his request, it shall be retransferred. (Germania Nat. Bank vs. Case, 99 U. S. 628, 25 L. ed. 448; Bowden vs. Johnson, 107 U. S. 251, sub nom. Adams vs. Johnson, 27 L. ed. 386, 2 Sup. Ct. Rep. 246; Stuart vs. Hayden, 169 U. S. 1, 42 L. ed 639, 18 Sup. Ct. Rep. 274.)

2. Stockholders of record are liable for unpaid installments, though in fact they may have parted with their stock, or held it for others. (Hawkins vs. Glenn, 131 U. S. 319, 33 L. ed. 184, 9 Sup. Ct. Rep. 739.)

3. A mere pledgee, however, who receives from his debtor a transfer of shares, surrenders the certificate to the bank and takes out new ones in his own name, in which he is described as "pledgee," and holds them afterwards in good faith, and as collateral security for the payment of his debt, is not subject to personal liability as a shareholder. (Pauly vs. State Loan & T. Co. 165 U. S. 606, 41 L. ed. 844, 17 Sup. Ct. Rep. 465.) But it is otherwise if he allow his name to appear on the book as owner, or being the owner, makes a colorable transfer of the stock. (Germania Nat. Bank vs. Case, 99 U. S. 628, 25 L. ed. 448.)

Three cases in this court are specially pertinent to the one under consideration, and we have little more to do than to point out the salient facts of each and determine by which one of them this case is controlled.

In Germania Nat. Bank vs. Case, 99 U. S. 628, 25 L. ed. 448, it appeared that the Germania Bank lent $14,000 to the firm of Phelps, McCullough, & Co., who, to secure the payment of the loan, pledged to the bank 100 shares of the stock of the Crescent City Bank, with power, on non-payment of the note, to dispose of the stock for cash at public or private sale, without recourse to legal proceedings. At the same time a power of attorney was given, authorizing a transfer of the stock to the Germania Bank. The note not being paid at maturity, a transfer was made to the Germania Bank on the transfer books of the Crescent City Bank. The stock was subsequently transferred to one of the clerks of the Germania Bank with an understanding between him and the officers of the bank that he should retransfer it at their request. It was held that, notwithstanding the transfer to the clerk, the stock remained subject to the bank's control; that the transfer was made to evade the liability of the true owners; and that, as Phelps, McCullough & Co. had ceased to be the owners of the stock, the bank was liable. The liability was put by the court upon the ground that the stock was transferred to the Germania Bank upon the transfer books of the Crescent City Bank, and thereby the bank became subject to the liabilities of a stockholder, and that, as a transfer of the stock to its clerk, Waldo, was colorable, it had not exonerated itself from that liability.

The case is distinguishable from the instant case by the fact that the stock was actually transferred to the bank upon the transfer books of the Crescent City Bank, which thus appeared as owner, and that the subsequent transfer to Waldo was merely colorable. There was also the further fact that the Crescent City Bank was in a failing condition when the transfer to Waldo was made, and there was no reasonable doubt that the defendant, Germania Bank, knew it, and made the transfer to escape responsibility. In the present case the stock was never transferred to the defendant, and the transfer to Hand took place within two months of the time of the original pledgee, when the Keystone Bank was supposed to be perfectly solvent, and remained so for more than a year thereafter, when the assessment of twenty-five per cent. was made, the bank continuing in business until June 20, 1897, more than six years after the transfer to Hand.

In Anderson vs. Philadelphia Warehouse Co., 111 U. S. 479, 28 L. ed. 478, 4 Sup. Ct. Rep. 525, the law as laid down in the prior case was somewhat relaxed and a tendency manifested to look more closely at the equities. In that case Blumer & Co. borrowed a sum of money from the defendant, and as security for the loan transferred 450 shares of stock of the First National Bank of Allentown standing in the name of one Kern, a partner in the firm of Blumer & Co., on the books of the bank, and had a new certificate issued in the name of one Henry, president of the defendant warehouse company. The fact of the transfer of this stock to its president was brought to the attention of the directors of the warehouse company, who deemed it inadvisable to have the stock stand in the name of the President, and it was therefore transferred to one McCloskey, a porter in the employ of the company, and irresponsible. McCloskey never had possession of the certificate, and, at the request of the warehouse company, gave a power of attorney for the sale and transfer of the stock, and shortly thereafter died. The stock was subsequently transferred to one Ferris, another employee, also irresponsible. Dividends were regularly paid on this stock to Kern, and the warehouse company never acted as a shareholder. It was held that, as there was no evidence of fraud or bad faith,—as the warehouse company was never the owner of the stock, and never held itself out as such; never consented to a transfer of the stock on the books; never claimed dividends, or acted as a shareholder, or ever pretended to be anything but a mere pledgee,—it was not liable. Said the Court:

"The creditors were put in no worse position by the transfers that were made than they would have been if the stock had remained in the name of Kern, or Blumer & Co. who were always the real owners." It was held that, as the defendant promptly declined to allow itself to stand as a registered shareholder, because it was unwilling to incur the liability such a registry would impose, and asked that the transfer be made to McCloskey, from that time the case stood precisely as it would if the transfer had been originally made to him instead of to Henry, the president of the company. "All this was done in good faith, when the bank was in good credit and paying large dividends, and years before its failure or even its embarrassment."

The case differs from this only in the fact that here there was some evidence (enough to go to the jury) that defendant had held itself out as the owner of the shares.

In Pauly vs. State Loan & T. Co. 165 U. S. 606, 41 L. ed. 844, 17 Sup. Ct. Rep. 465, the stock which was delivered to the defendant as collateral security was reissued, and new certificates issued to the defendant as "pledgee." It was held that, as the stock book gave information that the defendant held the stock as pledgee only, it was not liable to an assessment. (See, also, Robinson vs. Southern Nat. Bank, 180 U. S. 295, 45 L. ed. 536, 21 Sup. Ct. Rep. 383; National Park Bank vs. Harmon, 25 C. C. A. 214, 51 U. S. App. 148, 79 Fed. 891, S. C. 172 U. S. 644, 43 L. ed. 1182, 19 Sup. Ct. Rep. 877.)

There is no doubt whatever that the defendant originally took blank transfers of the certificates of the stock in question as security for its loan to the Delamaters; that at that time the stock was worth its face value, $23,000; had paid dividends for twenty-seven years prior thereto, and was in good credit. To charge the defendant with liability as a shareholder it must be made to appear that it had either become the owner of the shares in fact, or had held itself out to be the owner, and thereby estopped itself to deny its liability as such.

The first change in its attitude toward the stock took place within two months after the original pledge, and was caused by the failure of the Delamaters, which occurred within twenty days after the loan was made. The change consisted in sending back, January 10, 1891, the original certificates, and requesting the bank to transfer the shares to Hand, which was done. Defendant evidently did not then intend to become the owner of the stock, as, immediately after receiving notice of the failure of the Delamaters, the vice-president of the company addressed a note to them, or their assignees, calling attention to the note and the pledge of the stock, and saying that if they were prepared to anticipate the payment of the note and have the collateral returned, they would be glad to so arrange it; and in a further letter of May 5, 1891, to the Delamaters, he notified them that the note was secured by the Keystone Bank stock, and "if we cannot secure payment for the note and interest, I have to notify you that we shall proceed to sell the collateral at auction." It also appears that on July 7, 1892, the vice-president of the company addressed a letter to the auditor of the Delamater estate, notifying him of their claim against that estate upon the note for $15,000, and stating that the company held the shares of the Keystone Bank as collateral for the loan. Thereafter, and on March 30, 1893, the company received a dividend of $795.60, to which it was undoubtedly entitled as pledgee.

Even so late as 1894 the vice-president of the defendant company addressed a note to the Keystone Bank, requesting information regarding their business; whether there had been any sales of the stock and at what price, and saying that "as we have a loan of $22,000 depending upon the value of 172½ shares, we desire the above information." It is true that the defendant in 1892 paid an assessment of $5,750 upon this stock, but the amount was charged to the Delamaters as an additional advance, and was evidently paid to save its interest in the stock from forfeiture. (Rev. Stat. § 5205, as amended in 1876, 19 Stat. at L. 64, chap. 156 U. S. Comp. Stat. 1901, p. 3495.) It is not easy to see how the defendant could have done otherwise than it did without prejudice to its own rights, as well as to the rights of the assignees of the pledgors.

It is also evident that the assignees of the Delamaters treated the interest of the defendant in the stock as a mere pledge, since in their account filed in the court of common pleas of Crawford county, July 13, 1896, they charge themselves in the account as follows: "Equities in stocks and bonds, pledges as collateral on loan unadjusted, as follows: (a) $23,000, stock of the Keystone National Bank of Erie, pledged for a loan of $15,000, appraised at $8,000." Proof was offered that in this account the assignees had made another entry, "said stock having been converted by the holder of the note, and said stock having been assessed to the amount of twenty-five per cent of its face value, did not sell for enough to pay the debt for which it was pledged." This memorandum was excluded, and properly so, by the court below, inasmuch as it was a mere assertion of fact made by these assignees without the knowledge of the defendant. The company could not be bound by a statement thus made by these assignees without its knowledge or acquiescence. Again, it was obviously untrue, as the stock had never been sold. Evidently all that was intended by the word "converted" was that the stock was not worth enough "to pay the debt for which it was pledged." There can be no doubt that defendant would have been willing at any time to surrender the stock upon payment of the debt, and that it retained it simply because it was forced to do so.

It is also true that a number of letters were written during the time the defendant held possession of the certificates, in which it made inquiries as to the value of the stock, the number of sales made, and spoke of itself as holding or owning the stock, which it desired to sell, and that Hand once or twice voted the shares by proxy; but the bank clearly could not have been misled, as the nature of such ownership was shown in the letter of April 4, 1894, in which they spoke of a loan of $22,000 depending upon the value of 172½ shares, and repeatedly thereafter, and as late as April, 1897, said they were anxious to sell this stock "to close an account" for which it was collateral. If such representations had been made either by a formal entry upon the books of the bank or to the public, or to anyone who could have been prejudiced by them, defendant might be held to be estopped, but as they were made to officers of the bank, who understood perfectly the capacity in which the defendant retained the stock, it was properly held to be a question for the jury.

* * * * * * * * * *

The fact that the certificates were put in the name of Hand, though calculated upon its face to awaken suspicion, wrought no material change in the situation. If defendant were in fact the owner of the shares, it could not avoid liability by listing them in the name of another. (Germania Nat. Bank vs. Case, 99 U. S. 628, 25 L. ed. 448.) If it were the pledgee, it had the option of listing these shares in its own name as pledgee; Pauly vs. State Loan & T. Co., 165 U. S. 606, 41 L. ed. 844, 17 Sup. Ct. Rep. 465; or in the name of another and irresponsible party, even though this were done for the purpose of avoiding liability. (Anderson vs. Philadelphia Warehouse Co., 111 U. S. 479, 28 L. ed. 478, 4 Sup. Ct. Rep. 525.) The creditors were not injured, since if the exact truth had appeared upon the face of the certificates, by registering the shares as pledgee, they would have had no recourse against the defendant. Upon the other hand, if defendant had really owned the shares, it would have been a fraud to list them in the name of Hand. Perhaps it would have been less open to criticism to have listed them in its own name as pledgee, but as its failure to do so, under the theory of the defendant that it was in fact the pledgee, misled no one, it should not be held liable for what was done in good faith and with no intent to defraud.

The case then really turned upon the actual ownership of the shares, and this question was properly left to the jury as one of fact. Although the construction of written instruments is one for the court, where the case turns upon the proper conclusions to be drawn from a series of letters, particularly of a commercial character, taken in connection with other facts and circumstances, it is one which is properly referred to a jury. (Brown vs. M'Gran, 14 Pet. 479, 10 L. ed. 550.) In that case it was said by Mr. Justice Story that "there certainly are cases in which, from the different senses of the words used or their obscure and indeterminate reference to unexplained circumstances, the true interpretation of the language may be left to the consideration of the jury for the purpose of carrying into effect the real intention of the parties. This is especially applicable to cases of commercial correspondence, where the real objects and intentions and agreements of the parties are often to be arrived at only by allusions to circumstances which are but imperfectly developed."

This case is specially applicable to the one under consideration, inasmuch as plaintiff relies chiefly upon the fact that defendant, in its correspondence with the bank, spoke of itself as owning or holding the shares standing in the name of Hand. Under the circumstances, it is entirely possible that the word "owner" may have been used in its ordinary sense, or as representing a pledgee upon whom the ownership of the shares had been cast by the failure of the pledgor, and the depreciation of the value of the shares to an amount insufficient to pay the note. It can hardly be possible that the statute was intended to impose a liability upon a pledgee who had taken the shares as collateral security, and, through the failure of the pledgors, had been forced against its will into the position of ownership. Such a result might operate to destroy altogether the possibility of raising money upon the deposit of National bank shares as collateral. (See, also, Fagan vs. Connoly, 25 Mo. 94, 69 Am. Dec. 450; Prather vs. Ross, 17 Ind. 495; Roberts vs. Bonaparte, 73 Md. 191, 10 L. R. A. 689, 20 Atl. 918; Macdonald vs. Morrill, 154 Mass. 270, 28 N. E. 259.)

DEPOSITS BY AGENT—PAYMENTS TO AGENT.

Supreme Court of Kansas, April 11, 1903.

MARTIN vs. KANSAS NATIONAL BANK, *et al.*

1. A bank cannot be held to account to the owner of a fund, where such fund has been deposited by an agent in his own name and paid out upon his check, without knowledge by the bank of any want of power on the part of the agent.

(Syllabus by the Court.)

CUNNINGHAM, *J.:* By this action plaintiff in error, as plaintiff below, sought to recover from the defendants the proceeds of the sale of a carload of hogs sent by him to the Wichita Live Stock Commission Company, to be sold by it on commission. This carload of hogs was shipped by the plaintiff from Enid, Okl., consigned to himself at Wichita, Kan., with instructions to the commission company to sell the same and remit the proceeds. Being unable to find a suitable market at Wichita, the commission company reshipped to Kansas City, and notified the plaintiff of this action. The hogs were there sold, and in due course a check for the proceeds, payable to the Wichita Live Stock Commission Company, was sent by the Kansas City factor to that company. This check was deposited with the defendant bank on April 24, and on the same day the commission company sent to the plaintiff its check on the defendant bank for the amount going to him. In due course this check was presented to the defendant bank some time in the afternoon of April 26 and its payment refused.

The live stock company had notified the bank before this refusal that by reason of a serious and unexpected loss it was unable longer to continue in business. It appears that the commission company had been doing business for something over two years; that it was originally organized with the son of the President of the bank as one of its members; that he retained some interest in the company up to the time of its failure, but had long prior to that time ceased to have any active interest in or knowledge of its business; that it was organized without capital, for the purpose of handling live stock upon the Wichita and other markets for commission; that it frequently advanced money to shippers, upon their bills of lading, prior to the time when, by the sales of such shipments, it had realized the funds; that it was the understanding, at the time of its organization, that it should do its banking business through the defendant, and that it had done such business with the defendant; in the course of its business the commission company would sometimes have quite a large amount to its credit on the books of the bank, and at others its account would be quite largely overdrawn; that, when so overdrawn, it was notified by the officers of the bank that such overdraft must be made good, or payment of its checks would cease; that in all respets its deposits and withdrawals of money by check were in accordance with the usual rules of business governing such transactions; that for several days prior to its failure it has carried quite a large overdraft, caused by the prepayment of a consignment of cattle from one of its customers; that on April 26, the date of this failure, it had ascertained that through the criminal acts of this customer it had been defrauded out of the proceeds of such consignment, to its loss of about $4,000, and that this loss was the immediate cause of its suspension of business; that on the 24th day of April, when the Kansas City check covering the proceeds of the sale of plaintiff's hogs were deposited with the defendant bank, the commission company had overdrawn its account there $3,387. The business of the 24th, 25th, and 26th increased this overdraft by $22, so that no part of the proceeds of the sale of plaintiff's hogs went to decrease this overdraft.

While in a general way the defendant bank knew of the character of the business being done by the commission company, the record fails to show that it knew that there had been any transaction between the plaintiff and the commission company, or that the fund evidenced by the Kansas City check belonged to the plaintiff. A demurrer was sustained to the evidence of the plaintiff, and judgment rendered on behalf of defendant bank for its costs.

Something is sought to be made out of the fact that the son of the President of the bank was interested in the commission company. No foundation, however, is found in the evidence for any claim of fraud or wrongdoing on the part of the bank in this respect.

The principal claim made by the plaintiff for recovery is that the fund evidenced by the check received by the commission company from the sale of his hogs in Kansas City was a trust fund, and as such was held by the bank, and must be so accounted for.

We find no warrant in law, under the evidence, for sustaining this claim. It is true that, had the fund been in the hands of the bank at the time of the commencement of the action for its recovery, or had the bank applied the same to a liquidation of a debt due to it from the commission company with knowledge of the fact that the fund so applied did not belong to the commission company but to its customers, then it would have been held to account to the rightful owner of such fund. It has even been held that the bank would be held to so account had it applied the fund to the payment of a debt of the agent, even though it supposed such fund belonged to the agent himself.

However, the facts of this case do not warrant the application of this rule in any sense, either liberal or restricted. The ordinary course of business had been pursued between the bank and commission company for two years. Deposits were frequently made, and checks as frequently drawn and paid, the bank being all the time unaware, so far as the evidence shows, of the particular source from whence any of the funds came. This course of business was pursued up to the date of the company's failure, and, from the time of the deposit of the fund in question up to the time of the failure, a larger amount was paid out on checks than was received in deposits, so that it cannot be said that the bank in any way profited by the receipt of the plaintiff's money. The plaintiff, by placing his property in the hands of the commission company for sale, authorized that company to receive the price thereof, and to handle the same in the due and ordinary course of business, which included the right to deposit in bank and withdraw by check. Any other rule than this must of necessity paralyze business of this character, for, if a bank is to be held liable for all trust money deposited and checked out by the trustee in the ordinary course of business, of course no bank would or could safely engage in the ordinary banking business.

The rule is tersely stated in Morse on Banks and Banking (2d Ed.), p. 300: "Where money is deposited by a person in his own name, and with no notice, express or implied, that any other person has any title, right, or interest therein, the bank is justified in paying the same to him upon his checks, until it has notice that some other person claims the money under a superior title, and intends to enforce that claim adversely to the title of the depositor." Abundant authority might be cited in support of this rule, or one even more liberal to the banks than this. We content ourselves by citing from our own reports. (Bank vs. Bank, 60 Kan. 621, 57 Pac. 510.)

We think the plaintiff failed to show any right to recover, hence affirm the judgment of the court below. All the Justices concurring.

LEASE OF REAL ESTATE BY NATIONAL BANK—CONTRACT TO ERECT BUILDING.

United States Circuit Court of Appeals, Nov. 10, 1902.*

BROWN vs. SCHLEIER, *et al.*

The power conferred upon National banks by section 5137 Rev. Stat. U. S. to purchase such real estate as is needed for their accommodation in the transaction of their business includes the power to lease property whereon to erect buildings suitable to their wants.

A National bank may lease property for a term of years and agree with the lessor to construct such a building as it desires, provided that it acts in good faith, solely with a view of obtaining an eligible location, and not with a view of investing its funds in real property or embarking them in speculations in real estate.

If the land which it purchases or leases for the accommodation of its business is very valuable, it may exercise the same rights that belong to other landowners of improving it in a way that will yield the largest income, lessen its own rent, and render that part of its funds which are invested in realty most productive.

A lease of real estate by a National bank is not invalid because made for a longer period than the corporate existence of the bank.

Nor is such a lease invalid because the gross rents payable during the term will reach a sum exceeding the amount of the bank's capital stock.

Where a National bank invests in real estate in excess of its powers, and the transaction has been acquiesced in for a long time, only the Government can be heard to complain, and a Receiver appointed by the Comptroller of the Currency cannot do so.

On September 12, 1889, the People's National Bank of Denver leased a lot of ground in the city of Denver for the term of 99 years at a yearly rental of $13,975, and agreed to erect within eighteen months from and after February 1, 1890, at its own cost and expense, a substantial building, not less than four stories in height, to cost not less than $100,000. By the terms of the lease the lessee was to have no right to remove the building, but the same was to become a part of the realty. The lease also gave to the lessee and its assigns an option to extend the lease for the same rental for a term of fifty years from and after the expiration of ninety-nine years. The bank took possession of the demised premises, and on or about the month of January, 1891, had com-

* The points of this decision were published in the March issue of the MAGAZINE. As the case is one of considerable importance, we print the full text of the decision, which has just been officially reported.

pleted the erection of a building thereon, eight stories in height, at a cost of $305,725.39.

About the month of January, 1897, the People's National Bank commenced to liquidate its affairs with a view of surrendering its charter, and on April 27, 1897, its stockholders, at a meeting duly held for that purpose, resolved to go into voluntary liquidation. On September 20, 1897, the bank called a meeting of its stockholders to consider a proposition to surrender the remainder of its leasehold term to Schleier, the lessor, stating in its notice to the stockholders that, as the income from the property which it had leased was less than the fixed charges, it had become necessary to take some action to relieve the bank.

At that time there was due for rent in arrears under the lease, and for taxes which the lessee was obligated to pay, a sum amounting altogether to about $6,000. In compliance with action which appears to have been taken at said stockholders' meeting, the bank, subsequently, on October 30, 1897, surrendered its leasehold term to the lessor, and the lessor agreed, in consideration of such surrender, to discharge the bank from its liability to pay such rents and taxes as were then in arrears; also to discharge the bank from all further installments of rent which were to accrue under the lease. Some time after the bank had resolved to go into voluntary liquidation, a Receiver was appointed by the Comptroller of the Currency, and afterwards the Receiver instituted this suit praying that the court would decree that the lease executed by Schleier to the bank on September 12, 1889, was null and void, in view of the National Bank Act; that the agreement purporting to cancel and surrender said pretended lease was also null and void; that there might be a full accounting between Schleier and the Receiver; and that whatever was found due to the Receiver upon said accounting be declared a first and prior lien upon the bank building which the bank had erected, as well as upon the ground upon which it was situated. The bill was demurred to for want of equity, and the demurrer was sustained, whereupon a decree was entered dismissing the complaint. From this decree the Receiver appealed.

Before SANBORN and THAYER, Circuit Judges, and LOCHREN, District Judge.

THAYER, *C.J.* (after stating the case): The bill in this case appears to have been exhibited, and a recovery is sought, upon the theory that the lease of September 12, 1889, was executed by the People's National Bank in excess of its corporate powers, and was therefore void; that Schleier, the lessor, was a party to the act whereby the charter of the bank was violated, and is therefore liable as a joint tort-feasor for all the damage which the creditors of the bank have sustained in consequence of the execution of the lease without lawful authority. It is urged, in substance, that the lease was *ultra vires* the bank, because it undertook, in violation of section 5137 of the Revised Statutes [U. S. Comp. St. 1901, p. 3460], to erect a building on the demised premises which it did not contemplate using "for its immediate accommodation in the transaction of its business," but did intend to rent in part to third parties. It is also claimed that the bank exceeded its powers in making the lease, because it contracted an indebtedness to an amount exceeding its capital stock, in violation of section 5202 of the Revised Statutes [U. S. Comp. St. 1901, p. 3494], by engaging to pay rent at the rate of $13,975 per annum for the term of 99 years; and incidentally it is claimed that the power conferred upon National banks by section 5137 of the Revised Statutes to purchase and hold such real estate "as shall be necessary for its immediate accommodation in the transaction of its business" does not comprehend the power to lease property with a view of erecting a building thereon for its accommodation in the transaction of its business, nor the right to lease property for a longer period than it is to exist as a corporation.

We entertain no doubt that the power conferred on National banks by section 5137 of the Revised Statutes to purchase such real estate as is needed for their accommodation in the transaction of their business includes the power to lease property whereon to erect buildings suitable to their wants. The power to purchase land is larger than the power to lease by as much as a fee simple estate is larger than a term for years, and the greater power includes the less. In the larger towns and cities of the United States, National banks usually find it necessary to locate themselves in the business centers, where property is most in demand and likewise most valuable. In the large cities it will doubtless sometimes happen that a bank cannot locate itself in a quarter where its business interests demand that it should be located, unless it leases property for a term of years and agrees with the owner to erect a building thereon suitable to its wants. That a National bank may purchase a lot of land and erect such a building thereon as it needs for the accommodation of its business admits of no controversy under the language of the statute, and we perceive no reason why it may not likewise lease property for a term of years and agree with the lessor to construct such a building as it desires, provided, always, that it acts in good faith, solely with a view of obtaining an eligible location, and not with a view of investing its funds in real property or embarking them in speculations in real estate. Nor do we perceive any reason why a National bank, when it purchases or leases property for the erection of a banking house, should be compelled to use it exclusively for banking purposes. If the land which it purchases or leases for the accommodation of its business is very valuable, it should be accorded the same rights that belong to other landowners of improving it in a way that will yield the largest income, lessen its own rent, and render that part of its funds which are invested in realty most productive. There is nothing, we think, in the National Bank Act, when rightly construed, which precludes National banks, so long as they act in good faith, from pursuing the policy above outlined. The act was framed with a view of preventing such associations from investing their funds in real property, except when it becomes necessary to do so, either for the purpose of securing an eligible business location, or to secure debts previously contracted, or to prevent a loss at execution sales under judgments or decrees that have been rendered in their favor.

When an occasion arises for an investment in real property for either of the purposes specified in the statute, the National Bank Act permits banking associations to act as any prudent person would act in making an investment in real estate, and to exercise the same measure of judgment and discretion. The act ought not to be construed in such a way as to compel a National bank, when it acquires real property for a legitimate purpose, to deal with it otherwise than a prudent landowner would ordinarily deal with such property. We think that the lease in question was not invalid because it created a term that would outlast the life of the corporation in whose favor it was created. If a corporation is empowered to acquire real estate by purchase or lease for the transaction of its business, it matters not that it acquires an estate or interest which will not expire until after the death of the corporation, provided the estate or interest so acquired is vendible. (Detroit Citizens' St. Ry. Co. vs. City of Detroit, 12 C. C. A. 365, 64 Fed. 628; Nicoll vs. Railroad Co. 12 N. Y. 121, 128; People vs. O'Brien, 111 N. Y. 1, 37, 18 N. E. 692, 2 L. R. A. 255; State vs. Laclede Gaslight Co. 102 Mo. 472, 482; Union Pac. R. Co. vs. Chicago, R. I. & P. R. Co. 163 U. S. 564, 592; *Id.* 10 U. S. App. 192, 2 C. C. A. 174, 51 Fed. 309.)

If the rule were otherwise, no corporation, unless it had a perpetual existence, could acquire land in fee, and in that event the objection made to the lease, based on the length of the term thereby created, would apply equally well if the grant had been in fee. The lease in question created an interest in the land which was doubtless supposed to be of considerable value when the lease was executed; and although the interest so created was what is usually termed a "chattel interest," the term being less than a freehold, yet it was an interest which was salable during the life of the corporation or on its dissolution, and might have become a very valuable asset of the bank. Such terms as the one created by this lease are sometimes as marketable as estates in fee, and we perceive no reason why the instrument which created it should be held invalid, any more than a deed conveying an estate in fee, which would outlast the life of the bank. A corporation, like a natural person, should be allowed to hold and enjoy a leasehold estate that will outlast its own existence, provided it can be alienated at or prior to its dissolution. Moreover, the rule being that, in such a case as the one at bar, the personal covenant of the corporation to pay rent would not be enforceable against it after the expiration of its charter (Lorillard vs. Clyde, 142 N. Y. 456, and cases there cited), it is not apparent that any sufficient reasons exist, based on the length of the term, to render the lease invalid.

We are furthermore of the opinion that the lease in controversy was not invalid because the gross rents payable during the term would have amounted to a sum exceeding $300,000, which was the amount of the bank's original capital. The gross rents that were to accrue and would have accrued at intervals during the 99-year term, if the lease had not been surrendered or canceled, do not, in our judgment, constitute an indebtedness, within the fair intent and meaning of section 5202 of the Revised Statutes (U. S. Comp. St. 1901, p. 3494). The National Bank Act confessedly confers power upon National banks to lease property which they need for the convenient transaction of their business, and it contains no express provision limiting the duration of such leases. Their duration is left to be determined by the judgment and discretion of the bank or its board of directors. Very frequently such associations are compelled to pay a large annual rental, and it can hardly be supposed that Congress intended that the various installments of rent that an association has obligated itself to pay under a lease for a long term of years, which it executed because it was necessary to do so to secure an eligible business location, should be aggregated and counted as a debt within the purview of section 5202, *supra*. Rent is one of those ordinary expenditures which such associations are compelled to incur and pay; and installments of rent that are to be earned by the occupation of the demised premises in future years, and may never in fact be earned, can hardly be esteemed an indebtedness, and certainly not an indebtedness within the fair purview of section 5202, until it has accrued.

In Deane vs. Caldwell, 127 Mass. 242, 244, it was held that, before the day on which rent is covenanted to be paid, it is in no sense a debt. It was also held by the circuit court of the United States for the Southern District of Ohio in Trust Co. vs. Armstrong, 35 Fed. 567, that rent which was to accrue in future, under the terms of a long lease taken by a National bank, but which had not been actually earned by occupation, could not be proven, as against the Receiver of the bank, as a debt; it appearing that the Receiver had declined to take possession of the demised premises and assume the burdens of the lease.

It was also held by the Supreme Court of the United States in City of Walla Walla vs. Walla Water Co. 172 U. S. 1, 19, that the annual installments of rent which a city had agreed to pay to a water company for a period of twenty-five years, for the use of water, could not be aggregated and counted as a debt, and added to the other indebtedness of the city, for the purpose of showing that the city had contracted an indebtedness in excess of the amount permitted by its charter. See, also, City of South Bend vs. Reynolds (Ind. Sup.) 57 N. E. 706, 707, 49 L. R. A. 795. We conclude, therefore, that it cannot be successfully claimed that the bank exceeded its powers in executing the lease, because it thereby contracted an indebtedness in excess of the amount prescribed by section 5202, Rev. St. (U. S. Comp. St. 1901, p. 3494).

It follows, from what has been said, that if the lease in question was invalid when it was executed, that which rendered it so was the covenant of the bank to expend as much as $100,000 in the erection of a building on the demised premises. The bill avers that it spent more than that amount, to wit, the sum of $305,725; but the lease did not bind it to incur that expense, and we fail to see any ground upon which Schleier, the lessor, can be held accountable to the creditors of the bank or to the United States because the bank saw fit to erect a more expensive building than it had engaged to build.

The lessor, after the execution and delivery of the lease, was not in a situation where he could be heard to complain because the lessee was making more expensive improvements than it had agreed to make. Even if it be conceded, therefore, that the bank exceeded its powers in expending as much as $305,725 in the construction of a building, yet we are unable to hold that the lessor is chargeable with the amount of an excessive expenditure which he was powerless to prevent. Another fact to be kept in mind is that the case in hand is not one where the bank assumed to exercise a power which did not belong to it; but it is a case where, in the exercise of a power that was clearly conferred, it misused or abused it by making a greater expenditure for an authorized object than it ought to have made. Besides, the wrongful expenditure was made ten years before the present bill was filed. The building was completed in January, 1891, and the transaction at that time became an executed transaction. Moreover, while the matter was in *fieri*, no stockholder, or other person authorized to complain, raised his hand to arrest the unauthorized expenditure, although the act was done publicly; nor did the United States, which granted the bank's charter, take any steps to arrest the unauthorized expenditure by the bank, on the ground that its charter was being violated. Furthermore, the act complained of was not *malum in se*, but at most was simply *ultra vires*.

On this state of facts the inquiry arises whether the transaction is one of which the Receiver of the People's National Bank is authorized to complain; and this question, we think, should be answered in the negative. The Receiver is one who was appointed by the Comptroller, under section 5234 of the Revised Statutes (U. S. Comp. St. 1901, p. 3507), to liquidate the affairs of the bank; it having become insolvent. As such Receiver he is vested with all the rights of creditors and the rights of the corporation itself, and may doubtless challenge any wrongful act which creditors could challenge, and maintain such suits against third parties, including actions against directors and stockholders of the bank on account of wrongful and fraudulent acts, as the corporation might maintain. (Hayden vs. Thompson, 17 C. C. A. 592, 71 Fed. 60, and cases there cited.) But we think that, in virtue of his office as Receiver, he is not authorized to challenge or impeach an executed transaction between the bank and a third party, like the one now in hand, that was simply *ultra vires*, and which, though known to the United States, through its proper officials, at the time it was undertaken and consummated, and while the excessive investment of its funds was being made, was neither arrested nor complained of by the United States or any creditor or stockholder of the bank.

In Case vs. Terrell, 11 Wall. 199, 202, it was held that a Receiver of a National bank represents the bank, its stockholders, and creditors, but that such officers do not in any sense represent the Government. A Receiver of a National bank, therefore, by virtue of his appointment under section 5234, is not endowed with all those visitorial powers over National banks which the United States, acting in its sovereign capacity, may exercise. The United States, if it had thought proper to have done so, could have proceeded against the People's National Bank for a forfeiture of its charter because of the alleged abuse or misuse of its charter powers. It did not do so, but permitted the investment to be made, evidently upon the theory that it would be profitable to the bank and not harmful to the public; and, having done so, a Receiver appointed by the Comptroller years afterwards, has no right to impeach the investment, and ask that it be declared void, and that the property of a third party, who dealt with the bank in good faith, be charged with a lien for the sum expended, now that the investment has proven to be unprofitable.

There are some *ultra vires* acts, when committed by a National bank, which the Government alone is permitted to call in question after such acts are committed. For example, in Bank vs. Stewart, 107 U. S. 676, 678, where such a bank had loaned money on the security of its own stock in admitted violation of section 5201 of the Revised Statutes [U. S. Comp. St. 1901, p. 3494], the court decided, in substance, that, if any one "except the Government" could challenge the transaction, it could only be done before the contract was executed. In the well-known case of Bank vs. Matthews, 98 U. S, 627, 628, 629, it appeared that a National bank had loaned money on the security of real property in violation of section 5136 of the Revised Statutes [U. S. Comp. St. 1901, p. 3456], and was proceeding to foreclose the mortgage, whereupon the mortgagor sought to enjoin the foreclosure proceedings upon the ground that the mortgage was a nullity, because the bank had no authority to accept it as security for a loan. It was held, however, that the act of making the loan the security of real property, although *ultra vires*, did not render the mortgage void; that the mortgagor could not successfully resist the foreclosure proceedings because of the *ultra vires* character of the transaction; and that the United States alone could challenge it, doing so by a proceeding to oust the bank of its franchise. The court said that a private person could not directly or indirectly usurp this function of the Government, but that it was the right of the Government to determine whether it would complain of the transaction. The same rule was reaffirmed in Reynolds vs. Bank, 112 U. S. 405, 413, 5 Sup. Ct. 213, 28 L. ed. 733, and was followed and enforced by this court in Sioux City Terminal R. & Warehouse Co. vs. Trust Co. of North America, 27 C. C. A. 73, 83, 82 Fed. 124, 134.

We are of opinion that the same doctrine is applicable when, as in the present case, a National bank makes an excessive investment in real property for the purpose of obtaining an eligible business location. Granting that it is guilty of an abuse of its powers in so doing, and that while the act is under way a stockholder may enjoin the threatened wrong, yet after the investment is made, and the conveyance to the bank has been executed and delivered, it is not void, but operates to vest in the bank such an estate as the conveyance by its terms creates. Moreover, when the conveyance is made, and the funds of the bank have been invested therein, the estate so acquired becomes an asset of the bank, and no one can question the transaction, unless the Government, acting in its soverign capacity, elects to do so. The remedy for the wrong is solely in the hands of the Government. A Receiver appointed by the Comptroller of the Treasury on the insolvency of the bank, pursuant to section 5234 of the Revised Statutes [U. S. Comp. St. 1901, p. 3507], and armed simply with the rights of the corporation and its creditors, cannot do so.

* * * * * * * * * *

We conclude that the demurrer to the bill was properly sustained, and that the decree below should be affirmed. It is so ordered.

ACCOMMODATION PAPER OF CORPORATION—AUTHORITY OF OFFICER.

Supreme Court of Wisconsin, April 17, 1903.

FELTER VS. SPIDER LAKE SAW MILL & LUMBER CO.

An officer of a corporation in the absence of special authority has no power to execute accommodation paper in the corporate name, and a person receiving such paper either knowing or being charged with the knowledge of the fact that it is accommodation paper cannot hold the corporation.

A person receiving a note for the debt of another, which bears the endorsement of a corporation not in the chain of title, is charged with notice that such endorsement is for accommodation.

This is an action against defendant (a foreign corporation), as indorser of two promissory notes for $1,074.58 and $1,448.98, respectively, with interest. The defense was that there was no consideration for the indorsement, and that the plaintiffs were not *bona-fide* holders. At the close of the trial a verdict for the defendant was directed, and from judgment thereon the plaintiffs appealed.

WINSLOW, *J.* (omitting part of the opinion): The contention of respondent in the court below was that the indorsement of the notes in suit by defendant was purely an accommodation indorsement, without consideration, which Hathway had no power to make, and that the plaintiffs were not *bona-fide* holders, because they received the paper for the individual debt of Willoughby & Hathway, and were charged with notice that the indorsement of the defendant was without consideration and unauthorized. It is certainly true that an officer of a corporation, in the absence of special authority, has no power to execute accommodation paper in the corporate name, and that a person receiving such paper, either knowing or being charged with knowledge of the fact that it is accommodation paper, cannot hold the corporation. Doubtless, also, when a person receives a note for the debt of another, which bears the indorsement of a third person or corporation not in the chain of title, he is charged with notice that the indorsement is an accommodation indorsement. (Bank vs. Shawnee County Bank, 95 U. S. 557, 24 L. ed. 490; Hiawatha Iron Co. vs. Strange, 106 Wis. 111, 81 N. W. 1034; Park Hotel vs. Bank, 30 C. C. A. 409, 86 Fed. 742.)

In the present case it appears that the original note of April 29, of which the notes in suit were mere renewals, was delivered and received to apply upon the liability of Willoughby & Hathway on their commission contract. It appears by Hathway's own testimony that it was executed by Humphrey & Holdridge as makers, and was payable to the order of Willoughby & Hathway, and that he indorsed the corporate name of the defendant upon it before delivery to the plaintiffs. Thus the note itself showed that the defendant corporation was not in the chain of title, and hence that its indorsement was presumptively an accommodation indorsement for the benefit of Willoughby & Hathway. (1 Bates on Partnership, § 358.) If, therefore, the evidence in the case had shown that such indorsement was in fact without consideration, and made only for the accommodation of Willoughby & Hathway, there can be no doubt that the plaintiffs were rightly defeated, because the form of execution of the first note (upon which, manifestly, the entire question depends) was such as, under the principles stated, to give them notice of the character of the indorsement, and hence notice that it was unauthorized, at least unless special authority could be shown.

It is true that the testimony of the witness Smeaton tended to show that the defendant corporation received no consideration for the indorsement of the note by Hathway in its name, and that the defendant was never indebted to Willoughby & Hathway nor to the plaintiffs, and, if this testimony stood alone, doubtless the judgment was right; but the witness Hathway testifies directly that the original note was given and indorsed with Smeaton's knowledge, and that it in fact represented Pelton & Reid lumber bought by the defendant of Willoughby & Hathway. We are unable to say that this testimony was not creditable. If true, it undoubtedly formed a consideration for the indorsement of the note by the defendant, and the plaintiffs were certainly entitled to have the question as to its truth submitted to the jury.

Judgment reversed, and action remanded for a new trial.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

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

PROMISSORY NOTE—PAYMENT IN GOLD DUST—NOT A NOTE WITHIN SECTION 82 OF THE BILLS OF EXCHANGE ACT.

BELCHER, *et al.* vs. McDONALD (9 British Columbia Reports, 377).

STATEMENT OF FACTS: The plaintiffs were the executors of one Calder, who during his lifetime was the partner of the defendant in certain mining industries in the Yukon. In the year 1897 the defendant was about to go to England to arrange the sale of the partnership mining claims, and for the purpose of a rough settlement of accounts gave to Calder a written document purporting to be a promissory note for $100,000. This document was in the form of a promissory note in favor of Alexander Calder, and called for the payment of $100,000, on demand, in gold dust at $16 an ounce.

The action was tried in the Yukon Territorial Court, and the trial Judge was of the opinion that because the document called for payment in gold dust it was not a promissory note within section 82 of the Bills of Exchange Act, which defines the promissory note as follows:

"A promissory note is an unconditional promise in writing made by one person to another, signed by the maker, engaging to pay on demand, or at a fixed or determinable future time, a sum certain in money, to, or to the order, of a specified person or to bearer."

The plaintiffs then applied to amend their pleading by inserting a claim on an account stated at the date of the note. The learned judge refused the amendment, and an appeal was taken on all grounds to the Supreme Court of British Columbia.

JUDGMENT (Hunter, *C.J.;* Drake, *J.*, and Martin, *J.*): There were a number of other points involved in the appeal which are not of interest here, and the judgment was largely taken up with the discussion of these points; but the court was unanimous in deciding that the document sued upon was not a promissory note, and that the plaintiffs having declared in their pleadings upon a promissory note, and the trial having proceeded and evidence having been taken on that issue, they were not entitled to the amendment asked for. The appeal was, therefore, dismissed with costs.

PROMISSORY NOTE FOR THE PRICE OF MACHINERY—COLLATERAL AGREEMENT IN THE NATURE OF A HIRE RECEIPT—JUDGMENT UPON THE NOTES—SUBSEQUENT ACTION FOR POSSESSION OF THE MACHINERY.

LA FONDERIE DE PLESSISVILLE vs. LE VESQUE & ROY, MIS-EN-CAUSE (Quebec Reports, 22 Superior Court, p. 306).

When a vendor takes judgment upon notes representing the price of machinery sold, and then by a special contract reserves the ownership of the machinery until the full price is paid, he cannot without having abandoned his first judgment take possession of the same machinery or obtain judgment for possession of it.

STATEMENT OF FACTS: The plaintiffs having sold to the defendant certain machinery, for the price of which they accepted his notes, made at the same time a contract with him by which they retained the property in the machinery until payment was made in full. The notes not having been paid at maturity the plaintiffs took judgment for the amount of them and issued an execution.

It was then stated that the defendant was no longer in possession of the machinery, which had been sold under an execution of another creditor and purchased by Roy. The plaintiffs then brought this action against the defendant and Roy for the amount of their former judgment and costs, and asked for an order declaring them to be the owner of the machinery in question.

Roy, the purchaser pleaded that the plaintiffs' rights of action was merged in his first judgment and that the plaintiffs could not have a new judgment for the same cause of action and for the same amount with the addition of the costs of the first suit; and that Roy, not having been a party to the first suit, could not be charged in any event with the costs of it. The plaintiffs submitted that the first judgment could not prevent them retaking the machinery which they demanded only after the defendant had made the default in payment; and that the expenses of seeking to obtain payment were in the nature of damages which they were entitled to charge against Roy. They further alleged that the sale to Roy was fraudulent and in pursuance of a scheme.

The defendant and Roy answered that supposing these allegations to be true, the plaintiffs had renounced all their rights upon the machinery in taking the judgment against the defendant upon the notes given in payment of them, and that while the plaintiffs might bring an action to have the sale declared void, they could not attack it as fraudulent in this action.

JUDGMENT (Choquette, *J.*): The judgment discussed the contentions of the parties and held that the plaintiffs having obtained judgment and issued execution for the amount of the notes given in payment, were not in a position to reclaim the machinery without having first renounced that judgment. The action was therefore dismissed with costs.

ISSUE OF BONDS—RAILWAY ACT OF CANADA, SEC. 95, SUB-SEC. 4—SECOND ISSUE OF BONDS WITHOUT PAYMENT OF FIRST ISSUE—POWER TO ORDER DEBTOR TO EXECUTE HYPOTHEC.

CONNELLY vs. THE MONTREAL PARK AND ISLAND RAILWAY CO. (Quebec Reports, 22 Superior Court, p. 322).

STATEMENT OF FACTS: The plaintiff was the holder of twenty-two bonds for one thousand dollars each of the defendant company, which had been issued in 1893, and brought this action to have set aside an issue of bonds made by the company in 1897. The defendant company was incorporated by the Legislature of Quebec and was subject to the Quebec Railway Act, but subsequently the works of the company having been duly declared to be for the general advantage of Canada, the company was reconstituted and as such became a Dominion company and as such subject to the Canada Railway Act.

While the company was still under the Quebec Railway Act it issued bonds to the extent of $15,000 per mile of the railway built or in course of construction, and these bonds having been placed on the market the plaintiff purchased in good faith and duly paid for twenty-two of the said bonds of $1,000 each, and received interest on them at six per cent. up to the first of July, 1898. After that date there was no further payment of interest. The directors of the company, which at that date had come under the Dominion Railway Act, pretending that the above-mentioned bonds were worthless as far as the hypothec or mortgage on the company's property was concerned, because the indenture did not give a sufficient description of the property, was not passed before a notary and had not been registered in the registry offices of the counties through which the railway ran, on November 22, 1897, made a second issue of debentures of $25,000 per mile as allowed by an amendment to the charter. This issue of debentures was alleged to be the first bonds of the company affecting in any way their property; and that without first redeeming the bonds issued in July, 1893, the company offered to replace the twenty-two bonds of the issue held by the plaintiff with a similar account of the new issue, but he refused to accept this.

Certain charges of fraud were made by the plaintiff in connection with the second issue of bonds, but these were not sustained by the evidence.

At the trial Mr. Justice Gill held that the second issue of bonds must be cancelled and set aside, and declared the issue of 1893 to be the only valid debenture of the defendant company. From this judgment this appeal was taken to the court of review.

JUDGMENT (Sir M. M. Tait, *A. C. J.*; Mathieu and Doherty): I am of opinion that the bonds issued by the company, defendant under the authority of the Quebec Railway Act, and while the company was governed by that act, are valid, whether the deed executed in connection therewith in favor of trustees for the holders of such bonds did or did not create a valid hypothec mortgage or pledge of the railway to secure bonds.

Their validity was not affected by the fact that the company subsequently passed under the control of the Dominion Parliament, and became subject to the provisions of the Canada Railway Act.

When it became subject to the provisions of the last-mentioned act, it was a company which had made an issue of bonds which exhausted its bond-issuing power as limited by the statute which brought it under the control of Parliament.

Being in that position, and being subject to the provisions of the Dominion Railway Act, it could, under section 93, sub-section 4 of that act, make no new issue of bonds, without the bonds constituting the first issue being withdrawn or paid off and duly cancelled. This subsection provides as follows: "The power of issuing bonds conferred upon the company hereby or under the special act shall not be construed as being exhausted by such issue, but such power may be exercised, from time to time, upon the bonds constituting such issue *being withdrawn or paid off and duly cancelled;* but no bonds or debentures shall be issued until twenty per centum of the cost has been actually expended on the work; and the limit to the amount of bonds, debentures or other securities fixed in the special act shall not be exceeded."

It seems to me it might, accordingly as it increased its mileage, issue $15,000 of additional bonds for each additional mile, without necessarily calling in those already issued, such action not constituting a new issue of bonds, but merely a completing of the original issue, which was to be of $15,000 per mile in all. But it is unnecessary to decide that question, which does not arise, the company not having contented itself with issuing additional bonds to represent additional mileage, but made an entirely new issue to a much larger amount per mile.

Nor does it appear to me necessary to consider whether, inasmuch as by 59 Vict., ch. 28, sec. 13, the bond-issuing power of the company was increased from $15,000 to $25,000 per mile, after bonds to the extent of $15,000 had already been issued, and before the issue now attacked, the company would have had power to issue bonds to the extent of an additional $10,000 per mile, without calling in the first issue. This, too, they did not do, and whether, had they done so, such action on their part would or would not have constituted a new issue of bonds necessitating the previous calling of those already issued, their attempt to make an entire new issue of $25,000 per mile was clearly in direct contravention of the provision above cited of the Railway Act, enacted for the protection of persons who, like plaintiff, are holders, of bonds a first issue, against the making of subsequent issues without first paying or settling with them, so long as the first issue of $15,000 was outstanding. And it is equally clearly impossible for us to treat it as valid, as against the holders of bonds of the first issue to the extent of an additional $10,000 per mile, even had the company power to issue such additional $10,000, inasmuch as there is no means whereby we can fix which bonds would under such a holding be null, and which valid.

This being so, and plaintiff as holder of valid bonds of the first issue—whether secured or not—being prejudiced by the issue of these second bonds, purporting to be secured by a first hypothec upon the defendant's road, appears to me to have a right to attack them and to have their nullity declared, at all events, *quoad* him. What may be the rights of holders of the bonds of the second issue, as against the company or its other creditors, it does not seem necessary or indeed competent for us to decide here. Plaintiff does not claim to act for any one but himself, and his interests are protected by a declaration of the nullity of the secondly issued bonds *quoad* him. In so far as it declares said nullity *quoad* plaintiff, I am to confirm the judgment *a quo*.

In so far as that judgment declares that the bonds first issued, or rather the trust deed executed in connection therewith, constituted a valid security by way of sale or pledge of the railway, I would strike it out of the judgment (not because I consider that declaration by the learned judge *a quo* to be *ultra petita*; in the view he took of the case, it was an excellent reason for refusing plaintiff's prayer for an order upon defendant to execute a hypothec). If he already had a hypothec, or equivalent security, an action to obtain one was clearly unfounded. Nor do I think the court, if it took the view that plaintiff had such hypothec or equivalent security, was precluded from saying so by the fact that both parties are of opinion that he had none.

Whether he had or not is a question of law, not of fact, and the court is not and cannot be bound by the parties' admissions as to the law. But as, in my view of the case, plaintiff's prayer for an order to give a hypothec should be rejected, simply because we cannot attach to such an order the only sanction he asks in the event of failure on defendant's part to obey it, and this for the reasons fully given by my learned colleague, Mr. Justice Mathieu, and because to give an order accompanied by no sanction would be to render a judgment not susceptible to execution, which we cannot do, it is unnecessary to pronounce upon the validity of such security as he now may have for the purpose of disposing of this portion of the case.

This being so, the reason which made a declaration as to its validity pertinent, in the view of the case taken by the learned judge whose judgment is before us for review, does not exist for us. Whether plaintiff has or has not a hypothec, his prayer for an order to defendant to give him one should be rejected. And as neither party asks for a substantive adjudication that he has one—both being agreed on the opinion that he had not—I do not think that this court should insist on expressing an opinion one way or the other upon the question, whose decision in the view we take is unnecessary to disposing of the conclusions of the parties.

MUNICIPAL DEBENTURES—PURCHASERS OF PUT UPON ENQUIRY—VALIDITY OF.

HANSON vs. THE VILLAGE OF GRAND'MERE (33 Supreme Court Reports, p. 50).

STATEMENT OF FACTS: The facts of this case, together with the instructive judgment of the Quebec Court of Review, will be found in THE BANKERS' MAGAZINE for July, 1902, at page 46. In that judgment the duty of bankers and others purchasing municipal debentures was clearly defined. From that judgment Hanson appealed to the Supreme Court of Canada who, with the exception of Girouard, *J.*, concurred in dismissing the appeal for reasons stated in the judgment of the court below. Girouard, *J.*, gave an elaborate dissenting judgment, in which he referred to many judgments in England and in the Supreme Court of the United States, the substance of which is in the following paragraph:

The respondents contend that several recitals contained in the bonds are false, and that they have been the victim of a gigantic fraud. But who is to suffer from the culpable and almost criminal negligence or perhaps simple *naiveté* of their officials? Is it the innocent holder who in good faith has relied upon the statements made in the bonds and paid their par value? It cannot be so, if the issue was authorized by law. Nearly all the judges seem to have conceded this point, which is, moreover, established by what is considered now a well-settled jurisprudence, the debentures being undoubtedly negotiable instruments by mere delivery like bills and notes. (Art. 1573 C. C.) In fact, being under hand and not under seal, they possess all the essential requisites of promissory notes within the meaning of the Bills of Exchange Act, capable likewise of negotiable guarantee.

REPLIES TO LAW AND BANKING QUESTIONS.

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

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

HOLDER OF CHECK OBTAINED BY FRAUD AND DELIVERED IN PAYMENT OF OLD DEBT—HOLDER FOR VALUE.

Editor Bankers' Magazine: BURLINGTON Vt., May 19, 1903.

SIR: A obtains B's check by fraud. A gives the check to C in payment of an old debt, which A owes C. The fraud is discovered by B within one hour and B notifies C immediately,

which is within one hour of the time C received the check. Is C a holder of the check "for value" within the meaning of the law merchant so that he can compel payment by B?

CASHIER.

Answer.—We note that the check was given in payment of an old debt. This, under the decisions in Vermont, constitutes a valuable and valid consideration, and the transferee takes the instrument free from the equities of prior parties. (Dixon vs. Dixon, 31 Vt. 450; Russell vs. Splater, 47 Vt. 273.) In Quinn vs. Hard (43 Vt. 375) Hard signed the note as surety for Lane, and was induced thereto by false and fraudulent representations of Lane. The latter delivered the note to Quinn in payment of a pre-existing debt. *Held*, that Quinn was to be deemed a purchaser for value. Indeed, it is held in Vermont that a person to whom commercial paper is transferred as collateral security for a pre-existing debt is *prima facie* a holder for value. (Atkinson vs. Brooks, 26 Vt. 569.) We think, therefore, that under the law of Vermont, the transferee, in the case stated, is a holder for value, and can recover of the drawer of the check, notwithstanding the fraud of the payee.

CONTRACT—MUTUAL MISTAKE AS TO PRICE.

Editor Bankers' Magazine: **CLEVELAND, Ohio, May 10, 1903.**

SIR: A made an offer to B to buy his stock in the —— National Bank for $200 per share. After considering the matter, B decided to offer the stock at $225 per share. But in writing A, through a typographical error, the price named was $125 a share instead of $225. Immediately, the answer came back, "I will take the stock at $125 per share." B then noticed the error and immediately wired A that a mistake had been made. A now threatens suit for delivery of the stock. Will you please advise me whether he could possibly recover damages or enforce performance of the alleged contract. **C. A. W.**

Answer.—In the case stated, the parties were acting under a mutual mistake as to the price, and hence the agreement is not enforceable. A case in point is Mummenhoff vs. Randall (19 Ind. App. 44). There one Randall wrote to Mummenhoff & Co., quoting a price for potatoes. The letter was dictated to a stenographer, and by the mistake and inadvertence of the stenographer in transcribing her notes, she wrote thirty-five cents per bushel instead of fifty-five cents, as was dictated to her. Upon the receipt of this letter, Mummenhoff & Co. replied by mail, and ordered several carloads of the potatoes. The potatoes were shipped, but the mistake was discovered before their arrival. The court held that there was no contract to sell the potatoes at thirty-five cents. (See, also, Werner vs. Rawson, 89 Ga. 619.) We therefore think that in the case of our correspondent there was no contract to sell the stock at $125.

INDORSEMENTS.

Editor Bankers' Magazine: **CHICAGO, Ill., May 18, 1903.**

SIR: (1) Does a rubber stamp indorsement on notes left as collateral convey a good title, with all the usual obligations of an ink indorsement?

(2) Could a corporation be compelled to transfer a certificate issued to John W. Doe, indorsed John Doe or J. W. Doe, the indorsement being made by the person named in the certificate?

(3) Also, how would you regard an indorsement of a draft made payable to John W. Doe and indorsed John Doe or J. W. Doe?

(4) Does a restrictive indorsement render an instrument non-negotiable, and does it free the succeeding indorsers from their usual liability covering all the preceding indorsements, including the restrictive one?

(5) Is the drawee bank bound to have the indorsements on checks technically correct, or is the indorser from whom they receive the item bound to take up same, providing a prior indorsement is irregular, or by proxy, or even missing altogether? If the last indorser may

be held, what is the benefit of asking for special guarantee of irregular indorsements where one is satisfied as to the strength of the last indorser, which is frequently the bank that clears the item. BANK CLERK.

Answer.—(1) Yes. An indorsement stamped upon an instrument, if placed there by the indorser himself, or by some one authorized to do so on his behalf, is just as effective in law as if made in his own handwriting. The only difficulty is with the proof; for in case of a contest, it would be very much more difficult to prove that the stamp was put upon the paper with due authority than it would be to prove the indorser's signature. (2-3) If the indorsement was made by John W. Doe, its validity would not be impaired by the fact that the middle initial was omitted, or that he used only the initials of his Christian and middle names. (4) A restrictive indorsement may or may not render the instrument non-negotiable. If, for example, it were in form "Pay Bank of A only" it would prohibit the further negotiation of the paper. But if it were "Pay Bank of A or order, for collection" then it could be further transferred, though the holder would be only an agent to receive payment. (5) The indorsements must be correct, though if they are genuine and made by the persons to whom the instrument has been drawn or has become payable, the fact that a middle initial is omitted or an initial used instead of the Christian name is not material. The liability of a bank presenting paper for *payment* is not that of an indorser, even though its stamp is placed upon the instrument; such liability extends only in favor of a *holder* to whom the instrument is *negotiated*. If the prior indorsements are not genuine, the drawee bank would not recover of the presenting bank as *indorser*, but would claim for money paid under a mistake of fact. But as the right to so recover in such an action would depend upon all the circumstances of the case, it would be safer to have the indorsement guaranteed, for in order to recover upon the guaranty, it would be necessary to show only that the indorsement was not genuine.

GUARANTY OF ENDORSEMENT OF CHECK BY AGENT.

Editor Bankers' Magazine: MADISON, S. D., March 11, 1903.

SIR: Man, Son & Co. issue their check, payable to the order of the Fay Fruit Co., drawn on the Banking House of Doe & Doe. The traveller (W. H. Peters) for Fay Fruit Co. presents check at the People's Bank in the same city and endorses, Fay Fruit Co., by W. H. Peters. The People's Bank endorse same with its regular endorsing stamp which is used in clearing checks between local bank and presents same at counter of Banking House of Doe and Doe. Payment is refused on the ground that payee bank, Doe & Doe, have no knowledge that W. H. Peters has authority to endorse name of Fay Fruit Co. for which he travels and is an agent. Will, however, pay the same, if People's Bank will guarantee endorsement with a written guarantee on back of check. This People's Bank refuse to do, claiming its endorsement as made is a regular endorsement, and it can be held on same if endorsement is not good and money was paid without authority. Banking House of Doe & Doe claim they cannot hold the People's Bank under this endorsement if W. H. Peters has no authority to endorse for his firm, but that the payee bank must have knowledge of his authority. Can People's Bank protest check where payment is refused on these grounds? Must the People's Bank guarantee where payment is refused for this reason? What position does this place Banking House of Doe & Doe in for refusing payment and regard to costs of protest, damages, etc.? The People's Bank has on file written authority for W. H. Peters to sign name of Fay Fruit Co. in endorsing local checks. GEO. E. COCHRANE, *Cashier.*

Answer.—In presenting the check for payment the People's Bank assumed the responsibility for the validity of the indorsement by the agent of the payee; for if the agent did not have authority to indorse the check, such bank had no title to the instrument, and had no right to receive payment thereof. If, then, it should turn out that the indorsement was made without authority, the drawee bank could recover the money of the People's Bank as money paid under a mistake of fact. (Bank of Commerce vs. Union Bank, 3 N. Y. 230; Canal Bank vs. Bank of Albany, 1 Hill [N. Y.] 287.) For this purpose, no guaranty of the prior indorsement was necessary. We think, therefore, that the drawee bank had no right to demand that such guaranty be given, and that had payment been refused, the People's Bank might have protested the check, and that as in fact the agent did have authority to indorse, the drawee bank would have been liable for the protest fees.

*THE PRACTICAL WORK OF A BANK.

INCREASING THE NET EARNINGS.

III.

Banking has been treated in the councils of the nation and in the literature of finance almost exclusively from the standpoint of the public, not of the banker. The welfare of the nation, not of the banker, has been the object sought. This, of course, is the proper point of view for Congress and Legislatures to take. But the banker cannot declare dividends on the profit accruing to the nation through his bank. What he wants to know is, how to increase the earnings of his bank. If his bank is to live, it must not only be profitable to the public, but must earn dividends for the stockholders as well. In other words, bankers are as selfish as other business men—they are in the business for the money there is in it.

The Two Ways of Increasing Net Earnings.

The net earnings of a bank are the difference between its income and its outgo. There are, therefore, only two ways to increase the net earnings—increase the income or decrease the outgo. Of course, the safety of the bank is the supreme law, and no methods of increasing the margin between the income and the expenses which are inconsistent with the safety of the institution will be adopted by a banker who understands his business. It is poor policy to earn fifty per cent. one year and fail the next; better earn eight or ten per cent. year in and year out.

Principal Sources of a Bank's Income.

The principal sources of a bank's income are the interest on its demand and time loans, and the discount on commercial paper. Some of the large banks of the country also derive a large income from securities, consisting for the most part of high-grade bonds. Beside these main sources of revenue there are many minor ones, some of which are considered legitimate by the banking fraternity, while others are looked at askance or condemned as bad banking. Investments in real estate, other than in the institution's own banking house, are generally considered a questionable policy for a commercial bank. Rents from the upper floors of the banking house, however, are usually considered a legitimate source of revenue. The items of exchange, brokerage, and commissions on coupons paid are legitimate, though usually small profits for a bank. Such are the channels of a bank's income. The question is, how can they be flooded?

How the Income May Be Increased.

Taking up the sources of revenue in the order in which they have been enumerated, we will consider first the item of interest, which is one of the largest figures in the banker's profit and loss account. It is evident that the amount of income derived from this source is dependent upon two factors—the amount of money loaned and the rate of interest obtained. Bankers cannot loan money that they do not have. This assertion might have been false in the good old days of "wildcat" banking, when banking was considered a scheme for loaning out one's promissory

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

notes and "living on the interest of the money you owe." But at the present day the banker knows that the size of his investments is strictly limited by his line of deposits. Since the size of the bank's deposits affects all of its investments alike, the means of increasing deposits will be spoken of later on.

The second means of increasing the income from interest is much more directly under the control of the banker. He may place his funds in demand loans, secured by "gilt-edge" collateral, with twenty per cent. margin, obtaining from 1½ to 2½ per cent.; or he may place them in time loans running anywhere from thirty days to six months and of widely varying degrees of security. The rate of interest will vary, with the length of the paper and the degree of risk incurred, from three per cent. to seven or eight per cent. The problem for the banker to solve is to obtain the maximum of interest with the minimum of risk to his bank. No specific rules can be laid down to determine the ratio of demand to time loans. Conservative bankers, however, seldom allow the percentage of reserves and demand loans to fall below forty per cent. of the bank's liabilities to the public. Perhaps fifty per cent. would be better still. In the case of a central reserve city this would mean that twenty-five per cent. of the bank's deposits are held as a reserve and twenty-five per cent. more in a form instantly convertible into cash, leaving fifty per cent. to be invested in time loans, discounts, etc. The part of this half of the deposits which will be available for investment in time loans will depend largely upon the demand of the bank's customers for discounts.

Management of the Discounts.

The management of the discounts of a bank requires great skill and diplomacy on the part of the banker. Customers of the bank feel that they have a claim for a line of credit by reason of their balances, and the banker must recognize this claim and at the same time avoid granting a larger line of discounts than the dealer's balance will warrant. When the dealer's balances do warrant a large line of discounts, this form of investment is probably the most profitable that can be adopted. This is so for the reason that the dealer's discounts are simply passed to the credit of his account on the bank's books, thus increasing the deposits, and as we are assuming that the dealer in question maintains satisfactory balances, part of the amount will be left on deposit and will be available for further discounting, the proceeds of which will again be carried to the credit of the dealers. In this way the deposits and the discounts increase together, and the banker is able to double his investments and, of course, increase his earnings in proportion. But great care must be taken not to grant lines of credit out of all proportion to the dealer's assets. Otherwise your banker's books may show a big income and his cash fail to come in, when the paper is due.

Income from Securities and Other Investments.

The next source of income is that derived from securities. A line of high-grade bonds is generally considered in banking circles almost as available an asset as so much cash in reserve, since such securities are convertible into cash on short notice at all times. Of course, in times of panic the bank may have to sell some of its securities at a sacrifice, if the cash is needed. For this reason many of the best bankers fix the limit of their investments in securities at the amount of their capital and surplus. The necessity of realizing is then obviated; provided, of course, the other funds of the bank are quick assets. In the case of a National bank's investments in Government bonds the additional advantage is secured of depositing the bonds (to a certain amount) as security for circulation. In this way the banker virtually loans the same funds twice over. He derives an income from his Government bonds, and he receives interest on the bank notes which he loans. On the face of it the operation seems to be the most profitable thing in the business. But when we take into account the fact that the bonds used as the basis of circulation command a premium in the market, which the banker must lose, if he holds the bonds till they mature; and further, that the amount of circulation obtainable—till quite recently—was less than the face of the bonds deposited; and finally, that the Government exacts a tax on the circulation of banks—the margin of profit is very much narrowed. In point of fact, few metropolitan bankers find it to their interest to take out a large amount of circulation. They find that they can circulate their credit by means of discounts and deposit accounts (as explained above) at less expense.

Real Estate as a Bank Asset.

Investments in real estate (other than a banking house) are forbidden to the National banks of this country by law and are generally considered bad banking. For while the income from real estate is comparatively certain, and the chances of loss with modern methods of handling the same are practically nil, still real estate is a slow asset. Its sale can be forced only at a great sacrifice. It has been mentioned above that the very life of a commercial bank depends upon the speed with which it can convert its investments into cash. While, therefore, real estate is the best possible investment for a capitalist seeking a sure income without any risk of losing his capital, the only instance in which it is wise for a banker to try to increase his net earnings in this manner is by putting up a fine office building for the use of his bank and renting the upper floors. The bank often derives great indirect advantages from this procedure, which are not to be ignored. In the first place, it saves a large expense in the shape of rent. Then again, a fine office structure attracts a high class of tenants and so raises the neighborhood for business purposes. If the tenants of the building have no preferences, they will naturally bank at the most convenient place. A fine banking house is one of the best of local advertisements. In these and other ways such an investment tends to increase the earnings of the bank. But while an investment in real estate may safely be made for this specific purpose, provided the sum is not too large in proportion to the bank's capital, real estate dealings are the most dangerous method a banker can possibly adopt to increase his earnings. By real estate dealings, in distinction from investments, I mean the policy of buying, not for the purpose of deriving an income from the property, but of profiting by the increase in its value. This is a form of speculation, and all speculation with the depositors' money is bad banking. But this subject need not be dwelt upon, since it is regulated by law.

Collections as a Source of Profit.

Until recently bankers—especially in large cities—paid very little attention to the possibility of making their out of town collections a source of profit. But the rules of the New York Clearing-House to regulate charges for exchange called the attention of the banking fraternity to the subject; and while there was at first a strong opposition to the policy of the New York banks, the mercantile community now generally admits the fairness of such charges, and the bankers derive a snug little revenue from a branch of their business which was formerly transacted at a loss. There is one peculiarity about this part of the bank's earnings—it increases faster than the growth of the bank's collection business. This is so because the bank charges exchange to its dealers individually and pays collection charges on all its checks sent to a particular correspondent in one sum, and naturally, the larger the bank's letters to its correspondents, the less the amount of exchange charged on each check. For instance, a New York bank averages two items a day on Peoria, Ill., amounting to $75. It will charge the two depositors exchange separately (say ten or fifteen cents each), while the Peoria bank will charge only ten or fifteen cents for collecting both. If the bank has twenty items a day on Peoria, its income from exchange will be increased twenty-fold, while the Peoria bank will remit for the total of the letter for forty or fifty cents, if the items are small. For this reason the banker who wishes to increase his net earnings will do well to cultivate this branch of his business.

DEALINGS IN FOREIGN EXCHANGE.

It is only within the last decade that the bankers of the United States have awakened to the fact that one of the profitable fields for the employment of their funds had been entirely monopolized by private banking houses. I refer to the foreign exchange business. This branch of the business is not only profitable in itself, but the indirect benefits resulting to the bank from it are often very great. Facilities for making collections in foreign countries attract the accounts of the largest firms and corporations in the country, since they are most likely to require such banking facilities. It also gives the bank an international standing—a subtle but very real advantage. But apart from these indirect advantages, the foreign exchange department is a profitable department, and it is being added by the most progressive bankers in all the large trade centers. It is a fact worth noting, too, that the losses from exchange business, whether domestic or foreign, are merely nominal.

The earnings from brokerage and the payment of coupons are usually small items in a commercial bank, but the remarks which have been made on the exchange business apply to these branches of banking as well, and the cultivation of them is a means of increasing the earnings which at least deserve mention.

DEPOSITS THE CHIEF PRODUCERS OF REVENUE.

After all has been said, however, the size of the bank's investments and, consequently, its income from them, is fixed by the amount of its deposits and can be increased only as they are increased. It will not be irrelevant, therefore, to point out a few of the ways in which the deposit line of a bank may be increased. The most important of these is a strong board of directors. Not only can they transfer large accounts to the bank through their business connections, but they inspire public confidence in the solvency and wise management of the institution. For the same reason the directorate should contain men in diverse lines of business. This keeps the bank broadly in touch with the whole business community, instead of its catering specially to one or two branches.

Next in importance are able officers, since upon their sagacity the prosperity of the bank largely depends. The officers of the bank usually decide what the policy of the institution shall be, what rate of interest shall be offered to attract bank deposits, what lines of credit are to be offered for the purpose of securing city deposits, how accounts are to be handled, etc.; all of which questions vitally affect the bank's deposits.

Of course, these questions of policy cannot be discussed in the limits of a magazine article, but two points may be singled out which in the writer's opinion are very important. The first is that the officers of a bank ought to endeavor to divide their deposits between city and bank accounts. Where this can be done—as in the reserve cities—the country deposits furnish a basis for granting credits to city dealers, since the former depositors seldom ask credit; and offers of credit lines may in this way be used to gain city accounts, one line of deposits thus helping to increase the other. The second point is that bank officers should endeavor to increase the stability of their deposits by offering a slightly higher rate of interest on condition that the money is left for a specified time. Some of the trust companies in New York have already adopted this idea, and the writer considers it one of the best means of increasing the solidity, and hence, indirectly, the net earnings of the bank.

Getting Business by Advertising.

Most banks advertise for business. This is a good plan, provided your advertisement says something, or offers something to the public. A bank card which simply states that such and such a bank exists is a mere waste of money. But a good statement of condition or a strong advantage possessed by the bank is well worth advertising. Especially is this true of a strong statement. "Nothing succeeds like success."

Care in Making Expenditures.

Having considered the means of increasing the bank's income, it remains to see what can be done to decrease its outgo. The principal items of a bank's expenditures are taxes, interest on deposits, salaries, advertising, supplies, collection charges, rent, and last (but often not least), losses.

These expenses fall into two classes—such as are directly productive of business and such as are necessary to the handling of it. Interest paid on deposits and advertising expenses are of the former class and may be profitably increased as long as the business produced by them increases the bank's earning power more than enough to reimburse the banker for his outlay. In the case of interest on deposits this fact can be determined with great accuracy by a running analysis of the accounts. In the case of advertising it is much more difficult to tell just how far it pays to go, and no rule can be laid down to determine whether a given expenditure for the purpose is a paying investment. In general it may be said that a banker should keep his advertising expenses down to a very small percentage of his net earnings, for the reason that a bank transacts a uniform and continuous business and has, therefore, no occasion to introduce new wares or proclaim the merits of an article which it controls to the exclusion of all others. Courteous treatment of dealers and sound banking are the best advertisements for a bank.

It is in the second class of expenses—those incidental to the conduct of the business—that a shrewd banker is able to effect the greatest economy. Taxes, of course, cannot be honestly reduced and therefore should not be reduced at all. In the long run "honesty is the best policy." The pay-roll, also, is an item which is practically fixed, unless the banker is content with an inferior clerical force. It is, of course, assumed that the banker is not hiring unnecessary clerks solely for the purpose of seeing their smiling faces in the cages when he arrives in the morning. There is also a possibility of reducing the clerical force necessary to handle the bank's business by improving the system and cutting away red tape. But the writer considers it a very poor policy for the bank to reduce this item by employing block-heads instead of brains.

The item of stationery and supplies amounts, in a large bank, to thousands of dollars, annually, and it is, therefore, worth the banker's while to have the matter handled in the most economical manner possible. In the first place, Tom, Dick and Harry should not be allowed to order such supplies. The buying for the whole institution should be done by one man. Not only are the best prices obtained in this way, but excessive purchases and the duplication of orders by various clerks are avoided. In the next place, all the supplies should be placed in the charge of a single man, who should distribute them upon proper requisition throughout the bank. This procedure not only makes the clerical force less wasteful—a big leak sometimes—but it also prevents the supply of important blanks and books from being exhausted, since the clerk in charge is in a position at all times to tell by his records the exact amount or number of the various supplies and blanks on hand and the rate of consumption. The amount of money that can be saved annually in this way is larger than one would think. To take one item, the ledgers and other books of record required during the year, if estimated and ordered together at the beginning of the year, can be obtained at a far less cost than when ordered singly, often as "rush" orders.

In regard to collection charges and rent little need be said. The latter may be eliminated by investing in a banking-house. The former is usually cancelled by exchange charges or eliminated by a country clearing-house like that of Boston.

LOSSES FROM BAD DEBTS, ETC.

Space will permit only a few words to be said about the last source of leakage from the bank's net earnings. Theoretically, losses should be represented in the profit and loss statement by a row of ciphers. But in practice there are likely to be losses from bad debts, from theft, and from overdrafts—and a few more causes of minor importance. The best method of eliminating losses from bad debts at present is by an efficient credit department. Every borrower should be required to make a full statement of his financial condition from time to time, and such statement should be carefully preserved by the credit department and comparisons made between succeeding statements to note the growth or decline of the borrower's business. It would be an excellent plan, if it should prove feasible, for the clearing-house banks of a city to establish a common archive, in which statements of this kind could be filed for the use of all the member-banks. This would not only compel borrowers to make such statements, but would furnish the banks with fuller information than any one of them could obtain singly.

Losses from theft are guarded against by careful bankers by a system of constant private examinations, in addition to the public work of the bank examiners, and by a rotation of the duties assigned to each clerk. The latter policy is obposed by some bankers on the ground that a man's usefulness is greatly enhanced by his becoming thoroughly familiar with one routine of work, but most progressive bankers think that a clerk becomes narrow and "rusty" in that case, and sometimes entirely too familiar withal with his particular accounts.

The best way to avoid losses from overdrafts is not to allow any overdrafts whatever. Of course the banker who wishes to treat his dealers courteously must occasionally make an exeeption to this rule, but the exceptions should be few and far between. An account that runs so close that a delay in receiving a remittance or an error of a bookkeeper may overdraw it, is not worth much, as a rule. ON.

DID NOT PAY A COMMISSION.—Charles A. Conant, Treasurer of the Morton Trust Company, who is a member of the United States Commission on International Exchange, which started on its mission on May 19, on the Kaiser Wilhelm der Grosse, sent the following cable message to the Hotel Russell, London, a short time ago :

Can you reserve eight rooms for American monetary commission party arriving in London May 25 ? Answer. MORTON, N. Y.

This reply, signed by a hotel clerk, was received by letter a few days before the commission sailed :

In reply to your inquiry for rooms, we beg to say that we never pay a commission for reserving rooms.

This answer made Mr. Conant a little hot, and he sent this cablegram, to which he had received no reply when he sailed :

"Inquiry for rooms was in behalf of commission appointed by Government. The United States is not in the habit of asking for commissions on hotel accommodations reserved for its representatives."—*N. Y. Sun.*

GEORGE G. WILLIAMS.

DEATH OF THE VENERABLE PRESIDENT OF THE CHEMICAL NATIONAL BANK.

George G. Williams, President of the Chemical National Bank, New York city, died Thursday, May 7, 1903.

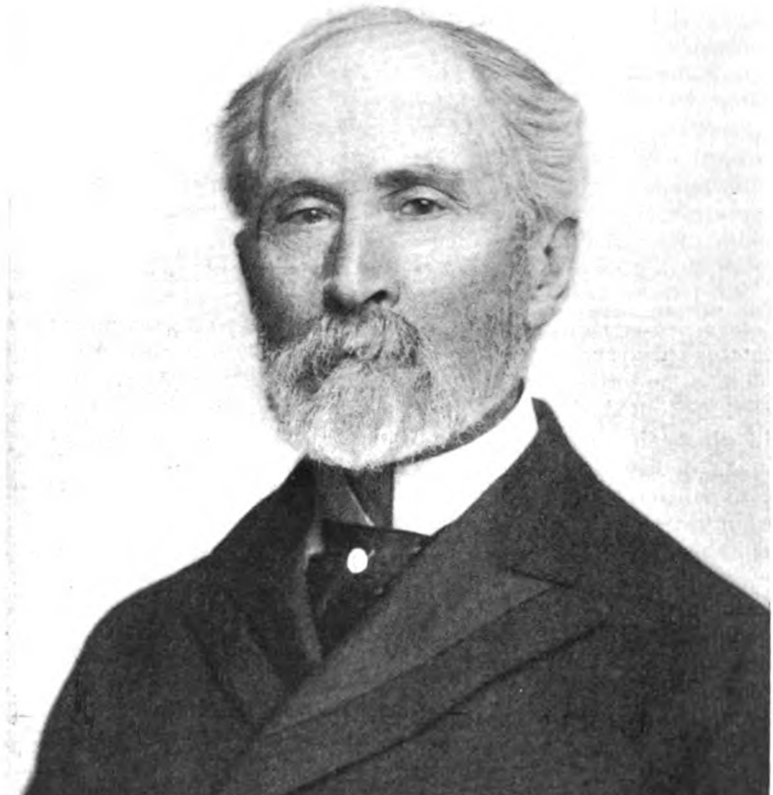
Mr. Williams was born at East Haddam, Conn., in 1826. Among his ancestors were Roger Williams, founder of the Rhode Island Colony, and William Williams, a signer of the Declaration of Independence.

George G. Williams entered the Chemical Bank as a clerk in 1841 at the age of fifteen, and within five years rose to the rank of paying teller. In 1855 he was elected Cashier, and in 1878 he was chosen President, holding this office continuously up to the time of his death. He also served the New York Clearing-House in various official capacities, being twice elected its President. In 1893 he appointed the loan committee, that was so instrumental in staying the shock of the financial crisis of that year, and was himself an ex-officio member of the committee. Mr. Williams was Treasurer of the Institution for the Savings of Merchants' Clerks, a trustee and vice-president of the United States Life Insurance Company, a director of the Fidelity and Casualty Company and of the Union Trust Company, of New York city. He was also identified with religious and benevolent organizations.

Mr. Williams was the oldest bank President in New York city both in point of years and in length of service, and was one of the best-known and most widely-respected bank officers of the country. His judgment regarding financial matters was highly esteemed by the bankers of the city, and his opinions on banking and monetary legislation were often sought and were frequently influential in behalf of sound measures, as they were effective against unwise proposals. He belonged to what may be called the "old-fashioned" school of bankers—using that term in its very best sense. He was dignified, but kindly, and plain and unassuming in speech and manner. When once asked to what he owed his success, he said: "To faithfulness—faithfulness to my every duty." He was also a firm believer in politeness, and it is the invariable rule of the Chemical National Bank that every employee, from the humblest clerk to the highest official, shall be courteous to everyone. Mr. Williams once emphasized the value of courtesy in these words: "If I could speak twenty languages, I'd preach politeness in them all. I speak in praise of politeness out of the experience of fifty-nine years in the banking business."

Of the success of the bank of which Mr. Williams was so long President, it is scarcely necessary to speak. It is generally regarded as the strongest bank in the country. Its capital is $300,000 and the surplus and profits over $7,000,000; while the shares of the par value of $100 are held at about $4,000.

The funeral service for the late Mr. Williams was held at St. Bartholomew's Church, New York city, on the afternoon of May 10. Dr. David H. Greer, rector of the church, read the service, assisted by Rev. Mr. Steele.



GEORGE G. WILLIAMS.

Representatives of almost every bank in the city, and of many other financial institutions also, were present, the clerks of the Chemical National Bank attending in a body. The pallbearers were: George F. Baker, President First National Bank; William H. Porter, Vice-President Chemical National Bank; George F. Seward, President Fidelity and Casualty Company; Morris K. Jesup, President of the Chamber of Commerce; W. Emlen Roosevelt, George G. De Witt and A. D. Juilliard, directors of the Chemical National Bank; Joseph Larocque, F. M. Hurlbut, President Institution for the Savings of Merchants' Clerks; Edward King, President Union Trust Company, and J. Edward Simmons, representing the Clearing-House.

MINUTE ADOPTED AT A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHEMICAL NATIONAL BANK OF NEW YORK, HELD MAY 11, 1903.

We record with profound sorrow the death of our honored President, George G. Williams.

Mr. Williams has been one of the most distinguished, useful and successful figures in the commercial and financial life of our city for the past thirty years, and his term of service in this institution covers a period of more than sixty-one years, which has been marked by the closest application, greatest energy and unswerving fidelity to its interests. His business career has extended over a period of the nation's life which has been notable for its many and violent changes in public and financial policy, and which from time to time have brought in their train unsettled conditions to the general financial and commercial world. In all these crises, the strong individuality, clear-sightedness and high principle of our departed associate have been invaluable, not only as the President of the Board of Directors of this institution, but in public council as well. His judgment, poise and breadth of view at such times have been a tower of strength to those with whom he has been called in counsel, and when the fiat of his approval was placed upon any action taken it was always felt that the highest opinion and judgment had been invoked.

Mr. Williams' long and distinguished service in various capacities and on many committees in connection with the life and work of the New York Clearing-House Association has been of such a character that those to whom his memory is dear have much reason to be proud. Almost, if not quite, the last of that strong and able circle of financiers who have done so much to build up that great organization, his counsel and direction will be greatly missed. In times of inflation he was conservative and safe; in times of financial stress, calm and strong; he was the best type of the high-minded commercial banker.

It is with especial feeling that the members of this board pay tribute to the rare personal qualities of our deceased friend and associate. To those who were privileged to sustain the close relationship of day-to-day contact with him, his strong Christian faith, lofty principle, rigid integrity and pronounced sense of justice will long be remembered as the prominent and distinguishing features of his character. He was, moreover, a man of exceeding refinement of nature, purity of mind and courteous demeanor; and always polite and considerate to those with whom he came in contact. It is a matter of no wonder that he was beloved and respected universally and sincerely. These qualities of mind and heart created an atmosphere about him which was felt throughout the institution, and contributed in large measure to the reputation and standing which this bank has always enjoyed to a marked degree.

The public and business life of Mr. Williams did not, however, express all of the beauty and richness of his nature. His home life was remarkable for its atmosphere of filial love and devotion, unselfish spirit and perfect harmony. He was an ideal husband and father in every sense and particular.

Such was the man whom we mourn and whose services and presence we shall miss, and whose memory we shall ever hold in veneration and respect; therefore be it

Resolved, That this Memorial be inscribed upon the Minute Book of the bank and that an engrossed copy thereof be presented to the bereaved family, with the assurance of our deepest sympathy.

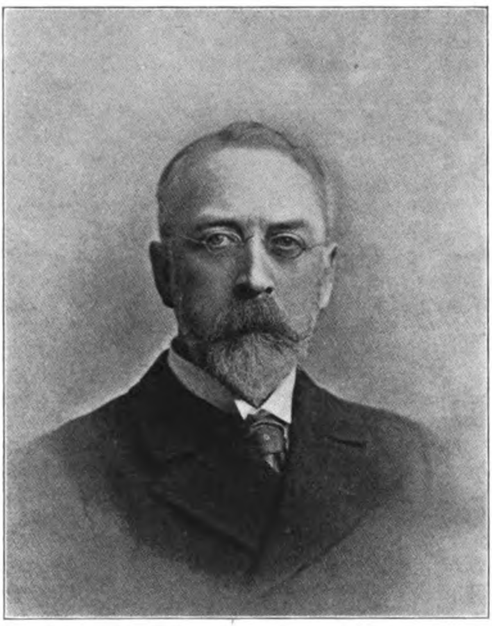
By order of the Board,

FRANCIS HALPIN, *Secretary*.

MR. SAMUEL HOPE MORLEY.

THE NEW GOVERNOR OF THE BANK OF ENGLAND.

After filling for a number of years the office of director, and passing through the two years as deputy-governor, Mr. Samuel Hope Morley has now become Governor of the Bank of England. Coming to this important office at a time when exceptional interest attaches to the bank's policy, the new occupant of the chair brings to his task a ripened knowledge of the management of one of the most important businesses of the country. When, in 1882, Mr. Samuel Hope Morley was elected a director of the Bank of England, the importance of the great body of warehousemen, whose business centers round Wood street, was for the first time recognized by our premier banking institution. And in choosing a member of the firm of I. & R. Morley—a choice in which the late Mr. Hankey played an active part—no better example of such a firm, in relation to size, importance, progressive character, and high-standing, could have been chosen. To go back to the inception of that business is to take a leap that will wholly cover the nineteenth century. Some few years after the French Revolution had proclaimed a new era on the Continent, the business was started by two brothers, John and Richard Morley, and, although the exact date of the foundation cannot now be ascertained, it is known that the firm had been recently established in 1797. During the period in which the father of the present Governor of the Bank of England was connected with the business, its progress was remarkable, and from that time until the present its history has been a record of continued expansion and development. Mr. Samuel Morley, of philanthropic fame, who was the third son of Mr. John Morley, entered the firm some time after his elder brothers, but soon proved to be a commercial genius of the first order. Some five years after his entrance, just when he had come of age, indeed, he had to become virtual head of the business, his father, who was greatly interested in the public movements of the time, retiring altogether in order to devote himself to social work. Under its new head



MR. SAMUEL HOPE MORLEY,
Governor of the Bank of England, 1903.

the business, which had always been flourishing and progressive, positively advanced by leaps and bounds. For over twenty more years Mr. Samuel Morley had absolute control of the vast undertaking, and when, in 1885, he practically withdrew from public life, he had the satisfaction of knowing that he had largely contributed to build up the most extensive business of its kind in Great Britain. His death came in the following year, and the event produced an eloquent outburst of regret and sorrow at the loss of one who had contributed so much by his energy in promoting and assisting philanthropic agencies to the amelioration of the circumstances of his poorer brethren. From his hands the business passed to the care of his three sons, Mr. Samuel Hope Morley, Mr. Howard Morley and Mr. Charles Morley, the last-named retiring shortly afterwards. The two brothers have carried on the business with conspicuous success since, being ably assisted by the system of local directors set up by their father.

Mr. Samuel Hope Morley, who has thus become the senior representative of this important house, was born in 1845 in London, and like so many men who have afterwards made their mark in the world, suffered from poor health as a child and youth. In consequence, he did not go through the ordinary course of public school training, but was privately educated by the Rev. Charles Bradley, a brother of the late Dean Bradley. From there he proceeded to Cambridge, at the age of twenty, and was a member of Trinity, taking his B.A. degree early in 1869 and his M.A. two years later, whilst he also secured during his college career special honors in mathematics. Unlike his father, who entered the business at the age of sixteen, Mr. Morley, even after his career at college, did not immediately devote himself to the interests of the firm, but spent some time in traveling upon the Continent, and did not commence his commercial education until late in the same year. Once, however, launched upon business life by joining his father's firm, he went through a most systematic training in all matters connected with the business, and it was not until 1872, after he had served the firm in various capacities for three years, that he was made a partner. Three years after his accession to this position, the retirement of his father from active work caused him to assume the senior partnership which he now fills. Mr. Samuel Hope Morley has, unlike his father and one of his brothers, taken no active part in politics, but has contented himself with maintaining that close connection with social and charitable work which has so long characterised the family of which he is a member. Mr. Morley is married, and has two sons now being educated at Eton.—*London Bankers' Magazine.*

A Business Ideal.—I never see a fishing fleet set sail without pleasure, thinking this is based upon the form which is probably to prevail generally. Not a man in the boats is paid fixed wages. Each gets his share of the profits. That seems to me the ideal. It would be most interesting if we could compare the results of a fleet so manned and operated with one in which men were paid fixed wages; but I question whether such a fleet as the latter exists. From my experience, I should say a crew of employees vs. a crew of partners would not be in the race.

The great secret of success in business of all kinds, and especially in manufacturing, where a small saving in each process means fortune, is a liberal division of profits among the men who help to make them, and the wider distribution the better. There lie latent unsuspected powers in willing men around us, which only need appreciation and development to produce surprising results. Money rewards alone will not, however, insure these, for to the most sensitive and ambitious natures there must be the note of sympathy, appreciation, friendship. Genius is sensitive in all its forms, and it is unusual, not ordinary, ability, that tells, even in practical affairs. You must capture and keep the heart of the original and supremely able man before his brain can do its best.—*Andrew Carnegie in The World's Work.*

THE INERTIA OF A BONDED CIRCULATION.

CHECKS VS. BANK NOTES.

The National bank note as it is seen to-day is the same in all essential points as it was when the National Currency Act was passed in 1863, forty years ago. During that period there have been great and radical changes in the methods of conducting all industrial and financial business. The evolution from the individual or firm as the business unit to the combination or trust has progressed almost to the limit. Population has doubled and wealth has increased so that the count is now made in billions instead of millions. Everything has changed, developed and grown. In the process of evolution the National bank note based on bonds is one of the very few institutions remaining unchanged since 1863.

To those who are deceived by the fallacy that bank notes are actual money, this unchangeableness of the National bank note will bring no surprise. The money of a country, the standard by which the wealth is measured and investments made secure, ought to be permanent. But coin alone is real money in this sense. The paper representatives of coin have always been subject to change.

What are the reasons which have made it so difficult to develop the National bank note and why has it not advanced on the same lines with other monetary devices? One important reason has been the retention of the legal-tender note followed by the silver certificate and the Treasury note—all Government notes. These so narrowed the field of circulation that the bank note has not been missed. Another reason has been the policy pursued of rapidly paying off the public debt.

The use of United States bonds as security for bank notes has abnormally sustained the credit of the Government and has enabled the debt to be paid and funded at lower rates of interest with a facility hitherto unknown in national finance. The bank demand for bonds has enhanced the conditions which tended to a reduction of the principal of the debt, and to a reduction of the interest; but both of these consequences has impaired the usefulness of the bank circulation by at times reducing its amount and at others preventing its increase.

The aggregate amount of National bank circulation remains practically at the same point it reached after the full development of the system in 1865. In 1871 $318,265,481 in bank notes were kept in circulation by 1,790 banks. By late returns 4,766 banks had $338,349,814 in circulation. The average for each bank in 1871 was $177,-802. The average now is $70,800. If the 4,766 banks now in operation kept in circulation the average of 1871, the total amount of National bank notes now outstanding would be about $850,000,000. The proportion of National bank notes to other paper money then in circulation, consisting of legal-tender notes solely, was about 100 per cent. The proportion of bank notes to all other paper money outstanding to-day, with the exception of gold certificates—viz , $827,282,407,—is a little more than thirty-three per cent. Including gold certificates the proportion of National bank notes to the other paper money is a very little over twenty-five per cent. While therefore the business of the country has demanded and obtained an increase of paper money this increase, amounting to about $400,000,000 over and above the amount outstanding in 1871, has not been furnished by the banks.

It can be seen from these figures that if the country had depended on the present system of bonded bank circulation to furnish the notes which the facts seem to prove are needed to-day, the utter unfitness of such a system would become at once apparent. To issue paper money equal in amount to that now outstanding, each of the 4,766 National banks now in operation would have to issue and keep in circulation $250,000. To secure such a circulation would require bonds $200,000,000 in excess of the United States interest bearing bonds still unpaid.

It is not very satisfactory to discuss what might have been; but if, as was undoubtedly contemplated by Chase, the legal-tender note had been retired soon after the close of the war, and the National bank note had been permitted to carry out the design of the man who originated it, and had been depended upon to furnish such paper money as the country required, who can doubt that the whole plan of issuing notes on bonds would have been gradually abandoned for some more efficient substitute?

But although the growth of the National banking system has been prevented in this one direction, its innate vitality has been so great, and the elements of business surrounding it so congenial, that like the plant cut off from the light in one direction it has expanded and developed in another. Very little has been said about the development of the use of checks, compared with the volumes that have been written on the bank note. But in the growth of the volume of checks used in business, careful observers have long seen the rebound from the iron pressure imposed on the bank note and the lack of elasticity of Government paper money. It has been this use of checks, fostered and encouraged by the banks, which has concealed the defects in the paper money permitted by law. When it is considered that payments by check throughout the whole country form upwards of eighty per cent. of all payments, and in the monetary centers much more, the great importance of this movement will at once be perceived.

As a means of transferring its accounts, the bank note is a much more profitable and convenient device to the bank than a check. If the banks had been given an absolutely free hand they would undoubtedly have met the business demand by the issue of notes, and the use of checks would have been less encouraged.

This great use of checks, and the enormous amounts cleared every day in the clearing-houses of the country, indicate that if paper money had been depended on to effect these payments and the country had grown as it has done, it would have been required in quantities beyond any ordinary conception. Allowing that the present paper money, amounting to about $1,200,000,000, is half locked up in various ways, and that $600,000,000 really represents about all that is in ordinary use in effecting payment of the twenty per cent. of cash used in aggregate payments made daily, an additional amount equal to at least to $2,400,000,000 would be required to meet the daily payments now made by check.

In France, where checks are little used, the amount of paper money is much larger in proportion to population than in this country, and the notes are not locked up by any complicated system of legal reserves as are a large part of the notes said to be in circulation in the United States. If the use of checks in this country were reduced to a point equal to their use in France, it is probable that the per capita of paper money required here would be in excess of that found necessary in France.

It is plain that in the development of the deposit line of the banks of the United States—and this applies as well to banks of all classes—what is called money, either paper or coin, has played a comparatively insignificant role. By comparing the statistics of the period in banking between 1830 and 1840, when the issue of bank notes was comparatively unlimited, it will be seen how different was the proportion between deposits and capital as compared with the proportion these items bear to each other to-day. A bank in 1835 was doing well when its deposit line equalled half its capital. The main business of the country was then done with bank notes. There are, of course, other reasons for this difference; but it is safe to conclude that generally the free use of checks as a general business habit enables banks to grant more credit and thus increase their deposit line to a greater extent than would the use of bank notes.

Although it has been pointed out to what probable extent bank notes would have to be increased if the payments effected by checks were paid in bank notes, yet the dangers of so great an increase of bank notes would at once be seen. The check is the safer device, both for the bank and for the customer, in that it requires two parties for its issue, while the issue of the bank note depends on the volition of the bank alone.

It is customary to attach great importance to certain arbitrary reserves of money, either coin or paper, which bear a certain relation to the deposit line. These reserves were originally figured on the theory that a depositor made his deposit in money, paper or coin, and would demand its payment either in paper or coin. Therefore, the law says to the bank, you must retain fifteen, or twenty-five per cent. of this cash always on hand to meet the depositor's demand. But with the custom as it is to day to give bank credits on other valuables than money, this way of looking at a bank reserve is antiquated. Credits are now given on checks, on warehouse receipts, on commercial paper—on hundreds of varieties of collateral, and in giving these credits no money, either paper or coin, may pass into the bank. If these credits were used by depositors in the form of money the reserves provided by law would cut a most pitiful figure.

It is not claimed that the present reserves required by law are too large, but it is claimed that if the conditions of business were the same to-day as they were when these reserves were fixed, they would be ridiculously incompetent. While on this subject of reserve it will be as well to point out that these reserves required by law are supposed to be kept in legal tender, that is in specie or coin certificates and in notes declared by law to be a full legal lender. This, too, is something of an incongruity. The reserves were originally intended to cover the bank note, and there was reason to require bank notes to be paid in legal tender; but since reserves on bank notes were abandoned in 1874, there had been no reason to require a bank to pay deposits in anything except current money.

This question of reserve may appear at first sight to have nothing to do with the bank note question, but the trouble with the discussion of the reform of the bank note has been that the bearing of every phase of the banking business on the use of the bank note has not received due recognition. The subject has been studied from too narrow a point of view.

It has now been seen that the inertia of the National bank note, the failure in the development of this banking function, has been due to the competition of Government paper money, and to the development of the use of checks by the banks themselves.

It was early recognized by those who studied the question that the National bank note was not meeting the demands of business. A large number of those who felt this thought that Government notes and silver coin would prove efficient substitutes. Those who did not coincide with this opinion devoted their attention to plans for expanding the bank-note issues in various ways. One plan was to increase the percentage of notes to the bonded security, and this plan was endorsed by legislation in 1900. Other plans were to substitute what are known as asset notes, either at once or gradually, for notes based on bonded security. But while asset currency would no doubt accomplish much that is claimed for it, yet the very slow progress that has been made in convincing the mass of bankers that the adoption of such issues would be entirely wise, indicates that there are objections of weight. The main objection is the uncertainty as to the security of such a circulation by banks under a free banking system. Apart from this there are doubts whether, after all, the bank note is of as much importance as it is supposed to be, and whether its use does not expose the public to danger of inflation and contraction which might be avoided by some other method.

It will, perhaps, be generally admitted that the present system of making payments and effecting exchanges is exposed to certain dangers, which manifest themselves periodically in derangement of credit. There are great variations in the supply of money and credit by which the trade of the country in its production and manufactures is carried on. These fluctuations are thought to be greater than ought to be caused by the supply and demand for products themselves. In other words, the condition of money and credit is too unstable, and gives an undue advantage to those who deal in money over those who trade in products. As all the wealth in the country depends on the prosperity of the producer, the gains made through taking advantage of the instability of the money market are not of a substantial nature. Even those who deal only in money and credit, as a whole, suffer more loss than they receive profit. The question of a remedy is therefore important.

But is it certain that a freer use of bank notes of a less secure character will be a remedy ? The conservative bankers of the country are not convinced of this. Probably there are great numbers of enterprising men who see very clearly how money can be made out of a free circulation privilege. To take an extreme case, the repeal of the ten per cent. tax on State bank note circulation would no doubt be followed by the appearance of abundance of money. At first this supply would seem to develop industry and enterprise, but hardly any one will dispute that the issues would soon exceed the real needs, and it might be very difficult to prevent disaster.

It is feared by many conservative men, bankers and others, that the substitution of an asset bank currency for the present bonded bank note would in some degree result in the same inflation. Instead, therefore, of curing the tendency to fluctuations in money and credit which are now liable to occur, an asset currency might add to the danger. Whether this is so or not it is worth while to consider carefully whether there are not other remedies in sight of which we have more experience. It is said the country has had experience of the asset bank note, and that enough was learned to show that under certain conditions it might be trusted to do all that is claimed for it. On the other hand, it can just as easily be shown that under certain other conditions it may prove a most dangerous expedient. The experience of other countries with the bank note has also been carefully studied. It may be justly said that when properly harnessed and tied down by law, and by the safeguards which the possession of monopolistic privilege throws around it, the device becomes a useful part of banking machinery. In England it is rigidly bound by law ; in France both by law and by the bands which the private possessors of a profitable monopoly throw around it ; in Scotland it is used with success under the auspices of monopoly banking. In Canada and other places it is the same. But nowhere in the world can there be pointed out the free use of this device, under a general banking law, by banks independent of each other and of capital and resources in every variety from large to small. Therefore precedent proving safety for banks in the situation of those in the United States there is none. For forty years no bank in the United States has had any experience of the use of the bank note in this way. It is no wonder that Congress hesitated to pass even the Fowler measure, which grants an asset currency to a microscopic extent.

Another point which can be made against the bank note as a part of banking machinery is that it is of very little benefit, unless freely used, in accomplishing the beneficial results claimed for it. Drink deep of the Pierian spring or not at all. A bank that cannot be trusted with the free use of the bank note will never be pulled through an emergency by its restricted use. No one would advocate the granting of the free use of the bank note by law. In the restricted form in which it is proposed to grant the right to issue bank-note currency it is not believed it will prove to be the remedy for the defects in the banking system. Those who have devoted time to the study of the bank note, and have conscientiously come to the conclusion that the experiment of its use should be tried, on the small scale proposed in the Fowler bill, will become impatient and say then if the bank note cannot be used as a remedy, what can be done. This feeling is natural. Has every one been on the wrong track for the last twenty years during which a freer use of the bank note has been agitated, and heaven and earth have been ransacked for precedents seeking to prove its usefulness and safety?

It is believed that if the same study and thought had during the same time been devoted to the check as a substitute in banking machinery for the bank note, the solution of the whole problem would be near at hand. There are four pieces of banking machinery which under certain circumstances will accomplish similar results. The legitimate object of them all is to transfer bank credits from hand to hand. These four devices are the bank note, the certificate of deposit, the check, and the transfer of accounts on books in presence of depositors. The first two can be used by the sole volition of the bank. The last two can only be used by the agreement of the bank and its depositor. There may be overissues of bank notes through bad judgment, but a bank will not, except by fraud and connivance, permit its customers to draw more than their credit allows. The bank at once refuses to pay checks which have no basis of credit.

The banks themselves have brought the use of checks to a very high degree of perfection. If they had not been restricted by law, they might have developed them into a complete substitute for the bank note. All that remains to do to bring this about is to issue certified checks in denominations and on paper that will stand wear and tear and with precautions against counterfeiting. That this has not already been done is due to the fact that such checks would certainly circulate as money and perform all the functions of the bank note, but like all checks would be redeemed much more quickly than the bank note. The law forbids National banks to issue any post notes or other notes to circulate as money except the notes based on bonds. The State banks could not issue such checks because of the ten per cent. tax. If Congress should remove the prohibition as to post notes, etc., the National banks could at once develop the check. The law should be amended to read "or any other *promissory* notes" to circulate as money. The change of one word in the National Banking Law will enable the banks to supply themselves with a safe substitute for the bank note.

SEES HIS ERROR.—Chancellor E. Benjamin Andrews of the University of Nebraska, whose retirement from Brown University on account of his leaning toward free silver at the ratio of 16 to 1 attracted attention throughout the country in 1896, recently delivered an address to his class on practical ethics which indicates that he has changed his views.

"I confess the error I held for a number of years regarding the production of gold," he said. "The output of gold has increased enormously since 1890. By 1897 it had completely checked the fall which prices had been undergoing since 1873, and since 1897 has caused a considerable rise in prices. From the advice of the greatest geologists, both in this country and in Europe, and from the opinion of practical miners of Colorado whom I saw when I visited Colorado in 1895, I believed the greatest output of gold was passed. I have to admit that it was an astounding mistake, and that I was in great and inexcusable error. I now believe that the heavy output of gold will continue."

AN ASSET CURRENCY.

HOW ITS ISSUE MAY BE PROVIDED FOR BY A CENTRAL INSTITUTION WITHOUT SACRIFICING OUR INDEPENDENT BANKING SYSTEM.

Editor Bankers' Magazine:

SIR: It would be easy to copy from the best features of European banking methods a proposition to reform this country's organizations, if we could readily remove existing conditions, without creating great disturbances.

In looking over the bank-note systems of all other leading commercial nations we would naturally be most attracted by that of Germany, because that country has the latest banking law and consequently had the advantage to profit by the experiences of her neighbors, who do not like to break with traditions, although they well recognize certain errors in their systems, such as the so called error in the Peel's acts. The French law is certainly most efficient, but probably only because France's population is not increasing materially.

The efforts of reform in this country ought to avoid patchwork and aim at a perfect system to be realized if not in three, say in five or ten years, according to existing difficulties and with the aim well in view, obstacles to reform should be the object of further study.

The perfect system should comprise a bank-note circulation, if not of one bank, of a central institution in control of the issue, based on a minimum cover in gold, in relation to what has been called asset currency, or what they call in Europe uncovered notes. As long as the United States Government controls the bank-note issue, secured by United States bonds, it is of little importance whether the notes are issued by one or by more banks; but as soon as asset currency is permitted, the issuing banks in times of money stringency will be led to rivalry in keeping their own notes out as long as possible; a kind of war would ensue between the banks trying to send notes back to the competing institution to get room for their own circulation. This might be pushed to the extent that it would precipitate a great crisis.

The perfect system should provide for the increasing wants of a growing population. (In this respect the German system even is not adequate, and the limit of asset currency free of taxation had to be extended two years ago.) This covers the demands for elasticity of the currency, so often mentioned lately by speakers and writers on this subject, and in some instances proclaimed as the sole object of reform. If, by a decrease of commercial and industrial activity, or during the dull season of the year, contraction of the currency does not set in very promptly, there is not much harm done, while the expansion of trade, principally felt in the fall, causes after all the whole complaint of lack of elasticity. Any individual, temporarily in need of funds, might just as well say, "I want some elasticity."

Bearing in mind the elasticity we obtain by borrowing at times some 200 or 300 million dollars in Europe, I will not discuss whether the complaints in general justify the call for legislative action. The move for reform is certainly a good one, apart from the advantage of becoming more independent of Europe. But no matter how well devised a new plan may be, or how well it may be put in practice, there will always be an excess of spirit of enterprise to contend with, which in every country, under any law, tries to push its way at the risk of harm to the more conservative, the more modest and less ambitious people. Therefore, asset currency, which would be a quite new instrument of credit in this country, in the experience of most bankers, needs a very solid foundation.

A perfect system should permit at all times the discount of commercial paper, based on genuine mercantile transactions, at a rate not exceeding six per cent. A proper system should not require interference by the Government, which should appoint the highest official, but which should as a result of the reform go out of the banking business, and for this reason the perfect system ought to take charge of the Government's money transactions; it ought, under ample guarantee, to assume the service of receiving Government revenue and orders for expenditures, thus disposing of some recent complaints.

After an agreement on these points, and possibly some other important question which may be raised by more competent advisers, is reached, we may consider the obstacles in the way leading to the reform, and finally the best means to overcome them.

Obstacles to a general use of asset currency are: the existing greenbacks and silver-notes amounting to $800,000,000, which if retired would involve a big loss of interest.

The necessity of centralization, as mentioned before, in case of an asset currency being issued, and the difficulty to maintain the advantage presented by the existence of numerous banks, permitting, especially in big cities, better care being taken of the individual merchant and manufacturer than could be done by a single institution.

A difficulty is to distinguish between commercial paper, commercial loans, mortgages, security loans and securities owned, in relation to asset currency.

In this connection a compilation made of the separate assets of National banks, in order to measure the effects of any new legislation, would be very useful.

I have given some consideration to these and other difficulties, and with a view to the final aim of providing a perfect system, as I understand it, and as outlined above, I came to the conclusion that the National banks, as they exist, ought to continue, and that they ought to rally around an organization all over the country, like the clearing-house, this institution to be allowed to issue bank notes against gold and indorsed commercial paper, which it may receive for discount from National banks; that the amount to be accepted for discount from any National bank be limited in proportion to the nature of its assets, its capital and resources. This institution to be allowed to receive deposits, without paying interest on same, and to attend to the transfer of money, as the sub-Treasuries are doing now, between different cities.

The proportion of actual cash to be not less than a certain percentage of notes, and a percentage of notes and deposits together.

This institution should receive Government money to such an extent as legislation may authorize, and if possible to take care of the so-called working balance of the Treasury.

Every point mentioned as aim, obstacle and proposition deserves more space than can be given here. I have not spoken at all of the capital of the central institution, how it should be formed, whether by contributions of the banks or otherwise, nor of many other important points. I merely wished to outline, roughly, how a radical reform could be reached.

I know these proposals are subject to criticism and discussion, but I claim to have taken a broad view of the question, without inducing the Government to take more responsibility than it has already. On the contrary we can expect that after several years of experience the central organization may become strong enough to take the responsibility off the Government for all kinds of paper money, to allow the 150 million gold reserve to be set free, to have an equal amount of greenbacks cancelled, and to consider further monetary reform in this direction.

Business practice already points to my principal recommendation, when in times of panic the clearing-house issued certificates, besides it coincides with the views of other writers on this subject.

The power which I would confer on the central institution certainly resembles this emergency measure, but the asset curreney would appear in a different light than the clearing house certificates. In practice, there would be more credit to meet more confidence.

We may say in this instance with the great economist, "Practice long precedes human science."

ALBERT MAYER.

NEW YORK, May 28, 1903.

ANNUAL REPORT OF THE BANK OF JAPAN.

Through the courtesy of Mr. Kinsuke Ito, Chief of the Secretary's Department of the Bank of Japan, THE BANKERS' MAGAZINE has received the Annual Report of the Bank for the year 1902. Following is the Address of Governor Yamamoto, delivered at the semi-annual meeting of the shareholders, February 15, 1903:

Gentlemen—I have now the honor of submitting to you the report of the transactions of the Bank for the thirty-fifth year of Meiji (1902), and in doing so I shall avail myself of the opportunity to make a few remarks on the general economic condition of the country as well as on the main features of the Bank's business during the year under review.

In the thirty-fifth year of Meiji, although depression was said to be prevalent throughout the country and although trade and industry seemed inactive, yet the general economic situation was perfectly quiet, and it may be affirmed that the year closed amid signs indicating the gradual return of more favorable times. During the first half of the year, the money market remained under the influences operative in the preceding year, when the nation had begun to recover a sense of calm and security after a period of economic disturbance. Thus, considerable sums continued to be paid back to the banks, and the influx of specie increased month after month in consequence of a favorable turn in the country's foreign trade, so that the public began to be gradually sensible of an easier state of the money market. Nevertheless economic circles long accustomed to an enervated condition could not be easily stimulated to fresh activity. The announcement of the Anglo-Japanese alliance, guaranteeing as it did the peace of the Far East, could not fail to affect vitally our various economic interests. It engendered a measure of healthy feeling in business circles and an upward tendency became noticeable for the time on the Stock Exchanges. Later on, however, circumstances did not prove altogether propitious to economic improvement. In consequence of long rains, untimely frosts and other adverse phenomena that visited the country in the late spring and early summer, anxiety began to be felt about the harvest of wheat and barley, as well as about the outcome of sericulture; with the result that the temporary wholesome feeling was superseded by aggravated sluggishness. In the second half year, the export trade of raw silk, proving to be highly flourishing, caused specie to flow into the country in increasing amounts, so that the rate of exchange on Europe and America rose to points seldom reached in late years. Moreover, the absence of any demand for money resulting from the depressed state of commerce and industry, as well as the practice of economy by the people, led to an increase of deposits in banks. In addition to this, about the beginning of October, the Government made arrangements with the Industrial Bank of Japan to sell in London Government bonds held by the Treasury, to the amount of 50,000,000 yen. These circumstances would have fostered a revival of activity in business circles, had it not been that apprehensions of a bad rice crop were entertained from the time of planting out the seedlings. That fear was accentuated by storms and floods in autumn, until it became impossible to hope for even an average crop. Besides, the experience of the past did not induce business men easily to change their attitude of cautious circumspection. Thus economic circles remained quiescent to the fall and the new year opened with an easy money market, the banks generally holding surpluses of loanable funds.

Seeing that the general economic conditions had assumed such a complexion, the Bank considered the occasion suitable for lowering the rate of interest that had been maintained since the thirty third year of Meiji (1900). The first step in this direction was taken in March, and further reductions were made three times successively, in June, October and December. The amount of the Bank's advances to the market varied from time to time; but the general tendency was in the direction of decrease. Thus, the sum of these advances, which had exceeded 53,670,000 yen towards the close of the preceding year, fell in February to 30,230,000 yen. In the month of June money was demanded to some extent for the semi-annual settlement of accounts as well as for carrying on the silk industry, and the advances made by the Bank swelled momentarily to 39,550,000 yen. But, owing to the brisk export trade in silk, the funds engaged in that industry were rapidly paid back. From August, the Bank's advances decreased month after month, until in November the amount was reduced to 26,430,000 yen. Towards the end of the year, the usual demand for money carried the Bank's advances on the last day of the year to 43,080,000 yen; but the sums thus borrowed were paid back for the most part a few days after the opening of the year.

As regards the condition of foreign trade in the year under review, exports and imports of commodities amounted to 258,300,000 yen and 271,730,000 yen respectively, the aggregate being 530,030,000 yen. These are unprecedented figures in the annals of our foreign trade. The exports and imports of specie were respectively 2,020,000 yen and 32,160,000 yen, the excess of imports amounting to 30,130,000 yen. Compared with the bullion movements of previous years, this must be considered a very satisfactory result. Such a favorable condition of foreign trade is doubtless attributable to an active demand in foreign markets; but at the same time economy in domestic consumption and a consequent increase of commodities available for export seem to have contributed not less to swell our over-sea trade. The fact that, in spite of stagnation in the home market, imports of commodities showed an increase over those of last year, is accounted for chiefly by increases in the imports of cotton and cotton cloth, and by the import of rice in anticipation of a poor harvest. As to the influx of specie, it was largely due to commercial operations necessitating import of gold by home and foreign banks. This excess of specie imports enabled the Bank to increase its specie reserve in the course of the year from 71,350,000 yen to 109,110,000 yen, and thus to strengthen the basis of the system of convertible notes. One thing to be deplored in our foreign trade was the depreciation of silver, which greatly impeded commerce with China. Dealers in commodities, such as cotton yarn, coal and marine products, which are exported chiefly to the neighboring Empire, were thereby placed in very embarrassing circumstances.

To sum up, our economic circles, which had been struggling under abnormal conditions for several years, seem at last to have returned to their normal state during the past year. It is true that few enterprises were either expanded or started. But, nevertheless, business men steadily strove to reconstruct their concerns, by making due adjustments in their debts, by amalgamating companies, by sifting the *personnel*, by economizing working expenses and by simplifying business methods. These must be considered as steps of industrial improvement. Reviewing the past, it is to be observed that for some years the situation of our foreign trade was continuously adverse, with accompanying outflow of specie in considerable amounts. As long as this condition obtained, there was a fear that the security of the system of convertible notes might possibly be endangered, and it was with the object of safeguarding this system that the Bank saw itself obliged to maintain a high rate of interest for so long a period. But the nation is now to be congratulated upon the fact that it has tided over this difficult situation. As the result of their efforts to amass capital, our people have succeeded in obtaining a large amount of specie from abroad through the medium of commercial operations, and thus they are now in possession of funds available for a further step of economic progress. All this is an evidence of economic strength possessed by our industrial society.

Turning to the future, there is not in sight any contingency against which special warning need be uttered. In consequence of the bad harvest of last year, the import of a large amount of rice will be inevitable. But, on the other hand, when we remember that the proceeds of the sale of Government bonds, effected in London last year, will be available, it may reasonably be hoped that the Bank's specie reserve will not be diminished, to any considerable amount at all events. The course of economic movements, however, is mainly shaped by the proceedings of business men. If, in reaction from the inactivity of the past few years, economic enterprises be rashly and extravagantly promoted, there is no guarantee that disturbance will not occur unexpectedly. But, it may be trusted that our business men are sufficiently prudent to pay due regard to the lessons of the past and to give careful consideration to the future; and that, in projecting their undertakings, they will proceed with caution, each in wise accord with their respective resources. In discharging the duties of the Bank, I hope to proceed on similar lines.

REPORT OF THE TRANSACTIONS OF THE BANK OF JAPAN FOR THE THIRTY-FIFTH YEAR OF MEIJI (1902).

The following is a statement of the operations of the Bank for the year ended December 31 of the thirty-fifth year of Meiji (1902).

TOTAL OPERATIONS.

The total operations of the Bank in 1902 amounted to the following sums:

	Yen.	*Yen.*
At the head office, received	4,797,833,734 744	
At the branches, received	2,263,811,702 699	
Total		7,061,645,437 443
At the head office, paid out	4,784,402,283 250	
At the branches, paid out	2,246,599,235 395	
Total		7,031,001,518 645
Grand total		14,092,646,956 088

The above grand total, compared with that for 1901, namely yen 10,576,036,818 027, shows an increase of yen 3,516,610,638 061.

BANK NOTES.

The amounts of notes issued and withdrawn during the year 1902 were as follows: Amount issued, yen 1,903,247,845; amount withdrawn, yen 1,885,250,234;

Comparing the sums mentioned above with those for the previous year (1901), there was an increase of yen 1,071,235,900 in the amount issued, and of yen 1,038,765,023 in that of the notes withdrawn.

The amounts of bank notes exchanged for gold coins during the year under review, were as follows:

	Yen.
Total amount of gold coins received	33,211,595
Total amount of gold coins paid out	2,464,617
Excess of the total amount received over the total amount paid out.	30,746,978

The amount of notes remaining in circulation and the amount of the reserve and securities held against them, on December 31, 1902, were as follows:

	Yen.
Amount of notes remaining in circulation	232,094,377 000
Specie reserve:	
Gold coin and bullion	108,118,817 220
Silver bullion	1,000,000 000
Total specie reserve	109,118,817 220

	Yen.
Securities:	
Public bonds	38,638,214 500
Treasury bills	9,263,400 000
Government securities	50,000,000 000
Other securities	3,076,976 000
Commercial bills	21,996,969 280
Total securities	122,975,559 780

Comparing the above figures with those at the close of the year 1901, an increase of yen 37,760,446 appears in the specie reserve and a decrease of yen 19,762,835 in the securities. The ratio of the specie reserve to the notes remaining in circulation at the end of 1902 was forty-seven per cent., approximately, being an increase of 13.7 per cent. over the corresponding figure at the close of the preceding year.

Discount of Bills.

The amount of Treasury and commercial bills discounted during the year 1902 was yen 228,058,941 710, showing a decrease of yen 180,276,169 910 compared with the figure for the previous year, namely, yen 408,335,111 620.

Loans.

In 1902, the loans of various kinds granted amounted to yen 301,931,682 790, and those paid in to yen 317,957,106 490. Compared with the preceding year, there was a decrease of yen 68,371,253 330 in loans granted and of yen 29,474,903 200 in those paid in.

Current Account and Deposit Account.

The total amount received in the form of various deposits during the year was yen 2,277,897,633 108, and the amount withdrawn was yen 2,279,166,888 601. Compared with the preceding year, there was an increase of yen 312,053,545 521 in deposits received and of yen 298,221,881 845 in withdrawals.

Compared with the preceding year, there was an increase of yen 322,053,543 526 in deposits received and of yen 321,764,249 245 in withdrawals.

The amount of current deposits remaining at the end of the year was yen 3,345,-638 114, which shows an increase of yen 814,004 118 compared with the figure for the preceding year.

Transactions in Precious Metals.

The amount of the precious metals purchased during the year 1902 was yen 58,648,396, and the amount sold during the same year was yen 51,581,201. Compared with the preceding year, there was an increase of yen 43,119,087 in the purchases, and of yen 33,807,107 in the sales. The amount remaining at the close of the year was yen 37,329,792.

The Profit and Loss Account and Dividends.

The profit and loss account for the year was as follows:

	At the head office. Yen.	*At the branches.* Yen.	*Total.* Yen.
Gross profit	7,672,987 920	615,925 030	8,288,912 950
Total expenses, etc	3,520,636 990	320,789 153	3,841,426 143
Net profit			4,447,486 807
Balance brought forward from the last account			476,542 741
Total			4,924,029 548

Compared with the preceding year, the net profit shows a decrease of yen 219,436,751.

The first and second dividends declared for the two semi-annual periods of the year were altogether at the rate of twelve per cent. per annum, being the same as the figure for the preceding year.

Balance Sheet for the Second Half Year of 1902.

ASSETS.

	Yen.
Advance account:	
Loans to Government	50,000,000 000
Loans on securities	1,897,300 000
Advances on current accounts	1,931,201 930
Bills discounted	37,186,082 650
Foreign bills rediscounted	13,577,404 260
Deposits	26,023,170 454
Loans for redeeming National bank notes	1,494,676 000
Public bonds account:	
Government and other bonds	49,737,295 390
Bullion account:	
Bullion	37,329,792 290
Account with other banks:	
Due from other banks	737,952 060
Agency account:	
Deposits at the Bank's agencies for payment of national debts	4,668,254 667
Deposits at the Bank's agencies for redemption of Government and National bank notes	3,508 550
Bank property account:	
Office lands	996,347 016
Buildings and safes	925,597 028
Furniture	42,321 945
New building expenses	796,921 421
Cash account:	
Gold coins	72,296,764 000
Silver coins	1,259 000
Nickel coins	2 650
Copper coins	16 783
Checks and notes	756,037 963
Total assets	300,401,906 057

LIABILITIES.

	Yen.
Bank note account:	
Notes issued	232,094,377 000
Deposits and current accounts:	
Government deposits	8,271,810 084
Deposits for payment of principal and interest of national debts	6,234,378 513
Funds for payment of mint certificates	421,147 868
Funds for redemption of Government and National bank notes	597,073 950
Deposits	17,000 000
Current accounts	3,845,638 114
Drafts	750 000
Drafts payable on advice	62,756 890
Account with other banks:	
Due to other banks	8,944 090
Shareholders account:	
Capital paid up	30,000,000 000
Reserve fund	16,350,000 000
Reserve against depreciation of Bank property	250,000 000
Profit and loss account:	
Net profit for the current half year	2,277,918 304
Balance brought over from last account	470,111 244
Total liabilities	300,401,906 057

Statement of Note Issue on December 31, 1902.

	Yen.	Yen.
Notes issued		232,094,377 000
Specie reserve:		
Gold coins	71,869,131 000	
Gold bullion	36,249,686 220	
Silver bullion	1,000,000 000	
Securities:		
Public bonds	38,638,214 500	
Treasury bills	9,263,400 000	
Government securities	50,000,000 000	
Other securities	3,076,976 000	
Commercial bills	21,996,969 280	
Total	232,094,377 000	232,094,377 000

Reserves.

The amount of the reserve held at the close of the preceding year (1901) was yen 16,100,000. Adding to this yen 250,000, carried to the reserve for the first half of 1902, the total amount at the close of the year was brought up to yen 16,350,000. This sum represented 54.5 per cent. of the paid-up capital of the Bank, namely, yen 30,000,000. To increase the strength of the Bank, this reserve fund was invested in the purchase of precious metals and public bonds in accordance with article 20 of the constitution of the Bank.

Neither addition nor diminution having taken place during the year in the reserve for depreciation of the Bank premises, the sum remained exactly as it stood at the end of the preceding year, namely yen 250,000.

Bank Premises.

The lands, buildings, safes and furniture owned by the Bank were valued at the end of the year as follows:

	Head office. Yen.	*Branches.* Yen.
Lands	212.650 160	783,696 856
Buildings and safes	664,038 497	261,558 531
Furniture	36,931 145	5,390 800

The total amount disbursed on account of new building expenses at branches stood at yen 796,921 421 on December 31, 1902.

Shares.

The total number of transfers of shares during the year 1902 was 4,766. Subtracting from this number 1,146 shares transferred gratis, the transfers by sale were 3,620 in number and yen 1,413,868 800 in value, the average price per share being yen 390 572. Compared with the price for the preceding year, this figure shows a depreciation of yen 0. 729. The number of shareholders at the close of the year was 966, being an increase of eighteen over the preceding year's figure.

Staff of the Bank.

The officers and employees of the Bank at the end of the year 1902 were as follows: Governor, 1; Vice-Governor, 1; directors, 3; auditors, 4; private secretary, 1; chiefs of bureaus, 6; managers of branches, 8; inspectors, 3; secretaries, 6; chiefs of sections, 3; senior clerks, 461; junior clerks, 101. Total, 598.

During the year, fifty-one new employees were appointed, forty employees were dismissed owing to illness or other reasons, and four employees died.

Compared with the preceding year, there was an increase of seven in the total number of the staff.

Gratuities were granted to the families of the deceased and to those dismissed who had faithfully discharged their duties while they were in service.

Branches and Agencies.

During the year 1902, there was no alteration in the number of branches. At the end of the year there were eight branches,* namely at Osaka, Moji, Hakodate, Nagoya, Sapporo, Kyoto, Otaru and Fukushima.

The number of agencies for the management of public bonds was thirty-one, a decrease of nine as compared with the preceding year. The number of agencies for dealing with worn-out bank notes was forty-seven, being the same as that in the preceding year.

The above is a statement of the operations of the Bank during the year 1902.

Tatsuo Yamamoto, *Governor.*
Korekiyo Takahashi, *Vice-Governor.*
Makoto Shuto, *Director.*
Muneyoshi Yamaguchi, *Director.*
Ichizaemon Morimura, *Director.*

* The branches at Moji and Hakodate are named Saibu and Hokkaido respectively and the other branches are called by the names of the respective cities where they are situated.

PROFIT AND LOSS ON BANK ACCOUNTS.

[From a Paper by Frank Noble, read before the Buffalo Chapter of the American Institute of Bank Clerks.]

Individual Accounts.

First let us consider individual accounts. Having selected a victim to operate upon, make sure that the period covered by the analysis is not an exceptional one, that it may be used as a safe basis for the computation, as almost every business has its slack season and its busy season, and neither alone could be used as a fair estimate for the entire year.

The blank form used in the calculation should be of convenient size for ruling and is ruled with columns for the daily balances, exchange cost, exchange charge and loss in transit—that is, the number of days' interest from the time an item is deposited until it is converted into a credit and becomes an actual working force to the bank. So we have separate columns for items that will be out one day, two days, three days, and so on. We now take each item on the deposit slips and analyze it. If exchange has been charged the depositor the amount is placed in the proper columns; if there will be a charge for collecting, that amount is placed in its columns. Next the method of collecting the item must be considered, and one of three things will happen.

Either the check is charged directly into the account of a bank keeping a balance with you, when there will be no loss of interest in transit, or second, it is sent to a bank with whom you keep an account, and there will be a loss in interest until your account receives credit; or third, it is sent for "collection and remittance" to a bank with which you have no account, and there will be a loss until the remittance in payment has been credited in your account with a correspondent. So that each item deposited will be placed in the column representing the number of days in transit.

Having done this the total of each transit column is multiplied by the number of days outstanding, and the sum of these results is deducted from the total daily balances, leaving the actual loanable funds, from which may be computed the daily average. Then to the cost of collection add interest paid, if any, during the period covered by the analysis, and subtract the exchange charged, giving the net cost, which with the average of loanable funds determines the per cent. or cost sought for.

Although there is much value in an analysis of this kind, nevertheless the result should not be a final verdict as to the worth of an account. There should be exercised good business judgment, which acknowledges that there are still other factors to be carefully weighed, many of the unprofitable accounts bearing such a close relation to the valuable ones that they must be accepted and carried even at a loss. Again, an account which upon analysis shows loss, may at the same time be a good borrower. And there is still another and broader reason. In banking the objective is increased deposits, for we all know that to the lay mind the larger the deposits of a bank the safer it is deemed to be. That means that deposits attract deposits. Therefore, it behooves a bank to be satisfied with a moderate per cent. of profit on a large line of deposits rather than to seek for larger profits on smaller deposits.

Accounts with Banks.

Let us now turn to the question of accounts with banks. These are treated in the same manner as the individual accounts, but they will require more time because of the number and diversity of checks. There is also a new element that enters into the case, namely, the volume of business sent the bank in return, and it seems impossible to give any hard and fast rule for determining just how much of a loss this will offset; but it may be stated generally that the test to be applied is this: "Can this unprofitable business be collected through other channels to better advantage?"

In conclusion, I would say that although banks in reserve cities call other city banks "country banks," the sting is not lasting, as it is in turn shifted to banks in small towns, and it is these "country accounts" that particularly require analysis.

THE CURRENCY QUESTION.

ADDRESS OF HORACE WHITE, DELIVERED AT THE ANNUAL MEETING OF THE NEW YORK SAVINGS BANKS ASSOCIATION, HELD AT NEW YORK CITY, MAY 12.

Gentlemen—It is the usual custom of governments to perform no duty to-day which can be postponed till to-morrow. This helps us to explain the fact that although the end of the national bonded debt is not far distant, and although its termination will be the end of the present bank-note system, no steps have been taken to meet that eventuality or to provide a currency to take its place. Instead of meeting the situation squarely, as it must be met soon, there has been an attempt to avoid it by artificially prolonging the existence of the debt. By the act of March 14, 1900, Congress provided for the conversion of certain bonds, maturing within a short time, into others bearing a lower rate of interest and running thirty years. Then a comparison was made between the amount of interest payable on the old bonds and on the new ones for this short time, and a saving was made to appear by conveniently ignoring the interest for the remainder of the thirty years. This process of conversion is even now going on, and although the Government has $151,270,848 deposited in National banks drawing no interest and $70,000,000 additional lying idle in the Treasury, it is issuing bonds to run thirty years at two per cent. interest. Dispatches are published from time to time felicitating the Treasury Department on its success in thus heaping up unnecessary obligations for the future. Such a transaction is acquiesced in because the people do not perceive the difference between a Government and a private individual or corporation, in the use they make of money. With a private firm or corporation, the question, whether it is best to pay its debts at maturity or to have them extended, is determined by the rate of interest. It is engaged in a gainful occupation, and if it can make more money by having the debt extended than it can save by paying it and stopping the interest, it will naturally elect to have it extended; otherwise not.

A Government Donation to the Banks.

Now, the Government is not engaged in any gainful occupation. Its only investment for surplus funds is in the purchase and extinction of its own debts. When it extends a debt, which it might pay with its surplus, and deposits that surplus in banks without interest, it makes a donation to the depository banks. That is what the Government is now doing on a large scale. It is at best a wasteful operation. The Government is not doing this on account of any special tenderness to the banks, but in order to stave off the settlement of the currency question. Such a transaction would not have been possible at any time between the end of the Civil War and the election of 1896. As long as the Democrats were united and self-confident they kept a vigilant watch on the operations of the Treasury and met every false step with an unsparing criticism. The Republican leaders who prepared this needless and costly extension of the national debt would never have dared to propose such a measure if they had been confronted with a vigorous and sane opposition. They took advantage of the demoralization of their political opponents, not to make a donation to the depository banks, although that is what it amounts to, but to spare themselves the trouble of dealing with the whole bank question in a rational manner. They succeeded in postponing the task for only two years, however. At the last session of Congress this question was rumbling loudly in both houses. Both the Aldrich bill and the Fowler bill were ripe for general discussion if not for enactment, and they will be among the burning issues of the next Congress.

THE SCARCITY OF PAPER CURRENCY.

Why did not the debt extension of 1900 have the effect of postponing the currency crisis for a longer time? What does that crisis consist of? It consists of a deficiency of the paper media of exchange, which deficiency is becoming more pronounced and serious with the increase of population and business. These media of exchange may be classed in two grand divisions: Government paper and bank paper. The former is a fixed quantity. Under existing law it cannot be greater or less at one time than at another. The latter is of two kinds: bank deposits and bank notes. There is no limit to bank deposits, except the amount of business to be transacted with checks, drafts, etc. This medium of exchange is elastic and self-regulating. The clearing house is its most striking exponent and visible manifestation. When business is active the clearing-house exchanges increase in volume. When it is dull, they decrease. In other words, the bank credit that may be transferred by means of checks, drafts and bills of exchange, rises and falls automatically. It is an ideal condition, and it is the only ideal thing in our whole system, unless the gold certificates may be so considered. The amount of individual deposits in National banks alone, against which checks might have been drawn on the 15th day of September, 1902, was $3,209,273,893. The amount in State and private banks and trust companies was probably one-half as much more, making a total of $4,813,960,834. At that date the amount of bank notes in circulation was $352,383,259, of which about $34,000,000 was in course of retirement, leaving $317,991,809 as the net amount. Thus the total amount of bank paper used in effecting the exchanges of the country was $5.166,344,093, 7 per cent. of which consisted of circulating notes and 93 per cent. of deposits.

In addition to the bank notes in circulation there existed legal-tender notes $369,-671,876, and silver certificates, silver dollars and subsidiary coins $624,521,402. These may be classed as fiduciary circulation issued by the Government, amounting in the aggregate to $992.193,278. The amount of gold coin and gold certificates in circulation at the same time was $929,110,114. The phrase "in circulation" means available for that purpose. It does not include the $150,000,000 in the Treasury reserved for the redemption of legal tender notes.

I said that our currency crisis consists of a shortage of one kind of our fiduciary circulation, that is, of bank notes—a deficiency which must grow more serious with the increase of population and trade. The fiduciary circulation issued by the Government is not capable of enlargement, and no sane person desires its enlargement. To increase it would require a change in our laws, making the volume of the currency dependent upon the whims of any chance majority in Congress. A few years ago there was a political party which proposed that the Government should issue new legal tender notes against products of various kinds stored in warehouses, the amount of notes to be limited only by the amount of products. I need not argue against that bedlamite scheme. I allude to it only as showing what shape any new scheme for increasing the Government's fiduciary circulation would probably take.

PRESENT NATIONAL BANK CIRCULATION INADEQUATE.

Can we expect relief from an increase of the National bank circulation, as the law now stands? There has never been a year in our history when the growth of population and business has been more rapid than in 1902. There has never been one in which the demand for instruments of exchange has been keener. This is proved both by the increase of $285,000,000 in bank deposits and of $57,594,400 in gold certificates. The latter represent gold taken from the mine and put into the most convenient shape for use as a circulating medium. It is the most expensive medium known, except one. That one is our National bank circulation. The evidence that the latter is the more costly of the two is found in the fact that the bank-note circulation decreased about $2,000,000 during the fiscal year 1902, while gold certificates increased upwards of $57,000,000. Practically the only method of getting any addition to the kind of currency that passes from hand to hand is by depositing gold in the Treasury, and receiving certificates in denominations not smaller than $20. That this kind of currency has advantages is not to be denied. Up to a certain percentage of the whole, gold is indispensable. Beyond that percentage it represents a needless expenditure of capital to accomplish a given result.

The act of March, 1900, contained other clauses intended to increase the National bank circulation. One of these authorizes the issuing of bank notes to the par value of the bonds deposited. This was quite proper. The law ought to have been such from the beginning. Another clause reduced by one-half the tax on bank notes where they are secured by the new two per cent. bonds. There was no objection to that. The result of these two measures was an immediate enlargement of the volume of circulation by about $30,000,000, followed by a fresh decline, however; and although the Secretary of the Treasury has tried various artificial stimulants to induce the banks to take out more currency, the bank-note circulation is practically moribund.

When a bank takes out circulating notes it engages perforce in a bond speculation. The bank is an active business enterprise. It expects to earn the average rate of profit in the community of which it is a member. As a purchaser of bonds it has to bid against retired capitalists, Savings banks, trustees of decedent estates and other investors to whom security is a higher consideration than profit. Not infrequently the Government itself comes into the market as a competing buyer. The price of the bonds is thus forced up beyond the chance of the average return on the capital employed. After the banker has bought his bonds and taken out his circulation there is no certainty that he will keep it. He must still watch the bond market. He must avoid a loss on the bonds, and he will make a profit on them if he can. He is a trustee for his shareholders and he must do what their interests require. If the chance to avoid a loss, or to make a profit, presents itself, he must seize it, regardless of the effect upon the circulating medium in general. Thus the issue of notes is not the chief concern of the bank. It is secondary to something else, and this is the reason why a bond-secured currency never can be an elastic currency. It is responsive not to the wants of trade but to the price of bonds.

Provisions of the Aldrich Bill.

The Aldrich bill of the last Congress proposed to authorize the acceptance of State, municipal and railroad bonds as security for deposits of the Government's money in National banks. This was perhaps a first step toward the acceptance of the same kind of bonds as security for circulating notes. Such circulation would be as rigid and hidebound as the present. There would be an active speculation in the classes of bonds accepted, and the market price would be carried up to figures approaching those of Governments. Then the volume of the currency would be controlled not by the wants of trade but by the bond market, as it is now.

The Aldrich bill deals with the bank-note question in still another way. It allows the Secretary of the Treasury to suspend and resume the redemption of National bank notes at Washington at his own pleasure. Under existing law a redemption fund equal to five per cent. of its outstanding circulation must be kept in the Treasury by each note-issuing bank. Anybody may send bank notes in bulk to the

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

This feature of the Aldrich bill would be one step toward making the Treasury itself a bank of banks. Such a plan, if contemplated, should not be condemned unheard, but the questions raised by it could not be decided on financial grounds alone. It would carry the flavor of socialism—at all events the socialists would consider it an endorsement of their claim that the State should control the means of production. For the present I think that the better opinion of the country favors the retirement of the Government from the banking business altogether rather than the assumption of new responsibilities of that kind.

At best the Aldrich bill is only a transitory measure, based upon a Treasury surplus which, in any sound system of national finance, is a temporary affair. Theoretically the surplus ought not to exist at all, but since it is not possible to establish beforehand an exact balance between receipts and expenditures, any accidental surplus should be applied promptly to the extinction of the national debt. Heaping up a surplus designedly to be deposited in banks, with or without interest, with or without special security, is an anomaly for which no defense can be found and none has ever been attempted, so far as I know.

Liability for Deposits and Bank Notes.

We have seen that the credit of the National banks takes the two distinct forms of deposits and circulating notes, the deposit liabilities being many times greater than the note liabilities. The deposit liabilities are allowed to rise and fall in volume without limit, except that each bank must keep a certain percentage of cash reserve. The note liabilities are restricted in two ways. No bank can issue notes exceeding the amount of its paid capital, or exceeding the par value of the Government bonds deposited in the Treasury as security therefor. These differences in legal requirements and restrictions indicate that the framers of the law supposed that there was an essential difference between a deposit lability and a note liability, calling for greater caution in the one case than in the other. They must have thought either that banks are more likely to extend their credit unwisely in the form of notes than in the form of deposits, or that the notes when once issued are likely to come in for redemption more suddenly than the checks of depositors come in for payment. Both of these conceptions are erroneous and the fears based upon them are groundless.

Cash Reserves for the Payment of Noteholders and Depositors.

The essence of good banking consists in maintaining a quantity of cash which shall be ample to meet all the demands that are presented by the bank's creditors, whether depositors or noteholders. The National Banking Law fixes the amount of the cash reserve against deposits at twenty-five per cent. in large cities and at fifteen per cent. in other places; allowing the banks in these smaller places to keep three-fifths of their reserve in banks in the large cities. It is worth mention here that under the Suffolk Bank system before the Civil War the law of Massachusetts allowed the country banks to keep their entire reserve in the city banks and that no harm ever resulted from that law. The country banks had practical freedom of note issue. They found that very little specie was called for by their customers and that as much was brought in as was taken out each day. Redemption of the circulation of each New England bank took place in Boston. Their notes offset each other at the Suffolk Bank just as the checks of our clearing-house banks offset each other now, and only the balances were paid in cash. The New England banks paid out their own notes to their customers except in cases where specie was expressly called for, but such cases hardly ever happened.

Substantial Identity in the Character of Notes and Checks.

A bank note is a potential demand upon the cash reserve of the issuing bank, and is of the same nature as a check drawn by a depositor. Both are pieces of paper circulating in the community on the strength of the bank's credit, and the question that concerns us now is whether the bank is likely to issue its credit more profusely and recklessly in the form of notes than in the form of deposits. Also whether the notes, when once issued, are more likely to come in for redemption suddenly and unexpectedly and thus cause trouble to the bank and to the community.

To answer these questions we must observe how bank notes and bank checks take their rise. Usually they originate in the discount of commercial paper. Mr. A offers such paper to his banker payable in sixty or ninety days. The banker enters the amount of the bill, less the interest, in A's pass book as a deposit. Then it is optional for A to draw checks against this sum to the order of B, C and D, or to draw a check to his own order and present it to the paying teller and ask for money. As I have said in another place:*

"Suppose that the bank has the right to issue circulating notes and that the customer, whose paper has been discounted, desires to use the proceeds in paying the wages of farm hands, or factory operatives, or in buying country produce, or in other ways and in places where checks are not acceptable. He will ask for bank notes, in order to pay them to the wage-earners, farmers, etc. He might ask for gold, in which case the bank would be obliged to give it to him, but the notes are more convenient and will be generally preferred by the payees. The payees may demand gold from the bank for the notes, if they choose, but generally they will not do so. They will pay them to storekeepers or others to whom they are indebted, and the latter will deposit them in the issuing bank to their own credit, or in other banks which will send them to the issuing bank for redemption. Eventually they will be paid out of the bank's cash reserve. They will be paid out of the same fund from which the customer's checks would have been paid, if he had drawn the money by means of checks payable to order, instead of taking notes payable to bearer.

The banker cannot decide whether the credit he has extended to his customer shall be used in the form of checks or in the form of notes. His liabilities are the same in either case. The only thing that need concern him is the goodness of the paper which he bought when he issued his credit to his customer. The form of issue, whether in checks that may pass through one or two hands, or in circulating notes that may pass through many hands, is of little consequence; and, even if it were of much consequence, it is beyond his control. It is also beyond the control of the

* Money and Banking, p. 222.

depositor. He will call for notes only in cases where he cannot use checks. The controlling force here is the public demand, to which both the banker and his customers conform. The public demand determines also how long the notes shall stay out after they have been issued. Nobody keeps more notes on hand than he needs. When a man finds that he has a surplus, he returns it to the bank. Thus the outflow and inflow of bank notes is automatic.

While it is immaterial to the banker whether the credit which he issues shall take the form of checks or of notes, it is important both to him and to the community that it shall take one form or the other, since the alternative is the withdrawal of gold for purposes of circulation and the consequent lessening of his cash reserve; and the lessening of his reserve by $1 usually lessens his ability to discount commercial paper by $4 or more. If it is for the interest of the community that the system of bank credits should exist at all, it should be available in the form of circulating notes, as well as of checks; for banking science consists in the substitution of less costly instruments of exchange for more costly ones, according to the demands of trade. The bank note, since it is one of the less costly ones and is indispensable in the modern world, should be readily available as needed. Its utility is greatest in sparsely-settled communities, where there are few or no banks."

Now, is it not obvious, is it not in accord with all experience, that the notes circulating among wage-earners, farmers, market-gardeners, and such people, will stay out longer than checks which usually pass through only two hands—that of the payee and of the payee's banker? Under the Suffolk Bank system, where the most speedy and perfect method of bank-note redemption existed that this country has ever known, the average circulation period of New England bank notes was five weeks. The law of Massachusetts, by providing that no bank should pay out any notes but its own, forced every bank to clear its tills of the notes of other banks as fast as they came in, and send them to the Suffolk Bank for redemption. Yet, even under this pressure, every bank note that was issued remained out as much as five weeks on the average, whereas checks usually stay out not more than two days.

But suppose that there is a panic and a financial crisis, which class of liabilities would be presented for payment in greatest quantity? Is it not true that in every crises the demand for currency, whether it be bank notes or greenbacks, or what not, is intense? Instead of collecting notes to send in to the banks for redemption there is a rush of the bank's customers to draw them out, and the notes generally sell at a premium in brokers' offices. Of course this is on the supposition that the notes are good, and that the issuing banks have the wherewithal to redeem them. What we are trying to find out now is whether note liabilities are more dangerous to banks than deposit liabilities, supposing the banks themselves to be sound and solvent. Is it not plain that the note liabilities are the less hazardous, the less explosive of the two?

No Limit to Deposit Liabilities.

Now we have seen that there is no limit in this country to the extension of bank credit in the form of deposit liabilities, except the keeping of a certain percentage of cash reserve. Call it inflation, or what you will, the amount of bank liabilities actually existing in this form, counting National and State banks together, is sixteen times as great as that of all the bank-note liabilities now existing. Yet I have heard the opinion advanced that if we should adopt a system of what is called assets currency in this country our credit abroad would be *ipso facto* destroyed. I have never heard any argument advanced to support that hypothesis, but merely the expression of a belief that such would be the result. I am obliged, for a variety of reasons, to differ from those who hold that opinion. One such reason is that in all the countries of Europe, with one exception, the system of asset currency prevails;

that is, the banks are allowed to issue circulating notes based upon miscellaneous assets in their own custody. The single exception to this rule is that part of Great Britain called England. Assets currency prevails in Scotland, Ireland and Canada, but not in England proper. It prevails on the Continent of Europe generally, but the tendency is to concentrate the issue of bank notes in a single institution in each country.

Issue of an Asset Currency by Small Banks.

The question arises, whether the existence of separate banks with a capital as small as $25,000 each does not make unsecured note issues specially hazardous in this country. Under the terms of the Fowler bill each such bank would have the right to issue such notes to the amount of twenty-five per cent. of its capital; that is, $6.250. Every such bank has the legal right to discount the notes of its customers to any extent it pleases provided it keeps fifteen per cent. of cash on hand as a reserve. So the question is whether the bank is endangered by allowing customers to take the bank's notes for circulation to the aggregate amount of $6,250 instead of drawing that sum from its cash reserve, as they would otherwise do. Evidently the bank would be strengthened rather than weakened as long as the notes were out. The liability of the small bank to become insolvent on this score would be neither greater nor less than that of a large one. Moreover, the statistics of the Comptroller's office do not show a greater tendency to failure among small banks than among large ones. The large banks are generally conducted on liberal and broad gauge principles. The small ones are usually in the charge of skinflints, and the skinflint policy, whatever else may be said of it, is the one most conducive to solvency. Insolvency is the severest punishment that can be inflicted on a bank. No bank with a *bona-fide* capital desires to fail, and no bank can exist under our National system without a *bona-fide* capital. A multiplicity of banks requires a corresponding increase in the force of bank examiners, but on the other hand a small bank is more easily examined, and the results are less liable to error than in the case of a large one. For these reasons I do not consider the existence of small banks a specially hazardous element in the problem of assets currency, although at first glance it seems such.

Safety of Asset Currency.

Another reason for my belief that a system of assets currency would not injure our credit abroad is that foreign bankers and financiers know that our whole monetary system, including the part for which the Government is responsible, rests at last upon the assets of the banks. Neither the National Government nor the State and municipal governments could exist if those assets were not good. What would Government bonds be worth in such case? The assets of the banks consist of valid liens on the circulating property of the country, or valid claims against the owners of the same. If the property exists, the assets of the bank are good. If it did not exist, Government bonds would be worthless, the greenbacks could not be redeemed, and the Government could not pay its running expenses three months.

Bank notes secured by the assets of all the banks would therefore be safer than those secured by Government bonds. Very few banks, however, would consent to become liable for the debts of other banks over whose management they could have no control. On the other hand, very few banks fail—only seven per cent. of the whole number. Ninety-three per cent. remain always sound and solvent. It is easy to compute the possible loss from bank failures and to provide an insurance fund or safety fund sufficient to cover it. It has been shown repeatedly that a very small tax on bank circulation—about one-fifth of one per cent. per annum—would have sufficed to protect noteholders against loss under our National bank system without any bond security whatever. It is hardly worth while to go into these details again. They have been dished up many times during the past ten years, and I have found that almost every man who takes the trouble to study the subject for himself, by the light of our own experience and that of other countries, comes to the conclusion that the safety-fund system as embodied in the amended Fowler bill, or in the earlier Indianapolis plan, would supply the country a perfectly sound currency without bond security—one from which no noteholder would ever lose the smallest fraction of a dollar. Such a currency would be elastic and responsive to the varying seasons and the various demands of business. It would expand when the crops are to be moved and it would contract after they are moved, and both expansion and contraction would be automatic. This would be a great gain to the West, but it would be equally a gain to New York. When the West draws on New York in the early autumn for currency to move the crops every dollar of legal tender money that is sent out curtails the lending power of the banks by as much as four dollars. It brings business "up with a round turn" and sometimes to the very verge of panic. No such thing ever happens in Canada. The Canadian banks are on the safety-fund system. They can issue notes when there is a demand for them, and in proportion to the demand. They are not obliged to pay $1.08 for each $1 of currency. They are not obliged to curtail their loans to merchants and manufacturers in order to supply needed funds to farmers and grain buyers.

Failure of Bankers and Others to Study the Question.

The people who stand in the way of this reform are those who never take the trouble to study the question at all. Because the bond-security system is our system they think that no other is possible. A majority of the members of the Indianapolis Monetary Commission were, at the outset, opposed to any departure from the bond-security system. They shared the common prejudice born of the confusion of ante-bellum days, when each State had its separate system of note issue, and when there was not sufficient legal control upon any. Yet all the members of the Commission finally agreed that a bond-secured currency was opposed to sound banking principles because it eliminated the element of credit from the note-issuing function. They agreed also that the bond-security system was doomed to an early death by the extinction of the national debt and that something must be devised to take its place. They accordingly devised the Indianapolis plan, which embodies the principle of an insurance fund, or guarantee fund, to be contributed by all the participating banks and sufficient to redeem the notes of the very few banks that would become insolvent. This principle was adopted also in the Fowler bill.

The only novelty in the latter bill, distinguishing it from other measures for issuing assets currency, is the one relating to the redemption of bank notes It provides that all notes shall be redeemed in gold at their own counters, and also at a redemption city, of which there are three named in the bill: New York, Chicago, and San Francisco. The present law requires redemption of notes at the counter of the issuing bank and also at Washington city, where each must keep a deposit equal to five per cent. of its circulation. Washington city is not a commercial centre, and there is no reason why it should be chosen for this purpose except that it is the locality where defaced and mutilated notes are replaced with new ones. This cannot be considered a good reason for sending to a non-commercial and rather out-of-the-way place all notes that stray away from home.

Frequent Redemption of Notes Essential.

Frequent redemption of notes is called for by other reasons than the convenience of the noteholder. It compels the banker to hold an adequate cash reserve and to keep his assets generally in a liquid condition. It tends to prevent him from putting his funds into long loans or locking them up in speculative securities. It is a notable incentive to sound banking. The law ought, therefore, to favor a system which looks to frequent redemption, and provides facilities therefor. Banking science at the present day tends strongly in that direction. In Canada note issuing banks are required to have a redemption agency in the chief city of each of the seven provinces of the Dominion, and at such other places as the Treasury Board may determine. In Germany each bank is required to redeem its notes at Berlin or Frankfort, as well as at its own counter.

Redemption of bank notes under our system, however, is a question which affects the banks themselves rather than the public. Each bank receives the notes of every other bank at par in payments to itself, and also receives them at par as deposits. Converting the notes into par funds for their customers is equivalent to redeeming them in gold. Therefore, the question of cash redemption of National bank notes is one which concerns only the banks themselves. It is a practical question which they ought to be allowed to settle among themselves.

On the 4th of December last a committee of the New York Chamber of Commerce made a report endorsing the general plan of assets currency, as supplementary to the existing circulation, but did not recommend any particular bill for carrying this plan into effect. The chairman of the committee making this report was the ex-president of this Association of Savings Banks, Mr. J. Harsen Rhoades, and among the signers of it were two ex-Secretaries of the Treasury of the highest rank. Whether a bond-secured circulation would go well with another variety of notes issued by the same banks, I shall not now consider. It is sufficient for this occasion to allude to the fact that the principle of assets currency has received the endorsement of the high authorities named and that their report was approved by the Chamber of Commerce after a debate, and by a nearly unanimous vote. Therefore the friends and advocates of the system may feel amply encouraged to continue their efforts to bring about this great reform.

BANK MERGERS IN GREAT BRITAIN.—Commenting on the proposed consolidation of the Yorkshire Bank, Limited, with the Union of London and Smith's Bank, Limited, "The Economist" of May 9 says:

"This process of amalgamation is rapidly tending to concentrate the banking business of the country in the hands of comparatively few undertakings. The extent to which it has gone may be judged from the reduction in numbers that has taken place during the last fifteen years. Our 'Bank Supplement' published in May, 1888, gave the number of joint-stock banks in England and Wales as 115, while in the Supplement to be published next week the number is only sixty-nine. This takes no account of the large number of private banks that have been taken over by joint-stock banks in the same period."

DIVIDENDS OF THE TRUSTS.—The "Journal of Commerce and Commercial Bulletin," of New York, has been making some investigations recently in regard to the payment of dividends by industrial combinations, and thus summarizes the results of its inquiries:

Of preferred stock on which dividends were suspended, dividends have since been resumed on $21,357,000. Bearing this fact in mind, the following comparisons may be derived:

Stock now paying dividends—	
Preferred	$1,230,637,912
Common	1,127,893,699
Total	$2,358,531,611
Per cent. of total stock	59.7
Stock not now paying dividends—	
Preferred	$306,421,035
Common	1,286,388,449
Total	$1,592,809,484
Per cent. of total stock	40.3
Total stock	$3,951,341,095

THE FINANCIAL SYSTEM OF JAPAN.

[From Advance Sheets of Consular Reports.]

As long ago as 1606, more than two hundred years before Japan opened her doors to commercial intercourse with the Western World, the Government then in power established a system of coinage, which endured without legal change until 1868. During this period the Emperor of Japan was a mere figurehead, the real power being wielded by the powerful nobles called shoguns, while subject to these were the princes or daimyos of the various han (provinces), 270 in number. Whenever the shogunate governments found themselves in financial difficulty, they were accustomed to order a recoinage of the money of the realm, the new coins issued being in each case, with one exception, of smaller size or poorer quality than the former ones, although of the same denomination and assumed value. Some of the daimyos also secretly coined money and issued paper currency for circulation within their respective jurisdictions. As a result, when the revolution of 1868 restored the Emperor to temporal power, the currency of the country was in a most unsatisfactory condition, and one of the first subjects to receive attention from the newly-installed Imperial Government was monetary reform.

The foreign commerce, which had begun to develop soon after Commodore Perry's visit in 1853, made more urgent the need of a uniform currency, and the scarcity of money caused much distress among the people. The Government, therefore, made immediate provision for the establishment of a mint at Osaka, and, to relieve the pressing need of currency, issued kinsatsu, or gold notes. These were loaned to the different han governments on their applications, the amount which any might receive depending on their revenue, and the authorities were enjoined to expend the money in the development of industry among the people. Farmers and merchants were also permitted to apply for loans in this currency, and received amounts proportioned to the value of their land or the volume of their trade. These advances were to be repaid in thirteen annual installments, each equal to ten per cent of the original loan. The payments should be made in the same notes, which, when so repaid into the treasury, were to be canceled by being cut to pieces: though how thirteen payments, each ten per cent. of the original issue, could be made from the notes of that issue, I am unable to explain. As the notes were to be destroyed when repaid into the treasury, they were not convertible into specie.

The Government mint, for which provision had been made, was not ready to begin operations until November, 1870, and in the interim the Government had given much attention to the reform of the currency, comparing the systems of England, Continental Europe and America, and studying the special conditions of Japan and her Asiatic neighbors. An imperial ordinance was issued stating "the intention of the Government to adopt a system of coinage which shall be in consonance with the best usages of the world and to issue new coins in accordance with this system." The mint was free, so that any citizen might take bullion or old coins and have them coined into money of standard weight and fineness. The system was decimal, with the gold yen of 25.72 grains troy, nine-tenths fine, as the standard. Half yen and lower values were coined in silver, and, during a limited time, for the convenience of foreign trade, one-yen silver coins were to be issued. These were made a legal tender in the treaty ports, but in other parts of the Empire they could be used only by the mutual consent of the parties to the transaction. In 1878, the country having been largely drained of its gold, the Government made silver a legal tender throughout the country.

In 1871 the system of feudalism was swept away and the Imperial Government was under the necessity of making some provision regarding the paper money—some 1,600 varieties—which had been issued by the daimyos, as mentioned in the first paragraph of this report.

Lack of revenue had already caused the Government to violate its promise to destroy the gold notes of its loan to the provinces, when they were repaid into the treasury, and now, under the pretext of crude workmanship in the making, it called in all these notes along with the han notes, and issued in their stead inconvertible notes of more perfect manufacture. All the paper money in circulation thus became fiat money; it depreciated greatly, and the specie which the mint was now coining was rapidly sent out of the country or withdrawn from circulation. The Government tried by expostulations and threats to uphold the credit of its currency, but without success; and in 1873 it issued ordinances providing that a National bank might present this inconvertible paper money, to the amount of six-tenths of its capital, to the Government and receive therefor exchange bonds bearing interest at six per cent. These bonds might then be deposited with the Government as security for bank notes to be issued to the same amount, the remaining four-tenths of the capital being retained in specie for their redemption by the bank. This plan also failed, the bank notes being presented for exchange so promptly that they never gained any extensive circulation.

About this time the Government issued some 170,000,000 yen * of hereditary pension bonds, and in 1876 promulgated an ordinance permitting National banks to deposit these bonds as security for bank notes, which if presented for payment might be redeemed with Government inconvertible paper money. A rebellion in Kiushu—the southern island— required a heavy expenditure for its suppression, and this occasioned another issuance of Government paper money, so that in 1878, when the lack of specie caused silver to be made a legal tender, 120,835,000 yen of fiat money was in circulation, and in January, 1880, it reached its highest point, being then 170,157,477 yen. The natural result of such a policy followed—paper money rapidly depreciated and silver and gold disappeared from circulation.

The Government, ascribing the difficulty to the scarcity of silver, attempted to remedy the situation by prevailing on some of the banks to sell silver, by providing for the exchange of Mexican dollars, and by the establishment of the Specie Bank, where people were invited to invest hoarded coins, so that these might be supplied to the market. The Specie Bank was also to engage in buying and selling foreign exchange, so as to facilitate monetary circulation between Japan and other countries, in the expectation that silver would thus be brought into the country. All this availed nothing. The Specie Bank barely escaped bankruptcy. The margin between paper and silver continued to increase until in April, 1881, a yen of silver was worth 1.815 yen of paper.

In 1872, the fifth year of restoration of the Imperial Government, the coins and bills which had been accumlating in the treasury were set apart in a reserve fund, to be used for the redemption of treasury bills and other obligations of the Government apart from the current expenses. It was increased at the end of each fiscal year by the funds remaining in the general account, or the excess of the revenues over the expenses for that year. Although intended for this special purpose, and to make provisions for any crisis or abnormal condition which might occur, the Government had fallen into the practice of drawing from this fund to provide for temporary deficits in the revenue.

Change in the Banking System.

During the latter part of 1881 Mr. (now Count) Matsukata Masayoshi became Minister of Finance, and his knowledge of financial economy, combined with a clear view of the situation in all its relations, enabled him to find a way of extricating the country from its difficulties. His first step was to stop the practice of drawing from the reserve for temporary purposes; his next, to change the method of making disbursements so as to induce greater economy in State expenditure. Industrial enterprises were no longer permitted to obtain loans from the Government reserve, and loans previously made were required to be repaid according to the terms of the agreement. Having secured the rehabilitation of the reserve by these measures and provided for any temporary deficit in the revenue by authorizing the issuance of treasury bills drawing interest, to run for a fixed term and payable from the revenue of the year of issue, the minister turned his attention to the larger and more difficult task of adjusting the troubles which had arisen in connection with the paper money.

There were at this time more than 260 National banks (including branches) organized after the plan of our own National banks in the United States, with this one important difference: their notes, instead of being redeemable in specie or its equivalent, were redeemable in Government inconvertible notes. Count Matsukata believed that the lack of correspondence and community of interest among these banks was a serious hindrance to the prosperity of the country. He proposed a banking system modeled after those of England and France and prepared a memorandum embodying his views for presentation to the cabinet council. His recommendations were approved, and in October, 1882, the first measures toward carrying them into effect were taken by the establishment of the Bank of Japan with an authorized capital of 10,000,000 yen, of which one-fifth must be paid in before beginning business. The governor and vice-governor of the bank are appointed by the Government, and the directors elected by the shareholders must be acceptable to the Minister of Finance, who also appoints comptrollers to examine the affairs of the bank at stated intervals. None but Japanese subjects may be shareholders, and they must obtain permission from the Minister of Finance before purchasing shares. The business of the bank is to discount or purchase Government bills, bills of exchange, commercial bills, etc.; to buy and sell gold or silver bullion, or make loans on the security of the same; to collect bills for banks and corporations; to receive deposits; and to make advances upon security of Government

* The nominal value of the gold yen was estimated by the United States Mint from 1874 to 1890 at 99.7 cents.

bonds, treasury bills, or other bonds or shares guaranteed by the State. The bank is expressly prohibited from becoming a shareholder in industrial enterprises and from making loans on or owning real estate or shares of any bank or corporation. It may establish branch offices, with the permission of the Finance Minister, or may be required by him to open a branch or sub-branch office at any place he deems it necessary, and the Government may at its own convenience entrust to the bank services connected with the receipt or disbursement of the Government funds. The bank has the privilege of issuing convertible bank notes under regulations prescribed by the Government, but permission to exercise this privilege was withheld for some years after its establishment.

The Yokohama Specie Bank, which had been established in 1880 for the purpose of increasing the specie in circulation, had not only failed in its intended work, but also caused considerable loss to the Government and was itself on the brink of bankruptcy. This failure was due, at least in part, to the inexperience of its officers, and the minister now caused a complete reorganization of the bank, appointed new officers, and issued detailed regulations to govern its policy. Three million yen (afterwards increased to 4,000,000) was set aside from the Government reserve fund to be employed by the Specie Bank in buying foreign exchange for the profit of the Government. Foreign bills of exchange, based on the security of the principal exports of the country—tea, silk and rice—were bought, agents being sent into the interior for this purpose at the time of marketing the year's crop, and these bills were sent for collection to the Japanese consul or other person designated at the place of payment. The specie thus obtained was used for paying the principal and interest of loans, the salaries of officers, and other Government expenses in foreign lands, the remainder being shipped to Japan in coin, bullion, or drafts, according to the market. The Specie Bank received a commission of two per cent. of the gains; the remaining profits, which during the first eight and a half years amounted to more than $50,000,000 yen, belonged to the Government and was applied to the redemption of inconvertible paper money.

During the same year in which the Bank of Japan was established and the Specie Bank reorganized, the Government took measures to increase its revenue by the levy of stamp duties and license taxes and applied the surplus thus provided to the redemption of the inconvertible paper money and the strengthening of the reserve. By these means the paper money in circulation gradually decreased, until in 1885 it amounted to little more than half its former volume and the Government held specie in its reserve fund equal to almost half the paper still floating. At the same time the paper rose in value until it stood on a par with silver.

Minister Matsukata believed this an opportune time for the Bank of Japan to begin the issue of convertible bank notes, and these appeared in the market on May 9 of that year. These notes were convertible with silver, of which the bank was required to keep a sufficient reserve for their redemption.

Redemption of the National Bank Notes.

Two years earlier (1883) a plan for the redemption of National bank notes had been devised and put in operation by the minister. In doing this, the good of the country and justice to the banks demanded that due consideration should be given to apparently conflicting interests, and the success of Count Matsukata in harmonizing these antagonistic elements of the problem and extricating the financial situation from the perilous entanglement in which it had become involved, proved him to be a man of much more than ordinary breadth of understanding and fertility of resource. He recognized that a stable, uniform currency, based on real values, is essential to financial prosperity, and this demanded the retirement of the National bank notes, which under the existing laws were no better than fiat money; but the National banks had been chartered for twenty years, of which only five had yet passed, and to demand the redemption of their notes before the expiration of the remaining fifteen years would be grossly unjust to the banks and might result in disastrous failures. Moreover, the sudden withdrawal from circulation of so large a volume of currency, within a short period, whether at the expiration of the bank charters or before, was likely to disturb the business of the country and cause much distress. It was accordingly provided that the reserves of the National banks and an annual deduction from their profits equal to 2½ per cent. of their circulation should be deposited with the Bank of Japan and by that institution be invested in Government bonds, the interest of which would be applied to the redemption of the National bank notes. As these reserves had formerly lain idle in the vaults of the National banks, this plan drew from the banks only a portion of each year's profits, and, as compensation for this, the bonds deposited with the Government to secure the circulation were released as the notes were redeemed. The notes were withdrawn gradually from circulation, so that the people did not suffer from any sudden or violent change in the volume of currency. At the end of the period for which the charters had been granted, any notes still outstanding were to be redeemed by selling part of the bonds held for the banks and the remainder returned to the banks, which might then dissolve or be reorganized as private institutions.

In 1888, when 49,337,247 yen * ($34,350,947) of Government paper money still remained in circulation, the desire to hasten the retirement of this, without unduly decreasing the volume of currency, caused the Government to enlarge the powers of the Bank of Japan, so that it was enabled to issue 70,000 000 yen ($52,710,000) of convertible notes in excess of its specie reserve, these being secured by Government bonds, treasury bills, or commercial bills of a reliable nature. Of this amount 22,000,001 yen ($16,566,000) was loaned to the Government at an annual rate of two per cent. interest, and was used for the redemption of Government paper money, and 27.000,000 yen ($20,331,000) was set aside for issue from time to time in proportion to the redemption of National bank notes. The bank was further empowered, in case of any emergency in the market, with the special permission of the Finance Minister, to issue a greater amount of convertible notes, on the same kind of security, such additional issue being subject to a tax of five per cent. per annum. This provided for the redemption of the full amount of Government notes, though they did not entirely cease to circulate until the end of 1898.

As has been shown, the reforms devised and put in operation by Minister Matsukata relieved the Empire from the evils arising from an inundation of fiat money, but before these reforms could be fully carried out, commerce began to be affected by the unsettled condition of silver: for although, during the early days of the restoration, the gold yen had been made the standard of value, the difficulties under which Japan had labored had caused her to change gradually and almost unconsciously to a silver basis. In 1893, a commission was appointed to investigate the relative advantages of a silver and a gold standard. A majority report favored gold, but the minister, although he agreed with their views, did not see how he could find means for carrying them into effect until the treaty provision for the payment of the Chinese indemnity showed a way out of the difficulty.

The treaty specified that China should pay a certain number of Kuping silver taels; but as it was necessary to make a loan in England for the purpose, the Chinese Government was easily induced to agree to the payment of an equivalent in sterling gold at the current rates, and this was paid by the Chinese minister at London to the Japanese minister at the same place. The first payment was made in 1895 and the last May 7, 1898, the total amount placed to the credit of the Japanese Government in the banks of London being £38,082,884 15s. 7d. ($185,330,358.78). This was later shiped to Japan in bullion or gold coins or drafts, according to the requirements of the home market.

The Japanese Finance Minister was now in a position to carry out his views by adopting the gold standard, and, after a careful investigation to determine the best means of making the change and yet avoiding a disturbance in the relations of debtor and creditor and escaping violent flunctuations in the prices of commodities, a law was enacted and promulgated March 26, 1897, providing that the unit of coinage should be the gold yen, though the smallest gold coin to be minted was made the 5-yen piece, weighing 4.1666 grams; that the silver yen in circulation should be gradually exchanged for gold and retired, 1 gold yen being paid for 1 silver yen; that silver should still be minted into subsidiary coins, which should be legal tender up to 10 yen; and that the convertible notes hitherto redeemable in silver should thereafter be redeemable in gold. In fixing the weight of the gold yen, the minister had determined the equivalent, according to the rate then current,† of the silver yen in circulation, and by adopting this value for the new coins it was possible to make the change without disturbance to trade. There was practically no gold in circulation, and it was provided that any of the former gold coins which remained in the country might be exchanged for new coins in the ratio of 1 yen of the old coins for 2 yen (99.06 cents) of the new, this being the ratio weight.

The silver 1-yen coins brought to the treasury for exchange were disposed of in various ways. Some were recoined into subsidiary currency; some were sold in Hongkong and Shanghai as bullion; some were sent to Formosa to circulate as money at a valuation to be determined every six months by taking the average prevailing price in Hongkong, Shanghai, and Formosa for the preceding six months; and some were sent to Korea to be exchanged for convertible notes of the Bank of Japan, the whole being thus disposed of before the end of 1898 at a loss to the Government of a fraction over seven per cent. This loss was, however, made good by the gain in the coinage of subsidiary currency, so that no part of the indemnity was actually consumed in making the change, and the various transactions were so skillfully conducted that the conversion of the whole sum of more than 75,000,000 yen ($37,350,000) caused no serious fluctuations in the market value of silver.

The masterly manner in which Count Matsukata overcame the difficulties which confronted him when he accepted the portfolio of finance, the skill with which he drew the country away from the peril of threatening bankruptcy and all the evils of fiat currency, avoiding

* The silver (or paper) yen was valued by the United States Mint, in 1888, at 75.3 cents.

† One yen 49.8 cents.

the dangers of sudden contraction, bolstering up the old structure of inconvertible notes until he could provide a broad and safe foundation for the new financial system, changing thus slowly but safely and surely, to a silver basis, and then, hardly waiting for the completion of this work, but yet without destructive haste, replacing the silver by a gold foundation, awakens high admiration and entitles him to the warmest gratitude of his countrymen. Through him Japan has to-day a financial system which will compare favorably with those of the oldest commercial nations of the world.

ORGANIZATION OF OTHER BANKS.

As the commerce and industries of the country have developed, the powers of the Bank of Japan have been increased and other banks have been organized to perform other functions. For a long time after the adoption of the gold standard fears were entertained that the Government might not be able to maintain a safe reserve, but five years without an occasion for mistrust has induced a feeling of security, and prophecies of disaster are now rarely or never heard. The Bank of Japan has increased its paid-up capital to 30,000,000 yen ($14,940,000), and has obtained the right to issue convertible notes in excess of the specie reserve, on the security of Government bonds and other approved collaterals, to the value of 120,000,000 yen ($59,760,000). At the end of 1902 the specie reserve stood at 100,350,000 yen ($49,949,000), and the lowest point it has reached since 1897 is 67,349,000 yen ($33,539,802).

The authorized capital of the Specie Bank has been increased to 24,000,000 yen ($11,952,000), of which 18,000,000 ($8,964,000) is paid. Its relations with the Government are not so close as formerly, the deposit of treasury funds to be used in discounting foreign exchange for the advantage of the Government having been withdrawn, but the Bank of Japan is obliged to rediscount, at 2 per cent. per annum, paper purchased by the Specie Bank up to 20,000,000 yen ($9,960,000), and in return the Specie Bank may be required to assist in floating foreign loans and to perform other services for the Government.

In 1896, the Hypothec Bank of Japan was founded under a special law for the purpose of developing agriculture and industry. This bank has an authorized capital of 10,000,000 yen ($4,980,000) one-fourth paid up, and is authorized to make long-time loans on real security, to public bodies organized under the law, and to issue debentures up to ten times the paid capital, but these debentures must not exceed the amount of its loans. The Government guaranteed an annual dividend of 5 per cent. for the ten years following its establishment, and exercises a strict supervision over its affairs. This bank also serves as a kind of central bank for the forty-five agricultural and industrial banks organized in the different ken, or prefectures, to more fully carry out the purposes for which the Hypothec Bank was organized. Their privileges and restrictions are similar to those of the Hypothec Bank, but their operations are on a smaller scale and are purely local.

The Bank of Formosa was established in 1897 to furnish capital for the development of the natural resources of Formosa, assist the growth of commerce, and serve as an agent for the treasury department of the Government. The Imperial Government subscribed one fifth the capital and remitted the dividends on its shares for five years, during which it agreed not to sell. The remitted dividends must be held to strengthen the re erve of the bank.

The Colonial Bank of Hokkaido was organized in 1899, with a capital of 3,000,000 yen ($1,494,000). Its field of operations is the northern island of the Japanese group, which bears to the other islands a relation somewhat similar to that which the western part of the United States a few years ago bore to the part east of the Rockies. The functions of this bank are similar to those of the agricultural and industrial banks, but the conditions in Hokkaido are so different from those in the other districts that it was thought wiser to make special provisions for its control. The Government subscribed for one-third the shares and remitted to the bank the dividends on these shares for ten years.

The Industrial Bank of Japan was founded in April, 1902. It is intended to do for commercial societies or bodies what the Hypothec Bank does for agricultural and industrial interests. Its capital is the same, and its powers, privileges, and duties correspond closely to those of the other.

The seven banks just described may properly be called Government banks, since each was organized under a law specially framed to meet its requirements, each is subsidized either by the direct payment of a sum of money, a guaranty of dividends, or other means, and each is under the strict supervision of the Minister of Finance. Their officers are either appointed by the Government or, if elected, must be approved by the Government, and they all are under obligations to perform certain services for the Government.

Besides these there are many private banks, organized under a general law, which requires them to secure a license from the Government, to publish statements of their business, and to report their general operations to the Minister. The interests of the public are further guarded by special regulations regarding the reserves and investments of Savings banks. Many of the private banks are strong institutions, with abundant capital and capable managers. One of the strongest is the Mitsui Bank, owned by members of the Mitsui family, who assume unlimited responsibility for the liabilities of the bank. The Mitsui family, which now includes eleven households, has been identified with industrial and commercial undertakings for more than two centuries, and has so long been noted for wise management and honorable dealing that the very name has become a tower of strength. In the early days of the restoration period, the wealth, sagacity, and patriotism of the Mitsui family upheld the credit of the Government and saved the country from bankruptcy. When their services were no longer needed by the Government, the Mitsui Bank, which is only one of many enterprises in which the Mitsui family as a whole is engaged, was reorganized, and it is now second only to the Bank of Japan in the extent of its operations.

Besides these native banks, some of which have branches in all the important commercial centers of the world, the business of the country is assisted by many foreign banks which have branches in the treaty ports. Among these, the most important are the Hongkong and Shanghai Bank and the Chartered Bank of India, Australia, and China, both English concerns; the Russo-Chinese Bank, with headquarters at St. Petersburg; and the International Banking Corporation, whose head office is at New York city.

In 1900, the total paid-up capital of the ordinary native private banks was 245,158,916 yen ($122,089,140), and that of the Savings banks, 26,834,957 yen ($13,363,808). Combining these and adding in the capital of the various Government banks gives a total paid-up capital of 347,-717,358 yen ($173,163,244) engaged in banking at the end of 1900. The amount is now undoubtedly greater, but no later figures are available. The specie in circulation at the same date was 127,494,866 yen ($63,492,443) and the bank notes 230,821,770 yen ($114,949,441), while the public debt stood at 506,167,249 yen ($252,071,290). The people of the country have not become habituated to the free use of bank checks for paying bills and accounts, but the use of these is increasing and is being encouraged by the authorities as a means of re-enforcing the volume of currency. Clearing houses, modeled after those of Europe and America, exist in all the large commercial cities. The oldest, that of Osaka, was instituted in 1879.

Thus has Japan been furnished with all the appliances necessary to carry on the commerce, foreign and domestic, of a highly civilized and prosperous community. Her financial system has been founded in wisdom, and it only remains to future ministers to follow in the path already pointed out.

E. C. Bellows, *Consul-General.*

Yokohama, April 1, 1903.

NOTICES OF NEW BOOKS.

The Manual of Statistics—A Stock Exchange Hand-Book. New York: The Manual of Statistics Co.

As a Stock Exchange hand-book The Manual of Statistics is the recognized standard statistical authority. It is complete and accurate and encyclopædic in the abundance and character of the information that it contains concerning securities and all those things that affect the worth of securities and the market dealings in them, and at the same time compact and admirably arranged for ready reference.

While the greater part of the present volume is devoted to railroads and industrials. including the street railways, statistics in regard to other financial interests are features of the work. The stock and bond quotations cover transactions in practically all the securities dealt in at all the great cities of the United States and Canada.

Summaries of the bonded debt of the United States and of various foreign governments, whose bond issues are dealt in on the American market, are presented in the section entitled Government Securities.

There is also a vast amount of statistics relating to the various products of the country, exports, imports, etc.

An original and exclusive feature of the Manual is its arrangement of the banks and trust companies of the leading cities, in which is included a compilation of the capitalization, surplus and undivided profits, dividends paid during the past five years, and quotations for stocks of these institutions. This constitutes an exceedingly valuable index to the banking corporations of the country, and is a clear exposition of the standing of one of the most important classes of securities commanding the attention of the investing public.

Other tables deal with the income yielding capacity of stocks and of bonds.

Managers of banks, trust companies, and investors generally, will find the Manual of Statistics a storehouse of valuable and reliable information.

THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK.

The tenth annual meeting of the Savings Banks Association of the State of New York was held at the rooms of the Chamber of Commerce, New York city, Tuesday. May 12, 1903.

The meeting was called to order by the President, Charles A. Schieren.

The roll call showed a large number of members present from different parts of the State.

The following address was delivered by President Schieren :

THE PRESIDENT'S ADDRESS.

Gentlemen and Members of the Savings Banks Association—I bid you welcome to this the tenth anniversary of our association; I welcome you to this palatial building, which stands as a noble monument to the commercial enterprise of this city.

It is now a decade since the Savings Banks Association of this State was organized, and it may be of interest to give a brief history of its growth during that period.

The official report for the year 1893 of the banking department at Albany was as follows: Due to depositors, $629,858,395; number of depositors, 1,593,804.

The report for 1903 shows as follows: Due to depositors, $1,077,883,743; number of depositors, 2,275,385.

Showing a gain during the ten years, in deposits, $448.025,348, and in the number of depositors 681,579, an increase of seventy (70) per cent. in deposits and forty-three (43) per cent. in depositors. These figures speak volumes for the thrift and enterprise of our people.

While abroad last year I noticed an article published in the London "Times" entitled "English Thrift." It gave the statistics of the growth of Savings banks in England. The report gave the number of depositors in the post office Savings banks at 8,046,680, and their deposits at £138,818,175, or $694.093,750. It also reported the number of depositors of the trustees' Savings banks (a system of Savings institutions somewhat similar to our Savings banks), 1,601,485, and their deposits at £57,196,458, or $275,982,293. I was somewhat surprised at the low average of deposits for the postal Savings banks.

The average deposit in the postal Savings bank was $86.25, and the average in the trustees' Savings banks $172.25. The average of our depositors ranges much higher: according to the report our average for this year (1903) is $429 per depositor. However, both the English postal Savings banks and the trustees' Savings banks limit their deposits to £200, or $1,000, but even with such a limitation our average would still be higher proportionately than the English.

It is most significant that the number of depositors in the postal Savings banks is unusually large, and their average deposits low, which proves that this institution is especially popular and most beneficial to the masses. It seems to reach a class of depositors which we fail to reach who need some means to deposit their surplus earnings for safe keeping. I have especial reference to the farmers and laborers in the rural districts who live away from all banking facilities. At present our people who live in the rural districts do not enjoy the same privilege.

In the same copy of the London "Times" appeared another interesting article entitled "National Money Boxes," which gave a flood of light on the conditions and prosperity of these two Savings institutions. The writer criticized them severely, claiming that these institutions, while beneficial in a way, proved a burden to the taxpayer. The Government has to pay the deficits constantly arising in their management. It seems that the Savings Bank Report suggested a reduction in the rate of interest paid on deposits from 2¾ to 2½ per cent. in order to meet the current expenses for the year, showing that our American depositor has quite an advantage in the rate of interest over his English cousin. Judging from this article the English postal Savings bank system does not seem to be a financial success to the Government; it is, however, a great convenience and benefit to the people.

The industrial development of our country during the last ten years has been marvelous: it has surprised the whole civilized world and has made the United States the foremost commercial nation of the world.

We are largely indebted for this proud position to the enterprise and energy of our people, especially to the thrifty mechanics and artisans who by their natural ingenuity are constantly inventing improvements in labor-saving machinery and substituting machinery for hand-labor which enables our manufacturers to produce their goods cheaper and better than goods made by hand.

American goods are popular and in demand everywhere, and we can now compete in the markets of the world.

While we have made rapid strides in our exports it is, after all, our domestic or home trade that shows our greatest gain. The figures are astounding. The last official statistics report our exports at over a billion dollars annually. This large sum, it is estimated, constitutes only five per cent. of the volume of our domestic trade. This proves conclusively that our people are prosperous. While Americans are generally considered extravagant in their mode of living, the figures of the last report of our Savings banks proves that they are also frugal, are anticipating a rainy day, and are anxious to lay by some of their hard earnings. We should encourage the people to be prudent in times of prosperity.

The executive committee will submit a full and detailed report of the various enactments of bills before the Legislature. This year many bills affecting the Savings banks were introduced, but only a few received serious attention. Those who attended the hearings at Albany must have been impressed with the lack of knowledge displayed by some members of the Legislature in reference to the laws governing and regulating the Savings banks of our State. It has been suggested that we establish a bureau of information, or rather education, publishing documents of an educational character, giving a complete history of the Savings banks of this State and embodying the various laws and restrictions governing Savings institutions. Such documents should be mailed and distributed among all members of the Legislature at the opening of the session for the benefit of new members of the Legislature, giving them a thorough knowledge of the laws governing Savings banks. Such a plan may meet with better results than all the eloquence of the speakers at these public hearings.

There seems to be a disposition on the part of some bankers to rush to the Legislature and introduce bills legalizing investments in railroad bonds for our Savings banks. It is of the utmost importance that our association discourage every attempt made in that direction unless the bonds are approved by the executive committee.

But, gentlemen, I am afraid that I have detained you with a somewhat lengthy address. We will, therefore, proceed with the regular order of business.

The report of the executive committee was then read, giving a history of the action taken to protect the interests of the Savings banks, particularly in regard to bills coming before the Legislature.

Samuel D. Styles then read the report of the treasurer as follows:

May 7, 1902, balance on hand as reported to the annual meeting of the association	$3,753.59
Received from members for dues	2,900.00
Received interest from depositories of funds	166.99
Received from members for dues in advance	30.00
Total	$6,850.58

DISBURSEMENTS.

Expenses incident to annual meeting of 1902, and the report of the same	$1,122.02	
Expense of delegation to Albany (March 31)	351.26	
Disbursements of the president	82.40	
For clerk hire, stationery, postage and general expenses	262.02	$3,118.76
Balance on hand		$3,731.82

S. M. Rainey, Treasurer of the Hudson City Savings Institution, made an interesting address in relation to joint accounts. He said:

ADDRESS OF S. M. RAINEY.

Mr. President, under the head of "new business" I desire to bring to the attention of the members of this association a subject which will be of interest to a great many, and I think to a large majority of our Savings banks. I refer to the custom among the banks of opening "joint accounts," so-called, or accounts in the names of two persons, payable to either.

My attention was called to this matter in the fall of 1901, and after some consideration of the subject I determined to ascertain what customs prevailed among some of the other Savings banks in the State.

I may say that it is the custom of my own bank to open accounts in two names, "John Doe or Richard Roe," and to stamp on the pass book, and on the ledger account, the clause, "payable to either or the survivor."

In October, 1901, I wrote to sixty-three of the Savings banks in the State, which was just one-half of the total number, asking whether accounts were opened in two names "payable to either," and if so, what conditions were imposed, and what indorsement was made on the pass book.

My letters of inquiry were sent to banks representing all classes, large and small, in the cities and in the country villages, and of the sixty-three banks I found that only six opened no "joint account" in any form. Some dozen or so stated that they opened them only in the names of husband and wife, as there was less liability of legal difficulties where the parties were so related. On the other hand, one Treasurer said: "The most trouble we had is with man and wife accounts."

Six or seven stated that they had had trouble or were anticipating trouble in connection with joint accounts. Several stated that while they opened such accounts they tried to discourage them as much as possible. On the other hand, Mr. John B. Hicks, then President of the Bowery Savings Bank, wrote: "We consider it, from the standpoint of a benevolent institution, quite the right thing to do for many reasons; for the convenience and safety, and the commendable wish that both should share in the custody of their belongings"—referring, of course, to accounts in the name of husband and wife only.

Mr. Rainey then read the following memorandum in regard to the law as applied to joint accounts in Savings banks:

To the Hudson City Savings Institution:

You have asked us about the law in relation to joint accounts, as where

A deposits money in a Savings bank in his name and that of B, to be drawn by either, or by the survivor.

If the relation of husband and wife does not exist between A and B the law seems to be as follows:

Either A or B can draw the money in the lifetime of either, upon proper presentation of the pass book according to the rules of the bank.

If A makes the deposit, it is presumed to be his money.

If it does not appear who makes the deposit, the presumption is that the money belongs half to A and half to B, and neither can dispose by gift to a third person of more than half of it. (Wetherow vs. Lord, 41 App. Div. 418.)

In case of the death of B, A having made the deposit and retaining the book, A would be entitled to the whole. In case of the death of A in possession of the book and having made the deposit, his estate would be entitled to the whole.

If, however, A in his lifetime had delivered the book to B, and B has possession of it at the time of A's death, that fact would be evidence of a gift of the whole amount to B.

The simple fact of the deposit being made in the manner aforesaid does not seem to be sufficient to establish a gift. Other evidence is necessary and each case must stand upon its own facts in this respect.

The above would not preclude the giving effect to a contract between A and B to the effect that the money should go to the survivor.

But it must be a valid contract between them. No arrangement between A and the bank, in reference to B, would be such a contract. And further, such a contract must be based upon a consideration. (Sullivan vs. Sullivan, 161 N. Y. 554; citing 158 N. Y. 109 and 95 N. Y. 181.)

If the relation of husband and wife exists between A and B, would a different rule apply?

McElroy vs. Albany Savings Bank, 8 Ap. Div. 46, appears to be directly in point and holds that the parties are joint owners and that the survivor is entitled to draw the money.

In that case the husband deposited the money and retained the book, and the Court said (p. 49): "It was not necessary to the validity of the gift, under the circumstances, that the wife should have possession of the pass book during the lifetime of her husband."

This case was decided July, 1896, in third department.

In the Albany Savings Bank case the facts showed that the husband intended to give the money to his wife if she survived him.

It can, therefore, be distinguished from Matter of Albrecht 136 N. Y., where the husband and wife each furnished one-half of a loan on bond and mortgage. And from Wetherow vs. Lord, where it did not appear who deposited the money, or whose money it was originally.

The case of Albany Savings Bank cannot be put upon the ground that it created an estate by the entirety, as such an estate can only exist where a vested interest in real property is conveyed to husband and wife. (Matter of Albrecht, 136 N. Y. p. 94.)

The Albany Bank case was decided upon the ground that a gift was intended.

Why should not the facts in that case show a gift where the relation of husband and wife does not exist?

The case of De Puy vs. Stevens, 37 App. Div. 289, decided in February, 1899, hold as follows:

"The proof considered which is sufficient to establish a gift inter vivos, or a right to take as survivor, where it appears that, about one month before the death of one Nancy Sibbalds, one Hattie De Puy presented a check, drawn by the former upon a Savings bank for the amount of a Savings bank deposit standing in her name, which check was made payable to the order of 'new account or bearer,' and that a new account was thereupon opened in the name of 'Mrs. Nancy Sibbalds or Miss Hattie De Puy,' and a deposit book issued bearing those names with the following words added, 'either or survivor to draw.'

To support a gift of this character there must be evidence of an actual or symbolical delivery of the property, accompanied by an intent on the part of the donor to divest himself of all title to and dominion over the same. Such evidence must be clear, satisfactory and convincing.

The intent of Nancy Sibbalds to vest in Hattie De Puy the title to the deposit would be an essential element to sustain a claim upon her part as survivor—survivorship being an incident of joint tenancy seldom presumed."

Why should the court hold that a gift was intended in the Albany Bank case, and not in the case of De Puy vs. Stevens?

It would seem from reading the cases that the question of intent to make a gift would prevail, and that such intent was not sufficiently proven in the De Puy case and was proven in the Albany Bank case, and it is probable that less evidence is required of such intent as between husband and wife than as between persons not so related. (See last part of opinion in De Puy case.)

The case of Matter of Meehan, 59 App. Div. 156, decided March, 1901, was about a deposit in the names of husband and wife, and on page 158 the Court discusses the matter as follows: "The rule is that such transactions show the intent of the husband to give the moneys to the wife if she survived him, and upon her survival her title thereto is absolute." (Sanford vs. Sanford, 45 N. Y. 723, 727; S. C., 58 id. 67; Borst vs. Speiman, 4 id. 284; Fowler vs. Butterly, 78 id. 68; McElroy vs. Albany Savings Bank, 8 App. Div. 46. 192.)

This principle is commented upon and affirmed in Matter of Albrecht (136 N. Y. 91, 95). So far as the expression "or" is concerned in the form of the third account, there is the testimony I have summarized, which is sufficient to sustain the finding of intent. And in each McElroy case (*supra*) and in Fowler vs. Butterly (*supra*) the names were used with "or" in place of "and." In the first McElroy case the learned Court discussed the relative force of "and" and of "or." While I concur in the conclusion reached by the learned justice, I think that the word "or" in no way lessens the force of the form, while it certainly as fully conveys the idea of survivorship. De Puy vs. Stevens (37 App. Div. 289), cited by the learned counsel in his scholarly and exhaustive brief, was distinguished in the opinion written in that case from the doctrine of the Sanford and McElroy cases (*supra*) as being "materially different" from them because the relation of husband and wife did not exist, while the testimony was said to be "unsatisfactory and unconvincing." (Pp. 292, 295.) Matter of Bolin (136 N. Y. 177) did not present the relationship of husband and wife, and the Court said that the mere fact of the deposit, in the absence of other evidence, was insufficient." (See, also, in relation to these matters, Mulcahey vs. Emigrant, Etc., Bank, 89 N. Y. 435; Matter of Lent, 1 Misc. 264.)

I would say also that in our examination we have seen some decisions by the courts in other States and that they quite generally hold that the law is, what it seems to be in this State, that the mere fact of making a deposit in the manner stated at the beginning of this memorandum is not sufficient to establish a gift and enable survivor to take, and that further evidence is necessary, even where the relation of husband and and wife exists, for there seems to have been other evidence before the courts, as to intention to make a gift in the Albany Savings Bank case and Matter of Meehan above cited.

Although the opinion in the Albany Savings Bank case does not seem to show that there was any other evidence, other courts in commenting upon that case seem to conclude that there was other evidence. (See, also, Matter of Bolin, 136 N. Y. 177.)

There ought to be some legislation to settle these questions.

COLLIER, COLLIER & BROWNING.

I trust this matter may be the subject of further discussion at this time.

THE PRESIDENT: There is a report still pending in reference to branch Savings banks. Mr. Wood, you are the chairman.

MR. WOOD: Mr. President, do I understand you are referring to the committee of which I am chairman?

THE PRESIDENT: Yes, sir.

MR. WOOD: Mr. President and Gentlemen, I received notice from the chairman of the executive committee of my appointment as chairman of this sub committee about six weeks ago, but I was startled a few moments ago to learn that I was expected to report at this annual meeting. There is no such suggestion as that in my letter of appointment. The fact is that the subject is such a new one, at least to most members of this association, that I did not consider it would be wise, advantageous, or fair to force any sort of conclusion at this time. Besides that, I am extremely busy and I should be inclined to allow the matter to run along during the summer, when we can take it up and go into it, and report later in the year. For myself I do not desire that anything as novel as this should be passed upon by the association without the utmost deliberation and consideration. The committee reports progress.

THE PRESIDENT: We have present a representative of the Savings Bank Section of the American Bankers' Association by invitation, and I call upon him to present a paper on the working of that association. I take pleasure in introducing Mr. William H. Hanhart, secretary of the Savings Bank Section of the American Bankers' Association.

SAVINGS BANK SECTION OF THE AMERICAN BANKERS' ASSOCIATION.—ADDRESS OF WM. H. HANHART.

Mr. Chairman and Gentlemen—At the kind invitation of your president, I come before you to-day to address you briefly on the origin of the National Association of Savings Banks, its aims and prospects.

Union and organization in all projects of business activities and endeavors are the order of the day, and are needed to bring about the best results; in financial matters especially does association prove useful. For several years I had entertained the thought of bringing all the Savings institutions of the country into some association for their mutual protection and benefit. They all make for progress and good citizenship, but no way could be seen to bring them all into line on some common ground; having attended several conventions of the American Bankers' Association, it, however, occurred to me that an organization might be effected as an auxiliary or section of this association.

The American Bankers' Association is a well-known, rapidly growing and powerful association of some 6,500 to 7,000 of the principal National, State, and private banks and bankers, Savings banks and trust companies in the United States. Many of you gentlemen are members of this organization, whose influence on legislation and public opinion is growing stronger every year, whose work through committees in connection with the detection of bank robbers, with the foundation of institutes for the training of bank clerks, with fidelity insurance and many other similar subjects, has been often admired by our friends abroad. With regard to its influence over legislation, I may mention that the four recommendations for legislation advocated and endorsed at its convention of 1901 in Milwaukee were all favorably considered and enacted into law by Congress; it has now a committee of distinguished members, all well-known financiers, working on a bill for currency legislation, which, it is hoped, will prove acceptable to all parties.

After interviewing many of the members and finding the project favorably received, a resolution was offered and unanimously carried at the New Orleans convention in November, 1902, creating a Savings Bank Section of the association, whose aims and scope were to be similar in their way to those of the trust companies section so successfully established in 1896.

A meeting of the Savings institution representatives present was called from the platform and held on the same afternoon; a constitution was adopted and the following officers were elected:

Chairman—Myron T. Herrick, President Society for Savings, Cleveland, Ohio, a gentleman of national reputation.

Vice-Chairman—James McMahon, President Emigrant Industrial Savings Bank, New York, and your own distinguished vice-president.

Chairman of the Executive Committee—Byron Latimer, the Secretary of the Irving Savings Institution of this city.

And your humble servant, secretary. The constitution is as follows:

"The administration of the affairs of this section shall be vested in a chairman and vice-chairman of the section, and an executive committee of nine members, who shall serve until their successors are chosen or appointed.

The chairman and vice-chairman shall also be members ex-officio of the executive committee.

No chairman, nor vice-chairman, nor retiring member of the executive committee shall be eligible for re-election for a period of one year after the expiration of his term of office.

The executive committee shall select its own chairman from among its members, and shall also select a secretary of the section, who may or may not be a member of the section.

The executive committee shall, as soon as may be after their organization, divide themselves by ballot into three classes of equal number, designated as the first, second and third class, of which the first class shall remain in office one year, the second class two years, and the third class three years, and at each annual election three members of the executive committee shall be elected for a term of three years to fill the vacancies created by the retiring class.

The executive committee shall have power to fill vacancies until the next annual meeting, and may adopt all necessary rules for the business of the section."

And now that I have mentioned to you the origin and standing of the organization, I will with your permission endeavor to briefly lay before you some of its aims, not in the order of their importance, but simply to mention a few of the matters into which its activities may be directed.

The matter of national legislation for Savings banks is not at present a factor, but may be brought up at any time. You will all remember the proposed Revenue Act of 1898, which included a tax on Savings banks for the benefit of the national Treasury, somewhat similar to the tax imposed during the Civil War. The proposed legislation was not carried through, thanks to the vigorous protests of many Savings banks officers; but should ever national legislation be proposed affecting Savings banks, this section, representing as it does some 7,000,000 depositors with nearly $3,000,000,000 deposits, could through its officers appear before Congress with knowledge and authority to enlighten our legislators for the benefit of all concerned.

The problem of unified State legislation regarding Savings banks is reckoned by many as a dream never to be realized; there is no doubt that the problem is a large one, but I would like to recall to your minds another project in somewhat similar direction, which was at first looked upon as not realizable. I refer to the Negotiable Instruments Law; until 1896 each State in the Union had its own laws on this important subject, and all engaged in banking and commercial pursuits know how different and conflicting they were. In the year 1889 the American Bar Association appointed a committee of one from each State to promote the cause of uniform laws, and after considerable working and with the help of the American Bankers' Association, it drafted the Negotiable Instruments Law, which was enacted in four States in 1897, New York, Connecticut, Colorado and Florida, and it has since been enacted in seventeen other States, making twenty-one in all, and there is every prospect that the Legislatures of the remaining States will gradually be brought to adopt it. I need not mention the immense benefits derived from this important unification, and I think it quite possible and practicable that in the matter of Savings banks public opinion may be gradually educated into such ideas and that in the future we may yet see all the Savings institutions of the country working under some general law. Take the matter of investments, for instance; the very sign of Savings bank over a banking room anywhere within the United States would signify to the depositor that it is working under a general law, safeguarding him as to the investment of his money.

Another aim should be to urge the formation of State savings associations in every State of the Union where Savings banks exist. At present there are three such, one in Maine, one in Connecticut formed last year, and your own, whose success is well known and whose work should be commended by every Savings bank depositor.

It is also proposed to have papers prepared by members of the organization, experts on the subject, treating of the many questions of special interest to Savings banks; of such I may perhaps mention:

1. Legal matters affecting Savings banks.
2. Investments.
3. Bookkeeping and methods of accounting.
4. Bonds and stocks, their book value, market value, par value, and actual value through amortizement.
5. Advertising methods.
6. Methods of cards, books, indexes, etc.
7. State taxation.
8. Trust accounts, etc., etc.

All such and similar Savings bank matters it is intended to discuss freely at the annual conventions, which will be held at the same time and place as the convention of the American Bankers' Association.

And now for the membership of this section, it consists of all members of the American Bankers' Association doing business as Savings institutions, both mutual and capitalized, and banks and trust companies having savings departments; you are well aware that West and South, nearly all the Savings banks are capitalized, or organized as auxiliaries to deposit banks and trust companies; estimating the division of States between stock and mutual Savings banks, I find that in nine States the Savings banks are working under the mutual plan, in six States they exist both as mutual and stock banks, and in the remaining States they are acting under general laws and are capitalized. The Comptroller of the Currency reports the number of Savings banks in the United States in 1902 as 1,036 with deposits of $2 750,177,290, but it is well known that his report is incomplete, and there is reason to believe that a fair estimate would be that at the present time there are nearly 1,700 Savings institutions in the United States with deposits of over $3,000,000,000.

To join the Savings bank section it is necessary to be a member of the American Bankers' Association, and I shall be glad to send blank applications of membership, showing the small graduated annual fee, to all who may desire them; there will be no additional cost for enrolling in the Savings bank section, and it is hoped that all banking institutions interested in savings will be represented at the next convention. I feel satisfied that it will prove interesting and instructive to the members, as well as useful to the institutions they represent; several gentlemen, well known in Savings bank circles, are preparing papers on matters of interest, which will be discussed and afterwards printed in a report of the proceedings, and I think I may promise that our first convention will be a success in every way; to those of you present who are not already members of the American Bankers' Association, I cordially extend an invitation to join the organization and enroll themselves in our section.

I will also mention that the constitution of the American Bankers' Association, in addition to the individual representation of each bank member, gives every State bankers' association the privilege of representation at the annual convention at the rate of one representative for every fifty members of the State association; these delegates of State association forming part of the nominating committee of the general assembly; your organization is therefore entitled to send two such delegates, and I hope that you will decide to avail yourselves of this representation at the next October convention, and will now close in thanking you kindly for your attention and for the privilege given me to address you on this occasion.

On motion the President was empowered to appoint two delegates to represent the association at the next convention, at San Francisco, of the American Bankers' Association, Savings Bank Section.

Charles E. Sprague, President of the Union Dime Savings Institution, New York city, read an interesting paper. The MAGAZINE hopes to print Mr. Sprague's paper in a later issue.

THE PRESIDENT: The programme for this afternoon will consist of two addresses, one by Mr. Horace White, for many years editor of the New York "Evening Post," and the other by Mr. John R. Van Wormer, Secretary of the Lincoln Safe Deposit Company. I have the great honor and pleasure of introducing to you Mr. Horace White.

Mr. White's address is printed in full in another part of this issue of the MAGAZINE.

Officers for the ensuing year were elected as follows:

President, Chas. A. Schieren, Germania Savings Bank; first vice president, James McMahon, President Emigrant Industrial Savings Bank; second vice-president, Edward S. Dawson, President Onondago County Savings Bank; third vice-president, Charles E. Hanaman, President Troy Savings Bank; secretary, William G. Conklin, secretary the Franklin Savings Bank; treasurer, Samuel D. Styles, President North River Savings Bank.

Executive committee—one year: Alexander E. Orr, President South Brooklyn Savings Institution; Charles E. Sprague, President Union Dime Savings Institution; David Hoyt, Secretary Monroe County Savings Bank. For two years: Jas. M. Wentz, President Newburg Savings Bank; Robert S. Donaldson, secretary Erie County Savings Bank; Wm. B. Van Rensselaer President Albany Savings Bank. For three years: John Harsen Rhoades, President Greenwich Savings Bank; Wm. C. Sturges, President Seamen's Bank for Savings; Wm. H. S. Wood, President Bowery Savings Bank. Members ex officio: Chas. A. Schieren, Pres. Germania Savings Bank; Jas. McMahon, Pres. Emigrant Industrial Savings Bank; Edward S. Dawson, Pres. Onondago County Savings Bank; Chas. E. Hanaman, Pres. Troy Savings Bank; Wm. G. Conklin, Sec. Franklin Savings Bank; Sam'l D. Styles, Pres. North River Savings Bank.

Nominating committee: Wm. Felsinger, Pres. New York Savings Bank; Chas. A. Miller, Vice-Pres. Savings Bank of Utica; John T. Smith, Pres. Mechanics' Savings Bank, Fishkill-on the-Hudson.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT AND PROSPECTIVE MEETINGS.

LOUISIANA BANKERS' ASSOCIATION.

On the morning of May 18 the bankers of Louisiana assembled in annual convention at the Columbia Club, Shreveport. There was a large attendance of bankers from all parts of the State. Col. W. H. Wise welcomed the convention to Shreveport, and G. W. Bolton, President of the Rapides Bank, Alexandria, made an appropriate response for the bankers. President Fulton, of the Commercial National Bank, New Orleans, then made the following address as president of the association:

ANNUAL ADDRESS BY PRESIDENT J. H. FULTON.

Gentlemen of the Louisiana Bankers' Association—Since our last convention in New Orleans in April, 1902, Louisiana has continued to enjoy to a very full extent her share of the general prosperity of the country.

The growing tendency of foreign capital to seek investments in the South has attracted considerable money from the North and elsewhere to assist in developing the resources of our State. During the year there have been organized twenty-six new banks in this State (25 per cent. more banks than last year), including the formation of large trust companies in New Orleans to operate under the new trust act passed at the last meeting of the Legislature, and upon which subject we are to have an address at this meeting.

The capital of the banks doing business in Louisiana in April, 1902, was $8,300,000, while at present it is $11,500,000, an increase of $3,200,000, or 40 per cent. The surplus fund has grown from $7,000,000 to $10,000,000, an increase of $3,000,000, or 43 per cent. Deposits have grown from $60,000,000 to $72,000,000, an increase of $12,000,000, or 20 per cent. The resources of our State keep steadily on the increase. The area of our farming lands under cultivation is gradually extending. Swamp lands otherwise unfit for cultivation are being reclaimed by the formation of drainage districts in different sections; railroad lines have been extended and new railroads are now projected, which will bring in other lands heretofore uncultivated, and add to our productive territory. The discovery of oil in the southwestern portion warrants the belief that the yield from this source will be quite large. Our timber lands are becoming more valuable, and our lumber export trade is in a flourishing condition. The rice section suffered a slight setback during the year from salt water, and some of the cotton and sugar sections have suffered slightly from overflow during the high water in the Mississippi River, but reports from all over the State are exceedingly encouraging, and with good prices for our products last year we are in a fair way to continued prosperity.

We have now the second largest export port of the country, and with our natural advantages and resources we should soon advance to first place, and I firmly believe that with the opening of the isthmian canal Louisiana should have the first shipping port of the United States. We are not a manufacturing State, and agricultural products are our chief source of trade, but we should encourage as much as possible large manufactories to establish themselves within our boundaries.

While recognizing all the substantial evidences of prosperity in our midst, we must bear in mind that we have enjoyed to an extraordinary extent a long period of undisguised good times. It seems almost beyond belief that we should have anything but prosperity hereafter, and anyone breathing such a warning might be looked upon as a pessimist of the worst kind. I am glad to say that we are to have an address at this meeting by one of the ablest bankers of our State on the subject of "Conservatism in Banking," a subject that is always opportune, and especially so at this time.

We are told by those that have made a study of the subject from past experiences that the severity of a financial crisis is only limited by the degree of expansion and prosperity preceding it, and it should be our aim to so shape this spirit of expansion that now exists as to be prepared to meet adversity, should it come. It may be said in our favor that we have grown so fast in the last few years that the resources of this country seem almost inexhaustible, and we can only surmise how far this has been a factor in tiding over panics in the last few years. But an increasing amount of business is carried on by means of borrowed capital and in times of prosperity and easy money many enterprises are launched and encouraged that are not sound and legitimate, and when adversity comes these enterprises invariably come to grief and affect legitimate trade.

We have been free from such calamities for some years and we can but hope the period of depression may be delayed for some time.

The currency question is an old one, and perhaps threadbare, but I think that the time is not far distant when action will have to take the place of speeches and addresses on this most important question. The most urgent need of the time is an elastic currency, expanding and contracting, automatically as it were, with the requirements of our trade. There is no doubt that satisfactory legislation to this end will receive the proper attention of Congress when it next meets.

Our association, I believe, is doing good work in many ways, and the interchange of ideas at our annual gatherings is most beneficial, and we would like to see every member enter into the various discussions at these meetings freely and openly.

We will hear in detail from the different representatives from the various sections of the country, who will be able to speak more definitely on the conditions of affairs in their respective localities.

In closing I wish to thank the members of the executive committee and the committee on legislation for their kind aid during the year, and our worthy secretary, to whom so much is due, for his untiring efforts to further the interests of our association.

The secretary then presented a report showing an increase of membership during the year of sixteen, making a total of 114 members, an increase of eighty-four since Secretary Broussard has been in office.

Treasurer Tully then presented his report, showing total receipts $1,767.05; disbursements, $1,199.32, leaving a balance on hand of $567.73.

The report of the executive council was submitted by Chairman Bolton. He gave an account of the work done in regard to the regulations relating to drafts with bills of lading attached, and the efforts to secure more uniform rules.

W. H. Ingram, Jr., of the Hibernia Bank and Trust Co., New Orleans, read an interesting and valuable paper on "Trust Companies of Our State Under Existing Laws." He also gave a good description of the great natural resources of the State, and showed how the trust companies would aid in the development of legitimate industries, especially by widening the markets for sound securities.

Henry Young, of the Interstate Trust and Banking Company of New Orleans, read a paper on the same subject, going into the history of legislation in Louisiana on trust companies and showing in what respect they differ and how they occupy a field that banks cannot cover.

L. E. Thomas, State Bank Examiner, delivered the following address on "State Supervision":

State Supervision—Address by L. E. Thomas.

I believe that banks are not only barometers and thermometers of the financial atmosphere, but I believe them to be light-houses upon the shores of the vast ocean of commerce that ebbs and flows as do the tides of the Atlantic and Pacific. So the State and nation must keep these light-houses trimmed and burning so that no commercial mariners may be misled into placing confidence in the *ignis fatuus* of an insolvent bank.

Banks are a benefaction to the human race, and bankers are not enemies to their fellow men, but promote the general welfare of the communities wherein they are located. I believe that ever since the Bank of Venice was first organized, down to this good day, banks have been an aid to governmental finance as well as a great convenience; yea, I might say, an absolute necessity to the requirement of commerce. If this be so, and no sane man will for a moment question the accuracy of the statement, how imperative is it that governments which were organized not only to provide for the common defense, but to promote the general welfare of their citizens, should take some interest in the proper management of these necessary enterprises. The National banks we know are under Government supervision, and for that reason have enjoyed the confidence of the public and increased their business. It is a well-known fact that the United States Government does not guarantee one cent of the indebtedness of the National banks, but is only responsible for its circulation, which is secured by its own bonds. The United States does, though, have all National banks examined regularly, to ascertain that they obey the law and that their resources are such as may be made available; it also requires a report of their condition on call of the Comptroller, that the world may know their exact financial condition, for publicity is one great safeguard against reckless banking.

PROGRESS OF BANKING IN LOUISIANA.

I believe that the State banks and trust companies of Louisiana are now just as well safeguarded and the public interests as well protected as they are in our National banks. It is true that prior to the year 1898 we had very little bank legislation and not many banks.

After the great Civil War State banks were almost abolished and National banks took their places. National banks were magnified and all State banking institutions were minified, because the strong arm of might triumphed and the National Government was strengthened at the expense of the States. I am glad to say, though, that the State banking business in Louisiana is "looking up."

Five years ago when the Constitutional Convention of Louisiana saw proper to create the office of Bank Examiner, with the dual duties of Comptroller as well as Examiner, we had but fifty-one State banks with a capital, surplus and undivided profits of $4,983,643, and total deposits of $14,825,711, while to-day we have one hundred and two State banks with a capital, surplus and undivided profits of $12,965,019, and deposits of $40,889,242, a marvellous increase in that short space of time. We have had eleven new State banks since January 1, 1903, and five others are now in process of organization. There are only thirty National banks with a capital, surplus and undivided profits of $8,433,584, and deposits of $32,465,884. This indicates that the public confidence in State banks under State supervision is very much improved and the outlook is for still better things in the future. I might also add that in the past year not a single State bank has become National in its character, though one of the largest National banks in the State has become a State institution in order to accept the provisions of our new Trust Company Act.

We now have five trust companies in the State with a capital stock, surplus and undivided profits of $6,133,690, and deposits of $19,219,549, while two more large banks in New Orleans now have under consideration an increase of capital stock and the formation of themselves into trust companies.

These facts are mentioned, not in any boastful spirit nor laudation of State over National banks, but to demonstrate the fact that State supervision has certainly done no injury, if it has not been of great benefit, to those great institutions that come under its control. There are more than three State banks to one National bank in Louisiana, and they are, therefore, in closer touch with the masses of our people, who all the more should be safeguarded from any species of wildcat banking.

The great majority of bankers desire and really court supervision and investigation. It is true some few say it is a kind of governmental paternalism over a man's private business: but is it a man's private business? When you answer that question correctly you get the very *raison d'etre* for State supervision. I grant you that if a banker did business solely on his capital stock there would be no reason or cause for investigation of its affairs, because he could run it as he pleased, keep a reserve or not and lend money to whomsoever he desired and for as large an amount and as long a time as he pleased. He could either require collaterals or not as his own judgment might dictate. Such, however, is not the case. If banks were confined to their own capital to make money it would indeed be a "measly" showing we would see published. The very minute banks open their doors for the public to deposit their money with them that minute they assume an obligation to the public, which is represented to a certain extent by the officer intrusted with that duty by the Government, whether State or National.

I know a bank in this city with $100,000 capital and about $2,000,000 deposits. The interest of the public in that bank being safely managed and its affairs conservatively administered is as the ratio of 20 to 1 (not 16 to 1). It is true that the public has nothing to do with its management, that being entirely within the province of the officials and board of directors, but the public is interested in having some one as their representative to look over the books, which they themselves are not permitted to see, to ascertain if the bank is obeying the law intended for their protection. No law ever troubles or disturbs any man who is obeying it; it is only the insubordinate that come within its pale.

By way of diversion at this point let me say that I do not believe either banks or any other corporation should be allowed to deceive or mislead the public in an effort to secure their business. There are a few banks in this State that are advertising a larger capital stock than they have fully paid up. In fact, I know of one bank with a paid-up capital of $11,000 and advertises a capital stock of $50,000; I know of one limited stock company with a paid-up capital of $5,000 that advertised a capital of $250,000. However, it has failed and is no longer doing business. That is all wrong, and it is my intention to request our next Legislature to make it a penal offence for any corporation to advertise or otherwise hold itself out to the world as having a greater capital than it has in reality fully paid up.

CAUSES OF BANK FAILURES.

From my investigation and observation there are four paramount causes of bank failures, and I trust you will pardon me if I proceed to give my views thereon, and in doing so I would solicit your careful attention.

First: I would say was overloaning themselves and inability to realize on the assets thus accumulated. As long as a bank keeps its loans and discounts within a safe limit it is reasonably sure of not making loans that would be hard to collect. Some may ask, what is considered a reasonable limit? I fix a reasonable limit at any amount of loans and overdrafts you may desire, provided you can keep a reasonable reserve intact and do not have to borrow money or rediscount paper in order to make the loan. I grant you that there are certain emergency seasons of the year that it becomes necessary for banks to borrow or rediscount temporarily in order to handle the crop of cotton, sugar or rice that is placed upon the market. This is of course during the harvesting and marketing season when thousands of dollars are tied up in produce stored in warehouses and compresses awaiting sale. That I consider legitimate borrowing for necessary emergencies, but for a bank in the spring to borrow two or three times its capital and surplus in order to lend it out to the farmers or others, is not only unwise but unsafe banking in my humble judgment. When you are making so many and such extensive and diverse loans you are not so careful as to the collateral or other security and the risk is much greater than when you confine your business within narrower and more reasonable limits. It is true banks were organized not only as a matter of convenience in commercial affairs but their largest source of revenue is derived from lending money or discounting paper. However, they were not organized to borrow money, and they are out of their proper sphere when they go to borrowing money themselves except in the emergency of business as above outlined.

If a banker was asked the question, would he lend $100,000 to 100 or 500 different borrowers and assume all the risk of collecting it, and at the same time pay all the expenses and salaries necessary to run his bank and do it for the rate of two per cent. interest, he would think the man *non compos mentis* that would propound such an interrogatory. Well, the borrowing bank is worse than that. It borrows from another bank for five or six per cent. interest in large amounts and on short time, then loans it out to Dick, Tom and Harry at eight per cent. payable in the fall. The borrowing bank must pay its debt of course, else its credit is impaired, whereas, if the people to whom it has lent the money cannot pay they must be carried over until the next season. Then it is that the borrowing bank, unable to pay its own debts, must "Bend the pregnant hinges of the knee" to the lordly bank to whom it may be debtor. It destroys independence and makes the borrowing bank a serf in the financial world. When you take away from a bank its financial liberty its usefulness as a potent factor in a community and its self-reliance are both impaired; and the bank is bound to do what the lender wants done, because if it does not the other bank says, "I guess you had better square your account," and then comes failure because of inability to realize on the extraordinary large amount of loans and discounts.

Of course, small loans or mere emergency temporary loans do not have that effect; it is the large loans that cripple your usefulness. I knew one bank that owes bills payable for about three times its capital; in fact, for as much as the capital and deposits put together, and I tell no State secret in saying it, because its own published statement discloses this fact. We have no State law regulating this at present, but I shall certainly request the next Legislature to limit all State banks to their capital and surplus in borrowing for themselves. The National Banking Act limits them to their capital. You take a bank that has borrowed a lot of money and loaned it out, then as to that money the bank is doing business at two or three per cent. and risking everything; a short crop comes and the bank can hardly weather the storm; another short crop, and it is like poor Casabianca—"ask of the winds that far around with fragments strewed the sea."

Let me say, beware of borrowing from other people in order to have the privilege of "overloaning." You will find plenty of people willing to borrow as long as you are willing to lend. It is dangerous banking business.

Second. The next cause of bank failures is lending too much to favored officials or directors of the banks and not demanding collateral sufficient to secure them. The Cashier dislikes to disapprove of any loan to the directors, so a favored official borrows more than he should. It sometimes happens that an officer or director is engaged in other large enterprises such as cotton mills, irrigation companies, oil mills, investment and improvement companies, and often an oil well, that sometimes proves a duster, and while he does not borrow himself, yet he permits and sanctions his bank lending his company more than it should, then when these other enterprises by reason of misfortune or otherwise are unable to meet their paper and go into bankruptcy, the bank is caught for a good round sum.

There is one rule a bank should follow, and that is the more you loan one business the stronger and better collateral you should require with each additional loan; the reverse, however, is generally the case. The first loans are well secured and the collateral is A 1, but the more money you loan the business the less good collateral there remains to be put up. When I find a bank piling up loans on one business I at once make a close inspection of the collateral and then make due inquiry in the community as to the rating and standing of the heavy borrower. It is true our banking law permits a loan up to twenty per cent. of the capital, surplus and undivided profits to one person without any security. This is done to prevent bank failures from this very cause of lending too much to one business or to one man without adequate collateral to back it up.

Third. The third cause of bank failures is dishonesty or fraud on the part of the officials or employees. It sometimes happens that the fraud or rascality is on the part of the customer of the bank, and in that case the bank may be honestly deceived and become an innocent victim of other people's wrong. A case in point is the bank at Little Rock that failed in January because it was caught by the Alpine Lake Cotton Company for something like $150,000 upon forged cotton tickets and bills of lading. Such things it is the duty of the State Examiner to watch for and prevent if possible, but we all know that fraud of that character is hard to detect, and an Examiner in his limited time can scarcely delve into all the details of the bank's business, nor can he audit the books and check them thoroughly because of the vast amount of work that is now laid upon his shoulders. In a general way he can see that the accounts appear regular and that the balances are not forced. He can, and should of course, thoroughly satisfy himself as to the resources of a bank, and that it is conforming to the law in its methods of doing business.

One safeguard against crookedness is to have all the entries made twice and by different employees so that one may be a check on the other. Of course a small bank is not able to afford this extra employment and therefore the President must perforce give such matters his best attention. Unexpected vacations to employees and supplying their places with other men is another means resorted to to detect errors, as well as fraudulent entries.

Fourth. The last paramount cause of bank failures is misfortune caused by financial panic or depreciation of stocks and securities. These things cannot always be guarded against, for we can never tell when the tide of prosperity is going to ebb, and stocks and bonds that to-day may be good to-morrow may become practically valueless. A sharp lookout must be kept for all stocks offered by promoters and bonds of windy concerns that would deceive even the elect.

At the second days' session S. McC. Lawrason, President of the Bank of West Feliciana, St. Francisville, spoke on "Conservatism in Banking." He pointed out many of the essentials of sound banking and emphasized the desirability of bankers keeping closely to their own business and not to get mixed up too much in outside enterprises.

Brief addresses were also made by W. O. Jones, Assistant Cashier of the National Park Bank, New York; James T. Hayden, President of the Whitney National Bank, New Orleans, and by a number of members. Officers were chosen as follows:

President, Leon M. Carter, Shreveport; vice-president, C. H. Culberson, New Orleans; district vice-presidents, G. W. Young, first district; S. V. Fornaris, second district; T. J. Labbe, third district; L. M. Howard, fourth district; D. A. Breard, Jr., fifth district; Dr. W. M. Gaillard, sixth district; W. D. Hayes, seventh district; secretary, L. O. Broussard, Abbeville; treasurer, L. M. Tully, Plaquemine; executive council, G. W. Bolton, H. C. Drew, J. H. Fulton, J. W. Castles, D. M. Reymond, R. N. Sims, W. B. Jacobs; delegates to American Bankers' Convention, A. T. Kahn, W. B. Rogers; alternates, J. J. Gannon, D. E. Breard, Paul Lisso, W. E. Lawson, H. S. Palfrey.

After President Carter assumed the chair, the retiring president, Mr. Fulton, was presented with a handsome gold watch fob. Colonel Wise made the presentation speech on behalf of the bankers and eulogized the recipient as a banker, and citizen and a worthy member of society. Mr. Fulton accepted the gift with an appropriate speech, pledging himself to cherish the token as a priceless possession.

A reception at the Columbia Club on the first evening and a banquet at the Caddo Hotel on the evening following the concluding session were pleasant features of the convention. The bankers and citizens of Shreveport gave the convention a most hospitable welcome, and the meeting was in all respects enjoyable and successful.

TEXAS BANKERS' ASSOCIATION.

The nineteenth annual convention of the Texas Bankers' Association was held on May 12 and 13, at Wood Lake Casino, midway between Sherman and Denison. There was a large attendance of members and visitors. Addresses of welcome were made by J. W. Blake, President of the Grayson County National Bank, Sherman, and by C. S. Cobb, President of the National Bank of Denison. President McAshan, Cashier of the South Texas National Bank, Houston, then delivered the following address:

ADDRESS OF PRESIDENT MCASHAN.

The year just closing has been the most prosperous year that the banks of Texas have ever had. They have earned more money and done more business than they have in any previous year of their history. They have shared with other lines of business in the general prosperity of the country, and at this moment the outlook for the next year for the nation at large in a business way is very bright; although it seems probable that the enormous crops of securities placed upon the eastern money markets will cause at no distant day a general shaking up of operators and settling down to lower levels of value.

Naturally, should this occur, considerable inconvenience will result to banks outside of speculative centres, and I believe we should do business with reasonable conservatism, but still without fear.

The affairs of this association have reflected the general prosperity of the banks and the association is now at the highest point of prosperity that it has ever attained. Its membership is now verging upon five hundred. This year it is numerically fourth in size of membership among the State associations of the United States; last year we occupied fifth place; this year we moved up to fourth. In the course of time we we will, under the operation of inevitable natural laws, reach the first place and maintain it. The revenues of the association this year have been the largest in its history. Its work has been more effective: its efforts broadened and more ambitious.

Any member who attended the meeting of the executive committee at Austin in February must have been impressed with the immense importance that the work of the association is, and always has been, to the banks of Texas, and everyone must have been impressed with the necessity and value of co-operation. Few people realize the vast political power of small banks. It is an influence of an absolutely irreproachable character, and for this reason must be enormous. This influence has no doubt defeated the branch banks and assets currency plan of Congressman Fowler, and, as you will remember, this association last year was the first to place itself unequivocally on record as opposed to this legislation.

I hope to see the time when every bank and banker in Texas will join this association, and feel that membership in it is as necessary to the bank as it is to provide safes and vaults for its securities.

The last Legislature of the State of Texas was a wise, intelligent, honorable body of men. They were always pleased to extend to the members of this association every proper courtesy in the way of hearings and assistance. The amendment to the weigher's bill—the necessity for which was brought to the attention of the association by Mr. Bowman, of Hillsboro, and which was passed largely through the efforts of Mr. Bowman and Colonel Wooldridge—is one of the definite pieces of legislation accomplished, which in a direct manner affects the interests of members of this association. It renders the loan on local cotton tickets by interior banks more secure, and special thanks are due to Mr. Bowman for his intelligent championship of this matter.

A number of other matters in which this association was interested came before the Legislature, notably the occupation tax bill, the State depository bill, the chartering of State banks, the negotiable instruments law, and abolishment of days of grace; but nothing else in the shape of legislation bearing upon our members was consummated.

I cannot leave this subject without bringing to the attention of this association its great obligations to our legislative committee, and particularly to its chairman, Col. A. P. Wooldridge, of Austin. Colonel Wooldridge has freely given of his time and ability, and cheerfully and without cost and solely for the good of the association, to everything which has been to our interest and at considerable sacrifice to himself, and I would like to see some testimonial from this convention of our appreciation of the efforts and watchfulness of Colonel Wooldridge. Aside from the railroad and agricultural interests of Texas, I do not believe that there is any greater interest than that of the bankers of the State of Texas, and while our lawmakers have no intention of adding unusual burdens to our business and will not do so when brought to their attention, an analysis of pending legislation is not only judicious, but imperative, and Colonel Wooldridge has been untiring in his efforts along these lines.

The resolution passed at the last convention recommending our members to voluntarily contribute one-tenth of one per cent. of their capital toward assisting the State of Texas in making a suitable exhibit at the Louisiana Purchase Exhibition in St. Louis next year has not met with as large a response as was hoped for—the amount thus far contributed and reported seems to have been about $3,000. Several reasons have contributed to this result. One was the postponement for a year of the time for holding the exposition; another was the hope that the State of Texas would realize the importance of this move and make an adequate appropriation therefor. These two reasons for not responding to the resolution no longer exist. The exposition will occur next year, and the time now intervening is not more than sufficient to get together an adequate representation of the resources of the State of Texas. For some reason, the appropriation of the Legislature failed of success, and whatever exhibition is made at St. Louis must be by private enterprise, and I hope the members of this association will give the subject such consideration as its importance deserves. We owe it to the world to let it know the advantages of Texas.

The revenues of this association are increasing every year as our membership grows, and while this is true our expenses are also increasing, because our work is greater and broader and comes very near covering our income. This association is not organized for profit; but it should have ample revenues to prosecute its important undertakings, and with this end in view I would suggest that our annual dues be increased for our larger members—say they be doubled for such of our banks as have resources of one million dollars or more. The assistance which we have rendered members in legal matters, notably in the case of Blaisdell vs. Bank at Tyler, which has just been reversed, has been important, and as this bill of lading question should be settled, I would suggest that the association use its best endeavors to have the banks' liability clearly defined by the courts in this and all similar cases. The expenses of this case, which will be increased by the reversal in the Appellate Court, and also those in assisting the bank at Morgan, and the contributions and good work we have done in criminal prosecution of swindlers, notably in assisting the Llano County Bank in convicting W. F. Bader, bank swindler; in aiding the First Bank of Chico in convicting William Davis, bank robber; in aiding the First National Bank of Beeville in convicting W. H. Martin, forger; and minor expenditures in prosecuting J. Martin, T. H. Adams and others, will prove that in our legal departments we have a growing expense feature, and one that must be met by increased revenues. Through our efforts, an appropriation was made by the American Bankers' Association reimbursing the Llano County Bank for all expenses incurred by them in the prosecution of Bader, above the amount paid by this association. It is and must continue to be our effort to give the fraternity of crooks a wholesome horror of depredating upon members of this association, and where felony crimes are committed no expense or effort should be spared. We wish our membership sign to be as great protection to our members as their vaults and chests of steel.

In my opinion, it would be well for this association to revive our cipher code. The old codes are nearly all lost or misplaced, and it would tend greatly to lessening crime and danger of depredations if each of our members had a code. It need not be expensive, but it is a necessity and convenience, and I would refer you to the code formulated some fourteen years ago by the association as a sample of what would be useful and desirable. The Texas Banker publication has been an important adjunct to our work, and with the bulletins by the secretary, is of great protective value. The bank money orders, which were inaugurated at the Fort Worth convention by our worthy secretary, Mr. Butler, are growing in popularity and are now being pushed by a majority of our members. This system has been a patent factor in retaining old members and in gaining new ones. This association was the pioneer in this movement and the example has been followed by other States, notably Minnesota and Louisiana.

It is my opinion that a space in the programme of every convention should be set aside for memorial remarks on deceased members. This is but a decent tribute and holds a place in the proceedings of almost all associations. It is only right and proper that when members or ex-officers pass away that some official notice should be taken of their loss. Some members of our association have recently passed away whose tombs would be covered with a pyramid of flowers if every man for whom they had done a kindly deed would cast one blossom on their graves.

During my term of office, which, owing to the early convention last year, has exceeded in length the terms of former presidents, I have received the most splendid loyalty from all members and my fellow officers. I am under special obligations to the secretary for his uniform courtesy and splendid work for the association. No association ever had a better, or more capable or devoted secretary. His efforts are untiring and must arise, not alone from loyalty, but also from his love of his labors.

To the members of the association I beg leave to return my thanks for manifold courtesies and to express the wish and belief that you will grow and expand, and year after year fill more completely the great sphere to which you have been assigned in the multitudinous activities of the great world of business.

We have had several interchanges of courtesies with neighboring State associations, and I feel that the year now closing is the most brilliant in the history of the Texas Bankers' Association; but I hope it may be only a forerunner of greater power, glory and usefulness.

With this report, we will now take up the business of the convention.

J. W. Butler, Cashier of the Farmers and Merchants' Bank, of Clifton, read his report as secretary. He said, in part:

"The Texas Bank Money Order system continues to be popular. It is found a valuable advantage by a majority of our members. As a means of creating new revenue for each member its success is measured only by the publicity and effort given it. At some towns the express companies have discontinued the sale of their orders because the banks have reclaimed the business. There have been no reports to the secretary of the violation of the resolution that all members cash exchange without charge when bearing the mark of the association and not exceeding $200.

The success of the Texas Bank Money Order system has been heralded to other associations who have adopted similar methods. The Minnesota Bankers' Association introduced the system this year. I am informed that Kansas and California have systems, while Missouri, Nebraska, New York, Washington and Indian Territory will consider the adoption of the idea at their conventions this year.

Some of the States are ready to enter into reciprocal relations with this association, pledging their member to cash your orders without discount for a like assurance from this association. I would like to see a resolution adopted here providing for such arrangements. It will give our members an advantage when offering their exchange for sale to be sent to other sections of the country. The Bank Money Order continues to be a valuable adjunct in maintaining our high membership and a potent factor in inducing new members.

My account with the treasurer shows a balance in his hands to the credit of the association of $1,488.70. I append to my report an itemized extract from the ledger.

Some of my worthy predecessors whose splendid service has been an example to me, said at Galveston that our membership had reached the crest of the wave and we must go down like the tide. But not so. They will be glad with me when I tell you that it is again my pleasure to report a substantial increase. We had at our last convention 396 members. Seventeen names have been struck from the roll, but we have added ninety one new members. (My ambition was to make it 100.) Our membership is now close to the splendid number of 470.

And as I close, two controlling thoughts are in my mind. One of them is somewhat like that of Bunyan's Pilgrim when he entered the Land of Beulah after the many hardships of his toilsome journey, and, finding the "air was very sweet and pleasant, solaced himself there for a season." Although we have by no means reached the Land of Rest, but are still in the Good Land of Labor, yet we can measurably appropriate the Pilgrim's joyful words; for we have climbed some of the hills of difficulty, and from their tops can give thanks for the success attained and draw encouragement from the prospect before us. We have almost reached the 500 membership mark. It was hard pulling but it is done. And with the annual income this means that this association must become a power against bank criminality, while also exercising a puissant protection about its members when laws or adverse court decisions threaten the commerce: and also, silently exerting a masterful influence by the personality of our numbers towards good legislation.

Have you not been thrilled by that high compliment spoken by Judge Sherman, of Illinois, who said: "The influence of the bankers' association is for good; its methods are open; its work done in broad daylight; it has established a higher and clearer standard upon which to approach the Legislature than any body coming before the lawmakers as an organized body of men."

My other thought is akin to an expression of one of the largest-visioned men in all human history—George Washington—who has written these words:

"We ought not to look back unless it is to derive useful lessons from the past errors and for the purpose of profiting by dear-bought experience."

Happily, our errors are few. We have gained experience in combatting the swindler in Texas. We have learned the best ways and are gradually evolving a perfect system. The little paper was not an error but simply proves impractical. We have grown until we now stand the third largest bankers' association in the United States. Only 100 banks in Texas remain without the pales of our protection. Let us hope the next convention day will find us one solid "600 band!"

Membership Statement.

Membership at last convention		396
Banks out of business	4	
Drafts returned unpaid	13	17
		379
New members added to the enrollment during the year		91
Membership now		470

Judge A. P. Wooldridge, President of the City National Bank, Austin, spoke on the "Aldrich Bill." He carefully explained the provisions of the bill, which he favored in the main as being calculated to remedy existing defects in the independent Treasury system.

An interesting feature of the convention was a symposium on "The Money Supply of the United States—Is It Sufficient for Our Commerce, and Suggestions as to a Practical Plan to Increase Its Elasticity." Letters were contributed by Lyman J. Gage, former Secretary of the Treasury, by ex-Comptroller Charles G. Dawes, Hon. Charles N. Fowler, chairman of the Banking and Currency Committee of the House of Representatives, and by James B. Forgan, President First National Bank, Chicago. These letters are published in full below.

IS THE MONEY SUPPLY SUFFICIENT?

LYMAN J. GAGE, FORMER SECRETARY OF THE TREASURY.

In endeavoring to respond to your request for a letter which shall treat the question you raise, "Is the money supply of the United States sufficient?" I am handicapped by the condition that such a letter shall be a short one. I will be as brief as possible.

The question cannot be intelligently considered without a mutual understanding of the words and terms we use. Thus the word "money" lies at the root of the question. At the moment I limit the meaning of the word to something in use which shall possess these several qualifications—namely, it shall be a medium of exchange. It shall be in itself the acceptable measurer of values of other things. It shall be the recognized standard of payment. It shall in itself be so desired among men that it will be gladly kept as a form of wealth, and may thus be regarded as a storehouse of value.

Whatever in the past may have possessed these qualities and served the uses indicated was in an economic sense money, whether it consisted of shells, beaver skins, slaves, cattle, iron, copper, silver or gold. It is also true that in this country, at this time, all forms of money, real money, have become obsolete, with the single exception gold. It must, however, be recognized that there are other things possessing some of the qualities of money and performing some of the functions of real money. These things, which in a popular sense are called money, do not carry in themselves all the qualities, nor perform all the functions of real money, and they must for correct thinking be differentiated from it. Thus the United States legal-tender note. It is indeed a current medium of exchange and may be paid to a creditor in discharge of a claim payable in dollars, but it carries in itself no value whatever beyond that of the paper on which it is printed. The entire value is a related one. It is a promise to pay value, which may or may not be realized. It is an artificial contrivance, not a natural thing. The same may be said of the National bank note or any other note, by whomsoever or howsoever issued. Silver coins and silver certificates must be regarded in substantially the same light. Silver does indeed carry value in itself; exchangeable value, but, as you well know, its power as a medium of exchange is the more largely derived from the credit of the United States, which is pledged to maintain the white coins on a parity with gold. It must be admitted, also, that what I have tried to identify and classify by itself as real money and those other forms to which I have referred (greenbacks, silver certificates, silver dollars and National bank notes) all in a sort of confused way constitute what in popular language is known as our "money supply."

A clear understanding, however, requires that we differentiate, and in replying to the question, "Is our money supply sufficient?" I will first limit the word money to real money —that is to say "gold"—and afterward consider the question with the meaning of the word broadened enough to cover the various forms of so-called money now in use. At this point I must declare that in my opinion a definite answer yes or no cannot be reached. We can only reach a general estimate of the fact.

In order to reach that desirable end we must primarily inquire as to the uses which money —gold—serves, and then determine if we can whether our known supply, with its probable annual increase, is adequate for such uses.

First, then, we know that while gold possesses the qualifications of a medium of exchange, it is practically out of use for such purposes, and the demand for it in that direction need not be considered here. This is so because, with a minimum of exceptions, the people prefer some other kind of an exchange medium.

Second. Gold, a proper supply of it, is indispensably necessary for the settlement of balances in our international trade, and our supply should therefore be large enough to permit the deportation of what may be required in such settlements without causing serious alarm as to the impairment of our remaining stock. With the very large supply of gold in the United States at this time, which may be safely estimated at a thousand millions, no argument can be made against a sufficiency in that direction.

Third. Gold, as we have seen, embodies in itself all the qualities of money—real money. Among those qualities is that of a natural measurer of the values of other things. But don't miss this. In our modern business methods and in our domestic affairs it performs its function in this regard at second hand. It does not operate directly, it operates through tokens, or to epitomize in a single phrase, through credit tokens. For it is manifest to all of us that the enormous value of things annually produced, exchanged and re-exchanged, are not directly exchanged by the dollar expressed on gold coin, but almost entirely by the dollar mark expressed in some form of credit undertaking. This is true whether the credit be witnessed by the books of the merchant, by the deposit ledgers of banks, by promissory notes, bills of exchange, certificates of deposit, National bank notes, silver certificates or even greenbacks themselves.

We will therefore do well to fix our minds in particular to the relation of money—gold—to credit in its manifold forms. If the dollar mark expressed on credit, or the instruments of credit, is the efficient agency in all our domestic commerce, the dollar mark on gold is the measurer or determiner of the value of the dollar mark on credit. It is by virtue of this relationship, and by the ability to test the vital quality of the relationship, that the credit intermediary gets its power. So we might, with some freedom in the use of words, declare, credit dollars value all things exchanged; gold dollars value and put the test to credit dollars.

Now, if to this point the matter has been fairly stated, it is evident that the most important function—gold—has to perform in our domestic affairs is to keep sweet and solvable into actual value the diversified forms of credit in use.

It is in the proportion of gold reserve in sight to the total credit undertakings that we feel confidence or finally take alarm, and it really is a just and proper relation between the two that gives stability to our affairs. What is that proper ratio? The total of money to the total of credit? In asking this question we have only pushed the difficulty along a little. This is so because the answer is, and must be, variable according to time and circumstance. A ratio which at a time of budding prosperity of reawakening enterprise and full confidence in the future would be abundant, even superfluous, would, or might prove to be, in an unfolding period of depression, of doubt, distrust and business failures, dangerously small. There is also, no doubt, a tendency in prosperous periods to create and utilize credit to a degree disproportionate to the money supply—*i. e.*, the cash reserves. Confidence, using the printing press, can create instruments of credit much faster than gold can be supplied from the mines. The supply of gold can increase only in a comparatively slow measure. The total of credit may be enlarged by leaps and bounds. There is a healthful equilibrium between the two, if we can find it, but it is by expanding or reducing credits that we can the more effectively aid in establishing that equilibrium. In considering the contention of whether or not there was gold enough in the world to do the business of the world, Bonamy Price truly said, "Any is enough," for, given a certain quantity, be that quantity great or small, it will in the long run tend to relate or establish prices of things and wages of labor. It is more important that the relation of prices between things and between labor and things be just and fair than that they should all be what is called high or low. Multiplying the price of all things and labor service by ten would not make any one richer. Dividing prices by ten would not make any one poorer, since, once established, the power of things to exchange for other things, or the power of labor to acquire things, would not therefore be relatively changed. It is true that a sudden change in prices, either in one direction or the other, would create incidental hardship, because the change in prices could not in the nature of things be uniform nor simultaneous, and time contracts would be radically affected, either acquiring an increased power to which they were not equitably entitled or, on the other hand, diminished in power in an inequitable degree.

Were I to put in a single paragraph what I would consider the ideal thing on this question of money—gold—it might be stated after this manner:

A given quantity of gold in the world's use; to which the floating volume of credit and the price of commodities had, through the natural laws, operating over a long period of time, become normally related. To this stock of gold gradual, not sudden, accretion is to be desired, sufficient to bear the increasing strain of an increasing volume of things, an increase large enough, supplemented by economies in its use, to keep prices, so far as affected by money merely, on a general and continuous level. If this be accepted as a fair economic principle, then I think we will have to answer the question, so far as it relates to gold, to wit: "Is the money supply sufficient?" In the affirmative, and thereupon conclude if there be now or hereafter an excessive strain on the supply that our inquiry ought to be directed in another direction, say this direction: Is not our credit system unduly expanded? Are not prices abnormally high? At least it must be manifest to us all that the volume of credits may expand and the price of commodities advance much more rapidly than the world's stock of gold can be augmented. General confidence in the future, a speculative spirit, are sufficient to expand the one, while hard contact with stubborn nature by laborious toil is necessary to increase the gold supply.

I now turn to the question, "Is the money supply adequate?" giving the word "money" the broad popular meaning which it was perhaps intended the word should carry when the question was propounded.

In the popular sense we must comprehend by the word money whatever is utilised in our domestic affairs as a current medium of exchange, passing from hand to hand in payment for goods or wages. Or, concentrated into a single word, we may call it the "currency." Permit me to paraphrase the question into this form: Is the supply of currency sufficient in amount and well adapted to our domestic needs?

I answer the question by expressing the very grave doubt whether it be adequate in volume, and a clear conviction that it is not economical in character. The reasons which lead to this opinion I will submit as briefly as possible.

There is now extant, constituting the circulation, gold, silver, greenbacks and National bank notes, some $2,400,000,000. Two of these, gold and greenbacks, form but a very small part of the actual circulation. They are locked up and securely held in bank vaults as a reserve guard to deposit liabilities. Now when such reserve holdings are below the legal requirements and exigencies require an increased medium of exchange for use in the country, these reserves are invaded and the stability of the deposit liability is adversely affected, with the consequence that fear and distrust creep into general finances, banks stop loaning or impose high rates of interest, to the deep prejudice of trade, commerce and investment. This truth receives demonstration year after year at each recurring harvest season, when the requirement for a circulating medium to pay for the harvesting of cotton and the cereals draws from the centers (in default of any other possible supply) some portion of the legal reserves held for the protection of deposits. As we all know, the volume of silver and silver certificates has reached the limit, while the only remaining form of circulation—to wit, National bank notes, depends as to quantity not upon the needs of the country, but rather, and almost entirely, upon the price of Government bonds. The provision for supply ought to have reference to recurring needs, responding in volume when occasions for use of currency are the greatest and retiring naturally as the requirements grow less exacting.

Our present system utterly fails in this result and must continually fail until modified and improved. In fact, the tendency is to render the situation worse instead of better. There is no denying that the population is increasing, that the annual production of commodities is enlarging, that the total exchanges are ascending in a corresponding degree. Nevertheless, the circulation tends to diminish, and it has only been by an ingenious artificial stimulus, applied by the Secretary of the Treasury, that our present inadequate supply has been preserved.

It is true that in much the larger degree things are exchanged not with the circulating medium known as the currency, but by other devices which have been brought into being as society has advanced in wealth and intelligence. These devices have been developed through banking and consist of bank ledgers, checks and drafts and bills of exchange. These instruments and devices do more than eighty per cent. of the work of the exchanges, but they are entirely ineffective as applied to the remaining twenty per cent. Let us inquire how the larger work is accomplished, to see if, with some modification in the devices so successfully and economically used in the larger part, the remaining smaller part cannot be equally well served. There is, I know, an idea generally prevalent that bank deposits are created by the deposit of idle moneys belonging to the public, and that such moneys so deposited are in part loaned out by the banks, and thus the community is served and the banker's business made profitable. There is truth in the statement, but it fails to cover the facts.

You all know that the customer of the bank gets a credit on the banker's book just the same, whether he puts in cash or his own note to evidence a loan obtained by him, or, it may be, he deposits checks of divers and sundry persons, drawn against loans previously obtained by them. All credits on the bank's books, however, are classified under the one head of deposits, and deposits can be swelled as much by the credit for a $10,000 note as for a credit of a like sum in cash. This is plain enough, but we need to look somewhat closer. What is it in essence that is accomplished through a loan from the bank? The borrower gives his obligation to the bank. The bank in return gives its obligation in the form of a credit on its books to the borrower. The deposits are incidentally swelled, as we have just seen, and the borrower has acquired the right to draw on the bank for money. But please note this: It is not money that the borrower chiefly desires. What the borrower does desire is the ability to pay for goods, and he is able to do this as effectively by his checks as he could with money. He therefore gives his check to another and thus transfers to that other, by so much, the right to draw money which he himself previously enjoyed. But his successor in the right no more desires the money than he did. His needs in all directions are fully met by assigning to a third party the right he thus acquired, so that it requires but little thought to perceive that by the operations thus described, many times multiplied, there is built up on the banker's books as a whole a system of credits which are transferred again and again and again from one member of the community to the other; and these bank credits, through the operation of transfers as just described, become an effective medium of exchange in all the larger affairs of life. They really constitute a large credit currency, as really so as if the banker's obligations were expressed in bank currency of suitable denomination. Between bank credits so transferred and bank notes which may circulate as money from hand to hand there is no difference in principle whatsoever. The difference in fact or practice may be compared to the difference between coupon bonds and registered bonds; no essential difference, except that coupon bonds are payable to bearer, are good in the hands of the holder, and readily pass from hand to hand, while registered bonds have to be transferred by an act in writing by each successive registered holder. So without any violence we may think or speak of bank loans, bank credits, checks and drafts as a system of registered currency.

Now, the importance of banking as an agency by which credit is utilized in the exchange of commodities is but very feebly comprehended. The three great forces or agencies which make for our material welfare, if named in their proper order, are: Production, transportation and exchange of commodities. By the system of credit, made operative through banking, the three are each of them energized, while the last two, transportation of goods and the exchange of commodities, are practically dependent upon it.

I have said that perhaps eighty per cent. of the trade exchanges are effected through the operation of bank ledgers, checks and drafts.

Let us now forecast what would take place if, instead of the present freedom in the creation of what I have called the registered currency, restrictions were imposed similar to that which now surround the issue of bank credits in the form of "bearer" currency. In such an event the banker, before making a credit on his books which should give his dealer the "right to draw money," would be obliged to invest absolute capital in some form of security to an amount some ten or fifteen per cent. in excess of the right he proposed to confer upon his dealer, and deposit such securities with a third party as a guaranty that he would perform his side of the contract. I need not describe the effect of such a forced arrangement. It would be equivalent to substituting actual capital to do the enormous work now done by the banker's credits. It could not be accomplished, but if it were possible the cost of doing it cannot be estimated, since capital is costly, while credit is in itself of no cost. And yet, it is precisely this sort of thing which has been brought about, as to what I have estimated as twenty per cent. of our commercial affairs. For, taking the country over, it is probable that to the extent of about twenty per cent. the machinery of banking ledgers, checks and drafts cannot be used. The transactions are too small and are too remote from banking facilities. A medium of exchange or payment is required for wages, for use in the cotton fields, the logging camps, the mines, the corn and wheat fields, the many small uses of demestic life, and what we need here is not a registered currency, which can be transferred only by an act of writing, but a "bearer" currency, which passes by itself without question and without formality. "Well," some will answer, "we have that now." Yes, we have it after a fashion, costly as capital and entirely irresponsive to public needs. We have the gold coin, which does not circulate, but fills a higher use, as we have shown, in guarding bank liabilities and protecting foreign trade balances. We have the greenbacks, which have been artificially qualified to serve as bank reserves, but are an anomaly in finance and false to any true theory of money. At any rate, they are fixed in a volume that cannot be expanded. We have silver and silver certificates fixed in volume substantially, and lastly we have National bank notes. No! we do not have them in any quantity, properly related to the work the "currency" is required to perform. This is so because of the law which requires a pledge of security in the hands of a trustee as a condition precedent to their issue, and because that, according to the price of United States bonds on Wall street, their issue may bring in a loss instead of a gain to the issuing bank. Thus we come at last to the fact that the sole intermediary, which may be denominated "bearer currency," that has any innate natural capacity to expand in volume as needs for its uses arise is garrotted by suffocating conditions. If this is so, you will agree in the opinion I express that our money supply is probably insufficient, and if that be not now the fact it is certain to become the fact as population and production increase. Some modifications in our present methods as to currency are imperatively necessary. In what I have called the registered currency we need not be greatly concerned. It will expand and contract in conformity with natural and reasonable requirements. It is to the bearer currency that our attention must be turned. I venture to suggest that a modification in our laws which will permit the banker to give out his notes as an evidence that the holder thereof has the right to draw money from him will bring those who require the use of such a form of bank obligation onto a parity of opportunity and advantage with those who can utilise through checks and drafts the obligation of the banker, expressed by a mere credit on his books.

Do I hear some one exclaim, "Why, you are arguing for credit or asset currency?" If that be charged I freely admit it to be true. I am well aware that deep prejudice exists against either "asset" or "credit" currency, but an honorable history of such a currency for a generation in New England, in Louisiana, in Iowa and other States, with a history of several generations making economical and safe use of it in France, Germany, Scotland, Canada and other countries, fully justifies the belief that, with some reasonable and just guards around it, we can gain the advantage of an adequate currency without any risk of disaster or the loss of a single dollar to the humblest member of the community.

This letter is too much extended already, and I forbear to press the argument, but will conclude with stating the following propositions concerning a properly constituted credit currency, which I feel certain can be successfully supported in a fair field of open discussion:

First. Such a currency is required in the interest of tho whole country.

Second. The protection of the noteholder against depreciation or loss may be made entirely adequate.

Third. There need be no dangerous credit expansion through bank-note issues, if reasonable limitation be imposed as to volume and a proper system of central redemption provided.

Fourth. Such a currency would go far toward arresting the annually recurring anxiety occasioned by the impairment of bank reserves, called into temporary use as they are to serve as a medium of circulation in the movements of crop harvesting.

Fifth. It would tend to steady the rates of interest in the central cities and prevent the violent and costly perturbations between "money as a drug" and "money impossible to borrow," and thus save to individual investors the great losses now so frequently experienced by reason of fluctuations in the money market.

Sixth. It would be in the interest especially of the agricultural classes, affording them as it would an adequate supply of a safe circulating medium of exchange and payment, on terms more favorable than they can otherwise enjoy.

Respectfully yours, LYMAN J. GAGE.

To J. E. McAshan, President Texas Bankers' Association.

LETTER FROM JAMES B. FORGAN, PRESIDENT FIRST NATIONAL BANK, CHICAGO.

J. E. McAshan, Esq., President, Texas Bankers' Association, Houston, Texas.

DEAR SIR—The money supply of the United States. Is it sufficient for our commerce? And suggestions as to a practical plan to increase its elasticity.

If after reading this letter in answer to yours of March 20, asking my views on the above question, you deem it worthy of being read before the annual convention of your association, you have my consent to do so.

From an experience of twenty years my answer to the question propounded is that the supply of money periodically oscillates between over-abundance and inadequacy, in accordance with the demand for it, which varies with the seasons. The supply being arbitrarily fixed in quantity bears no relation to the varying demands of commerce, and there is not even an attempt in our monetary system to adjust the supply to the demand.

In the long run commerce suffers more from the periods of over-abundance than from those of scarcity. The origin of each recurring period of tight money can be traced to preceding periods of easy money. Whenever money becomes so over-abundant that bankers, in order to keep it earning something, have to force it out at abnormally low rates of interest, the foundations are laid for a period of stringency in the not far distant future; for then speculation is encouraged, prices are inflated and all sorts of securities are floated until the money market is glutted with them. Our monetary system is not the sole cause of these alternating fluctuations, but it lends itself to them and is auxiliary to other causes. Our National banking system and the Government Treasury system also aid and abet them, and the three together are responsible for them. If these three systems, closely allied, were all adapted and adjusted to the needs of commerce, as they should be, their relation to commerce would be to develop it on a sound basis by establishing steady markets. Their influence would be to prevent rather than to cause such oscillations as now take place between easy and tight money, speculation and stagnation, inflation and depression. At present, however, my remarks are to be confined to the monetary system.

For some years it has been apparent, both from statistics and from financial conditions, that the circulating medium of the country has not increased in proportionate ratio to the expansion of bank capital and deposits, the development of commerce and the increase of population. Notwithstanding the efforts of the Secretary of the Treasury to keep the different kinds of Government money circulating and to encourage National banks to increase their circulation, it is evident that the supply has become inadequate to the requirements of commerce during the season when the maximum amount of it is wanted.

To add to the money now in circulation more of the same kind, until the supply shall equal the maximum requirements of commerce, without providing means for its contraction when these requirements are at their minimum, would only perpetuate the evils of our present system. What we require is a more elastic currency.

Before making any suggestions as to how its elasticity may be increased, pardon me if I go into an elementary discussion of the real meaning of elasticity. I have gathered from the discussion of the subject that in some quarters an erroneous idea of the meaning of elasticity exists. The popularly accepted meaning of the word seems to be expansion. This is precisely the reverse of its real meaning. Elasticity in the currency as in anything else means contraction. To illustrate: If I take a piece of soft gum in my hands and pull it out it will expand to the limit of its capacity and when released will remain expanded. Gum is not elastic. If, however, I take a rubber band in a similar way and expand it, when I let go, it will contract. It is elastic. Elasticity is that quality in a substance which enables it to contract when outside pressure on it has been removed. This is precisely what elasticity in the currency is. It is the contraction in the amount of it which takes place when the demands of commerce for it decrease. These demands increase and diminish, are strong and weak, in accordance with the natural and seasonable fluctuations of business. The lack of elasticity in our currency is that when once issued it remains expanded like the gum and does not of its own accord contract like the rubber band. The amount of it in existence is no less when the demands of commerce are at their lowest than it is when they are at their highest, and vice versa. I know of only one way by which this elasticity, this ability to contract, can be given to it; that is by the daily withdrawal through the actual redemption and practical cancellation of all bank notes which are not kept in circulation by the requirements of commerce. When the Bank of England redeemes it notes, it cancels, destroys and does not reissue them. Other banks issuing credit currency, such as the Scotch and Canadian banks, when they redeem their notes, cancel them so far as their existence as any part of the money of the coutry is concerned, but do not destroy them. They are written off their books and are laid aside for the purpose of being reissued when opportunity occurs. They are, however, so far as their connection with the circulating medium of the country is concerned, as utterly out of existence as if they did not exist at all, and remain so until they are again issued. Under our system the currency which each bank receives from the Comptroller immediately becomes a part of the fixed circulating medium of the country, and counts as so much money. The banks that nominally issue it have a right to so count it for they paid out actual money for it when they bought the Government bonds to secure it; hence our National bank notes, instead of being dealt with as mere promises topay money, are kept afloat in the channels of commerce, and are handled by the banks the same as gold or Government notes, and no active redemption of them is deemed necessary. The result is that when the maximum demand for currency occurs, so much of it is required that the banks with difficulty maintain their legal reserves; but when the demand is at its minimum, the currency accumulates in their vaults and they resort to forced loans, inflated credits, cheap rates and other artificial methods, to keep it employed and earning something.

Our present specially secured bank currency has no elasticity and can have none. When bank currency is not so secured it floats in the channels of commerce on exactly the same basis as checks, bank drafts and other similar obligations and is daily presented along with these through the clearing-houses for redemption. Banks are not likely to pile up in their vaults the non-interest bearing unsecured notes of their competitors any more than they will hold over their checks or demand obligations of similar kinds. The competition among the banks to put out their own notes is the prime factor in effecting the daily redemption which alone affords elasticity in the currency. The effect of such daily redemption is to keep the volume of the currency in circulation in exact proportion to the demands of commerce because such of it as is not required, instead of accumulating in the banks and continuing to count as money, is redeemed and to all intents and purposes canceled. Whatever amount of its own notes each bank has on hand unissued counts for nothing, as they only become a part of the money of the country when they have been paid out. During the season when the requirements of commerce are light, each bank will have on hand a supply of its own circulating notes, counting for nothing as stated, but in reality an additional reserve strength against the demands of the next active season. The system practically gives to the banks the right to create and furnish circulation just when it is wanted, and promptly retires it as soon as it is no longer wanted.

If I have correctly diagnosed the trouble with our money supply, it follows that we need relief. Where shall we look for it? There can be no doubt that the addition of an elastic currency to our present inelastic supply would afford relief, and in a large measure correct existing evils. Any legislation on the subject must be of an experimental nature and should therefore be guarded by a law carefully thought out in every detail. To establish a system under which five or six thousand banks, scattered all over this vast country, will issue their individual circulating notes and have them circulate everywhere at par is no small undertaking. The students of finance may supply the principles; but practical bankers must work out the details. The law should be as nearly perfect, both in principle and detail, as possible, for on the practical working of the details will depend the effectiveness of the system. It will not do for the students of finance to brush aside practical suggestions as they too frequently do, with the remark; "Oh! that is a mere matter of detail." It will be found that the ultimate success of the system will depend upon its details being properly worked out and embodied in the law before any currency is issued under it. I believe that the privilege of issuing a limited amount of asset currency may be safely granted to National banks under proper regulations.

DETAILS OF A PRACTICAL CURRENCY PLAN.

Mr. Fowler's bill now before Congress is based on correct principles, but is deficient in its details. What it needs is to have a committee of bankers elaborate out of it the details of a practical plan. Without assuming to take the position of such a committee, I will now suggest a few of what appear to me to be improvements in the details of the Fowler bill. The bill is not intended to interfere with the present circulation of the National banks. It proposes, however, to permit them to take out and issue assets currency to an amount not exceeding twenty-five per cent. of their paid-up capital, without providing for their keeping out their secured circulation in its present volume. It seems to me the effect of this would be that the new bank currency being more profitable would soon displace the old. Many National banks have already drawn their circulation down to the minimum required by law, seeing more profit in selling the bonds at the premium they have commanded than in continuing circulation against them. A provision in the bill requiring that every bank taking out assets currency must keep out an equal amount of currency secured by Government bonds would not only prevent the withdrawal of the old for the purpose of substituting the new, but in all probability would increase the volume of the secured circulation.

The bill proposes to divide the country into three redemption districts, with New York, Chicago and San Francisco as respectively the redemption centers of each district. Section 9 of the bill requires each bank "to redeem its notes on demand in gold coin over its own counter, and if it is located outside the redemption cities it must select a National bank in a redemption city which shall redeem its notes in gold coin." The notes when issued are to be "received upon deposit, and for all purposes of debt and liability, by every National bank at par and without any charge of whatsoever kind." The object is to have all the notes of all the banks circulate everywhere in the country at par. An arbitrary law compelling every National bank to receive the bills of all other banks at par would, of course, accomplish the end in view, but at the expense of justice and equity, for it would arbitrarily submit each bank to the trouble and expense of forwarding to the point of redemption the bills of all the other banks, which it is evident would, in many cases, prove a severe tax.

The natural and equitable way to have the notes circulate everywhere in the country at par, is to compel each bank of issue to furnish such ample and easily available facilities for the redemption of its notes that they can never get so far away from one of its redemption agents as to cause them to fall below par in consequence of the expense and delay in getting them redeemed. In Canada until 1890 the notes of the banks in each province were at a discount in all the other provinces, except where the bank of issue established a branch at which it redeemed its notes in the other provinces. This was overcome by a law compelling each bank of issue to arrange for the redemption of its notes in the redemption city of each province. There are seven provinces and therefore seven redemption cities, at which all the notes of all the banks are redeemed; hence, they all float at par and are all on an equal footing wherever they may happen to circulate. This is correct in principle and works equitably. Every bank issuing notes which the law compels all other banks in the country (wherever located) to receive at par should be be required, at its own expense, to establish such facilities for the prompt and easy redemption of its notes as would enable all the other banks to get them redeemed with the minimum of expense and delay, and the law should provide in detail the necessary machinery for such redemption facilities. There would be no practical difficulty in effecting such an arrangement. We should have at least five districts and five redemption cities instead of three. St. Louis and New Orleans should be added to the three already mentioned in the bill. Banks outside of redemption cities could easily arrange to have their principal reserve agent in the redemption city of their district appointed as their primary redemption agent and through it have secondary redemption agents appointed in each of the other four. In this way the notes of the banks in each district being redeemable in the redemption city of each of the other districts, would circulate on an equal basis with the notes of the banks of those districts, and would therefore pass current at par without any arbitrary legal requirement that they should do so.

Under Section 11 of Mr. Fowler's bill the banks in each district are prohibited from paying out the notes they may receive of the banks in other districts, but are compelled to return them to the district to which they belong for redemption. This principle is taken from the old Massachusetts law when assets currency was so successfully circulated in that State, but it does not seem to me that it would suit existing conditions. It would, I think, defeat one of the principal benefits to be derived from the proposed plan. The largest banks in the country, especially those in New York, would derive little benefit from the system if their circulation were confined to their own district. They would have the right to issue much more than the requirements of their district would call for. At the same time the banks in the South, with their demands for handling the cotton crop and in the Northwest, with their demands for harvesting and shipping the grain, could, it seems to me, utilize to great advantage the surplus currency of the New York banks.

During the spring and summer the deposits of country banks with their correspondents in reserve cities accumulate and during the active season in the fall are withdrawn. It would be a great relief to the banks in reserve cities, with their large capitalization and correspondingly large ability to furnish circulation, to ship out their circulating notes to be used by the banks in need of them in other districts. Take a transaction as an illustration: suppose a bank in Minneapolis accumulates during the summer a balance in New York of a million dollars, which in the fall it has occasion to reduce by the actual shipment of currency to $500,000. It would be a great convenience to the New York bank having to ship that currency, if instead of shipping, as it now does, actual money, or what counts for actual money, reducing its cash on hand, it could ship its own notes. It would thus simply transfer $500,000 of its liability on deposits to $500,000 liability on its circulating notes, without reducing its cash on hand, calling in its loans, or otherwise contributing to the usual fall squeeze in the money market. After the notes shipped by the New York bank to Minneapolis had accomplished their purpose, having circulated probably through the Red River Valley district during the fall, they would return in due and natural course to the New York bank for redemption, probably by re-shipment from the Minneapolis bank for its credit, which would re-establish the deposit liability and concurrently cancel the liability on circulation. The relief that thus might be afforded to the New York banks as well as to the banks in the other central reserve cities would not be available if the banks in other districts were prohibited from paying out anything but the notes of the banks in their own district. Section 11 of Mr. Fowler's bill should therefore, in my opinion, be left out entirely.

There are other suggestions which could be made, such as further facilitating the prompt and active daily redemption of the proposed currency by making the expense of shipping the bills from one district to another for the purpose of redemption a direct charge against the general expense of the system, to be paid out of the general tax paid by the banks. This would go a long way towards facilitating and accomplishing the actual daily redemption which, in accordance with my argument, affords the currency its elasticity. But I have already trespassed on your time with the length of my letter and will close with thanking you for the opportunity of expressing my views on the subject. Yours truly,

JAMES B. FORGAN.

LETTER OF HON. CHARLES G. DAWES, EX-COMPTROLLER OF THE CURRENCY.

While we have in our present check and draft currency the most elastic circulating medium in the world, there yet seems to be a need of legislation providing for some additional elasticity in banking credits in the form of bank notes differing from our present bond-secured bank notes, which are inelastic.

The need of additional elasticity is one felt in this country when there is widespread panic, which fortunately occurs but seldom, and when the movement of the crops demands that actual cash be sent West and South, which, owing to an expanded condition of banking credits in the money centers, is needed locally at the same time.

Now, if there is one proposition upon which the conservative business men of this country are agreed, it is this: that at this particular time, considering the expansion of credits which has taken place during the past few years, the country does not need, and would probably be harmed by any permanent addition to a floating credit currency. Asset currency is simply one form of banking credit. If issued under laws providing for only a small tax restriction, there will be a tendency on the part of the banks to float what they can of it for purposes of business profit in normal times. There is a limit to the extent to which the business community can absorb an asset bank currency. If the National banks of the United States could issue notes unsecured by Government bonds up to twenty-five per cent. of their capital, subject only to a small tax, the business community would absorb such an issue, and the banks would keep it out for the purpose of profit. There would be no elasticity to speak of in such an issue. If the legal authorization should be of a much larger per cent. of the capital than twenty-five per cent., so that the maximum amount authorized was outside of the amount which the community could absorb, there would be an element of elasticity similar to the much discussed elasticity of the Canadian bank-note issues.

This would be an elasticity bearing an increasingly less proportion to the fixed amount of currency in circulation, which circulation would constantly tend to reach the maximum authorized by law. When the maximum was reached, the circulation would, as a whole, become inelastic so far as any additional expansion is concerned, and in times of emergency or panic would be a menace to business as threatening a contraction at a time when expansion would be desirable from the standpoint of general business. To illustrate, let us consider the statement of the Canadian banks made for the month ending March 31. Their deposit liabilities are about 418 millions. Their authorized currency issues are about 73 millions, and the notes actually in circulation are $58,283,484. Their cash reserves, including money due from banks, aggregate about $80,000,000 or only about seventeen per cent. of their deposit and note liabilities. Their possible increase in note issues is now about $15,000,000, and this represents less than four per cent. of the amount of deposit liabilities. In other words, the possible expansion in uncovered note issues in Canada, which will represent the measure of the relief which their kind of currency can afford in time of panic, is less than four per cent. of their present deposits. And this, too, in a time of commercial prosperity and business confidence, and with Canada bank credits in an already well expanded condition. Now, this is not the condition into which, as a matter of public policy, we should wish to put this country by any new bank currency law.

In the limited statement desired of me I cannot discuss the question of the safety of an asset note system in the United States subject only to a nominal tax, further than to say that the plans so far presented have not been safe, in my judgment, and that any proposed system of asset currency to be issued by a non-centralized and widely-scattered system of independent banks such as our own, presents problems materially differing from those involved in any existing system of asset notes in the world.

The so-called Fowler bills have failed to receive general support for various reasons. As suggested by others, these bills have been fatally defective from a practical standpoint in their provision for methods of current redemption of notes. In my judgment they are also defective in other respects, and have been too complex and comprehensive to command the support of the majority of thinking business men.

The practical forward step in currency reform at this time would seem to be the authorization of a limited issue of uncovered notes to be subject to so heavy a tax and such provisions for redemption as not only to make them safe when issued, but to make them truly elastic. Such notes would add to our circulation during times of contraction in other kinds of credits, thus becoming a means of public relief, and would be driven out of circulation by the tax when such a period of credit contraction was over. We need not call these notes by the name of emergency circulation if the effect of that name is feared. They would be issued in times not approaching a panic and during periods of public confidence if the tax should be made low enough to permit their periodical appearance in crop-moving times. By their legal authorization now the public would become accustomed to them, and would probably not be unduly disturbed at their appearance in times of panic. In the passage of any provision for elasticity in our currency the following principles should be kept firmly in mind:

First. There should be no radical experiments made, and we should risk in no degree whatever the absolute safety and solidity of our present bank-note currency in order to secure additional fluidity.

Second. If we can safely inject an element of elasticity into our bank currency we should see to it that we are not furnishing a currency which can be used as a basis of current business and speculation in times like the present, thus adding to the perils of panic instead of mitigating them.

Third. We cannot secure elasticity in any asset currency issued by the National banks of the United States to be so limited in the amount of its issue as to be undoubtedly safe, without the imposition of a high restrictive tax of not less than four per cent. and probably five per cent., thus providing for its circulation only in times of the high interest rates which accompany enforced contraction of banking and business credits in panics or crop-moving periods.

Views of Hon. Chas. N. Fowler.

Upon the topic "The money supply of the United States, is it sufficient for our commerce, and suggestions as to a practical plan for its elasticity," I desire to submit these conclusions as milestones which must be passed before we can ever arrive at a condition at all suited to our business, and adequate to our commercial needs:

First. We must have a standard of value, and it must be the standard of the civilized world; since we have extensive transactions with every country.

Second. Our money must be coined of that standard; since we must have enough of that standard coined into money, and that money so well distributed throughout the United States, as to readily prove, test and measure all credits, insure steadiness of values and so promote general and continued prosperity.

Third. The currency of the country should not be confounded with this money, as you have evidently done in your use of the word. "Money" is the topic you have proposed for discussion.

Fourth. Money may be used for currency, as well as to measure values; but currency cannot be used for money in the sense in which money measures values.

Fifth. I assume that what you intended to propose was an inquiry into the supply of currency.

Sixth. If we had a rightly constituted system in this country, the banks, taken as a whole, would buy as much of the standard of value in the form of coin as their business required, and they would create, not buy, as much currency as their business required.

Seventh. That all of our silver coin is only currency is clear from the fact that values are not measured in silver. All bank notes, too, including those secured by Government bonds, are currency. While checks and drafts are just as much currency as either of these forms, differing only in characteristics.

Eighth. About ninety per cent. of all business is transacted in this last form of currency, which is created from season to season, month to month, week to week, day to day, hour to hour, and minute to minute, just as business requires it.

Ninth. Assuming that two per cent. of all our business is transacted in money, as distinguished from all forms of currency, we are left to inquire how to create the currency with which to carry on the remaining ninety-eight per cent. of business.

Tenth. It is my unqualified opinion that this currency should be created by the banks concurrently with the transaction of business, and that it should be a credit currency insured by a guarantee fund, say of five per cent., which, according to the experience of the National banks during the last forty years, would be sufficient to cover all the losses for six hundred and twenty-five years. Until this principle is adopted, we shall never have a currency always equal and adequate to the demands of trade.

Eleventh. The amount of bank currency secured by Government bonds will always rise and fall inversely with the profit and loss on the bonds, and will reflect business conditions only slightly, if at all, and then but indirectly.

Twelfth. What is true of a currency based upon Government bonds would be still more true of a currency based upon municipal or railroad securities, which are now, and would still more then be, the foot-ball of bond speculators.

Thirteenth. Again, a thorough investigation will disclose the fact that the ten billions of commercial assets of the banks of the country are a safer, better and more liquid security than such municipal or railroad bonds; since these assets represent the consumable commodities of the country.

What we want is more knowledge and less prejudice; more science and less local tradition; more patriotism and wisdom and less selfishness and shortsightedness.

Judge O. E. Dunlap, of Waxahachie, read a valuable paper on "Public Warehouses and the Proper Safeguarding of Weighers' Receipts." H. M. Cate, President First National Bank, Mineola, also spoke on the same subject. He pointed out the legislation needed for the adequate protection of banks lending on warehouse receipts.

John P. Cooper, Cashier of the Citizens' National Bank, McGregor, spoke on "Bank Advertising." Judicious advertising, he said, would materially increase the business of the banks.

These officers were elected for the ensuing year: President, A. V. Lane, Vice President National Exchange Bank, Dallas; first vice-president, W. H. Rivers, President Bank of Elgin, Elgin; second vice president, L. White, Cashier Collier County National Bank, McKinney; secretary, P. W. Butler, Cashier Farmers and Merchants' Bank, Clifton; treasurer, Samuel Webb, President Albany National Bank, Albany; assistant secretary, W. M. Windom, Cashier Farmers' and Merchants' National Bank, Farmersville.

The next convention will be held at El Paso.

MISSOURI BANKERS' ASSOCIATION.

The thirteenth annual convention of the Missouri Bankers' Association was held at St. Louis May 20 and 21. Over 600 members and visitors were in attendance at the convention. J. C. Van Blarcom, Vice-President of the National Bank of Commerce, welcomed the delegates on behalf of the St. Louis Clearing-House Association, and incidentally gave some striking facts in relation to the growth of the State of Missouri. W. A. Rule, Cashier of the National Bank of Commerce, Kansas City, responded on behalf of the bankers.

Charles O. Austin, formerly Cashier of the Mechanics' National Bank, St. Louis, but now Vice-President of the National Bank of North America, Chicago, then delivered the following address as President of the Missouri Bankers' Association:

Annual Address of President Charles O. Austin.

The year 1902 was one of large crops, and as good prices prevailed for all farm products the agricultural interests of the nation have continued to enjoy that marvelous wave of prosperity which began to sweep over the country about six years ago, and as yet shows no signs of ebbing. The manufacturing interests of the nation have never been more prosperous, and railroads have been unable to take care of the increased traffic offered them, neither having the cars to carry it nor the motive power to move it. All branches of business have shared in this period of great national prosperity.

The principal events of note since our last convention and which probably most interest us as bankers, have been: the stringent condition of the money market, produced by the unprecedented demands of the commerce of the nation upon its banking power, and the consequent high rates of interest prevailing in the principal financial centres of the country: a condition which at present gives little promise of immediate betterment; the strike among the anthracite coal miners and which resulted in considerable damage to business during its continuance; the session of Congress, at which much was attempted, but little accomplished; the anti-trust movement on the part of the Roosevelt administration; and the decision of the Federal court at St. Paul defining the law bearing on the right to consolidate competing lines of railway and particularly applicable to the consolidation of the Burlington and Northern Pacific lines.

The stock market has experienced a decidedly inactive condition for the past twelve months, due doubtless to some extent to the high rates of interest which have attracted the surplus bank balances into commercial lines, but perhaps to a greater extent to the fact that the public has apparently lost confidence for the time being in Wall Street. Large issues of securities which have been negotiated by various combinations, and a large portion of which yet remains in the hands of the underwriting syndicates, act as a damper to any bull movement in stocks, and for months the country has experienced a gradual but persistent shrinkage in security values.

Present conditions are healthy, but the future contains much of a disquieting nature. New York bank reserves are low, and it is quite difficult to see just at this time where the money to move the growing crops is to come from.

Again, labor was never in a more unsettled condition than at present. Every large commercial centre in the country is to-day suffering from strikes of more or less severity among some one or more of the various branches of organized labor. We are promised that some financial legislation will be effected at a special session of Congress, to be convened some time this approaching fall, and it is to be sincerely hoped that this promise will be made good. Unfortunately, our Treasury system has not kept pace with the growth and commercial expansion of the country, and the continued absorption by it of the actual money of the nation is a constant menace to our commercial solidity. The Aldrich bill, which had some good features and some bad, but which in the main was a desirable one, and which should have been passed if for no other reason than that it would have served as an entering wedge for future financial legislation, was unfortunately defeated in the last days of the recent session.

Business Conditions in Missouri.

So much for general conditions, and now as to the condition of business in Missouri. For several years Missouri has prospered as never before in her history. Abundant crops and fair prices have made her farmers wealthy. Her mines, forests and factories have been taxed to the utmost, and as prices for all products have been good, the amount of wealth constantly flowing into the State for her surplus productions is very large. It is doubtful if even her own citizens realize the importance of Missouri as a producing State or the vastness of her resources. While it may be truthfully said that the natural resources of the State are just beginning to be developed, and that her commercial industries are in their infancy, a reference to the volume and value of some of her products for the years 1899 and 1901, as shown by the latest report of the State Labor Commissioner, may be of some interest to you. As a matter of course her chief wealth is derived from agriculture and kindred pursuits.

In the year 1899 this State produced in round numbers: 209,000,000 bushels of corn, to the value of $61,250,000; 33,000,000 bushels of wheat to the value of $13,500,000; 20,500,000 bushels of oats to the value of $4,700,000; 4,500,000 tons of hay, to the value of $20,500,000; 25,600 bales of cotton to the value of $850,000; 8,000,000 bushels of potatoes to the value of $2,800,000; poultry and eggs to the value of $18,000,000; milk, butter and cheese to the value of $15,000,000; fruits of all kinds to the value of $4,000,000.

In 1901 there was marketed by the farmers of this State as surplus products for that year: Cattle to the value of $27,000,000; hogs to the value of $22,500,000; horses and mules to the value of $8,000,000, and sheep to the value of $2,000,000. During the first four months of the year 1903 there was marketed at the three cities of St. Louis, Kansas City and St. Joseph, 949,400 head of cattle, or more than 30 per cent. of the entire number of cattle marketed at all the packing centres of the country combined during that period. The products of the mines and quarries of the State for the year amounted to more than $30,000,000, and her timber and lumber products to more than $11,000,000. As showing the diversity of resources of this State, it may be of interest to know that the pine forests on the slopes of the Ozark Mountains produced timber to the the value of more than $3,000,000, while the coal mines of the northern and western counties of the State produced over 4,000,000 tons of bituminous coal, worth more than $5,300,000.

There have been enumerated here only the principal items of Missouri products. It would be possible to name many other products for which the value for the same year amounted to separately many thousands of dollars, and collectively to many millions of dollars, but they are too numerous to mention at this time and place. That the State is an important manufacturing community is proven by the existence of 19,000 establishments for manufacturing purposes, with combined capital of $250,000,000, and annual products of $385,000,000. The valuation of farm property in this State is more than one thousand million dollars, or nearly equal to the combined capital and surplus of all the National banks in the United States. The 135,000 factory employees in the State receive in salaries and in wages more than $75,000,000 annually.

Flourishing Condition of the Banks.

The banks of the State are in an exceedingly healthy and prosperous condition. The last annual report of the Secretary of State on bank examinations gives the number of incorporated and private banks operated under State supervision at the close of business, October 31, 1902, as 656, with a total paid-up capital of $19,938,480, and surplus of $10,484,218, and deposits of approximately $129,000,000. Seventeen trust companies report on the same date paid-up capital of $21,822,200, surplus funds of $24,742,415, and deposits approximately $63,000,000. The Comptroller of the Currency reported under date of September 15, 1902, 77 National banks doing business in the State with a paid-in capital of $21,542,670, surplus funds of $17,026,000, and deposits exceeding $190,000,000. The total deposits of the banking institutions of the State as given in these reports is in round numbers $385,000,000, or nearly $125 for every man, woman and child in this State.

That the State makes this wonderful showing is the more remarkable when it is remembered that it has been accomplished in the face of the most adverse circumstances, for it cannot be denied that the general attitude of the Missouri legislators has for many years been antagonistic to the development of the resources of the State by foreign, or to use a more familiar term, Eastern capital. It is not idle boasting to assert that there is no other State in the Union that possesses the vast variety of resources and in such great abundance as this, and while its growth both in population and commercial importance has been steadily progressing, yet it would have been greater if outside capital and energy had been encouraged to find employment within her borders. This unfriendly disposition towards Eastern capital in every form is more to be regretted since recent exposures of legislative practices in the State are apt to lead to the conclusion that the members of our legislative bodies in their efforts to levy heavy taxes on foreign capital and energy, which have been practically prohibitive against some industries, have been actuated more by the desire to hold up prospective investors for the purpose of personal profit than for any reason of public good. Every dollar of outside capital that can be induced to come into Missouri and be invested in any legitimate business enterprise, whether in the shape of capital for manufacturing purposes or for developing the mines or for building railroads, or whether in the shape of farm loans or insurance capital, is directly beneficial to every citizen of the State, inasmuch as it creates employment for her people and a market for her surplus agricultural products. Capital is timid, and when a community gets the reputation, deservedly or otherwise, of being unfriendly to its advances, it turns to some more hospitable community where it is likely to find a hearty welcome. Investors, capitalists and promoters of every legitimate class of business should be encouraged to come to Missouri, and should be met at the threshold of our State by our citizens and invited to thoroughly investigate her farms, mines, quarries and forests, and that extensive system of natural waterways capable of carrying the commerce of the nation. If a railroad company wishes to develop any particular section of country along its lines, it appoints emigration or industrial agents, whose particular business is to encourage those seeking new homes to locate in the towns and on the farms in its territory. Every progressive city in the country has one or more organizations, the chief purpose of which is to invite new enterprises to locate in its midst.

It would appear then, that if the people of the State of Missouri wish to develop its thousands of acres of uncultivated yet fertile soil, its rich deposits of mineral and fine building stone, by inviting home-seekers and capital to locate within its borders, the most expeditious and effective means would be through a State Board of Commerce, which should consist of men thoroughly familiar with their duties, and the resources and advantages to be obtained in the State.

Her climate, her soil, the diversity of her resources, and her citizenship, make Missouri the most desirable State in the Union for the well-to-do farmer or the merchant and manufacturer of moderate means. Centrally located, half way between the Gulf Coast and British dominions on the north and between the Atlantic Ocean and Rocky Mountains, and with excellent railroad facilities, Missouri is more easily reached from all other sections of the Union than any other State. In the southern part—typically southern—and in the northern part—as truly northern—her people combine the graces, and hospitality of the old Dominion with the energy and shrewdness of New England, forming a population not excelled, if indeed equaled, by that of any other State, and upon this people depends whether or not the State shall remain where it to-day is or whether through their efforts and energies it shall be made to keep pace with the other States of the Union. For many years her neighbors, ignorant of her resources and envious of her progress, have in a spirit of derision referred to the State as "Poor Old Missouri," but "Poor Old Missouri" is dead now these many years, and from her grave has arisen a great commercial State, the name and fame of whose products are known to every race of people on the earth, and at her masthead floats this emblem—"Grand Old Missouri."

Reports were read by Secretary Elmer D. Kipp, Cashier of the Farmers' Bank of Bates County, Butler, and by Treasurer Harry M. Rubey, Cashier of the State Exchange Bank, Macon. They showed the membership to be growing, and the general condition of the organization to be satisfactory. Brief but interesting addresses were also made by the chairmen of the various groups.

Sam B. Cook, Secretary of State and Bank Examiner for the State of Missouri, was the next speaker. He said:

Address of Sam B. Cook, Secretary of State.

Under the guardianship and control of the bankers of this great State are the most important business interests of the Commonwealth.

Successful banking is based on public confidence, and public confidence cannot be maintained without strict integrity and the highest order of business ability.

Missouri bankers, and when I use the term bankers in this address, I, of course, include the great trust companies which are such important factors in the financial life of the State, and so necessary in meeting the requirements of existing conditions, have substantial reasons to be proud of the record they are making.

That they merit public confidence and are receiving it is forcibly demonstrated by the unparalleled growth of deposits, as well as in the phenomenal increase in capitalization—the logical result of clean and successful banking.

During the past two years there has been an average increase in the capitalization of State banks and trust companies alone of a million dollars each month.

I have not the data upon the National banks, but deposits of State banks and trust companies, for the same period, have kept healthy pace with this rapid increase in capitalization.

It is as highly gratifying to me as it is to you to call public attention to these facts which so plainly show the substantial and flourishing condition of the banking interests of our great State.

It is indeed a great compliment to the activity, ability and integrity of the Missouri banker, and most pleasantly demonstrates to how great an extent he enjoys, as well as deserves, the confidence of the public.

This condition indicates, too, that the people of Missouri are enjoying a period of unusual prosperity.

There has been an unprecedented flow of capital into the State, and prices have sharply advanced. In most of the counties where lands have changed hands, it has been at an advance of fully twenty-five per cent.

Missouri soil never produced such wonderful crops as our people harvested last year. The railroads were scarcely able to handle the grain and the live stock produced on Missouri farms.

Naturally the banking interests shared in this prosperity.

PROSPERITY NOT TO BE PERPETUAL.

While I have great confidence in the future of Missouri, and firmly believe that our State has before her greater advancement and more substantial progress than she has ever known, yet, in the very nature of things, there will come a time when bankers must confront perplexing conditions. The prosperity which blesses our State to-day must be followed in course of time by business depressions and financial anxiety.

It is well to remember these things in the period of plenty. The prudent banker will avail himself of these auspicious times for building up a strong surplus; for reducing to a minimum the amount at which he carries his real estate, and for charging off entirely from his active assets every dollar of questionable paper.

Enterprise and progress do not mean that there should not be prudence and conservatism. They go hand in hand, and without each there can be no permanent success in banking.

But whether in prosperous times, or in days of sore anxiety, there are some things the prudent banker will not do. There are very few banks in Missouri which are not conducted in a manner which reflects credit upon their management, but for the benefit of some bankers in some of our sister States, I will suggest that whether in times of prosperity or distress, it is bad business policy to pay six per cent interest for public deposits, and rarely justifiable to pay half that rate.

It is bad policy to keep large sums of money idle because they cannot be loaned for eight per cent., when they could be invested in good paper at five and six.

It is as much a mistake for the country banker to refuse a first-class real estate loan as it is for him to over-loan on this class of security.

It is a mistaken policy to have too great a portion of your capital tied up in your banking house; to permit customers whom you are afraid of losing to habitually overdraw their accounts; to permit your overdue paper to accumulate, when you could put the blame for its prompt renewal on the Bank Examiner; to make a questionable loan in order to take a customer from a rival bank; to carry as cash items anything except drafts in transit, or to take advantage of temporary conditions to make unreasonable profits.

As laudable as are the efforts to return to stockholders handsome earnings on every investment, the highest purpose of the banker is not directed to declaring big dividends.

The bank which looks most to the security and accommodation of its customers, which is keenly alive to the interests of the community of which it is a part, which is free from the charge of greed or selfishness, which strives for the highest plane of business confidence and public esteem, is the bank that will grow strong with each succeeding year. And with such a bank the dividends will take care of themselves.

GOOD RECORD OF MISSOURI'S BANKS.

I share the pride of the Missouri bankers in the record they are making. During the past two years there have been only two bank failures in the State, and these were mere adventures which were closed before they had wrought any serious loss to their respective communities. One Cashier escaped to old Mexico, and the other is facing a criminal prosecution. In each case the failure could have been averted had the board of directors done its duty.

In this connection, I want to say that no matter how capable may be the President and the Cashier, they will be strengthened by the counsel and constant co-operation of their board of directors.

IMPROVEMENT IN THE BANKING LAWS.

The banking laws of Missouri are in advance of those of most of the States, and in the main are just and equitable.

Your association has given much intelligent thought to the perfection of these laws, and has materially aided the Banking Department in securing such changes as experience made manifest. I want to impress upon you the necessity for keeping your legislative committee on active duty.

I prepared, and had introduced at the last session, a bill requiring private banks in cities of one hundred thousand inhabitants or more to have not less than one hundred thousand dollars capital. It seemed to me that the reasons for a plain statutory requirement of this kind were so apparent that there could be no serious opposition to the bill, nor need for any special effort to secure its passage.

The department had ruled against giving authority to do business to banks in cities of one hundred thousand inhabitants with less capital than one hundred thousand dollars, but last year applications were made by both Kansas City and St. Louis parties for this authority for private banks, with a capitalization of only ten thousand dollars. Mandamus proceedings were instituted by the Kansas city parties, and the court held that, under the law, the authority should issue.

The legislative committee on banking was advised of the necessity for a change in the law, and the committee unanimously reported the bill favorably. It was attacked in the House, however, by country members who insisted that the bill discriminated against small banks, and was, therefore, in the interest of the big capitalists. I did not care to become a lobbyist, did not visit either the House or the Senate during the entire session, and the bill was beaten.

The result is that we are likely to have a number of five and ten thousand dollar banks in the big cities.

In the country where the people are familiar with the financial condition and personal standing of practically every man in the community, there is no need for a large capital in order to protect depositors. But in the large cities where it is impossible for the great majority of the people to know the personal and financial standing of many individuals engaged in banking, there is need for a large capitalization.

An effort was made to organize a private bank in St. Louis last year, with a capital of ten thousand dollars, by parties who wanted to use it as a mere reference by the now defunct get-rich-quick race track concerns. A bank of this character could do immense injury to the public, and the law should not permit its organization.

Another measure which would be of great benefit to both the public and the banks is a change in the existing law so that banks can add to their capital any surplus they may carry, no matter how small, in estimating the amount they may loan to any one person.

And still another measure which, in my opinion, has much merit, is the bill written, I believe, by your worthy treasurer, Mr. J. B. Thomas, making the law regulating negotiable instruments uniform with the law now in force in a majority of the States.

The State Banking Department will be glad to co-operate with this association in securing the enactment of these and such other laws as would be for the best interests of the public, and the great interests you specially represent.

The relation which exists between the bankers of Missouri and the department of which I now have the honor of being the head, is of the most confidential character.

It is gratifying to me to be able to state publicly what you gentlemen so well know, that in the great majority of instances the banks of Missouri are as solid as the Government itself. There is no business requiring a higher order of ability than the trust which you gentlemen hold.

The interests of the bankers and of the Banking Department are mutual, and through intelligent co-operation the welfare of the public is best subserved.

Wm. L. Moyer, President of the International Banking Corporation, and also President of the National Shoe and Leather Bank, New York city, spoke on "How Foreign Commerce Benefits the American Banker." His address was a follows:

HOW FOREIGN COMMERCE BENEFITS THE AMERICAN BANKER.—ADDRESS OF W. L. MOYER.

Before beginning to give you my views on "How Foreign Commerce Benefits the American Banker," I want, first, to express the great pleasure it gives me to be with you again, and to see so many of my old friends and acquaintances here; and, second, to tell you a little story I heard the other day. An eloquent young divine was preaching, and upon reaching a climax, was somewhat startled to hear one of his audience say, in a voice loud enough to be heard by most of the congregation: "That's Beecher." He proceeded, and at the end of another flight the same voice exclaimed: "That's Spurgeon." Again he proceeded, and a third time he was interrupted by, "That's Talmage." Leaning over his pulpit and shaking his finger at the offending brother, he said: "Will you shut up! I will not be interrupted again!" And the response came promptly: "That's himself." The application is obvious.

It is safe for me to assume that there is scarcely one of us who has not frequently during his banking career been confronted by the problem of how to maintain dividends when interest rates fall, or when competition becomes so keen as to prevent the profitable use of his funds.

It seems, therefore, fair to presume that any policy, pursuance of which may with safety exercise a favorable influence upon the profit account of a bank, is a welcome topic for consideration and discussion.

Recent circumstances have caused me to devote time and thought to a question to which I had previously given comparatively little attention, viz.: The extension of our banking system to other countries.

When, therefore, you honored me by asking me to address you, it was natural to ask myself: "Will a subject connected with my present work be of interest to my old friends and associates?" Thinking that it might, I have come to speak to you on, "How Foreign Commerce Benefits the American Banker."

PRINCIPAL SOURCES OF A BANK'S PROSPERITY.

Before taking up this subject specifically, it is proper to ask another question: "Upon what does a bank depend principally for its prosperity? What condition, outside of the bank itself, works for its benefit?" Without hesitation one may reply that that which is of prime importance is energetic, healthy commercial activity in the community to which the bank looks for its business.

The truth of this statement will not, I think, be questioned; granting its truth, we reach the conclusion that, other things being equal, any force or circumstance that tends to develop and expand the commercial activity of a community is of vast benefit to its banks.

In view of these facts, and with our experience as bankers, let us try to see what can be done to attain the best results for our banks and show a sustained profit for our stockholders.

In its early days a community is the center of a sparsely-settled area, where the people are engaged in agriculture, stock raising, lumbering or mining; the community has very little money, and the first business of the bank is limited to loaning its funds at rates which, although high, are those which the borrowers must pay, having no other recourse.

As the development of the neighboring territory progresses, and the wealth of the community increases, the bank becomes the custodian of its surplus funds, and by loaning them at fair rates realizes good profits and earns large dividends on its capital.

With the increasing wealth of the community, however, banks increase in number, individual lenders compete with the banks, and interest rates fall. Furthermore, the production of the community soon reaches its own consuming power, and unless there be an outlet for its surplus products, business stagnation follows, the period being one when the needs of the community are about met by its own production, with a comparatively small demand for money. This condition is disadvantageous for the bank.

New enterprises come in, new railroads enter the territory and provide outlets for its surplus products, and increased business activity follows.

While the increase of wealth in the community, through the sale of its surplus in other markets, offsets the demand for money with which to cultivate larger areas, and so prevents any decided rise in the interest rate, the growth in number and volume of the bank's transactions, resulting from the new commercial activity and life of the community, brings to the bank another period of profit.

This stage in the history of a community and its bank continues until the development of the natural resources in the surrounding territory has reached a maximum. Then comes a second period of stagnation, often one in which, because of the quantity of idle money in the district, interest rates seek a lower level or a large surplus is carried at small profit, and the bank's earnings fall in proportion, making it difficult to maintain the dividend rate.

Then comes the manufacturing period, and with it the employment of the funds of the community in new enterprises. Here we pass through the same phases as before: both community and bank repeat the experience of the period of natural products, the engagement of the funds thus employed at first bringing in better interest rates for the bank. When the manufactures equal the demands of the community, there comes another time of business depression. Then the increase in the capacity of the factories and the shipments of and sale of their wares to other parts of the country, renewed activity in the business world, a corresponding time of prosperity for the bank, progressive growth, both in wealth and life of the community, until the time when the output reaches the capacity for consumption of the country itself.

When that limit is reached there comes again in the life of the community, and of all communities similarly situated in the same country, a time when business seems to be at a standstill and banks suffer accordingly.

Standing at this point, and seeking a remedy for the stagnation of business, we must be governed by past experience. In each case you will see that the period of depression has been relieved by reaching out for broader markets. Thus, and thus only, may the surplus products of the community be disposed of, and its commercial life be made broader and stronger.

Thus it appears that when a nation reaches the point where its natural and artificial products outstrip the nation's needs, the further growth of its commerce, upon which the prosperity of the bank largely depends, calls upon the nation to enter the field of foreign commerce.

If the foreign commerce of the country be then encouraged by every legitimate means at hand, the nation's commercial elements will respond, and with that response will come an increase in volume of the bank's transactions, and corresponding profits.

Leaving for later consideration the various ways in which the banking community will profit by the development of foreign commerce, and accepting the conclusions reached, let us review the various phases through which communities and their banks have passed, and get the benefit of their experiences.

The commercial life of the community and the prosperity of the bank go hand in hand, and if the banker would benefit himself, he must do so by using the trust that the public has reposed in him for the upbuilding of the legitimate commercial life of that community. Thus we see that in order to answer properly the question, "How can foreign commerce benefit the American banker?" we must also answer the question: "What can the American banker do to build up and extend our foreign commerce?"

EXTENSION OF BUSINESS DEPENDENT UPON EXTENSION OF BANKING FACILITIES.

The extension of our foreign, as of our domestic business, depends upon the confidence of the commercial community in the banking facilities available, *i. e.*, in the ability to furnish accurate information about the standing of prospective customers, in the prompt collection of proceeds of sales made in distant localities, and in making advances as needed.

No foreign bank can handle our foreign business satisfactorily in a distant land. Our banks through foreign branches or agencies must be able to follow our foreign trade through all its wanderings from factory to market. If a bank do less than this it will satisfy neither its customers nor its stockholders. Hence, in order that the nation's commercial community and banking world may continue to reap the legitimate fruits of their growth, the banking system of the country must be extended beyond the country's boundaries.

These facts have long been recognized by other nations, particularly by England and Germany, and it is through this recognition that they have been able to develop their foreign commerce, the profits from which have added enormous sums to the wealth of the home countries.

With no experience of our own to guide us, it is but prudent to understand and appropriate that of the pioneers in the field, and it is, perhaps, fortunate for us that the particular sphere in which these nations have displayed great activity is that to which the logic of events naturally causes us to turn our attention.

The Treasury Bureau of Statistics, in analyzing the international commerce of the principal countries of the world, estimates that the total annual value of the manufactures which enter into this commerce amounts to four billions of dollars, of which sum the United States furnishes ten per cent., or $400,000,000. Of this enormous total the United Kingdom supplies one billion dollars, or twenty-five per cent.; Germany supplies twenty per cent.; France about twelve per cent., and the Netherlands about six per cent. You will note these four nations supply almost two-thirds of the entire amount of the commerce of the world.

Strange to say, the nations which are the largest exporters of manufactures are also the largest importers of manufactures, this being due, in part, to the fact that much of the material which they use in manufacturing is produced in other countries, and imported in the first stage of manufacture; while other manufactures imported are composed of articles produced in other parts of the world, and not produced in the countries in question.

In the case of Great Britain, for example, which imports seven hundred and twenty-five millions of dollars of manufactures annually, nearly thirty-six millions represents the value of copper, chiefly imported from the United States in the form of pigs and bars in the first process of manufacture; sixty-five millions of dollars manufactures of silk, of which the material is not produced in Great Britain; sixty-three millions of dollars of wool, a large part of which is imported in the first stage of manufacture; sixty-seven millions of dollars of food and drinks, chiefly in the first stage of manufacture; and more than fifty millions of dollars of leather, which, after importation, becomes a material for use in manufacturing.

Exportation of manufactures exceeds importation in Great Britain, Germany, France, the United States, Austria-Hungary, Belgium and Switzerland, respectively—while in all other countries in the world importations of manufactures exceed exportation.

Turning to the import side, we learn that manufactures form seventy per cent. of the importation into Australia; sixty-eight per cent. into the Argentines; fifty-seven per cent. into Canada; fifty-three per cent. into Japan; thirty-eight per cent. into the United States; and twenty-eight per cent. into Great Britain and Germany respectively.

OPPORTUNITIES FOR AMERICAN COMMERCE IN THE ORIENT.

The important field now open to us and from which we derive comparatively little benefit is the Orient, the trade of which, from our relative geographical position, no less than from our superior facilities for handling it, properly belongs to the people of the United States. Facing the Pacific and South Pacific oceans is a population of seven hundred and fifty million people whose commerce to-day represents the enormous sum of more than two thousand million dollars per annum. Of this the United States handles less than ten per cent., or two hundred millions, while the profits resulting from the remaining ninety per cent. go to European banking houses and merchants instead of to our own.

England and Germany have pre-empted the Oriental field, and gained a firm hold on its commerce, which they will be slow to relinquish. Encouraged by the presence there of powerful representatives of their respective nations, by the influential position held by their banking establishments, and by the ready help they extend, natives of England and Germany have sought those distant shores, have lived and prospered there, and have greatly extended the business of their adopted countries with their native lands.

To cultivate that foreign commerce, and to give us an equal chance with England, Germany and other countries, it is as necessary that we should follow their example and have our own banking institutions in those markets to promote and facilitate the trade which our goods create, as it is that any army in a distant land should have a supply department. The latter furnishes transportation, provisions, forage, etc., to the troops and follows the army in all its movements. In like manner the bank supplies its customers engaged in exporting with the facilities necessary for the movement of their products to foreign shores. An international bank drives home the wedge of a country's commerce in a foreign land. Only when a bank works for it will foreign trade expand. It is a familiar saying that "Commerce follows the flag," but unless with that flag is a bank of the same country, we are safe in saying that it will not follow far.

What commerce will do for a country is well known by the growth of England. With an area scarcely larger than the State of New York, England, through her foreign commerce, has become the wealthiest nation in the world. She has scarcely a bank or a bank branch which is not directly connected with one or another of the great Anglo-Oriental banks. In all the advertisements of those Oriental banks a long list of domestic banks is given, and in many other ways a community of interest is established which results in bringing the Oriental bank and the home bank and (what is of more importance) the customers of both, into very close and sympathetic reciprocal relations, which, in its results, is enormously stimulating to international commerce. If the merchant in Sheffield, England, wishes to open a market for his goods in Hongkong, he obtains the most reliable and confidential information through the medium of his bank, and its associated institution in Hongkong, and in every way conceivable his business is promoted. The services which the home bank, through its foreign branches, renders to the home producer are far superior to those which are afforded by agencies in this country.

But England's hold on the Orient, although not to be easily lessened, is not, so far as we of this country are concerned, an insurmountable obstacle.

While, by reason of the long-established relations of English houses, that country's Oriental commerce is now in the lead, it must be borne in mind that the early completion of our cable to Manila will cut in half the present cable distance, and thus add to the advantage of our geographical position that of much lower cable rates.

If it be true that American merchants and manufacturers are entering the field with Great Britain and Germany and successfully wresting from them, not only the other European markets, but their own domestic trade, they need not fear competition in distant countries where their rivals are working at a far longer range than they.

With the banks of this country joining forces and pursuing the policy hitherto so successfully followed by England, every bank in this country has the means of being of very great service in developing the business of its clients and in adding to its own profits.

How Foreign Commerce Benefits the Banker.

This development of foreign commerce will benefit the American banker in more ways than one. It will do so—

First. As has been shown above, in the increased and sustained activity of the commercial life of the community which he serves.

Second. The American banker, who is engaged in this kind of business, will be benefited by his assets being in more liquid form. When the manufacturer in this country sells his products in our markets, it frequently happens that he requires almost continual assistance from his banker, owing to his inability to realize on his sales until after the expiration of the term of credit, which usage demands be granted to his customers. A large percentage of the bank's bills receivable are thus made up of unsecured commercial paper upon which, in time of stringency, the bank could not realize quickly. When, however, the sales of the manufacturer are to foreign customers, they become the basis for bills of exchange, which bills are accompanied by bills of lading, insurance policies, etc., covering the shipment of the goods—the accompanying papers being of such a nature as to give the purchaser of the bill a lien upon the goods. These bills, when drawn in accordance with well-established usage, are readily sold in London, Paris and other great money centres. The banker is thus placed in the position of being able to carry them in his discounts, or of realizing upon them at a day's notice, if he desires to do so, for the purpose of increasing his reserve.

Third. Foreign commerce benefits the American banker by furnishing for the funds in his hands a legitimate field for use, and thereby lessening the temptation to enter the field of speculative capitalizations. As the commerce of a nation increases, the number of bills of exchange current increases correspondingly. These offer to the banker an ever-present legitimate investment of far greater safety than the average commercial paper, and, as I have already said, are susceptible of the quickest realization. A bank, whether domestic or international, that is engaged in supplying the financial needs created by growing foreign commerce, should be a purely mercantile bank, and its funds being fully required in facilitating trade, it cannot be in any way connected with the flotation of industrial enterprises, or with the placing of their resultant securities.

In summing up, you will agree with me that the development of our banks is intimately associated with the commercial future of the country and that, with our rapidly-growing wealth, the best method of utilizing the country's surplus funds, so that they may serve as a valuable lever with which to move the world's commerce to and from our shores, is one of the most important economic questions of the day.

Up to the present time our domestic and the European trade which we have developed, have furnished sufficient outlet for our activities. It is so no longer. Our foreign commerce to-day, in certain staples, is of such importance to us that legislation abroad which would affect it adversely would cause acute financial distress in this country. For this reason, and even although the enactment of such legislation seems improbable, we should be swift to seize the opportunity to open other markets, to the end that if some outlets should be closed, there would yet remain others sufficient to our needs.

There is no doubt but that the commerce of the Orient, great as it is to-day, will be enormously increased in the near future, under the stimulus of American capital, American methods and American brains, and that as a result we shall see our country pass through an experience through which Great Britain has already passed; namely, that when a country takes up on a large scale the development of its commerce with distant lands, there results a marvelous expansion of foreign trade which increases many fold the nation's domestic banking capital and profits.

Walker Hill, President of the American Exchange Bank, St. Louis, and former President of the American Bankers' Association, was the next speaker, his subject being "Signs of the Times." He said:

Signs of the Times—Address by Walker Hill.

Mr. President and Gentlemen of the Missouri Bankers' Association—It gives me pleasure to join in welcoming you to the City of St. Louis. It has always been a hospitable city and has invited the world to visit it in 1904. To tell Missouri bankers what St. Louis is, would be like telling a child what it would find in its father's house. St. Louis belongs to Missouri, and should stand first amongst cities in the pride of Missourians. All St. Louisans are proud of Missouri, and all Missourians should be proud of St. Louis. There can be no divorce between St. Louis and Missouri; they are united "for better or for worse." The sooner every one not only knows, but feels this, the better it will be for all Missouri, including St. Louis. Therefore, the best welcome I can give you is to make you feel that when you come to St. Louis, you come to the home of your kin—your political, financial and social kin—and as kinsmen, I welcome you to the City of St. Louis.

TRUST COMPANIES.

Your discussion will range over a broad field. It is not unlikely that that new kind of banking—trust company banking—will engage much of your attention, and I may, therefore, be excused if I take advantage of this occasion to say something of it.

The "trust" and the trust company are not the same, as the lady thought who said she favored the "trusts" because they took care of the widow's and orphan's money. But "trusts" and trust companies are alike in this, that they each represent a new phase of commercial life, and the exact place and proper function of neither is certainly known. "trusts" and trust companies are alike in another respect. Both have come to stay in some form or other, and for work of one kind or another. The sooner this is recognized and we set about trying to find out the good that is in them the better it will be for all concerned. With trusts this association has nothing to do, but every member of it is interested, directly or indirectly, in trust companies, and therefore I beg leave to call your attention to some important facts concerning them. In New York, for instance, they hold $745,000,000.00 out of total deposits of $1,700,000,000.00, and yet carry a cash reserve in their vaults far below the limit that is conceded to be necessary for prudent banking; at least, such is their rule, though there are exceptions—a notable one being found in a trust company of the metropolis of the West, which carries fifty per cent. of its reserve in its own vaults. In fifteen years this company has successfully withstood two runs on it. The arguments relied on to justify the violation, now referred to, of the dictates of safe banking are fallacious in the extreme, and to most bankers evidence an indifference to the most dangerous feature of the business of trust companies.

The conduct of their managers can not be ascribed to ignorance, for one of the greatest financiers of the West, one who probably did more than any other man of his day to build up the middle west, who floated a large Government loan at the lowest rate in the world's history and who was taken from private life to befome the financial director of a successful National Administration, is now at the head of one of New York's great trust companies, and many other trust companies in every part of the country have experienced financiers and bankers on their boards or amongst their executive officers. These companies not only engage in what is essentially banking, but have savings accounts, act as guardian, and trustees of all kinds, buy and sell stocks, bonds, real estate and property of pretty much every description, both on their own account, and as agent, underwrite, or finance ventures of many, if not all kinds, and become sureties on all forms of penal bonds. I am not sure that this list exhausts the catalogue of their activities.

The business of trust companies might be more generally, but none the less accurately, described by saying that they do all that natural persons can do, and more than any one person ever attempts. In the multiplicity of their functions lies, in my opinion, the chief cause of the trust companies' failure to carry a safe banking reserve in their vaults. Banking is but one of the many departments into which the business of a trust company is divided, and possibly is not its more profitable department, and yet it is the most essential feature of the trust company, as now conducted. As a bank, it borrows, speaking generally, on demand, and lends on time—on longer time, speaking generally again—than bank loans run. Not only this, but they lend to the few and to the speculator, while banks lend to the people. When a bank discounts the note of a merchant, it is lending to that merchant's customers, and back of that loan is the solvency of those customers represented by merchandise, etc. Individuals frequently fail, but communities never, and so far as a community is back of a loan, it may be considered good, and to such an extent is the community back of bank loans, that it would not be very misdescriptive of the true situation to say that the merchant-customers of a bank are but the agents of the people to obtain for them sixty or ninety day loans. On the other hand, trust companies, still speaking generally, use their means as banks do, and, additionally in "financing" enterprises or buying their bonds—that is, become partners in such enterprises without the expectation of getting their money out of the ventures themselves at once, so that the recovery of their investments partially depends on their ability to sell their securities to some one else, and not upon the performance of the contract they hold. Furthermore, the deposits of trust companies represent more largely than do those of banks the savings of the people—in other words, their all—the savings for a rainy day—and so far as they are composed of such savings they stand for fear of loss, apprehension of evil, and readiness to become panic stricken.

Can any one truthfully deny that I have correctly described the situation of banks and trust companies with respect to the character of their loans and deposits; and if so, is it not apparent that trust companies should carry as large, if not a larger vault reserve, as I may call it, than should be required of banks? How they can safely do business with a less reserve than banks find necessary, I cannot conceive, and I ascribe their attempt to do so to the fact, as I have already said, that because of the diverse character of their business interests, their managers have lost sight of the fact that their most vital and delicate organ is their banking department, and to the further fact that the laws permit them to take the chance involved in their small currency reserves. A "statutory conscience" will not suffice for an honest man, nor will it do for these trust companies to run by "statute law" alone, and they should not wait to be reformed by Legislatures, but at once, and voluntarily, conform their methods to the dictates of an experience that cannot but be a safe guide for them—the experience of the commercial bank.

ASSET CURRENCY.

We hear a great deal of the necessity for an asset currency; but why look for such help as it would afford before availing ourselves of all the real money at hand? When the Federal Government ceases to lock up the country's currency in its Treasury, and on the contrary distributes its tax money over the country generally, we can tell whether we need asset currency, and how much, but not until then. What folly it would be for each school district, city, county, and State, to lock up in the vaults of their respective treasuries their tax collections, and into what a lamentable condition would the finances of the country be thrown by such a course; and yet such a policy would not be unlike that of the Federal Government, the greatest of all tax collectors.

Therefore I say, let there be no asset currency experiments until we have measured our needs for more money under a Treasury policy more rational than we now enjoy. If a system can be devised that will make an asset currency safe, then there will be no trouble in making the Government's money as safe in the banks as it is now in the vaults of the sub-Treasuries.

BRANCH BANKING.

Closely allied with asset currency, is the idea of branch banking. That such banking has been successful in some countries affords but slight assurance that it will answer in this country, because the conditions of such countries and ours are essentially different. This country is large, and the branches of the bank would necessarily be at considerable distances apart, and from the parent bank, while in nearly every portion of the Union is the population changing to a great degree by immigrations and removals, and I venture to say that under such conditions branch banking has never been successfully tried. Besides, under the most favorable circumstances, the difficulties surrounding branch banking must be greater than those to be met by the banks of to-day, for the very apparent reason that officers and directors who determine the policy of the bank cannot have that intimate acquaintance with its customers that is essential to successful banking. Furthermore, branch banking cannot be for the best interests of the smaller towns, or the communities which would be dependent on the branch banks. Branch banks would be the conduits through which the surplus money of their vicinities would find its way to the parent bank in a distant city, and such banking would be particularly hard on the small borrower who depended on the branch bank. The large borrower could afford to go to the parent bank and make his wants known, and convince its head manager of his right to the credit he needed, while the small borrower and the struggling beginner in business could not.

For these, as well as other reasons, I am against all schemes for centralizing the banking power of the country. Local banking and local self-government is my motto.

DOUBLE-HEADED ACCOUNTS.

Let me turn from the asset currency and branch banking, which are as yet nothing but propositions, and amongst the signs of the times, to one or two features, though minor ones they may be, of banking as actually conducted.

A detail of banking that I would call attention to as one which, in my judgment, should be changed, is what may be called double-headed accounts. They are a decidedly modern invention, another sign of the times, the real value of which I have never been able to discover, and consist in keeping two accounts with all, or some, corresponding banks. This may be proper enough when carried only to a limited extent, and for the purpose of keeping complicated accounts straight, but it is altogether wrong when used as the means to balloon balances.

The Comptroller, or head of a State banking department, should require every bank carrying such accounts on its books, except daily remittance accounts, to deduct the balance of one of the accounts from the other in all official returns, and publish statements, otherwise the public may be deceived by supposing that the bank has assets which exist on paper only, and can be wiped off by the scratch of a pen.

Another instance of a duplication, and in some cases larger multiplication, seen in banking, that does not meet with my approval, is when the President of one bank, or its chief executive officers, undertake to manage another bank, or it may be more than one other.

If a man is President of more than one bank, they can hardly stand side by side in his attachments, because his interest in them, his responsibilities with respect to them, and their needs are not equal, and therefore in hard, if not in flush times, one or the other will suffer. But a greater mistake than this is for a man to undertake the active control of a bank as President, or otherwise, and at the same time attempt to manage a private business of importance to him. In such a case, the private interests are likely to outweigh the demands of the bank, or if the private business is neglected for the bank and gets into trouble, a bank is likely to be turned to for help, for banks are thought to be panaceas for commercial ailments, and, of course, the bank that is allowed the privilege of saving, or attempting to save, the long-established corporation or firm of the officer (in the case I am supposing the officer is always a member of an "old concern"), is the merchant-banker's bank. In such cases the final outcome is problematical; but how often the sick man is saved and how often the bank is lost, or injured, is immaterial. The conditions that make the situation possible should never exist.

An active officer of a bank, and especially of a small bank, may remain a merchant, but in such a case there should be another capable, active officer of deserved influence with the board.

CLEARING-HOUSE RULES.

I was one of the active opponents of the autocratic policy of the St. Louis Clearing-House, which undertook some few years ago to prescribe too minutely, as I thought, concerning the detail management of banks, with respect to exchange on local accounts for outside collections, but this matter has worked itself into fair shape, and I would not now abrogate the rule prescribed, if I could. The rules caused our bank great harm at the time and still are doing so in a small degree. Clearing-houses are necessities, and nothing can be accomplished by united action without the surrender of something of individual liberty, and in doing so you aid your big brothers and help take care of others unable to take care of themselves in the rush of competition.

BOODLING.

The American people are honest as a whole and long-suffering. You can rob all the people a part of the time, and part of the people all the time, but not all the people all the time. This has been proven in this city and State conclusively. The cause of this is that the great body of the people are asleep on public matters and public men, and allow the party managers to select men and policies for them, and they, like sheep, follow them until they find they have been deceived, all in the name of the party. Any man who blindly follows a corrupt or ignorant party boss is a fool, and might be classed in harsher language. Who are the boodlers? Only two classes—bottom and top boodlers. The bottom boodler as a rule is a man of low origin, but with great natural ability to handle men and to corrupt them if necessary. His early training dulls his moral conscience and lets him think that money made by boodling is not stealing. The more he makes the less harm he thinks he is doing the public. The upper boodler is the gentleman (so-called) who is in a large corporation, or is interested in large interests and wants a public franchise, or something equally as good. By getting same there will be money in his pocket. He is to all appearance honest and upright in his commercial dealings, yet he will connive with the bottom boodler to corrupt men, knowing that he is doing something that if found out will ruin his reputation forever, and probably put both parties in the penitentiary for perpetrating a wrong on his fellow citizens. If a law could be passed (but it cannot) to give the upper boodler double the sentence that you would give the bottom boodler, he would get justice. For the man with good surroundings and breeding is more to blame in boodling than the commoner or illy-bred man.

In the boodling history of the country, I am sorry to say some bankers have gotten mixed up in it. Whether guilty or not the public is so exact in its ideal of a banker that the man loses his job, or the bank goes out of business. This is the penalty when the fact is found out. Why? Because a bank is built up on public confidence. Men make the banks, and if confidence in the men managing a bank is shaken, then the bank's best business leaves, and sooner or later the stockholders wake up to the fact that they are holding an unprofitable investment.

The moral situation in official life in Missouri has been diagnosed, and a remedy is being vigorously applied by more than one honest and fearless public officer—the first and foremost of whom is Joseph W. Folk. The people of the United States fought out one of the greatest wars known in history, then came together, cemented their differences, and have marched forward into the front rank amongst nations, and you can depend upon it that the people who can do these things as the people of the United States have done them will see to the honesty of their public servants, and punish the dishonest; and the man or political party that thinks otherwise will quickly be taught the truth.

PANICS.

Panics come from the unexpected. 1857—Was caused by the failure of the Ohio Trust Co., an institution supposed to be a financial Gibraltar, "organized and run on such safe and conservative lines that failure was impossible." So when its failure was announced it caused widespread panic and disaster. Trust companies and banks were mowed down like wheat before a buckeye reaper. 1873—Was caused by the failure of Jay Cooke & Co. and the general chaotic financial conditions resulting from the war and all that followed in its wake, such as wild speculation and a fluctuating and debased currency. 1884—Owing to the failure of Donnell, Lawson & Simpson, and the people not realizing that we were on a gold basis and down to hard pan. 1890—The Barings' troubles caused by over speculation by them and inability to realize on their assets. 1893—Owing to the continued inoculating of our currency with $4,500,000 of debased metal monthly through the Sherman bill, which, like all currency compromises, are dangerous and harmful. Mr. Cleveland in his all-wise prophetic mind prophesied what would occur long before it happened, for cautious people converted their property into gold or its equivalent before the worst was on us.

Some people are always anticipating a panic even when times are best. They ask their banker when will be the next? Bankers do not know. If they did they could make enough money individually, during the depression incident to a panic to retire and stop handling other people's money. We will never have such panics as the former ones for the reason that we know better, from experience, how to handle them and we have more money of our own belonging to our people than ever before. We are not borrowing of foreign nations in the same degree as in former days.

CAPITAL AND LABOR.

In making this the last subject treated I do not consider it the least. On the contrary it is the most paramount issue of the day. Capital needs labor and labor needs capital. Unreasonable demands made by labor on capital may drive it out of commerce (for capital is most sensitive), and it can go to sleep in other investments and live. Labor, if not employed, can not go to sleep and live. So be careful; you may "kill the goose that is laying the golden egg." So, brother capitalists and laborers, use your common sense, use the best qualities of your heads and hearts to settle your differences. During your troubles false prophets will spring up to mislead you. Pray, do not listen to them. "They know not what they do." The American people are slow to settle correctly great questions, but when they once make up their minds to do so they do it with a vim.

When the ship creaks, it is adjusting itself to the waves on which it floats, and not going to pieces; and the labor disturbances that threaten, or have come, here and there are efforts to readjust the demands and interests of labor and capital—often crude, unwise, and inconsiderate on one side or the other, or both, if you please, for it has been truly said that there never was a quarrel so nicely divided that all the right lay on one side and all the wrong on the other.

Let us hope for the best, as history teaches us we may, and let us bankers do our part in bringing about a happy solution of these differences by advocating justice, reason, and conservatism on the part of all.

Let me conclude with a few words more; the signs of the times are that all parties at interest will not be pleased for when that happy day will come (of all men being satisfied), men will be singing—

Peace on earth, good will to men,
Hallelujah! Hallelujah! Amen.

Following Mr. Hill, ex-Governor David R. Francis, President of the Louisiana Purchase Exposition, spoke, laying especial stress on the value of the World's Fair to the banking and general business interests of Missouri and contiguous States.

At the concluding day's session, there were addresses by J. D. Allen, of Butler, on "The Trust Problem," and by Frank Sheetz, of Chillicothe, on "The Country Banker."

J. S. Calfee, of Windsor, Mo., Cashier of the Citizens' Bank, was elected president; H. M. Rubey, Cashier of the State Exchange Bank of Macon, vice president; E. D. Kipp, Cashier of the Farmers' Bank of Bates County, at Butler, secretary, and S. R. Nelson, Vice-President of the Chillicothe Savings Association, treasurer.

Walker Hill, President of the American Exchange Bank of St. Louis, and Dr. W. S. Woods, President of the National Bank of Commerce, Kansas City, were elected delegates at large to the American Bankers' Association.

The delegates elected were, by groups, as follows:

1. J. B. Hinton, Hannibal; 2. George W. Stevens, Brookfield; 3. D. A. Calvin; 4. J. L. Dorothy, Liberty; 5. W. H. Powell, Sedalia; 6. J. H. Babcock, Moberly; 7. B. F. Edwards, St. Louis; 8. W. A. Dallmeyer, Jefferson City; 9. J. S. Calfee, Windsor; 10. Burt Gardner, Aurora; 11. H. P. McDaniels, Springfield; 12. L. J. Albert, Cape Girardeau.

Resolutions were unanimously adopted indorsing the World's Fair and the liberal plans therefor and also calling upon the people of Missouri to lend their best efforts toward the successful consummation of the enterprise.

The social features of the convention included a reception at the St. Louis Club, followed by a luncheon.

COMING CONVENTIONS.

—The Colorado State Bankers' Association will hold its annual convention at Denver June 17, 18 and 19. F. G. Moffat, Cashier of the First National Bank, Denver, is secretary of the association.

—The Georgia Bankers' Association will hold its next annual convention at the Kimball House, Atlanta, June 17 and 18. Hon. Wm. B. Ridgely, Comptroller of the Currency, will deliver an address at the first day's session.

L. P. Hillyer, Cashier of the American National Bank, Macon, is secretary of the Georgia Bankers' Association.

—J. M. Dinwiddie, secretary of the Iowa Bankers' Association, sends THE BANKERS' MAGAZINE the following interesting information regarding his progressive and flourishing association:

"The Iowa Bankers' Association and the Illinois Bankers' Association have determined on the same dates for holding their meetings, July 28 and 29. The Iowa convention will be held at Davenport, and the Illinois at Rock Island. The evening of the first day will be a joint social session at Rock Island. The second day will be a joint business session at Davenport. The business of the convention will be crowded into the first day. The second day's session will be addressed by Hon. J. G. Cannon of Illinois and Hon. A. B. Cummins of Iowa, and no other addresses will be heard that day.

The Iowa association is enjoying prosperity, having its membership very largely increased. Has scarcely any delinquent members and is a live association. It has done much good for the banking interests and for the general interests of the whole State. It is doing active work against forgers and swindlers of various kinds, having practically driven that kind of work out of the State, and it now proposes to increase its protective fund by at least $2,000, and to offer a standing reward of $1,000 additional for the successful prosecution of bank burglars. In other words, it proposes to be of some practical benefit to its members. In years past it has treated every banker in the State with the same liberality whether members or not. Hereafter it will reserve its general benefit for its members only."

—The Michigan Bankers' Association will hold its fifteenth annual convention at Pointe aux Barques, June 16, 17, 18 and 19. Fred E. Farnsworth, Cashier of the Union National Bank, Detroit, and secretary of the association, sends the MAGAZINE the following copy of a letter addressed to the members:

"The members, with their ladies, will rendezvous at Saginaw on Tuesday, June 16. A lunch will be served at the East Saginaw Club from 12 to 2 o'clock. An automobile and carriage drive will then be given over the city of Saginaw; our party leaving by special train over the Pére Marquette at 3:30 o'clock for Pointe aux Barques. The Pointe aux Barques clubhouse will be fully equipped for the occasion, and that, with numerous cottages, will be placed exclusively at the disposal of the association.

The local committee of Saginaw bankers are preparing an exceptionally attractive programme, both in regard to literary and social features, and already speakers of note have accepted invitations to be present, as it is intended to make the business sessions an important feature.

We sincerely hope that your bank will be represented at the convention, and that you will bring the ladies with you.

You will be advised later, giving the programme in detail, at which time a blank will be sent you for reply."

—P. C. Kauffman, secretary of the Washington State Bankers' Association writes:

"The convention of the Washington State Bankers' Association will be held at the city of Watcom, July 23, 24 and 25. I trust you will arrange to have the Pacific Coast representative of your MAGAZINE present on that occasion, as we expect to have one of the most interesting conventions in the history of the association. The attendance promises to be unusually large. The convention will be held during the annual run of salmon, so that the visitors will have an opportunity of inspecting the traps and canneries, which will prove an interesting and novel sight."

—Hon. Lyman J. Gage, former Secretary of the Treasury, and Melville E. Ingalls, of Cincinnati, are expected to address the convention of the Virginia Bankers' Association, to be held at Lynchburg, June 18 and 19.

—Secretary W. A. Sadd, President of the Chattanooga Savings Bank, writes as follows of the coming convention of the Tennessee Bankers' Association:

"There will be a meeting of the Tennessee Bankers' Association held at Lookout Inn, Lookout Mountain, Chattanooga, Tennessee, June 22 and 23. We expect to have a large and interesting meeting and sincerely hope that some representative from your MAGAZINE will be present at that time. The programme of the meeting has not been fully decided upon but of this I will advise you as soon as possible. If you will kindly give publicity to the same in your MAGAZINE, we would appreciate it."

AMERICAN BANKERS' ASSOCIATION.

TWENTY-NINTH ANNUAL CONVENTION TO BE HELD AT SAN FRANCISCO, OCTOBER 20-23.

The Executive Council of the American Bankers' Association has decided that the twenty ninth annual convention of the Association shall be held in San Francisco on October 20. 21, 22 and 23.

At the convention a special committee of eminent financiers will, it is expected, present a plan for greater elasticity in the currency, which plan will, it is expected, have appreciable weight in the currency legislation of the new Congress.

There will be the usual interesting programme of the Banking and Trust Company Sections as well as of the new Savings Bank Section. Full details of the programme will be published in a later number of the MAGAZINE.

National Convention of State Bank Supervisors.

Editor Bankers' Magazine:

SIR—The National Convention of State Bank Supervisors and delegates will be held at the Genesee Hotel, Buffalo, N. Y., commencing at 10 A. M. July 7, continuing through the 8th.

We have every promise of a large and beneficial meeting. Many States will be represented, and it will afford us much pleasure to have you present. I feel confident that you will be well repaid for any effort you make to do so.

Should it be impossible for you to attend this meeting, I should be pleased to extend an invitation to any one interested in this line of work, through you, or, if you will give me the names of any whom you think would attend, I should be pleased to write them personally.

Yours truly,

S. T. JOHNSON,

President National Association State Bank Supervisors.

BANK BOOKKEEPING IN THE SCHOOLS.

Editor Bankers' Magazine:

SIR: Indicative of the work being done in bank bookkeeping in the Harlem Evening High School, I transmit herewith enclosed the examination papers passed recently by the advanced students in the accounting department of that institution.

Yours very truly,

NEW YORK, May 28, 1908. EDGAR M. BARBER.

EXAMINATION IN BANK BOOKKEEPING AND ACCOUNTING.

1. What is the meaning of the term "controlling accounts?" Give examples of these accounts, indicate their purpose and explain how they are kept.

2. Name the books generally used in the banking business.

3. How is the certification book kept? Illustrate.

4. (a) Write out a certificate of deposit. (b) Define: Cashier's check, certificate of stock, certified check.

5. What items are entered in the receiving teller's proof?

6. Explain the so-called "voucher system." Aside from posting what advantages are gained by a large number of columns in a voucher register?

7. In what particulars does the Boston ledger differ from the usual general ledger?

8. Name the auxiliary books required in corporation accounting.

9. What is a customs check? For what purposes issued? Where shown among the resources and liabilities?

10. Draw up in proper form, but omitting figures, the daily statement of a National bank as taken from the general balance ledger.

EXAMINATION IN THE THEORY OF ACCOUNTS.

1. Define accounting, bookkeeping, and auditing. What is the difference between an accountant, a bookkeeper, and an auditor?

2. What is the distinguishing difference between manufacturing expenses and commercial expenses.

3. Define the following terms: Assets, liabilities, resources, revenue, surplus, capital, preferred stock.

4. Explain the relation that exists between the capital stock account and the stock ledger.

5. How is single entry changed to double entry?

6. Give the advantages of double entry over single entry.

7. Prepare a statement of affairs and a deficiency account.

8. Prepare a profit and loss statement.

9. Would there ever be a merchandise account in a manufacturing business? What takes its place?

10. Prepare a trading statement in three sections, supplying imaginary amounts for al items.

EXAMINATION IN ADVANCED BOOKKEEPING.

1. (a) Explain the distinction between single entry and double entry? (b) How is the net gain found in single entry?

2. (a) Give the reasons for closing a double entry ledger? (b) How is the present worth found in double entry?

3. Write out a 90-day draft and give the journal entries of the different parties, including acceptance and payment.

4. (a) What is the object of special columns? (b) What is an account sales? (c) If Thomas Jones's note, your favor, for $500 should be returned by the bank protested for non-payment, charges $1.80, what entry would you make?

5. (a) When does interest account have a debit inventory? (b) To which class of accounts do shipments belong? (c) What is the difference between a customer's ledger and a consignment ledger?

6. If your trial balance did not exactly balance, what temporary account could be opened? What entry later when the error was discovered?

7. Prepare a balance sheet for a wholesale, manufacturing or railway business, specifying the various accounts that are deemed essential, and supplying imaginary amounts for each account.

BANKING AND FINANCIAL NEWS.

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

NEW YORK CITY.

—The Merchants' National Bank has completed a century of existence, and recently issued a history of the institution prepared by Philip G. Hubert, Jr. Alexander Hamilton drew up the original articles of association for the bank in 1808. During the bank's long history, and up to the present, the names identified with its management have been representative of the best in the commercial and financial life of the city.

—Permission has been given to the Federal Bank by the Superintendent of Banks to open a branch at the corner of Grand and Orchard streets, which will be known as the Grand Street Bank. Recently the capital of the Federal Bank was increased to $250,000, in addition to the surplus of $50,000.

—The National Bank of North America has removed from its temporary office in the Atlantic Mutual building in William street to its permanent quarters in the new building at 43-49 Exchange place and 41-43 Wall street.

—The Cooper Exchange Bank is a new institution which will do business at Second street and Avenue A. It will start with $100,000 paid-in capital and $60,000 surplus. Samuel Gotthelf is President, Theodore Gilman, Vice-President and Geo. F. Krapp, Cashier.

—On June 1 the Continental Trust Co. took possession of the entire first floor of the new Blair building.

—When the resolution of the clearing-house relating to trust company reserves was adopted there were twenty-seven trust companies of this city and vicinity which enjoyed clearing-house facilities. Two of these consolidated in the interim, leaving twenty-six subject to the regulations. Nine of these, with aggregate deposits, both trust and general, of $231,000,000, have since withdrawn, while seventeen, with aggregate deposits of $146,000,000, will continue in the clearing-house.

—Brooklyn Chapter American Institute of Bank Clerks organized recently by electing R. P. Fisher, of the Fourth National Bank, New York, president; G. F. Smith, of the Nassau National Bank, Brooklyn, vice-president; E. Hoefle, of the Sprague National Bank, Brooklyn, chief counsel; S. B. Denlinger, of the Franklin Trust Co., Brooklyn, treasurer, and H. R. Kinsie, of the Williamsburg Savings Bank, secretary.

President Fisher writes that the membership is not restricted to clerks in Brooklyn banks, as stated in the last issue of the MAGAZINE. There are members from different parts of the city, and all were welcomed to membership.

—Edward D. Butler, who has been with the Leather Manufacturers' Bank for the last fifty years, has retired from active service. Mr. Butler went with the bank in 1854, when he was eighteen years old. He gradually worked his way up to the position of paying teller, which he has occupied for many years. During this time he handled many millions of dollars without ever losing a cent. He is now sixty-seven years old. The directors of the bank are understood to have rewarded his service by retiring him on a very generous basis.

—It is declared that the negotiations looking to a merger of the National Bank of Commerce and the Western National Bank have been abandoned.

—Wm. H. Porter, formerly Vice-President of the Chemical National Bank, has been elected President, to succeed the late Geo. G. Williams.

—Edward Ridgely, a brother of the Comptroller of the Currency, has been appointed a National bank examiner for this district, succeeding Forrest Raynor, who has resigned to engage in other business. Mr. Ridgely has heretofore been attached to Mr. Raynor's office.

—It is stated that the Trust Company of the Republic will be reorganized as the Waldorf-Astoria Trust Co., and that Winthrop Scarritt will become President and Alvah Trowbridge, Vice-President.

—W. Emlen Roosevelt has been elected Treasurer of the Institution for the Savings of Merchants' Clerks, in place of Geo. G. Williams, deceased.

—N. W. Harris & Co. have removed from 31 and 33 Pine street to their new banking rooms at the northeast corner of Pine and William streets.

—The clearing-house rule that trust companies using the facilities of the institution should maintain a five per cent. reserve on deposits went into effect June 1, and the seventeen companies remaining under the supervision of the clearing-house set aside a reserve of about $5,500,000. The nine companies which withdrew from the clearing-house began paying checks over their counters some days prior to June 1.

—Alvin W. Krech, heretofore Vice-President of the Mercantile Trust Company, was elected President of the Equitable Trust Company, June 3, succeeding William T. Cornell, who handed in his resignation some three weeks ago. The position of Vice-President of the Mercantile Trust company, left vacant by the election of Mr. Krech, was filled by the election of James H. Hyde, vice-president of the Equitable Life Assurance Society, which corporation is largely interested in both trust companies.

Mr. Krech came into prominence in New York financial circles several years ago, when he was identified with the reorganization of the Union Pacific, the Baltimore and Ohio, the Wheeling and Lake Erie, and other railroad and industrial corporations. He became connected with the Mercantile Trust Company in 1896. Three years later he was elected Vice-President. He is associated to some extent with Western interests.

William T. Cornell, the retiring President, was elected to that office in April, 1902. Before that time he had been for sixteen years Cashier of the Lincoln National Bank. Mr. Cornell retires from business temporarily in order to take a much-needed rest.

NEW ENGLAND STATES.

Boston.—It is reported that control of the First National Bank has been acquired by "New York capitalists, not prominently identified with any bank." According to the report there will be no change in the management of the bank, except an enlargement of the board of directors.

—On June 1 the Old Boston National Bank entered upon the second century of its existence. It was incorporated as the Boston Bank, June 1, 1803, and is still doing business on the site originally occupied. No year has passed since the bank was organized without the payment of a dividend.

Littleton, N. H.—Substantial improvements and additions to its building have just been completed by the Littleton National Bank. The exterior alterations include a limestone front, and the interior has been rearranged and furnished and fitted up in accordance with modern ideas.

Connecticut Savings Bank Investments.—It is alleged, and also denied, that the bill recently passed by the Legislature of Connecticut enlarging the scope of Savings bank investments was put through by the improper use of money. Charges are made that New York bond dealers were instrumental in having the measure passed to provide a market for securities which they hold and wish to sell to the Savings banks.

MIDDLE STATES.

Pittsburg.—A dispatch to the Philadelphia Press, under date of May 31, gave the following details in regard to banking changes either pending or consummated in this city:

"One of the biggest deals pending and one which is understood to be practically closed, although formal announcement has been deferred, is the merger of the Colonial and American Trust Companies. The Colonial Trust Company is the new concern whose stock soared in a few months from a small initial value to high figures, which have been pretty well maintained. The company now owns the Freehold Bank, the Colonial National Bank and the Citizens' Trust Company. The American Trust Company has within the past few months absorbed the Columbia National Bank, the Fourth National Bank, the Tradesmen's National Bank, the Germania Savings Bank and the Pennysivania Trust Company. The mere rumor of the consolidation of these two powerful institutions was enough to send up the stock of both.

The Safe Deposit and Trust Company will increase its capital from $1,000,000 to $3,000,000, in order to absorb the People's National Bank and the People's Savings Bank.

Negotiations are on and steps have been taken for the absorption of the First Nationa Bank of Braddock by the Monongahela Trust Company.

The Mortgage Banking Company has bought the Republic National Bank. The Farmers' Deposit National Bank has organized a new Savings bank. The Iron City Trust Company has increased its capitalization from $1,000,000 to $2,000,000.

The consolidation and reorganization of the Mellon and affiliated financial interests into a separate group, which is perhaps the strongest in Pittsburg, is of comparatively recent date. The Mellon National Bank bought the Bank of Commerce and established a new Savings bank under the name of the Union Savings Bank, the whole being controlled by the Union Trust Company, which is the head of the Mellon financial interests of Pittsburg and which represents, with the capital of affiliated institutions, a capitalization alone of $15,-500,000."

Paterson, N. J.—By a unanimous vote the board of directors of the First National Bank recently recommended an increase in the capital stock of the bank from $400,000 to $500,000. The subscription price of the new stock will be $300 per share, and of the amount received $100,000 will be apportioned to capital and $200,000 to surplus, making these two items stand $500,000 and $650,000 respectively.

SOUTHERN STATES.

Louisville, Ky.—On May 25 the United States Trust Company formally opened its new building at the southwest corner of Fifth and Main streets. Col. John D. Powers greeted the visitors and showed them through the building, which is one of the most complete banking structures in the South. A prominent feature of the equipment is the immense armor-steel vault. The fittings and furnishings of the various rooms and offices are notably tasteful and elegant.

Atlanta, Ga.—At a meeting of the directors of the Atlanta National Bank, May 9, Paul Romare, Vice-President of the bank, was elected President to succeed the late James Swann. Mr. Romare has been connected with the bank for many years, and has established a high reputation for business ability.

—Arrangements were recently completed for the merger of the Capital City National Bank with the Atlanta National Bank. The latter institution lately removed into new and handsome quarters in the Century building.

Houston, Texas.—An important change affecting banking interests at Houston, Texas, was recently consummated by San Antonio, Texas, parties selling their interest in the Merchants' Bank of Houston. The controlling interest in the bank was held by San Antonio people, associated with S. G. Bayne, of New York, and T. Wistar Brown, of Philadelphia. The transfer was effected by Edwin Chamberlain, of San Antonio, representing Col. George W. Brackenridge and his associates. The old directors in the Merchants' National Bank who resigned and sold their interest were Col. Geo. W. Brackenridge, President of the San Antonio National Bank; T. Wistar Brown, of Philadelphia; Edwin Chamberlain, Vice-President of the Alamo National Bank, San Antonio, and Thomas H. Franklin, a director of the City National Bank, of San Antonio. The new men elected to take their places were: I. H. Kempner, President Texas Bank and Trust Company, Galveston; Bryan Heard and John G. Tod, of Houston, and J. M. Moore, of Bay City.

Jacksonville, Fla.—The new Atlantic National Bank, which will begin business about August 1 with $350,000 capital, has purchased the National Bank of the State of Florida.

While the merger as above announced has been fully completed, the National Bank of the State of Florida will continue to do business until the new bank is ready to open. The Atlantic National Bank has leased and will occupy the banking rooms now occupied by the National Bank of the State of Florida.

The officers of the new bank will be: President, Edward W. Lane, of Valdosta, Ga.; Vice-President, F. W. Hoyt, President of the First National Bank, Fernandina, Fla.; Cashier, Thomas P. Denham.

WESTERN STATES.

Chicago.—The Manufacturers' Bank has been authorized by the Auditor of Public Accounts, with $200,000 capital.

—Savings deposits in Chicago banks have passed the $100,000,000 mark. In the past year they have increased more than twenty-two million dollars. The savings held by Chicago banks in 1890 footed up only $12,358,088. In 1897 they had only doubled that amount, while in the last six years the amount has been more than quadrupled. The increase in savings in the last twelve months has been the most remarkable in the history of Chicago savings institutions, with the exception of that in the calendar year of 1902. And even during the last month, while several strikes have interfered seriously with the earnings of thousands of wage-workers, the increase has gone on steadily.

—A committee was appointed a short time ago by the Bankers' Club to formulate a plan for an asset currency. Former Secretary Gage recently addressed the club on the subject.

—Ralph C. Wilson, who has been elected president of the Chicago Chapter, American Institute of Bank Clerks, is a native of Lafayette, Ind., and came to Chicago as a lad of ten, and was educated in the high schools here. In 1891, after a two-years' tour of the world, he returned to Chicago and entered the service of the Atlas National Bank, and subsequently became connected with the Bankers National Bank. For the past two years he has been treasurer of the Chicago Chapter, and is an enthusiastic member of the institute.

St. Louis, Mo.—On May 24 the German Savings Institution celebrated its fiftieth anniversary, and claims the honor of being the oldest bank in the State doing business continuously without change of name or style. Since 1853 the capital has grown from $5,000 to $500,000; surplus and profits from $25.57 to $1,286,070, and deposits from $8,876 to $6,899,022. Deposits have nearly doubled since 1893.

Des Moines, Iowa.—The Capital City State Bank opened its new bank building for business May 18. It is highly praised by the patrons of the bank for its beauty and solidity, and is an evidence of progressiveness upon the part of the management.

South Dakota Banks.—Deposits in the State banks of South Dakota now exceed $22,000,000—a good showing for a comparatively young State.

—A new banking law recently went into effect providing for careful supervision and control of the banks. Private banks as well as State institutions are brought under jurisdiction of the State Examiner.

The American Monetary Commission.—The members of the United States International Exchange Commission, Messrs. H. H. Hanna, Charles A. Conant and Professor Jeremiah W. Jenks, have already had several conferences with members of the British Government. Sir E. N. Satow, the British Minister to China, came to London specially to meet the American delegates and discuss with them informally the feasibility of establishing a uniform currency in China, and to give them the benefit of his own Oriental experience.

The British Cabinet has designated as members of the British Commission Sir James Mackay, the negotiator of the British-Chinese treaty; Sir Ewen Cameron, London manager of the Hongkong and Shanghai Banking Corporation; Robert Chalmers, Principal Clerk at the Treasury; W. Blain and George W. Johnson, members of the recent Commission on the Currency of the Straits Settlements.

Much interest is evinced in the work of the commission by the Government, the bankers and the large foreign merchants. It is expected that the commission will continue its proceedings for a fortnight in London and then proceed to Paris. The Government has received notice of the acceptance by the Government of the Straits Settlements of the scheme recommended by the commission. The plan is so far only a preliminary one. It provides for the adoption of a new distinctive coin to replace at par the existing currency, but the time and method of raising these coins to a gold parity have not yet been settled.

The commission will discuss the possibility of harmonizing the policy of the Straits Settlements with that of the local currency of the United States, the Philippines and Mexico.

Failures, Suspensions and Liquidations.

Connecticut.—The Southport National Bank was closed May 19, owing to defalcation of a former Cashier to the amount of about $150,000. A Receiver has been appointed.

Indiana.—The McClellan Bank, of Auburn, and the DeKalb Bank, of Waterloo, which have been conducted as private banking institutions by the McClellan estate, were forced into involuntary bankruptcy May 12. Liabilities are placed at $121,000; assets, $58,000.

Maryland—BALTIMORE.—Sperry, Jones & Co., bankers, were placed in the hands of Receivers May 6. The firm has promoted many new enterprises, but of late found it impracticable to market a considerable amount of securities which the firm held.

Massachusetts—BOSTON.—F. M. Tucker, bankers and brokers, suspended May 21.

New Counterfeit $20 National-Bank Note.—On the National State Bank of Metropolis, Illinois. Check letter A; series of 1882; charter number, 5254; bank number, 1193; Treasury number, 896558; J. W. Lyons, Register; Ellis H. Roberts, Treasurer.

This counterfeit is a crudely-executed photographic production on thin, brittle paper, and no attempt has been made to imitate the silk fiber of the genuine paper. The photograph of the original numbers of the note can be plainly discerned beneath the coloring applied. The back of the note at hand has almost entirely faded out. Green ink has been smeared on the panel surrounding the charter number on the back of the note. This is true also of the red applied to the seal and numbers.

This counterfeit should not deceive the ordinarily careful handler of money.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

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

NATIONAL BANKS ORGANIZED.

6744—First National Bank, Lincolnton, North Carolina. Capital, $30,000.
6745—First National Bank, Morrisonville, Illinois. Capital, $25,000.
6746—Farmers' National Bank, Montrose, Pennsylvania. Capital, $50,000.
6747—Citizens' National Bank, Ortonville, Minnesota. Capital, $25,000.
6748—People's National Bank, Manassas, Virginia. Capital, $25,000.
6749—American National Bank, Long Beach, California. Capital, $50,000.
6750—First National Bank, Lime Springs, Iowa. Capital, $25,000.
6751—First National Bank, Augusta, Illinois. Capital, $60,000.
6752—Citizens' National Bank, Anthony, Kansas. Capital, $50,000.
6753—First National Bank, Harrison, Oklahoma. Capital, $25,000.
6754—First National Bank, Weiser, Idaho. Capital, $50,000.
6755—First National Bank, Prairie City, Iowa. Capital, $25,000.
6756—First National Bank, Derry, Pennsylvania. Capital, $50,000.
6757—Citizens' National Bank, Ballinger, Texas. Capital, $75,000.
6758—First National Bank, Newport, Arkansas. Capital, $50,000.
6759—Sheffield National Bank, Sheffield, Alabama. Capital, $50,000.
6760—City National Bank, Tipton, Iowa. Capital, $50,000.
6761—People's National Bank, Salisbury, Maryland. Capital, $50,000.
6762—First National Bank, Dalhart, Texas. Capital, $25,000.
6763—National City Bank, Akron, Ohio. Capital, $100,000.
6764—First National Bank, Doon, Iowa. Capital, $25,000.
6765—Lowell National Bank, Lowell, Indiana. Capital, $25,000.
6766—First National Bank, Willow City, North Dakota. Capital, $25,000.
6767—Coldwater National Bank, Coldwater, Kansas. Capital, $25,000.
6768—Citizens' National Bank, Baker City Oregon. Capital, $100,000.
6769—First National Bank, Columbia, Kentucky. Capital, $25,000.
6770—First National Bank, Elmore, Ohio. Capital, $25,000.
6771—First National Bank, Logan, Iowa. Capital, $50,000.
6772—First National Bank, Fountain, Colorado. Capital, $25,000.
6773—Washington National Bank, St. Louis, Missouri. Capital, $200,000.
6774—Fort Dallas National Bank, Miami, Florida. Capital, $100,000.
6775—First National Bank, Blooming Prairie, Minnesota. Capital, $25,000.
6776—First National Bank, Shelby, North Carolina. Capital, $100,000.
6777—Citizens' National Bank, Roswell, New Mexico. Capital, $50,000.
6778—Merchants' National Bank, Hampton, Virginia. Capital, $50,000.
6779—Loveland National Bank, Loveland, Ohio. Capital, $25,000.
6780—Farmers and Merchants' National Bank, Henderson, Texas. Capital, $25,000.
6781—Newport News National Bank, Newport News, Virginia. Capital, $100,000.
6782—First National Bank, Radford, Virginia. Capital, $50,000.
6783—First National Bank, Roseau, Minnesota. Capital, $25,000.
6784—First National Bank, Emmons, Minnesota. Capital, $25,000.
6785—Citizens' National Bank, Patchogue, New York. Capital, $50,000.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

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

Hanford National Bank, Hanford, California; by H. E. Wright, *et al.*
First National Bank, Ontonagon, Michigan; by C. Milleur, *et al.*
Condon National Bank, Coffeyville, Kansas; by C. M. Condon, *et al.*
First National Bank, Tyndall, South Dakota; by L. I Smith, *et al.*

First National Bank, Dyer, Indiana; by John L. Keilman, *et al.*
Farmers and Merchants' National Bank, Johnstown, Pennsylvania; by John Harman, *et al.*
People's National Bank, Roanoka, Virginia; by Geo. H. P. Cole, *et al.*
Macksburg National Bank, Macksburg, Iowa; by J. M. Wilson, *et al.*
First National Bank, Indianola, Indian Territory; by Jesse H. Hill, *et al.*
Iron Range National Bank, Hibbing, Minnesota; by C. W. Baumbach, *et al.*
First National Bank, Henryetta, Indian Territory; by C. H. Kellogg, *et al.*
First National Bank, Cushing, Oklahoma; by C. L. Lyon, *et al.*
First National Bank, Canton, Mississippi; by W. B. Weiner, *et al.*
First National Bank, Ulysses, Pennsylvania; by John B. Coulston, *et al.*
First National Bank, Greenwood. Arkansas; by Geo. N. Spradling, *et al.*
First National Bank, Norwood, Massachusetts; by C. F. Eldredge, *et al.*
State National Bank, New Iberia, Louisiana; by J. P. Suberbielle, *et al.*
First National Bank, Conemaugh, Pennsylvania; by D. W. Davis, *et al.*
Rockwell City National Bank, Rockwell City, Iowa; by Geo. R. Allison, *et al.*
Atlantic National Bank, Jacksonville, Florida; by L. McNeill, *et al.*
Central National Bank, Battle Creek, Michigan; by Carroll L. Post, *et al.*
Farmers' National Bank, Mayfield, Kentucky; by J. M. Gillum, *et al.*
First National Bank, Madison, Minnesota; by P. G. Jacobson, *et al.*
Genoa National Bank, Genoa, Nebraska; by L. G. Stocks, *et al.*
First National Bank, Coeur d'Alene, Idaho; by E. L. Lindberg, *et al.*
First National Bank, Harvey, Iowa; by Herman Reitveld, *et al.*
Fayette City National Bank, Fayette City, Pennsylvania; by J. Audley Black, *et al.*
Central National Bank, Muskogee, Indian Territory; by D. H. Middleton, *et al.*
First National Bank, Hopedale, Ohio; by C. E. Allison, *et al.*
First National Bank, Webster, Pennsylvania; by Robert A. Morrison, *et al.*
People's National Bank, Shippensburg, Pennsylvania; by J. S. Omwake, *et al.*
First National Bank, Condon, Oregon; By H. L. McWilliams, *et al.*
First National Bank, Yorkville, South Carolina; by O. E. Wilkins, *et al.*
Marion National Bank, Marion, Virginia; by Geo. W. Richardson, *et al.*
First National Bank, Clintonville, Pennsylvania; by Jno. M. McKee, *et al.*
First National Bank, Syracuse, Kansas; by Geo. Getty, *et al.*
Commercial National Bank, Uvalde, Texas; by W. B. Dermody, *et al.*
Arcadia National Bank, Newark, New York; by Peter R. Sleight, *et al.*
First National Bank, Conneaut Lake, Pennsylvania; by E. B. Harshaw, *et al.*

Application for Conversion to National Banks Approved.

Commercial Bank, Syracuse, New York; into Commercial National Bank.
State Bank, Tonawanda, New York; into State National Bank of North Tonawanda.
Bank of Paragould, Arkansas; into First National Bank.
Merchants' Exchange Bank, Sparta, Illinois; into First National Bank.
Merrick County Bank, Clarks, Nebraska; into First National Bank.

NEW BANKS, BANKERS, ETC.

ALABAMA.

James—James & Midway Banking Co.: capital, $25,000; Pres., H. L. King; Cas., M. W. Tarver.

Sheffield—Sheffield National Bank (successor to Alabama Trust and Banking Co.); capital, $50,000; Pres., J. J. Gray, Jr.; Cas., S. McGaughy.

ARIZONA.

Tucson—Southern Arizona Bank and Trust Co.; capital, $50,000; Pres., N. E. Plumer; Sec., Fred. J. Stewart.

Yuma—J. W. Thornton & Son; capital, $20,000.

ARKANSAS.

Holly Grove Bank of Holly Grove; capital, $12,000; Pres., W. F. Branch; Cas., J. I. Matthews.

Manila—Bank of Manila; capital, $20,000; Pres., W. E. Talley; Cas., J. W. Scivally.

Newport—First National Bank (successor to Jackson County Bank); capital, $50,000; surplus, $5,000; Pres., Sigmund Wolff; Cas., W. A. Billingsley; Asst. Cas., F. A. Jones.

CALIFORNIA.

Long Beach—American National Bank; capital, $50,000; Pres., Stephen Townsend; Cas., Fred Rohrer.

Santa Barbara—Central Bank; capital, $50,000; Pres., A. H. McKay; Cas., W. B. Metcalf; Asst. Cas., H. F. R. Vail.

Sawtelle—Sawtelle Branch of Bank of Santa Monica; Schuyler Cole, Mgr.

Sonora—Sonora Abstract and Trust Co.; capital, $2,500; Pres., J. B. Curtin; Treas., J. A. West; Sec. and Mgr., Chas. G. Bacon.

COLORADO.

Bessemer—Bessemer Branch Pueblo Title and Trust Co.

FOUNTAIN—First National Bank (successor to Fountain Valley Bank): capital, $25,000; Pres., Gordon Jones; Cas., Clifton Grover.

WINDSOR—Bank of Northern Colorado; capital, $30,000; Pres., C. C. Follmer; Cas., C. S. Harley.

FLORIDA.

MANATEE—Manatee Bank.

MIAMI—Fort Dallas National Bank; capital, $100,000; Pres., Wm. M. Brown; Cas., Chas. L. Hobbs.

IDAHO.

SAND POINT—Traders' Bank; Pres., G. S. Thomas; Cas., W. F. Whitaker.

WALLACE—State Bank of Commerce (successor to Bank of Commerce); capital, $60,000; Pres., B. F. O'Neil; Cas., M. H. Hare; Asst. Cas., C. Z. Seelig.

WEISER—First National Bank (successor to State Bank of Idaho, Ltd.); capital, $50,000; Pres., Edward Shainwald; Cas., C. J. Selwyn.

ILLINOIS.

AUGUSTA—First National Bank (successor to Augusta Bank); capital, $60,000; Pres., Jacob Klipper; Cas., L. H. Dexter; Asst. Cas., S. E. McPfee.

DE KALB—Commercial Trust and Savings Bank; Pres., E. F. Shellabarger; Cas., E. O. Wood.

MORRISONVILLE—First National Bank; capital, $25,000; Pres., H. H. Herdman; Cas., H. L. Maxon.

PONTIAC—Illinois State Savings Bank; capital, $25,000; Pres., E. M. Johnson, Cas., M. H. Greenebaum; Asst. Cas., J. C. Greenebaum.

RINGWOOD—Bank of Ringwood; capital, $15,000.

SPARLAND—Sparland Bank; Pres., William Riddell; Cas. H. E. Wescott.

VICTORIA—State Bank of Victoria; capital, $35,000; Pres., J. M. McKie; Cas., O. E. Peterson.

INDIANA.

E. CHICAGO—Lake County State Bank; capital, $50,000; Pres., Albert DeW. Erskine; Vice-Pres. and Cas., Potter Palmer, Jr.; Asst. Cashiers, Otto J. Gondolf and E. H. Holtorff.

FORT WAYNE—Commercial Bank; Cas., Max C. Meyer.

FRENCH LICK — French Lick State Bank; capital, $30,000; Pres., Thomas Taggart; Cas., James A. Wells.

INDIANA HARBOR — Lake County State Bank: capital, $50,000; Pres., Albert De W. Erskine; Vice-Pres. and Cas., Potter Palmer, Jr.; Asst. Cashiers, Otto J. Gondolf and E. H. Holtorff.

HUNTINGTON—Commercial Bank.

HAZLETON — Citizens' State Bank; Pres., Josiah Kightly; Cas., Chas. L. Howard.

LOWELL—Lowell National Bank; capital, $25,000; Pres., F. E. Nelson; Cas., P. A. Berg.

SHERIDAN—Union Loan and Trust Co.: capital, $2,500; Pres., J. H. Cox; Sec. and Treas., F. G. Kassebaum; Asst. Sec. and Treas., L. W. Cox.

SUMMITVILLE — Farmers and Merchants' Bank (successor to Citizens' Bank); capital, $11,000; Pres., Jesse L. Vermillion; Cas., Ed. F. Vermillion.

INDIAN TERRITORY.

HOLDENVILLE—Traders' Bank and Trust Co.; capital, $25,000; Pres., Chas. De Watteville; Cas., E. A. Edmondson.

IOWA.

AUBURN — Farmers and Merchants' Bank; capital, $25,000; Pres., J. Kessler; Cas., H. S. Parker.

DOON — First National Bank (successor to Doon Savings Bank; capital, $25,000; Pres., O. P. Miller; Vice-Pres., E. Huntington; Cas., C. R. McDowell; Asst. Cas., H. D. Kenyon.

LIME SPRINGS—First National Bank (successor to Bank of Lime Springs); capital, $25,000; Pres., E. R. Morris; Cas., D. H. Thomas; Asst. Cas., Clarence W. Lee.

LOGAN — First National Bank; capital, $50,000; Pres., John W. Wood; Cas., Wm. H. Wood; Asst. Cas., J. B. Wood.

MONTROSE — Montrose Savings Bank; capital, $10,000; Pres., R. H. Tonnkin; Cas., W. G. Goodrich; Asst. Cas., J. E. Lamb.

NEMAHA Nemaha State Bank (successor to Nemaha Bank); capital, $25,000; Pres., E. N. Baily; Cas., D. W. Graff; Asst. Cas., C. H. Townsend.

PRAIRIE CITY—First National Bank (successor to The Zachary Bank); capital, $25,000; Pres., J. D. Whisenand; Cas., Fred. S. Risser.

TIPTON—City National Bank (successor to First National Bank): capital, $50,000; Pres., J. H. Coutts; Cas., W. J. Moore; Asst. Cas., Paul Heald.

KANSAS.

ANTHONY—Citizens' National Bank (successor to Anthony State Bank); capital, $50,000; Pres., John D. Brown; Vice-Pres., W. A. Miller; Cas., Charles E. Morris.

COLDWATER—Coldwater National Bank (successor to Comanche County State Bank); capital, $25,000; Pres., J. W. Berryman; Cas., N. A. Lytle.

DEXTER—First State Bank; capital, $10,000; Pres., W. H. Bolton; Cas., C. P. Murray.

GREENSBURG Farmers' State Bank; capital, $10,000; Pres., C. Q. Chandler; Cas., Geo. L. Osborne.

LOGAN—State Bank of Logan.

KENTUCKY.

COLUMBIA—First National Bank; capital,

$25,000; Pres., Jno. O. Russell; Cas., E. H. Hughes.

GLASGOW—Farmers' State Bank (successor to Glasgow Trust Co.); capital, $3,000; Pres., John Lewis; Cas., Geo. L. Lewis.

HAZARD — Hazard Bank; capital, $7,500; Pres., John B. Cornett; Sec., B. P. Wootton.

MOREHEAD—Lenora Deposit Bank; capital $15,000; Pres., Luke P. Williams.

MICHIGAN.

HART—First National Bank; successor to Citizens' Exchange Bank); capital, $30,000; Pres., A. S. White; Cas., C. L. Flood.

LUTHER—Luther Exchange Bank.

MECOSTA—Bank of Mecosta; capital, $5,000; Pres., O. J. McQuistion; Cas., S. A. Parks.

MIDDLEVILLE Farmers' State Bank; capital, $37,000; Pres., Simon Heist; Cas., John G. Nagler; Asst. Cas., Chas. A. Robertson.

MT. MORRIS — Bank of Mt. Morris; Pres., D. H. Power; Cas., T. F. Little.

SHERIDAN—Bank of Sheridan; capital, $10,-000; Pres., D. H. Power; Cas., F. H. Stout; Mgr., W. J. Rachow.

MARYLAND.

SALISBURY—People's National Bank; capital, $50,000; Pres., V. Perry; Cas., S. King White.

MINNESOTA.

BLOOMING PRAIRIE—First National Bank (successor to State Bank); capital, $25,000; Pres., J. C. Brainerd; Cas., O. P. Rask.

BURTRUM—Bank of Burtrum; Pres. Wm. E. Lee; Cas., E. N. Scott.

CLARISSA—Clarissa State Bank; capital, $12,-000; Pres., Chas. Bradford; Cas., L. D. Thayer.

DUMONT — First State Bank (successor to Chrisman & Wells); capital, $10,000; Pres., G. M. Wells; Cas., F. S. Wells; Asst. Cas., W. H. Zeiher.

EMMONS—First National Bank; capital, $25,-000; Pres., H. N. Martinson; Cas., N. H. Rasmusson.

FOLEY—State Bank (successor to Bank of Foley); capital, $15,000; Pres., John M. Haven; Cas., Geo. E. Hanscom.

HAWLEY—State Bank (successor to Bank of Hawley); capital, $25,000; Pres., L. Lamberson; Cas., Ole Olson.

HEWITT—First State Bank (successor to Bank of Hewitt); capital, $10,000; Pres., A. M. Schancke; Cas., L. E. Campbell; Asst. Cas., James S. Endslow.

NEWMARKET—Bank of Newmarket; capital, $10,000; Pres., Geo. F. Porter; Cas., J. J. Behles.

ORTONVILLE—Citizens' National Bank; (successor to Chrisman & Wells); capital, $25,-000; Pres., H. Chrisman; Cas., R. W. Green; Asst. Cas., Chas. P. Carl.

ROSEAU — First National Bank; capital, $25,000; Pres., Bendix Holdahl; Cas., T. D. Thorson.

WABASSO—Citizens' State Bank; capital, $15,000; Pres., A. J. Weldon; Cas. F. W. Hauenstein.

WINNEBAGO CITY — Bank of Commerce; Pres., Paul M. Reagan; Cas., H. W. Parker.

MISSISSIPPI.

TAYLORSVILLE—Smith County Bank (successor to Bank of Taylorsville); capital, $25,000; Pres., W. C. Blackwell; Cas., M. W. McLaurin; Asst. Cas., C. H. Ferrill.

MISSOURI.

BOGARD—Farmers' Bank; capital, $5,000; Pres., R. M. Jenks; Cas., Frank Jenks.

MEXICO—North Missouri Trust Co.; Pres., W. W. Pollock; Sec., J. C. Mundy; Asst. Sec., I. T. McCue.

NAYLOR—Bank of Naylor; capital, $10,000; Pres., J. D. Jackson.

ST. LOUIS—Washington National Bank; capital, $200,000; Pres., David Rosentreter; Cas., H. N. Tinker.

NEBRASKA.

FAIRMONT—Commer ial State Bank; capital, $10,000; Pres., P. H. Updike; Cas., L. H. Denison.

GARRISON—Bank of Garrison; capital, $5,000.

HARVARD — Harvard State Bank; capital, $25,000; Pres., G. A. Herzog; Cas., M. R. Chittick.

NEW MEXICO.

ALBUQUERQUE—Montezuma Trust Co.; capital and surplus, over $100,000; Pres., W. H. Gillenwater.

ROSWELL—Citizens' National Bank (successor to Citizens' Bank); capital, $50,000; Pres., Jno. W. Poe; Cashier, Nathan Jaffa.

NEW YORK.

BUFFALO — Market Bank; capital, $100,000; Pres., Elliott C. McDougal; Cas., Geo. Meadway.

NEW YORK — Bankers' Trust Co.; capital, $1,000,000; surplus, $500,000; Pres., E. C. Converse; Vice-Pres., J. F. Thompson; Sec. and Treas., T. W. Lamont.

MOUNT VERNON—Mount Vernon Trust Co. (successor to Bank of Mount Vernon); capital, $200,000; surplus, $200,000; Pres., Arch. M. Campbell; Sec. and Treas., Daniel M. Hoping; Vice-Presidents, A. A. Lisman and Jesse Lantz; Asst. Sec. and Treas., Bertram H. Carmer.

PATCHOGUE—Citizens' National Bank; capital, $50,000; Pres., Milton G. Wiggins.

NORTH CAROLINA.

CHINA GROVE—Bank of China Grove; capital, $10,000; Pres., J. A. Davidson; Cas., W. E. Love.

CORNELIUS—Bank of Cornelius; capital, $50,-000; Pres., J. M. Dove; Cas., F. C. Sherrill.

LENOIR—Bank of Lenoir; $10,000; Pres., G. W. F. Harper; Cas., J. H. Beall.

LINCOLNTON—First National Bank; capital, $80,000; Pres., J. A. Abernathy; Cas., Claude Ramsaur.

MOREHEAD CITY — Bank of Carteret; organizing.

SHELBY—First National Bank; capital, $100,000; Pres., Charles Coleman Blanton; Cas., Geo. Blanton.

NORTH DAKOTA.

KENSAL—Kensal State Bank (successor to First State Bank); capital, $10,000; Pres., C. H. Rose; Cas. H. R. Melrose.

LITCHVILLE—Security State Bank; capital, $10,000; Pres., John M. Olson; Cas., A. P. Hanson.

MOHALL—Mohall State Bank; capital, $10,000; Pres., Geo. F. Porter; Cas., S. T. L. Sleeper; Asst. Cas., K. S. Hendrickson.

OMEMEE—Citizens' State Bank; Pres., Geo. Sunberg; Cas., J. M. Messmer.

WILLOW CITY—First National Bank (successor to Willow City State Bank); capital, $25,000; Pres., F. M. Rich; Cas., Emery Olmstead.

OHIO.

AKRON—National City Bank (successor to City National Bank); capital, $100,000; Pres., N. C. Stone; Vice-Pres., E. A. Oviatt and E. S. Day; Cas., Harry Williams.

ELMORE—First National Bank; capital, $25,000; Pres., Louis Frese; Cas., N. W. Nieman.

GRANVILLE—Farmers' Bank Co. (successor to Bank of Granville); capital, $15,000; Pres., J. M. Robinson; Cas., C. B. Slack.

GROVE CITY—Grove City Savings Bank; capital, $25,000; Pres., E. Kiesewetter; Cas., E. C. Wagner.

LOVELAND—Loveland National Bank (successor to Bank of Loveland); capital, $25,000; Pres., Jno. E. Bundey; Cas., R. S. Rathgeber.

OKLAHOMA.

AGRA—Bank of Agra; capital, $7,000; Pres., S. W. Keiser; Cas., A. R. Eastman.

CARNEGIE—Citizens' Bank; capital, $5,000; Pres., S. S. Dill; Cas., J. P. Whatley.

COVINGTON—Covington State Bank; capital, $5,000; Pres., O. E. Helton; Cas., R. I. Helton.

HARRISON—First National Bank (successor to Bank of Harrison); capital, $25,000; Pres., A. J. Dunlap; Cas., Claude Tuttle; Asst. Cas., Chas. S. Olson.

KEOKUK FALLS—First State Bank; capital, $10,000; Pres., A. L. Quiett; Cas., H. L. Quiett.

LAWTON—Merchants and Planters' Bank; capital, $25,000; Pres., Foster V. Brown; Cas., David R. Rankin; Asst. Cas., Joe E. Brown.

ROOSEVELT—Roosevelt State Bank; capital, $7,500; Pres., L. C. Chenowith; Cas., J. L. Jarolemon.

OREGON.

BAKER CITY—Citizens' National Bank (successor to Citizens' Bank); capital, $100,000; Pres., Wm. E. Grace; Cas., D. W. French.

PENNSYLVANIA.

ALLEGHENY—Real Estate Savings and Trust Co.; Pres., James Richey, Jr.; Treas., Edward A. Young; Sec., Harold W. Watkins.

ALTOONA—Real Estate Title and Trust Co.; capital, $125,000; Pres., J. H. Craig; Sec. and Treas., Geo. W. Harpham.

COUDERSPORT—Coudersport Trust Co.; capital, $125,000; Pres., Jno. B. Stone; Sec. and Treas., M. S. Harvey.

DERRY—First National Bank (successor to Derry Deposit Bank); capital, $50,000; Pres., E. L. Brown; Cas., B. W. Brown; Asst. Cas., D. W. Yealy.

FAYETTE CITY—Citizens' Bank; capital, $50,000; surplus, $25,000; Pres., Wm. H. Binns; Cas., James G. Binns.

MONTROSE—Farmers' National Bank; capital, $50,000; Pres., A. H. McCollum; Cas., C. F. Pross.

PHILADELPHIA—Frankland, Berger & Co.

SOUTH DAKOTA.

EMERY—Emery State Bank; capital, $12,000; Pres., W. S. Ryburn; Cas., P. Driscoll.

TENNESSEE.

DYERSBURG—Bank of Commerce; capital, $50,000; Pres., Jno. M. Tarrant; Cas., Jno. G. Latta; Asst. Cas., B. H. Watkins.

TEXAS.

BALLINGER—Citizens' National Bank (successor to W. C. Parks Banking Co.); capital, $75,000; Pres., Tom Ward; Cas., J. Wilmeth.

DALHART—First National Bank (successor to Bank of Dalhart); capital, $50,000; Pres., H. J. Hammond; Cas., Robert Lander; Asst. Cas., W. E. Smith.

HENDERSON—Farmers and Merchants' National Bank; capital, $25,000; Pres., F. W. Pettey; Cas., W. E. Stewart.

ROBERT LEE—Robert Lee Bank; Cas., H. H. Pearce.

VIRGINIA.

HAMPTON—Merchants' National Bank; capital, $50,000; Pres., H. R. Booker; Cas., L. M. von Schilling.

MANASSAS—People's National Bank; capital, $25,000; Pres., Wm. H. Brown; Cas., G. Raymond Radcliffe.

NEWPORT NEWS—Newport News National Bank; capital, $100,000; Pres., E. Quincy Smith; Cas., Wm. H. Kellogg.

RADFORD—First National Bank (successor to Bank of Radford); capital, $50,000; Pres., Wm. Ingles; Cas., F. Harvey; Asst. Cas., Wm. Ingles, Jr.

WISCONSIN.

LOMIRA—Lomira State Bank.

NORWALK—Norwalk State Bank; capital, $15,000; Pres., M. Goetz; Cas., J. L. Andres; Asst. Cas., E. M. Hanslik.

OSHKOSH—State Bank; Pres., R. H. Edwards; Cas., Henry Schultheis.

WATERFORD—Waterford State Bank.

CANADA.

ONTARIO.

BRIDGEBURG—Traders' Bank of Canada; A. H. Ward, Mgr.

PORTLAND—Union Bank of Canada; Wm. F. Graham, Mgr.

WELLESLEY—Western Bank of Canada; W. B. West, Mgr.

NORTHWEST TERRITORY.

CARLYLE—Union Bank of Canada; G. A. Fisher, Mgr.

CHANGES IN OFFICERS, CAPITAL ETC.

ARKANSAS.

FAYETTEVILLE—Washington County Bank; title changed to Washington County Bank and Trust Co.; capital increased to $100,000.

CALIFORNIA.

LOS ANGELES—Broadway Bank and Trust Co.; capital increased to $250,000.——American National Bank; W. J. Washburn, First Vice-Pres.; W. J. Doran, Fourth Vice-Pres.; C. M. Wood, Asst. Cas.——Southwestern National Bank; no Cashier in place of L. G. Nesmith; A. B. Jones, Asst. Cas.

PASADENA—First National Bank; A. R. Metcalf, Pres. in place of P. M. Green; Ernest H. May, Vice-Pres. in place of W. R. Barnes; H. I. Stuart, Cas. in place of Ernest H. May; S. F. Johnson, Asst. Cas. in place of H. I. Stuart.——Pasadena Savings, Trust and Safe Deposit Co.; A. R. Metcalfe, Pres. in place of P. M. Green.

SAN DIEGO—Merchants' National Bank; W. R. Rogers, Cas. in place of G. B. Grow; no Asst. Cas. in place of W. R. Rogers.

SAN FRANCISCO—American National Bank; James J. Fagan, Second Vice-Pres. in place of Wm. B. Wightman; J. N. Calkins, Cas. in place of James J. Fagan; Geo. N. O'Brien, Asst. Cas.

COLORADO.

COLORADO CITY—First National Bank; Earl C. Heinly, Asst. Cas.

DELTA—First National Bank; A. H. Stockham, Pres. in place of Henry Kohler; W. G. Hillman, Cas. in place of A. H. Stockham; no Asst. Cas.

CONNECTICUT.

NEW CANAAN—First National Bank; Selleck Y. St. John, Cas., deceased.

DELAWARE.

LAUREL—People's National Bank; Elijah E. Wootten, Asst. Cas.

SHELBYVILLE—Shelbyville National Bank; E. V. Baker, Cas.

WILMINGTON—Security Trust and Safe Deposit Co.; capital increased to $1,000,000.

DISTRICT OF COLUMBIA.

WASHINGTON—Citizens' National Bank; R. A. Chester, Cas. in place of Thomas C. Pearsall.——American Security and Trust Co.; capital increased to $3,000,000.

GEORGIA.

ATLANTA — Atlanta National Bank; Paul Romare, Pres. in place of James Swan, deceased.——Georgia Savings Bank and Trust Co.; capital increased to $50,000.

BAINBRIDGE—First National Bank; no Asst. Cashier in place of G. J. Thomas.

MACON—American National Bank; Oscar E. Dooly, Asst. Cas.

ILLINOIS.

BATAVIA—First National Bank; A. D. Mallory in place of Thomas Snow, deceased; H. N. Wade, Vice-Pres. in place of A. D. Mallory.

BENTON — First National Bank; W. W. McFall, Vice-Pres.; S. W. Swain, Asst. Cas.

CHICAGO—Oakland National Bank; Horace P. Taylor, Pres., deceased.

COLLINSVILLE—First National Bank; Thomas Kennedy, Cas.; E. Rosevear, Asst. Cas. in place of Thomas Kennedy.

KNOXVILLE — Farmers' National Bank; W. W. McBride, Cas. in place of H. J. Butt; F. Z. Harmony, Asst. Cas. in place of W. W. McBride.

MARSHALL — Dulany National Bank; Rob. L. Dulany, Pres., deceased.

MCLEANSBORO—First National Bank; Isaac H. Webb, Vice-Pres.; Val B. Campbell, Cas. in place of J. H. Lane.

YORKVILLE—Yorkville National Bank; Robert McClelland, Asst. Cas. in place of C. S. Williams.

INDIANA.

LOWELL—State National Bank; J. E. Love, Cashier.

MITCHELL—First National Bank; Henry C. Trueblood, Vice-Pres.; Kenley E. Harn, Asst. Cas.

PERU—First National Bank; Milton Shirk, Pres., deceased.

INDIAN TERRITORY.

BRISTOW—First National Bank; D. E. Brown, Asst. Cas.

DURANT—First National Bank; W. H. Lawrence, Cas. in place of C. H. Hardin Smith.

HUGO—First National Bank; A. H. Campbell, Pres. in place of J. B. Nixon; Arthur Adams, Asst. Cas. in place of R. E. Campbell.

TISHOMINGO—First National Bank: H. J. Fitz, Cashier.

IOWA.

COUNCIL BLUFFS—Commercial National Bank; Chas. F. Snider, Asst. Cas. in place of Chas. E. Walters.

TABOR—First National Bank; Ira McCormick, Cas. in place of L. J. Nettleton.

KANSAS.

KANSAS CITY—Commercial National Bank; no additional Asst. Cas. in place of E. F. Neal.

LIBERAL—First National Bank; J. E. George, Pres.; Paul S. Woods, Vice-Pres.

YATES CENTER—Yates Center National Bank; Levi Robbins, Pres. in place of H. H. Winter; T. H. Laidlaw, Vice-Pres. in place of Levi Robbins.

KENTUCKY.

LEXINGTON—Lexington City National Bank: capital increased to $100,000.

LOUISVILLE—American National Bank: R. F. Warfield, Cas.

MONTICELLO—Citizens' National Bank; H. H. Henninger, Pres.

OWENTON—Farmers' National Bank; William B. Lindsay, Pres., deceased.

MAINE.

PORTLAND—Portland Trust Co.; Harry P. Butler, Pres. in place of Wm. G. Davis.—Maine Savings Bank; Eben Corey, Pres. in place of Wm. G. Davis.—Chapman National Bank; Seth L. Larrabee, Pres. in place of C. C. Chapman, deceased; Adam P. Leighton, Vice-Pres. in place of Seth L. Larrabee.

MARYLAND.

BALTIMORE—D. Fahnestock & Co.; Derick Fahnestock, deceased.—Frank, Rosenburg & Co.; Alexander Frank, deceased.

CAMBRIDGE—Eastern Shore Trust Co.; capital increased to $200,000.

POCOMOKE CITY—Citizens' National Bank; Emerson G. Polk, Vice-Pres. and Asst. Cas.

MASSACHUSETTS.

CHICOPEE—First National Bank; F. C. Kendall, Cas. in place of F. B. Doten, deceased.

IPSWICH—Ipswich Savings Bank; Joseph Ross, Pres., deceased.

NEWTON—First National Bank; Joseph Bell Ross, Cas. in place of Arthur E. Smith.

WOBURN—First National Bank; John W. Johnson, Pres. in place of John M. Harlow; Julius F. Ramsdell, Vice-Pres. in place of John W. Johnson.

WORCESTER—Worcester Safe Deposit and Trust Co.: capital increased to $500,000.

MICHIGAN.

TRAVERSE CITY—First National Bank; Leon F. Titus, Cas. in place of Frank Welton: W. M. Kellogg, Asst. Cas. in place of Leon F. Titus.

MINNESOTA.

CAMPBELL—First National Bank; J. A. Colehour, Jr., Asst. Cas.

CORRELL—Bank of Correll; C. F. Woods, Pres., deceased.

IVANHOE—First National Bank; Geo. Graff, Vice-Pres. in place of Samuel Lewison; P. A. Paulson, Cas. in place of Geo. Graff.

SAUK CENTRE—Merchants' National Bank; L. E. Keller, Asst. Cas.

SHERBURN—Sherburn National Bank; G. M. Seaberg, Asst. Cas.

MISSISSIPPI.

NATCHEZ—National Bank of Commerce; L. B. Robinson, Pres.; Adolph Jacobs, Vice-Pres.; L. R. Martin, Cas.; S. D. Baker, Asst. Cas.

MISSOURI.

JASPER—First National Bank; Wm. Beaty, Vice-Pres.; N. H. Patterson, Asst Cas.

SHELBINA—Bank of Shelbina; title changed to Old Bank of Shelbina.

TARKIO—First National Bank; E. N. Raines, Cas., in place of James S. Wilson; no Asst. Cas. in place of E. N. Raines.

NEBRASKA.

HASTINGS—Adams County Bank; absorbed by First National Bank.

VALENTINE—First National Bank; no Asst. Cas. in place of Cora L. Watters.

NEW JERSEY.

PATERSON—First National Bank; capital increased to $500,000.

WESTFIELD—First National Bank; Richard Scoles, Pres. in place of Alfred D. Cook.

NEW MEXICO.

CLAYTON—First National Bank; H. J. Hammond, Pres. in place of C. Q. Chandler; no Vice-Pres. in place of H. J. Hammond.

NEW YORK.

DELHI—Delaware National Bank; Frank E. McPherson, Cas. in place of James F. Scott, deceased.

LYONS—Lyons National Bank; Dwight Scott Chamberlain, Pres., deceased.

NEW YORK—Chemical National Bank; William H. Porter, Pres. in place of Geo. G. Williams, deceased.—Institution for the Savings of Merchants' Clerks; W. Emlen Roosevelt, Treas. in place of Geo. G. Williams.

PORT CHESTER—First National Bank; John W. Ingman, Asst. Cas.

NORTH DAKOTA.

MINOT—Minot National Bank; O. Erickson, Asst. Cas.

NEW SALEM—First National Bank; W. H. Mann, Vice-Pres.; E. H. Mann, Asst. Cas.

PAGE—First National Bank; O. A. Pearce, Asst. Cas.

OHIO.

BUTLER—First National Bank; A. L. Byrns, Cas. in place of I. Shaffer; E. E. Byrns, Asst. Cas.

COLUMBUS—Hayden-Clinton National Bank; capital increased to $500,000; surplus increased to $150,000.

MARION—Marion National Bank; John E. Waddell, Asst. Cas. in place of Harry W. Culbertson.

PAULDING—Paulding National Bank; D. J. Harkless, Cas. in place of E. P. Copeland; C. L. Straw, Asst. Cas. in place of R. G. Allen.

TOLEDO—Lucas County Savings Bank Co.; capital increased to $200,000.

WELLSVILLE—First National Bank; absorbed by People's National Bank; E. H. Riggs, Pres. in place of J. W. Reilly.

OKLAHOMA.

ARAPAHOE—First National Bank; no Asst. Cas. in place of H. C. Arnold.

CASHION—First National Bank; no Asst. Cas. in place of B. T. White.

CLEVELAND—First National Bank; no Asst. Cas. in place of O. A. Gilbert.

EDMOND—First National Bank; C. H. Proffit, Asst. Cas.

GEARY—First National Bank; T. J. Ballew, Vice-Pres. in place of Robert Reed; O. V. Dillon, Cas. in place of T. J. Ballew.

NORMAN—City National Bank; J. G. Lindsay, Vice-Pres.; John Hardie, Cas. in place of J. G. Lindsay.

OREGON.

ONTARIO—First National Bank; E. M. Clark, Asst. Cas.

PORTLAND—First National Bank; A. L. Mills, Pres. in place of H. W. Corbett, deceased; no Vice-Pres. in place of A. L. Mills.

PENNSYLVANIA.

ADDISON—First National Bank; W. M. Watson, Pres.; A. S. Jefferys, Vice-Pres.

ALLENTOWN—Second National Bank; C. H. Moyer, Cas.; no Asst. Cas. in place of C. H. Moyer.

BLAIRSVILLE—First National Bank; T. D. Cunningham, Pres. in place of Paul Graff, deceased; Wilbur P. Graff, Cas. in place of T. D. Cunningham; no Asst. Cas. in place of Wilbur P. Graff.

BOLIVAR—Bolivar National Bank; B. F. Reese, Vice-Pres. in place of W. McHammond; Harry L. George, Asst. Cas.

BUTLER—Farmers' National Bank; E. W. Bingham, Cas. in place of C. A. Bailey; J. F. Hutzler, Asst. Cas. in place of E. W. Bingham.

CHAMBERSBURG—Chambersburg Trust Co.; F. A. Zimmerman, Sec.

DUQUESNE—Monongahela Valley Bank; capital increased to $100,000.

EASTON—Easton National Bank; William Hackett, Pres. in place of James W. Long, deceased; Henry G. Siegfried, Cas. in place of Wm. Hackett.

ELIZABETHTOWN—Elizabethtown National Bank; H. C. Lewis, Cas.

KNOX—Clarion County National Bank of Edinburg; no Asst. Cas. in place of F. L. Ludwick.

MANOR—Manor National Bank; Frank R. Rankin, Cas. in place of Dean Clark.

NEW ALEXANDRIA—New Alexandria National Bank; S. C. Patterson, Vice-Pres.; R. A. Dornon, Cas.

PHILADELPHIA—Kensington National Bank; Henry McConnell, Cas., deceased.

PITTSBURG—Columbia National Bank; F. A. Griffin, Vice-Pres.; H. M. Landis, Cas. in place of F. A. Griffin.——Metropolitan National Bank; capital increased to $400,000.

WAYNESBURG—Citizens' National Bank; W. H. Gelbach, Cas. in place of F. A. Zimmerman.

SOUTH CAROLINA.

GAFFNEY—Merchants and Planters' Bank; capital increased to $75,000.

TENNESSEE.

JACKSON—Jackson Banking Co.; George C. Wilkerson, Asst. Cas.

TEXAS.

BEAUMONT—Gulf National Bank; R. A. Greer, Second Vice-Pres.; Burt Hoopes, Second Asst. Cas.

CROWELL—First National Bank; W. F. George, Asst. Cas.

GAINESVILLE—Lindsay National Bank; C. H. Hardin Smith, Asst. Cas.

HOUSTON—First National Bank; W. S. Cochran, Asst. Cas.

LONGVIEW—Citizens' National Bank; J. C. Turner, Pres. in place of H. H. Howell; A. A. Batson, First Vice-Pres. in place of J. C. Turner.

ODESSA—Odessa National Bank; O. P. Thomas, Cas. in place of Thos. B. Van Tuyl.

ROCKWALL—Rockwall National Bank; J. R. Dumas, First Vice-Pres.; R. T. Tipton, Second Vice-Pres.; W. F. Martin, Cas.

SAN ANTONIO—First National Bank; Ned McIlhenny, Cas. in place of Josiah T. Woodhull.

SHERMAN—Grayson County National Bank; M. B. Pitts, Pres. in place of J. W. Blake; J. M. Thompson, Second Vice-Pres. in place of John Grant; C. N. Roberts, Cas. in place of W. P. Head; W. P. Head, Asst. Cas.

STEPHENVILLE—First National Bank; Geo. W. Riddle, Pres. in place of Otho S. Houston.

VIRGINIA.

LEESBURG—Loudoun National Bank; A. Dibrell, Cas. in place of R. H. Lynn; Carroll Pierce, Asst. Cas. in place of A. Dibrell.

WASHINGTON.

EVERETT—American National Bank; Paul C. Murphy, Asst. Cas. in place of S. B. Bucey.

SEATTLE—London and San Francisco Bank; Ralph S. Stacy, Mgr. in place of J. G. Gauld.

WEST VIRGINIA.

HINTON—First National Bank; W. H. Garnett, Cas. in place of W. M. Puckett.

KEYSER—First National Bank; W. J. Babb, Second Vice-Pres.; H. L. Arnold, Asst. Cas.

WISCONSIN.

OMRO—First National Bank; Wm. Wakeman, Pres. in place of P. A. Wheeler; R. H. Hackett, Second Vice-Pres.

WATERTOWN—Wisconsin National Bank; Wm. F. Voss, Pres. in place of Fred Miller; A. Solliday, Vice-Pres. in place of Wm. F. Voss.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

MONTGOMERY—Merchants and Planters' National Bank; in voluntary liquidation May 19.

CONNECTICUT.

SOUTHPORT—Southport National Bank; in hands of Ellis S. Pepper, Receiver, May 29.

GEORGIA.

ATLANTA—Capital City National Bank; in voluntary liquidation May 16.

DISTRICT OF COLUMBIA.

WASHINGTON—West End National Bank; in voluntary liquidation April 23.

INDIANA.

AUBURN—McClellan Bank.

WATERLOO—DeKalb Bank.

MARYLAND.

BALTIMORE—Sperry, Jones & Co.

MASSACHUSETTS.

BOSTON—F. M. Tucker & Co.

NEW YORK.

NEW YORK—National Broadway Bank; in voluntary liquidation April 21.

PENNSYLVANIA.

PITTSBURG—Pittsburg National Bank of Commerce; in voluntary liquidation May 2.

RHODE ISLAND.

PROVIDENCE—Commercial National Bank.

TEXAS.

LAMPASAS—Lampasas National Bank; in voluntary liquidation May 19.

WEST VIRGINIA.

CHARLESTOWN—First National Bank of Jefferson; in voluntary liquidation May 7

Certain Aspects of the Money Situation.—There are several features of large interest in the monetary situation, notwithstanding the fact that this is the usual dull period in the money market, a period of ease in rates, and relief from large demands either from trade or speculation.

One fact stands out prominently, and it is a cause of worriment to many Wall Street observers. Allusion is made, of course, to the continued excess of loans over deposits in the weekly bank statement. On March 21 the outstanding loans exceeded the net deposits by $10,865,000. On May 29 the loans exceeded the deposits by $9,894,100. During that period deposits have increased $12,399,400 and loans $11,428,500. Nevertheless, this has been a period of liquidation in the stock market.

The best explanation of this phenomenon is that there has been going on, this spring, a steady transfer of our foreign indebtedness to local institutions; in other words, that we have been paying off our foreign loans, by the aid of credit extended by the home banks. There is every reason to believe that this explanation is founded in fact.

That is a most important and significant statement made in another part of the "Wall Street Journal" on the highest banking authority. The statement is that one banking house has paid off $35,000,000 of foreign loans in the past few weeks; that four others have liquidated $45,000,000 of foreign indebtedness, and that altogether we have reduced our debt to Europe this spring upwards of $150,000,000. It is not surprising, therefore, that the loans of the New York banks continue so large. Moreover, the uneasiness which the continued excess of loans has excited is largely removed by this statement of foreign indebtedness paid. Nothing could give more promise for the fall. We are to enter upon the crop-moving period, with its heavy financial demands, with practically a clear score as regards Europe. If, in the fall, we need help, our credit abroad will be so increased that we shall be able to borrow freely. It is a wholesome thing, occasionally, to pay our debts. It is true that all business nowadays, is done on credit, and credit means activity and life. But cash settlements, once in a while, give strength and buoyancy to credit.

The current gold shipments, from this point of view, present no element of alarm. The gold is going in settlement of balances, and because rates of money are so easy here that it can be used more advantageously abroad. If rates continue easy gold will probably continue to be shipped for some time.—*Wall Street Journal.*

MONEY. TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, June 1, 1903.

A severe decline in the stock market last month will cause May, 1903, to be remembered in financial circles for a long time. There has been more or less of mystery regarding the cause of the decline, although more than one cause will suggest itself to the observer. The most depressing fact in connection with the fall in prices was the evident throwing over of shares recognized as of the greatest value and stability among investments. From the evidence of such a state of affairs it was only natural to conclude that holders of good securities were selling for the purpose of strengthening their position in regard to holdings of more doubtful value. This is one of the conjectures which frequently found voice in Wall Street.

Whatever may have been the origin of the decline or the cause of its continuance, there was a very pronounced bear market last month, and in most cases the lowest prices of the year and of two years were recorded during the last few days of May, some recovery occurring near the end of the month.

Simply to indicate how great the fall in prices has been, we show the highest prices recorded for a few stocks in 1902 and 1903 and the lowest price touched in May:

	Highest, 1902.	Highest, 1903.	Lowest, May, 1903.		Highest, 1902.	Highest, 1903.	Lowest, May, 1903.
Anaconda Copper	146	125⅛	85	Missouri Pacific	125⅛	115⅞	103⅛
Atchison	96⅝	89⅞	73⅛	New York Central	168⅞	156	124¾
Baltimore and Ohio	118⅛	104	86⅝	New York, Chic. & St. Louis	57⅝	45	29⅛
Canada Southern	97	78⅛	67⅛	N. Y., N. Haven and Hart.	255	225¼	187⅛
Canadian Pacific	145¼	138¾	123⅛	Pennsylvania	170	157⅝	125⅛
Central of New Jersey	198	190	165	Pullman	250	235¾	209¾
Chesapeake and Ohio	57⅛	53⅝	38⅞	Reading	78⅛	69¼	47⅝
Chicago and Alton	45⅝	37¼	27⅛	Rock Island	50⅛	53⅝	33⅛
Chic., Mil. and St. Paul	198¾	183¼	147⅝	Southern Pacific	81¼	68¼	48⅞
Clev., Cin., Chic. & St. Louis	108⅝	99⅝	87	Southern	38¾	36⅞	26⅝
Consolidated Gas	230¾	222	195⅛	Tennessee Coal and Iron	74⅝	68⅝	54
Iowa Central, preferred	90⅝	77⅜	50	Texas Pacific	54¾	43⅝	30
Lake Erie and Western	71⅛	53	36	Union Pacific	113¼	104⅝	82⅜
Louisville and Nashville	159⅛	130⅛	112	United States Steel	46¾	39⅞	30⅛
Manhattan	158	155⅛	135¼	United States Steel pref	97¾	89¾	80
Metropolitan Securities	134⅛	128⅞	90	Wabash, preferred	54⅛	55¼	43¾
Metropolitan Street	174	142⅞	128	Wisconsin Central	31	29¼	20

Holders of large blocks of securities must have felt seriously the effects of a decline which has forced prices downward from twenty to forty per cent. below those which ruled last year. Yet there has been nothing resembling a panic, and no suggestion of one being imminent.

Several conditions have exerted an unfavorable influence. The speculation in cotton, which has forced the price of that staple to a very high point, was not looked upon as a good thing for the stock market. With spot cotton selling around twelve cents a pound and bull talk on cotton still rampant, it is not surprising that the stock market should have faltered.

The partial failure of the conversion plan of the United States Steel Corporation had also somewhat of a depressing effect. It was proposed to exchange $200,000,000 of preferred stock for bonds and to issue $50,000,000 additional bonds for cash. A syndicate was organized a year ago to underwrite the plan, and it guaranteed a subscription for at least $100,000,000 bonds, to be paid for $80,000,000 in preferred stock and $20,000,000 in cash. The outside shareholders, it is understood, presented for exchange less than $50,000,000 of preferred stock, so that the syndicate had to make good its guarantee to the extent of the difference between $80,000,000 and the amount offered for exchange by the outside shareholders. Instead, therefore, of the United States Steel Corporation retiring $200,000,000 preferred stock and acquiring $50,000,000 cash, as proposed, the operation so far has resulted only in retiring $80,-000,000 stock and acquiring $20,000,000 cash. But the fact that caused the most unpleasant sensation was that an underwriting syndicate of so great prominence had in a measure failed to accomplish what it had set out to do.

Underwriting syndicates have been very popular and very prosperous in recent years. They have performed what not very long ago would have been considered financial miracles. Any suggestion that they could fail to do any task they undertook was not to be credited. Therefore the failure to carry out the conversion plan of the United States Steel Corporation was a very disagreeable surprise.

At about the time this matter was most in evidence the announcement came that a syndicate of bankers had underwritten the proposed bond issue of $90,000,000 by the Pennsylvania Railroad Company. While a favorable item of news, the effect upon Wall Street seemed to be the reverse, and the Pennsylvania stock broke several points. The proposed plan of the company, however, involves a change from that first proposed which seems to have received general commendation. Instead of an issue of $500,0000,000, the amount is reduced to $90,000,000, and at one time it was proposed to make the issue without the intervention of a syndicate at all. It is believed also that the company will not engage in the extensive building operations which were contemplated some time ago.

A clashing between the Pennsylvania Railroad and the Western Union Telegraph Company, and the destruction of the latter's poles and wires by the former caused no little comment as to the possible outcome of the fight between the Pennsylvania and the Gould-Rockfeller interests. It is some time since large corporations have fought each other with axes.

One disturbing factor it is not possible to estimate with any degree of accuracy. It exists in the labor troubles which are prevalent in various parts of the country. It may be doubted if there ever was a time prior to the present when so many men for whom work was available were out of employment as there are to-day. Thousands of workmen are seen in idleness on the streets of the large cities, while in the smaller industrial towns and cities so great is the suspension of work that the localities wear a holiday aspect.

The shipments of gold last month attracted attention, but no apprehension, at least on the part of the best-informed. It is an exceptional year when $40,000,000 to $50,000,000 of gold is not exported within a twelvemonth, a good part of which and sometimes all and more beside is returned within the same year. This is also the season of the year in which gold usually is exported. Most of the gold exported ordinarily goes out between April 1 and July 31, while the importing season is from August 1 to November 30. The net movements of gold in each of these four-month periods during the last ten years are shown in the following table:

Year.	April 1 to July 31. net exports.	Aug. 1 to Nov. 30, net imports.
1893	$29,298,268	$51,192,076
1894	67,547,554	771,845
1895	*4,679,986	†44,645,761
1896	37,108,665	71,415,500
1897	25,234,204	21,183,988
1898	*48,568,826	46,915,995
1899	15,172,282	16,069,488
1900	3,471,828	15,462,595
1901	11,879,378	11,292,805
1902	4,045,777	22,208,013

* Imports. † Exports.

There have been some exceptional movements of gold, noticeably in 1895, when there were net imports in the spring and very heavy exports in the summer months. This was rather the culmination of a series of gold operations occuring in the previous two years. There were heavy exports in April and May, 1893, followed by imports of nearly $41,000,000 in August of that year. In the early part of 1894 the gold exports were very large, exceeding $67,000,000 between April 1 and August 1, while very little gold was imported in the subsequent months of that year. The movement came to an end and imports exceeded exports in the spring season of 1895 by nearly $5,000,000, only to be followed by heavy exports later in the year, about $30,000,000 going out in August and September and nearly as much in November and December.

The other exceptional movement was in the spring of 1898, when there was a net import of more than $48,000,000 between April 1 and July 31. Nearly $30,000,000 had been imported in March, $31,000,000 in April and $13,000,000 in May. More than $43,000,000 additional came in during the three months from August 1 to October 31 of that year.

From August 1, 1897, to November 30, 1899, with the exception of a single month, June 1899, there was a continuous movement of gold into the country. Since that time, however, neither exports nor imports have been large and in very few months has there been a net movement of as much as $10,000,000 in a month.

In April this year the net exports of gold were about $600,000, while in May they probably exceeded the total for any month since last July. From New York the exports last month were $10,322,000 of which $6,017,000 was shipped to Paris, $305,000 to Berlin, and $4,000,000 to Buenos Ayres.

So far the outlook for a large wheat crop this year is most encouraging. The condition of winter wheat on May 1, as reported by the Department of Agriculture, was 92.6, as compared with 76.4 on May 1, 1902, and with 82.5, the average for the last ten years. The area is reported at 33,107,000 acres, or 964,000 less than was reported on April 1, but the area this year is 6,000,000 acres greater than it was a year ago. Upon the acreage and average conditions a yield of 546,000,000 bushels is indicated, which is by far the largest ever recorded. The crop in 1902 was only about 412,000,000 bushels, and 459,000,000 bushels in 1901.

Reference to the iron trade is still in order, for the production of pig iron continues to make new records, the weekly output on May 1 being 382,897 tons, an increase in April of 7,321 tons. The production is at the rate of nearly 20,000,000 tons a year. At the same time the stocks on hand show no increase, demonstrating that enormous as is production, consumption is keeping pace with it. Prices for iron have been declining, but the reduction is from quotations which were admittedly excessively high. There were many rumors of a break in the price of steel billets at Pittsburg, but they were without foundation, and a scarcity of steel is known to exist in that market.

The Bureau of Statistics has called attention to the extraordinary increase which has taken place in our imports of iron and steel. In the nine months of the current fiscal year the value of iron and steel manufactures imported into the country was in excess of $38,000,000, the largest for any corresponding period in any year excepting 1873. The figures for the nine months ended March 31 in each year since 1870 are given as follows:

Imports of Iron and Steel for the Nine Months ended March 31, 1870, to March 31, 1903.

YEAR.	*Imports.*	YEAR.	*Imports.*	YEAR.	*Imports.*
1870	$23,883,874	1882	$38,379,767	1893	$24,969,610
1871	31,063,324	1883	32,149,981	1894	16,155,340
1872	86,186,195	1884	25,955,978	1895	17,558,327
1873	45,219,829	1885	25,546,766	1896	19,958,764
1874	26,063,567	1886	24,964,257	1897	11,944,172
1875	14,677,777	1887	32,754,035	1898	9,679,130
1876	10,817,015	1888	38,029,124	1899	8,621,401
1877	7,229,171	1889	31,513,148	1900	14,841,035
1878	6,490,880	1890	30,189,370	1901	13,496,815
1879	7,036,648	1891	34,802,652	1902	17,901,072
1880	28,569,909	1892	20,006,085	1903	38,691,373
1881	33 690,301				

THE NATIONAL BANKS.—The completed summary of the reports of the National banks of the United States showing their condition on April 9, 1903, discloses some important changes since February 6, the date of the last previous report. There was a further increase in the number of banks, the total now in operation being 4,845, a gain since February of seventy-nine and since April 30 last year of 422. The aggregate capital-stock increased $3,628,000 since February and nearly $64,000,000 in the last year, while surplus and undivided profits increased $14,000,000 and $70,000,000 during the two periods respectively. While the holdings of United States bonds by National banks were increased $2,322,525 in two months, circulation decreased $132,445; but the latter is still $25,000,000 more than it was a year ago. Some very important decreases have occurred since February. The banks lost nearly $29,000,000 specie and nearly $6,000,000 legal tenders, while the deposits due other banks were reduced $54,000,000. There was an increase of $52,000,000 in loans, although the aggregate deposits of all kinds were substantially reduced.

The following table shows some of the principal items of the statement submitted by the National banks during the past two years:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
July 15, 1901	$645,719,099	$274,194,176	$2,941,837,429	$302,826,065	$68,259,478	$164,929,624
September 30, 1901	655,841,880	297,582,859	2,937,753,233	314,397,341	62,284,530	151,018,751
December 10, 1901	665,340,664	287,170,338	2,964,417,966	303,758,440	65,899,068	151,118,858
February 25, 1902	667,381,231	294,951,787	2,982,489,301	337,851,267	69,230,896	154,682,644
April 30, 1902	617,176,312	296,597,509	3,111,690,196	321,866,068	76,894,493	159,292,682
July 16, 1902	701,990,554	325,524,915	3,098,875,772	323,118,823	81,645,155	164,854,292
September 15, 1902	705,535,417	326,398,953	3,209,278,894	298,862,066	67,374,054	141,757,618
November 25, 1902	714,616,353	335,763,730	3,152,878,796	321,646,166	69,635,494	142,810,109
February 6, 1903	731,275,237	351,140,286	3,159,534,592	338,703,779	78,868,367	153,025,573
April 9, 1903	734,903,303	354,033,637	3,168,275,260	314,876,344	74,205,177	147,133,313

THE MONEY MARKET.—Rates for money were lower during May than for some time past, and even with gold exports assuming considerable proportions call money did not go above 3 per cent. while late in the month it frequently was down to 1½ per cent. Time money was somewhat firmer and was influenced by gold exports. At the close of the month call money ruled at 2 @ 2½ per cent., the average rate being 2¼ per cent. Banks and trust companies loaned at 2½ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 4 per cent. for 90 days to 4 months, 4½ per cent. for 6 months and 5 per cent. for 7 to 8 months on good mixed collateral. For commercial paper the rates are 4½ @ 4¾ per cent.

for 60 to 90 days' endorsed bills receivable, 4¾ @ 5¼ per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

Money Rates in New York City.

	Jan. 1.	*Feb. 1.*	*Mar. 1.*	*Apr. 1.*	*May 1.*	*June 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	8 –12	2½–3¾	3 –4	6 –15	2½–3	2 –2½
Call loans, banks and trust companies................................	8 –12	4 –	3 –	6 –	3½–4	2½–
Brokers' loans on collateral, 30 to 60 days................................	6 –	4½–	4¾–5	5½– 5¾	4 –	4 –
Brokers' loans on collateral, 90 days to 4 months........................	6 –	4½– ¾	5 –	5¼– 5½	4½–	4 –
Brokers' loans on collateral, 5 to 7 months..........	5½–	4½– ¾	4¾–5	5¼– 5½	4¾–5	4½–
Commercial paper, endorsed bills receivable, 60 to 90 days............	6 –	4¾–5	5 –5¼	5½– 5¾	5 –	4½– ¾
Commercial paper prime single names, 4 to 6 months...............	6 –	4¾–5	5 –5¼	5½– 6	5 –5½	4¾–5¼
Commercial paper, good single names, 4 to 6 months...............	6½–	5 –5½	5½–	6 – 6½	5½–6	5½–6

New York City Banks.—The changes reported by the clearing-house banks during the month were not of a character to exert any important influence. Deposits increased $15,000,000 in the first two weeks and decreased nearly $8,000,000 in the last two weeks, making the net increase for the month about $7,800,000. Loans show similar changes, increasing nearly $15,000,000 in the first half and decreasing $6,000,000 in the second, making the net increase about $8,900,000. The banks lost specie almost continuously, the decrease for the month being $3,400,000, which is more than offset by a gain of $3,700,000 in legal tenders. The surplus reserve is $1,500,000 less than it was at the beginning of the month, $2,000,000 less than a year ago and $11,600,000 less than two years ago.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
May 2...	$914,079,000	$167,438,300	$70,183,600	$905,760,200	$11,181,850	$43,586,000	$1,378,981,566
" 9...	923,080,200	169,051,700	69,936,800	915,834,700	10,029,825	43,948,900	1,290,882,534
" 16...	928,939,200	168,756,400	70,445,100	920,835,500	8,992,625	44,269,900	1,281,142,954
" 23...	923,468,100	166,002,000	71,873,500	914,611,100	9,222,725	44,204,000	1,388,294,696
" 29...	922,975,900	164,005,800	73,909,800	918,081,800	9,645,150	44,178,300	1,068,786,984

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	1901.		1902.		1903.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$854,189,200	$11,525,900	$910,860,800	$7,515,575	$873,115,000	$10,193,850
February......	969,917,500	24,838,825	975,997,000	26,623,350	931,778,900	27,880,775
March.........	1,012,514,000	14,801,100	1,017,488,300	9,975,925	956,206,400	5,951,900
April..........	1,004,283,200	7,870,500	965,853,300	6,965,575	894,260,000	6,280,900
May...........	970,790,500	16,759,775	968,189,600	7,484,000	905,760,200	11,181,850
June	952,398,200	21,253,050	948,326,400	11,929,000	913,081,800	9,645,150
July	971,382,000	8,484,200	955,829,400	12,978,350	....	....
August........	955,912,200	22,165,350	957,145,500	13,738,125	....	....
September....	968,121,900	11,919,925	935,998,500	9,742,775	....	....
October.......	936,452,300	16,293,025	876,519,100	3,236,625	....	....
November	958,062,400	10,482,800	893,791,200	21,339,100	....	....
December.....	940,668,500	13,414,575	883,836,800	15,786,300	....	....

Deposits reached the highest amount, $1,019,474,200 on Feb. 21, 1901, loans, $950,208,700 on February 21, 1903, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus.*
May 2....	$80,499,100	$88,592,000	$3,518,400	$4,368,900	$9,170,200	$2,736,700	* $2,353,800
" 9....	81,490,800	88,671,200	3,411,800	4,455,800	9,166,300	2,720,500	* 2,418,400
" 16....	79,646,300	87,235,200	3,638,500	4,642,700	8,964,600	2,676,000	* 1,867,700
" 23....	79,044,800	86,430,700	3,660,000	4,572,700	9,080,200	2,316,000	* 1,977,875
" 30....	79,064,900	86,850,400	3,592,300	4,501,400	9,437,900	2,517,700	* 1,663,280

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
May 2.......	$184,827,000	$208,227,000	$16,644,000	$6,384,000	$6,454,000	$140,188,600
" 9.......	186,319,000	208,305,000	17,000,000	6,261,000	6,478,000	134,733,500
" 16.......	187,480,000	210,735,000	17,304,000	6,745,000	6,475,000	128,276,700
" 23.......	187,653,000	209,757,000	17,214,000	6,709,000	6,488,000	124,011,700
" 30.......	189,091,000	207,542,000	12,261,000	6,746,000	6,514,000	98,858,700

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
May 2.................	$185,112,000	$212,728,000	$53,666,000	$9,947,000	$114,732,800
" 9.................	186,882,000	218,824,000	53,940,000	9,962,600	114,027,300
" 16.................	189,664,000	217,894,000	54,558,000	10,058,000	114,879,600
" 23.................	190,544,000	221,650,000	55,450,000	10,217,000	129,238,000
" 30.................	191,261,000	219,674,000	54,793,000	10,469,000	100,134,700

MONEY RATES ABROAD.—The Bank of England on May 21 reduced its rate of discount from 4 to 3½ per cent., at the same time the Bank of Bombay advanced its rate from 7 to 8 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 3¼ per cent. against 3½ per cent. a month ago. The open market rate at Paris was 2⅝ per cent. against 2¾ @ 2⅞ per cent. a month ago, and at Berlin and Frankfort 3⅜ per cent. against 3 per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Dec. 10, 1902.	*Feb. 11, 1903.*	*Apr. 8, 1903.*	*May 13, 1902.*
Circulation (exc. b'k post bills)..........	£28,765,260	£28,127,905	£29,857,000	£28,570,570
Public deposits..........................	9,464,550	11,239,705	13,000,000	7,125,650
Other deposits..........................	37,563,459	39,677,093	44,081,000	59,096,612
Government securities..................	16,012,333	15,062,127	14,510,000	14,739,631
Other securities........................	27,873,428	28,984,448	36,047,000	44,499,255
Reserve of notes and coin..............	21,607,147	25,170,852	25,015,000	24,779,212
Coin and bullion........................	31,597,407	35,123,757	36,198,026	35,874,962
Reserve to liabilities..................	44½%	49%	43.73%	37⅝%
Bank rate of discount..................	4%	4%	4%	4%
Price of Consols (2¾ per cents.).........	92⅞	26 1-16d.	90¼	92 5-16
Price of silver per ounce..............	22⅛d.	....	22¾d.	24⅛d.

EUROPEAN BANKS.—The Bank of England gained about $2,500,000 gold last month, the Bank of France $1,000,000, Germany $8,500,000, Russia $6,000,000, and Austria-Hungary about $1,000,000. All the first three named banks hold less gold than they did a year ago, but the Bank of England has within $500,000 as much as it had at this time last year.

Gold and Silver in the European Banks.

	April 1, 1903.		May 1, 1903.		June 1, 1903.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£37,682,865	....	£35,347,486	....	£35,849,626	....
France	301,048,872	£43,986,428	99,824,195	£44,272,209	100,050,618	£44,685,396
Germany	34,695,000	12,191,000	33,336,000	11,718,000	35,064,000	12,316,000
Russia	79,689,000	8,489,000	76,270,000	8,291,000	77,576,000	8,888,000
Austria-Hungary	46,163,000	12,896,000	45,978,000	13,062,000	46,125,000	13,151,000
Spain	14,452,000	20,093,000	14,487,000	20,323,000	14,516,000	20,384,000
Italy	17,559,000	2,278,300	17,699,000	2,266,400	17,919,000	2,263,400
Netherlands	4,107,400	6,587,000	3,936,100	6,570,800	3,940,000	6,564,400
Nat. Belgium	3,197,333	1,598,667	3,086,000	1,543,000	3,084,667	1,542,333
Totals	£338,593,970	£108,114,395	£329,963,781	£108,061,409	£334,114,911	£109,789,529

Foreign Exchange.—Sterling exchange made a further advance in May and at the close of the month the market was strong and rates all around were advancing. Rates were high enough to justify gold exports as an arbitrage operation and gold was shipped up to the close of the month.

Foreign Exchange—Actual Rates on or about the First of each Month.

	Feb. 1.	Mar. 1.	Apr. 1.	May 1.	June 1.
Sterling Bankers—60 days	4.83¾— ⅞	4.84¼— ⅜	4.83⅝— ⅞	4.84⅝— ¾	4.85⅛— ⅜
" " Sight	4.86¾— ⅞	4.87½—	4.86⅞— 7⅛	4.87¾— ⅞	4.88⅛— ¼
" " Cables	4.87⅛— ⅜	4.87⅞—88	4.87½— ¾	4.88¼— ⅜	4.88¾— ⅞
" Commercial long	4.83½— ⅝	4.83½— 4	4.83 — 4	4.84¼— ⅜	4.84¾— 5
" Docu'tary for paym't.	4.82¾— 3¾	4.83½— 4½	4.82¾— 3¾	4.83¾— 4¾	4.84¼— 5⅝
Paris—Cable transfers	5.15⅝—	5.15⅝— 3/32	5.15⅝—	5.15 1/16— 1/32	5.15 —
" Bankers' 60 days	5.18¾—	5.18¾— ⅛	5.18¾—	5.18⅛—	5.18⅛—17½
" Bankers' sight	5.16¼—	5.15⅝—	5.16¼—	5.15⅝—	5.15⅝—
Swiss—Bankers' sight	5.16⅞—	5.16⅞— ¼	5.16⅞—	5.15⅝—	5.15 1/32—15
Berlin—Bankers' 60 days	94¾—	94¾— 13/16	94⅝— 11/16	94¾— 13/16	94⅞— 15/16
" Bankers' sight	95 — 1/16	95 1/16— ⅛	95 — 1/16	95¼—	95½—
Belgium—Bankers' sight	5.16⅞—	5.16⅞— ¼	5.17½—16⅞	5.16¼—	5.16¼—
Amsterdam—Bankers' sight	40⅛—	40⅛— 3/16	40 1/16— ⅛	40¼— 5/16	40¼—
Kronors—Bankers' sight	26.74 —77	26.75—78	20.74— .76	26.79—26.81	26.86—26.88
Italian lire—sight	5.16¼—15⅝	5.15⅝ — 1/16	5.16¼—15	5.16¼—15	5.15⅝—

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
May 2	4.8465 @ 4.8475	4.8775 @ 4.8785	4.8825 @ 4.8835	4.84¼ @ 4.84⅜	4.83¾ @ 4.84¾
" 9	4.8500 @ 4.8510	4.8800 @ 4.8810	4.8865 @ 4.8875	4.84½ @ 4.84¾	4.84 @ 4.85
" 16	4.8490 @ 4.8500	4.8790 @ 4.8800	4.8840 @ 4.8850	4.84½ @ 4.84⅝	4.84 @ 4.85
" 23	4.8505 @ 4.8510	4.8785 @ 4.8795	4.8830 @ 4.8840	4.84½ @ 4.84⅝	4.84 @ 4.85¼
" 29	4.8515 @ 4.8525	4.8815 @ 4.8825	4.8870 @ 4.8880	4.84¾ @ 4.85	4.84¼ @ 4.85⅝

Silver.—After advancing to 25¼d. silver in London was weaker and late in the month declined to 24 5-16 the closing price, a net decline for the month of 5-16d.

Monthly Range of Silver in London—1900, 1901, 1902.

Month.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.	Month.	1901. High	1901. Low.	1902. High	1902. Low.	1903. High	1903. Low.
January	29 9/16	27⅞	26 1/16	25⅝	22⅝	21 11/16	July	28 3/16	27¾	24 9/16	24 5/16	....	....
February	28 7/16	27⅞	25⅝	25 5/16	22 5/16	21⅞	August	28 7/16	27 11/16	24 7/16	24⅛	....	....
March	28 3/16	27 5/16	25 7/16	24 15/16	22 15/16	22⅛	Septemb'r	28 7/16	29¼	24⅛	23 9/16	....	....
April	27 15/16	26 15/16	24⅞	23 5/16	25 1/16	22⅝	October	30 3/16	29⅛	23 11/16	23¼	....	....
May	27⅝	27 3/16	24⅛	23 5/16	25¼	24 5/16	Novemb'r	29 11/16	29 7/16	23¼	21¾	....	....
June	27⅝	27¼	24 7/16	23 15/16	....	....	Decemb'r	29 15/16	29⅛	22⅛	21 11/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns & Bk. of Eng. notes	$4.87	$4.90	Mexican 20 pesos	$19.52	$19.60
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.78	4.82	Mexican dollars	.42	.44½
Twenty-five pesetas	4.78	4.81	Peruvian soles	.40	.44
Spanish doubloons	15.53	15.60	Chilian pesos	.40	.44
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 24 5-16d. per ounce. New York market for large commercial silver bars, 53 @ 54¼c. Fine silver (Government assay), 53¼ @ 54⅝c. The official price was 52⅝c.

GOLD AND SILVER COINAGE.—The coinage at the United States Mints in May amounted to $69,000 gold, $1,584,000 silver, and $127,486.29 minor coin, a total of $1,780,486.29. There were 6,606,396 coins made for Philippine Islands in May, making a total for April and May of 7,812,396.

COINAGE OF THE UNITED STATES.

	1901.		*1902.*		*1903.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$12,657,200	$2,713,000	$7,660,000	$2,908,637	$7,635,178	$1,707,000
February	9,230,300	2,242,166	6,643,850	2,489,000	7,488,510	1,521,000
March	6,182,152	3,120,580	1,558	2,965,577	6,879,920	1,595,987
April	18,958,000	2,633,000	3,480,315	3,388,273	137,400	1,809,000
May	9,325,000	3,266,000	426,000	1,873,000	69,000	1,584,000
June	5,948,030	2,836,185	500,345	2,464,353	....	....
July	4,225,000	1,312,000	2,120,000	2,254,000	....	....
August	6,780,000	3,141,000	8,040,000	2,236,000	....	....
September	4,100,178	3,899,524	3,560,860	2,831,165	....	....
October	5,750,000	2,791,489	1,890,000	2,287,000	....	....
November	6,270,000	917,000	2,675,000	2,399,000	....	....
December	12,309,338	1,966,514	6,277,925	1,932,216	....	....
Year	$101,735,187	$30,838,461	$47,109,852	$29,928,167	$22,210,000	$8,216,987

NATIONAL BANK CIRCULATION.—The May statement of the Comptroller of the Currency shows an increase of $15,291,477 in National bank notes outstanding, the circulation based on bonds increasing more than $16,000,000. Nearly $368,000,000 of bonds are now deposited to secure circulation and of this amount more than $359,500,000 are in the two per cent. bonds. The National banks also hold nearly $105,000,000 of these bonds to secure public deposits, so that they now have $464,000,000 of the two per cents while holding only about $56,000,000 of all other classes of Government bonds.

NATIONAL BANK CIRCULATION.

	Feb. 28, 1903.	*Mar. 31, 1903.*	*Apr. 30, 1903.*	*May 31, 1903.*
Total amount outstanding	$382,798,845	$382,519,258	$391,151,728	$406,443,205
Circulation based on U. S. bonds	338,660,361	338,349,814	347,564,355	363,586,987
Circulation secured by lawful money	44,138,484	44,169,444	43,587,373	42,856,218
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,856,350	3,047,850	3,994,950	3,655,500
Five per cents. of 1894	1,037,400	1,087,400	701,400	682,400
Four per cents. of 1895	2,195,100	2,255,100	2,010,100	1,565,100
Three per cents. of 1898	5,593,020	5,067,020	3,078,920	2,391,820
Two per cents. of 1900	324,482,800	325,753,400	342,910,750	359,533,100
Total	$342,164,670	$342,160,770	$352,696,120	$367,827,920

The National banks have also on deposit the following bonds to secure public deposits; 4 per cents. of 1907, $5,324,700; 5 per cents. of 1894, $3,978,450; 4 per cents. of 1895, $9,919,750; 3 per cents. of 1898, $7,265,020; 2 per cents. of 1900, $104,815,650; District of Columbia 3.65's, 1924, $1,671,000; State and city bonds, $17,477,900; Philippine Island certificates, $2,525,000, a total of $152,977,470.

UNITED STATES FOREIGN TRADE.—The exports of merchandise in April exceeded $109,500,000 and were slightly larger than in April, 1902, but less than in either 1900 or 1901. They were also the smallest reported for any month since last August. Imports of merchandise were $87,700,000, the largest ever reported for April in any year and nearly $12,000,000 in excess of those of the corresponding month last year. The large imports caused a reduction in the net export balance to below $22,000,000, as compared with $33,000,000 in 1902 and $44,000,000 in 1901. Nearly $600,000 gold, net, was exported and $1,000,000 silver. The exports of silver were much less than in previous years. For the ten months of the current fiscal year the exports of merchandise increased $33,000,000 over the previous year and the imports $110,000,000. The excess of exports was $359,000,000, as compared with $435,000,000 in 1902 and $584,000,000 in 1901.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF APRIL.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1898	$99,314,816	$55,946,410	Exp., $43,368,406	Imp., $31,256,134	Exp., $2,008,095
1899	88,794,873	65,208,228	" 23,586,645	" 1,320,387	" 2,233,336
1900	118,772,580	75,510,262	" 43,262,318	" 1,427,233	" 788,235
1901	120,754,190	76,698,131	" 44,056,059	Exp., 2,667,927	" 2,588,933
1902	109,169,873	75,822,268	" 33,347,605	" 979,437	" 1,689,526
1903	109,542,636	87,715,198	" 21,827,438	" 599,381	" 1,003,405
TEN MONTHS.					
1898	1,025,220,172	511,199,772	Exp., 514,020,400	Imp., 88,817,246	Exp., 19,439,658
1899	1,036,787,828	565,230,807	" 471,557,021	" 68,214,148	" 22,269,897
1900	1,172,403,276	717,286,292	" 455,116,984	" 9,179,079	" 17,562,523
1901	1,260,422,817	676,124,805	" 584,298,012	" 23,278,454	" 23,623,357
1902	1,190,157,387	754,516,807	" 435,640,580	" 223,726	" 18,214,429
1903	1,223,740,663	864,720,889	" 359,019,774	" 20,418,354	" 20,086,839

UNITED STATES PUBLIC DEBT.—The public debt statement for May shows that nearly $16,000,000 of bonds have been exchanged for two per cent. bonds since May 1.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1903.	Apr. 1, 1903.	May 1, 1903.	June 1, 1903.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$445,940,750	$445,940,750	$499,622,550	$515,411,050
Funded loan of 1907, 4 "	233,178,650	233,179,200	187,690,400	176,434,800
Refunding certificates, 4 per cent	31,230	30,810	30,730	30,700
Loan of 1904, 5 per cent	19,385,050	19,385,050	19,385,050	19,385,050
" 1925, 4 "	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	97,515,660	97,515,660	89,322,760	84,789,860
Total interest-bearing debt	$914,541,240	$914,541,370	$914,541,390	$914,541,360
Debt on which interest has ceased	1,255,710	1,230,100	1,230,050	1,214,900
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	42,169,652	43,147,884	42,883,611	41,494,116
Fractional currency	6,872,594	6,871,690	6,871,690	6,871,690
Total non-interest bearing debt	$395,774,109	$396,754,437	$396,490,165	$395,100,670
Total interest and non-interest debt.	1,311,574,059	1,312,525,907	1,312,261,605	1,310,856,930
Certificates and notes offset by cash in the Treasury:				
Gold certificates	383,564,069	402,008,069	410,257,869	411,190,869
Silver "	468,957,000	466,498,000	464,373,000	462,550,000
Treasury notes of 1890	24,053,000	21,501,000	20,795,000	20,013,000
Total certificates and notes	$876,574,069	$890,007,069	$895,425,869	$893,762,869
Aggregate debt	2,188,148,128	2,202,532,976	2,207,687,474	2,204,619,799
Cash in the Treasury:				
Total cash assets	1,331,081,200	1,355,375,325	1,357,763,183	1,357,349,939
Demand liabilities	966,671,820	982,453,336	984,436,996	982,181,041
Balance	$364,409,380	$372,921,988	$373,326,187	$375,168,898
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	214,409,380	222,921,988	223,326,187	225,168,898
Total	$364,409,380	$372,921,988	$373,326,187	$375,168,898
Total debt, less cash in the Treasury.	947,164,679	939,603,919	938,935,418	935,688,082

Nearly $69,500,000 have been so exchanged since the Secretary of the Treasury issued his circular authorizing the exchange to be made. There are now more than $515,000,000 of two per cents. outstanding and less than $400,000,000 of all other issues. The cash balance in the Treasury increased about $2,000,000 last month while the net debt less cash in the Treasury was reduced $3,000,000.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The revenues of the Government in May exceeded the disbursements by $3,526,973, making a surplus for the eleven months of the current fiscal year of $38,946,619. The revenues were $5,000,-000 less than in May last year while the expenditures were nearly $2,000,000 greater. For the eleven months the receipts show a decrease of $2,000,000 and the expenditures an increase of $34,000,000. The latter is caused by an increase in the civil and miscellaneous list of $11,000,000, war $6,500,000, navy $13,000,000 and Indians $2,500,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*May, 1903.*	*Since July 1, 1902.*
Customs	$20,471,049	$262,194,416
Internal revenue	19,160,309	209,436,850
Miscellaneous	4,482,611	38,902,205
Total	$44,113,969	$510,533,471
Excess of receipts	3,526,973	38,946,619

EXPENDITURES.

Source.	*May, 1903.*	*Since July 1, 1902.*
Civil and mis	$9,301,898	$117,523,731
War	7,867,047	110,136,790
Navy	7,667,904	74,861,234
Indians	1,004,350	11,959,037
Pensions	12,749,636	128,807,891
Interest	1,996,161	28,298,170
Total	$40,586,996	$471,586,852

MONEY IN CIRCULATION IN THE UNITED STATES.—The addition to the volume of money in circulation last month was nearly $8,000,000. As there was an increase of nearly $14,000,000 in National bank notes alone, the difference of $6,000,000 is to be accounted for by a decrease in other kinds of money. The principal losses were about $3,000,000 in silver certificates and $2,000,000 in United States notes. There was a small increase in gold coin and decrease in gold certificates.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1903.	*Apr. 1, 1903.*	*May 1, 1903.*	*June 1, 1903.*
Gold coin	$629,680,632	$622,002,398	$623,182,460	$623,982,009
Silver dollars	78,810,334	74,476,840	73,986,478	78,417,209
Subsidiary silver	94,350,669	92,285,445	92,309,566	91,857,189
Gold certificates	346,418,819	362,924,999	381,681,459	381,254,489
Silver certificates	463,570,632	461,587,553	459,243,646	456,586,781
Treasury notes, Act July 14, 1890	23,920,426	21,420,172	20,670,740	19,866,742
United States notes	343,770,858	344,274,682	342,078,249	340,109,538
National bank notes	368,678,531	372,785,854	381,306,122	395,090,918
Total	$2,348,700,901	$2,351,757,943	$2,374,853,720	$2,382,174,825
Population of United States	79,799,000	80,142,000	80,257,000	80,372,000
Circulation per capita	$29.43	$29.34	$29.58	$29.64

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1903.	*Apr. 1, 1903.*	*May 1, 1903.*	*June 1, 1903.*
Gold coin and bullion	$617,196,083	$639,740,808	$644,171,119	$637,463,115
Silver dollars	470,783,167	478,492,986	479,911,348	481,008,617
Silver bullion	23,057,667	20,146,491	19,165,230	18,463,267
Subsidiary silver	6,419,206	8,500,673	8,831,987	9,636,251
United States notes	2,910,158	2,406,334	4,607,767	6,571,478
National bank notes	16,251,253	9,733,404	9,845,606	11,352,287
Total	$1,136,617,534	$1,159,020,691	$1,166,533,057	$1,164,495,015
Certificates and Treasury notes, 1890, outstanding	833,909,877	845,932,724	861,545,845	857,707,962
Net cash in Treasury	$302,707,657	$313,087,967	$304,987,212	$306,787,053

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of May, and the highest and lowest during the year 1903, by dates, and also, for comparison, the range of prices in 1902:

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.				MAY, 1903.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	95⅝	74¼	89⅞—Jan.	10	73⅛—May	25	83⅛	73⅛	73⅝
" preferred	106⅛	95½	103⅛—Jan.	10	94½—May	25	98¼	94½	95
Baltimore & Ohio	118⅛	95⅝	104 —Jan.	9	85½—Apr.	13	93¾	86⅝	87½
Baltimore & Ohio, pref.	99	92	96¾—Feb.	11	90 —May	25	94	90	90½
Brooklyn Rapid Transit	72⅜	54¾	71⅛—Feb.	17	58¾—May	28	67¼	58¾	59⅛
Canadian Pacific	145¼	112¼	138¾—Feb.	10	123½—May	28	133⅝	123⅛	124¼
Canada Southern	97	71	78½—Jan.	5	67½—May	29	71⅞	67½	67½
Central of New Jersey	198	165	190 —Jan.	19	165 —May	28	177	165	168
Ches. & Ohio vtg. ctfs.	57½	45⅝	53⅝—Feb.	10	38⅛—May	28	45½	38⅞	39
Chicago & Alton	45⅝	29½	37¼—Jan.	5	27½—May	25	31⅝	27½	27¾
" preferred	79	68	73⅛—Jan.	7	67⅝—May	25	70⅛	67⅝	69
Chicago, Great Western	35	22	29⅝—Jan.	9	19¾—Apr.	18	23	20	20½
Chic., Milwaukee & St. Paul	198¾	160⅛	183¼—Jan.	7	147⅝—May	25	163¼	147⅝	148⅞
" preferred	200¾	186	194¼—Jan.	9	175 —May	25	183½	175	175½
Chicago & Northwestern	271	204⅛	224½—Jan.	14	171 —May	25	183	171	175½
" preferred	274½	230	250 —Jan.	7	210 —May	14	210	210	210
Chic., St. Paul, Minn. & Om.	170½	140	162 —Jan.	19	140 —Apr.	9	....	....	....
" preferred	210	194⅞	194 —Jan.	5	190 —May	11	190	190	190
Chicago Terminal Transfer	24⅞	15	19⅞—Jan.	9	14 —Apr.	13	17¼	14⅛	15
" preferred	44	29	36 —Jan.	8	24¼—May	29	30¼	24¼	24¼
Clev., Cin., Chic. & St. Louis	108⅜	93	99⅜—Jan.	6	87 —May	26	91⅛	87	88
Col. Fuel & Iron Co.	110½	73¾	82½—Jan.	6	54 —Apr.	3	70⅞	61¼	67¼
Colorado Southern	35¾	14⅛	31⅝—Jan.	7	18¾—May	29	25⅜	18¾	18⅞
" 1st preferred	79½	59¼	72 —Jan.	9	62 —Apr.	14	65½	62	62½
" 2d preferred	53⅞	28	48 —Jan.	8	28¼—May	29	38	28¼	28¼
Consolidated Gas Co.	230¾	205	222 —Jan.	7	195½—May	29	212¼	195½	197
Delaware & Hud. Canal Co.	184½	153½	183½—Feb.	2	161 —Apr.	14	181¼	168	170½
Delaware, Lack. & Western	297	231	276½—Jan.	8	240 —Apr.	13	257	250	250
Denver & Rio Grande	51¾	35⅛	43 —Feb.	9	31¼—May	29	37	31¼	31¼
" preferred	96¾	86½	90½—Feb.	9	83½—Apr.	13	87¼	84⅛	85
Erie	44⅝	28⅝	42⅝—Jan.	9	31½—Apr.	13	36¼	33	33½
" 1st pref	75¾	60½	74 —Feb.	5	62⅛—Apr.	13	69¼	65⅛	67⅛
" 2d pref	63¾	41½	64⅞—Feb.	5	47½—Apr.	13	58⅝	53	55⅝
Evansville & Terre Haute	74⅝	50	72½—Jan.	8	62 —Apr.	14	67½	62	62
Express Adams	240	198	235 —Feb.	11	214 —Mar.	10	225	225	225
" American	265	210	235 —Feb.	5	200 —Apr.	13	212	200	200
" United States	160	97	150¼—Feb.	4	108½—May	26	125	108½	115
" Wells, Fargo	251	185	249½—Feb.	6	200 —Apr.	13	....	....	....
Great Northern, preferred	203	181½	209 —Jan.	22	189½—May	26	189½	189½	189½
Hocking Valley	106	66	106½—Feb.	20	94½—Apr.	13	105	95	97
" preferred	98⅜	81⅛	99¼—Mar.	2	92 —Apr.	13	96⅛	92⅞	94
Illinois Central	173½	137	151 —Jan.	10	130¾—Apr.	14	139⅝	133¾	135
Iowa Central	51¾	37½	48 —Jan.	12	28 —May	25	36¾	28	28¾
" preferred	90⅜	65	77⅝—Jan.	12	50 —May	25	62	50	51
Kansas City Southern	39	19	36¼—Jan.	12	24¾—May	28	30⅞	24¾	27¼
" preferred	63¾	44	61¼—Jan.	22	47½—May	29	53¼	47½	48½
Kans. City Ft. S. & Mem. pref.	88	75	82¾—Feb.	26	75½—May	25	81	75½	76½
Lake Erie & Western	71½	40	58 —Jan.	8	36 —May	26	40	36	37
" preferred	138	120	118 —Feb.	6	105 —Apr.	7	108	105	105
Long Island	91⅞	72½	83 —Jan.	7	68 —May	22	71	68	68
Louisville & Nashville	159½	102⅜	130½—Jan.	8	112 —May	25	119⅝	112	112½
Manhattan consol	158	128	155½—Jan.	14	135¼—Apr.	14	142⅛	136	137¼
Metropolitan Street	174	135	142⅞—Jan.	6	127 —Apr.	17	135	128	128⅛
Mexican Central	31⅛	20⅝	29 —Mar.	23	24⅛—May	28	28⅝	24⅛	24½
Minneapolis & St. Louis	115	105	110 —Jan.	9	74½—May	26	98	74½	82
" preferred	127¾	118½	118 —Feb.	27	108 —Apr.	16	110	110	110
Missouri, Kan. & Tex.	35¾	22½	30½—Jan.	5	22⅞—Apr.	13	27¼	23	23⅞
" preferred	69¾	51	63½—Feb.	10	51 —Apr.	13	59	52	59
Missouri Pacific	125½	96¾	115⅞—Feb.	10	102¾—Apr.	14	113	103½	104⅞
N. Y. Cent. & Hudson River	168⅞	147	156 —Jan.	10	124¾—May	20	132½	124¾	126¼
N. Y., Chicago & St. Louis	57⅝	40	45 —Jan.	7	29½—May	19	36	29½	31
" 2d preferred	100	80	87 —Jan.	19	74 —Apr.	14	....	....	....
N. Y., Ontario & Western	37⅝	25¼	35¼—Feb.	5	25⅞—May	28	30½	25⅞	26

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1902.		HIGHEST AND LOWEST IN 1903.		MAY, 1903.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Norfolk & Western	78½	55	76¼—Feb. 10	66¾—Apr. 13	72½	67¾	68
" preferred	98	90	93½—Feb. 2	89 —Apr. 16	90	89⅝	90
North American Co	134	88	124½—Jan. 7	88 —May 28	100	88	93
Pacific Mail	49⅝	37	42¾—Jan. 7	27 —May 28	33¼	27	27
Pennsylvania R. R	170	147	157⅝—Jan. 10	125½—May 21	138⅛	125½	126¾
People's Gas & Coke of Chic	109½	98¼	108⅝—Feb. 10	99¼—Apr. 14	105⅝	99⅝	100¼
Pullman Palace Car Co	250	215	235¾—Jan. 14	209¾—May 28	219	209¾	210
Reading	78½	52¼	69¼—Jan. 2	47⅝—May 25	56⅞	47⅝	48⅝
" 1st prefered	90¼	79⅞	89⅞—Feb. 5	81½—Apr. 13	85	82	83
" 2d preferred	80⅞	60	81 —Jan. 6	66 —Apr. 13	71½	66½	67⅞
Rock Island	50⅛	32½	53⅝—Jan. 9	33½—May 28	46	33½	34⅝
" preferred	85½	71	86 —Jan. 9	68 —May 28	78	68	69½
St. Louis & San Francisco	85½	53¾	90½—Feb. 24	63¾—Apr. 14	81½	70	70½
" 1st preferred	90	77	88 —Feb. 20	78 —Apr. 16	83	80	80
" 2d preferred	80⅝	65½	78 —Feb. 24	64⅝—May 29	72½	64⅝	64⅝
St. Louis & Southwestern	39	24½	30 —Jan. 7	20⅛—May 21	25	20⅛	20½
" preferred	80	55¼	66 —Jan. 7	44⅞—May 28	57	44⅞	46½
Southern Pacific Co	81¼	56	68¼—Mar. 19	48⅞—May 25	56¾	48⅞	49⅝
Southern Railway	41⅝	28	36⅞—Jan. 9	26⅝—May 25	31⅞	26⅝	26⅞
" preferred	98½	89¾	96 —Feb. 9	89 —May 25	93	89	90
Tennessee Coal & Iron Co	74⅝	49½	68¾—Mar. 21	54 —May 25	65	54	54½
Texas & Pacific	54¾	37	43⅝—Feb. 10	30 —Apr. 14	37⅛	30	30⅝
Toledo, St. Louis & Western	33¼	18½	31⅞—Jan. 9	20⅝—May 25	27⅞	20⅝	22¼
" preferred	49¾	35	48 —Jan. 8	38 —May 25	44	38	40
Union Pacific	113¼	93½	104⅝—Jan. 9	82⅝—May 29	92⅛	82⅝	82¾
" preferred	95	86⅝	95¼—Feb. 11	87½—Apr. 13	91½	88½	88¾
Wabash R. R	38¾	21¾	32¾—Feb. 27	24¾—Apr. 14	28¼	25	25⅝
" preferred	54½	37	55¼—Feb. 24	42¾—Apr. 14	49¼	43¾	44⅝
Western Union	97½	84¾	93 —Jan. 14	81¾—May 25	85¾	81¾	84
Wheeling & Lake Erie	30¼	17	27½—Feb. 9	21 —Apr. 13	24½	21	22¼
" second preferred	42⅜	28	38½—Feb. 10	30¾—Apr. 13	37¼	32	35
Wisconsin Central	31	19⅛	29¼—Feb. 9	20 —May 26	24¾	20	20½
" preferred	57⅝	39½	55½—Feb. 6	41½—May 26	48¼	41½	42¾
"INDUSTRIAL"							
Amalgamated Copper	79	53	75⅝—Mar. 12	56¾—May 29	67¼	56¾	57⅞
American Car & Foundry	37⅝	28¼	41¾—Jan. 19	35½—Jan. 3	40¼	36	36⅝
" pref	93⅜	85¼	93 —Jan. 6	88¼—May 26	91⅝	88¼	88¾
American Co. Oil Co	57¾	30½	46¼—Feb. 20	33¼—May 21	42½	33¼	34
American Ice	31⅞	9½	11⅞—Jan. 31	5¾—Mar. 10	10¼	7¾	8
American Locomotive	36⅞	23½	31⅝—Feb. 17	22¾—May 25	27⅝	22¾	23⅛
" preferred	100¼	89	95¾—Feb. 17	90 —May 25	93¼	90	91½
Am. Smelting & Refining Co	49⅝	36⅞	52⅞—Feb. 17	42¾—Jan. 3	51	47½	48½
" preferred	100⅛	87½	99½—Feb. 16	91¾—Apr. 13	95¾	93⅞	94½
American Sugar Ref. Co	135⅛	113	134⅝—Jan. 8	119 —Apr. 6	127½	121	123
Anaconda Copper Mining	146	80	125½—Feb. 25	85 —May 28	107¼	85	90
Continental Tobacco Co. pref	128½	114	119 —Jan. 2	110 —May 21	115	110	112⅛
Corn Products	38⅜	27	35 —Mar. 23	29⅛—May 28	32¾	29⅛	29½
" preferred	90	79⅝	85⅛—Jan. 19	79 —May 20	81¼	79	79
Distillers securities	33	27	34¾—Jan. 6	26½—May 21	29½	26½	27⅛
General Electric Co	334	170	204 —Feb. 16	179 —Apr. 14	194	180	181
International Paper Co	23⅝	16½	19⅞—Jan. 5	15 —Apr. 13	19⅛	15	16½
" preferred	77⅛	70	74¼—Feb. 6	70 —May 2	72¼	70	70½
International Power	199	49	73 —Jan. 19	39¾—May 19	45½	39¾	40
National Biscuit	53¼	40	47⅝—Feb. 17	39⅝—May 29	44	39⅝	39⅝
National Lead Co	32	15⅝	29½—Feb. 5	17 —May 23	24½	17	17
Pressed Steel Car Co	63½	39	65¾—Jan. 26	55¼—May 25	61½	55¼	55½
" preferred	96½	82¾	95 —Feb. 20	89 —May 26	92½	89	89
Republic Iron & Steel Co	24¾	15⅝	22⅝—Feb. 18	14⅞—May 28	19⅞	14⅞	15
" preferred	83⅜	68	80⅝—Feb. 18	74¾—May 29	78¾	74¾	74¾
Rubber Goods Mfg. Co	25⅜	17¼	30 —Feb. 16	21¾—Jan. 5	26	23½	23¾
" preferred	74	63	84½—Feb. 17	72¾—Jan. 2	81¼	79	79⅝
U. S. Leather Co	15¼	10½	15¼—Feb. 11	9⅞—May 28	14½	9⅞	10½
" preferred	91¼	79⅞	96¾—May 12	88¼—Jan. 16	96¾	93	94¼
U. S. Realty & Con	32	20	28½—Jan. 2	17¼—May 29	22¾	17¼	17¼
U. S. Rubber Co	19⅝	14	19½—Feb. 10	14 —Apr. 14	17	14¼	14¼
" preferred	64	49½	58 —Feb. 10	48 —Apr. 13	54	48½	49¼
U. S. Steel	46¾	29¾	39⅞—Feb. 5	30½—May 25	35⅝	30½	31
" pref	97¾	79	89¾—Jan. 7	80 —May 25	85½	80	81½

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	95¼	May 29,'03	95½	93¾	38,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	138,155,000	A & O	99¾	May 29,'03	100¾	99½	858,000
" registered		....	A & O	102⅝	Feb. 11,'03	....	....	....
" adjustment, g. 4's	1995	25,616,000	NOV	89¾	May 28,'03	91¾	88½	86,500
" registered		....	NOV	94½	Apr. 15,'02	....	....	....
" stamped	1995	26,112,000	M & N	88⅞	May 29,'03	90½	88½	115,000
" serial debenture 4's—								
" series A	1903	2,500,000	F & A	97	Aug. 5,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" series B	1904	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series C	1905	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series D	1906	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov.10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan. Coast Line R. R. Co. 1st g. 4's	1952	30,281,000	M & S	93½	May 29,'03	95	93½	579,000
" registered			M & S	....	....	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	69,798,000	J & J	94	May 27,'03	94½	93¾	147,500
" registered			J & J	94½	Jan. 12,'03	....	....	....
" g. 4s	1948	65,963,000	A & O	102	May 23,'03	102⅞	101	399,000
" g. 4s. registered			A & O	102	May 29,'03	102⅝	102	52,500
" ten year c. deb. g. 4's	1911	592,000	M & S	103	Apr. 18,'03	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	89	May 27,'03	90¾	89	9,500
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	96¼	May 23,'03	96¼	95¼	76,000
" Southw'n div. 1st g. 3½s.	1925	41,990,000	J & J	89½	May 29,'03	89¼	89	283,500
" registered			Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	114¼	June 27,'02	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,018,000	M & S	112	Nov. 14,'99	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	116½	May 19,'03	116⅝	116	15,000
Alleghany & Wn. 1st g. gtd 4's.	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	125	Mar. 9,'03	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	125⅜	Jan. 24,'03	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	3,021,000	J & J	103	June 16,'02	....	....	....
" registered			J & J	....	....	....	....	....
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	104⅞	May 29,'03	105	103¾	15,500
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	120¼	May 8,'03	120¼	120¼	10,000
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	118	Jan. 27,'02	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	140	Aug. 24,'95	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sale for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	MAY SALES. *High.*	MAY SALES. *Low.*	MAY SALES. *Total.*
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	104⅛	May 28,'03	104⅜	104¼	68,000
" 2d mortg. 5's	1913	6,000,000	M & S	106	May 27,'03	106⅛	106	12,000
" registered			M & S	104½	Mar. 30,'03	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	93	Feb. 17,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	108¾	Apr. 18,'03	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	122⅛	Jan. 5,'03	....	....	....
" registered $1,000 & $5,000			F & A	....		....	....	....
" con. g. 5's	1945	16,700,600	M & N	104⅛	May 29,'03	106¾	104⅛	267,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	105½	Sept. 18,'01	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	74½	May 29,'03	78	73½	242,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	33⅛	May 29,'03	37¼	31½	286,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	24⅛	May 26,'03	25	24⅛	81,000
" Chat. div. pur. my. g. 4's	1951	1,840,000	J & D	92	Aug. 21,'02	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	108¼	Sept. 3,'02	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June 29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	112½	Apr. 30,'02	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	132¼	May 28,'03	132½	132	38,000
" registered			Q J	131	May 29,'03	132	131	35,500
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113¼	Apr. 30,'03	....	....	....
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	100¾	May 15,'03	100¾	100¾	1,000
" con. extended gtd. 4½'s	1910	12,175,000	Q M	102¼	May 29,'03	102¼	101½	26,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....		....	....	....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
		2,000,000	A & O	111	Mar. 30,'03	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	113	May 12,'03	113	113	1,000
" Mortgage gold 6's	1911	25,858,000	M & N	116	May 29,'03	116⅝	115½	65,000
" 1st con. g. 5's	1939		M & N	116	July 16,'01	....	....	....
" registered		34,834,000	M & S	104⅝	May 29,'03	104⅞	104	287,000
" Gen. m. g. 4½'s	1992		M & S	108	Apr. 18,'01	....	....	....
" registered		650,000	J & J	112	May 14,'03	112	112	4,000
" Craig Val. 1st g. 5's	1940	6,000,000	J & J	104	May 25,'03	104	103	13,000
" (R. & A. d.) 1st c. g. 4's	1989	1,000,000	J & J	98	May 6,'03	98	98	5,000
" 2d con. g. 4's	1989	400,000	M & S	106½	Oct. 29,'02	....	....	....
" Warm S. Val. 1st g. 5's	1941	2,000,000	M & N	....		....	....	....
Greenbrier Ry. 1st gtd. 4's	1940							
Chic. & Alton R. R. ref. g. 3's	1949	29,696,000	A & O	81⅝	May 28,'03	82	81⅝	93,000
" " registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	76½	May 29,'03	77½	76	236,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy con. 7's	1903	21,699,000	J & J	103⅝	May 27,'03	103⅝	102⅝	210,000
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	5,126,000	F & A	100½	May 27,'03	101½	100½	4,000
" Illinois div. 3½s	1949	41,000,000	J & J	96	May 21,'03	96½	95½	24,000
" registered			J & J	....		....	....	....
" (Iowa div.) sink. f'd 5's	1919	2,505,000	A & O	114⅝	Aug. 6,'03	....	....	....
" 4's	1919	8,222,000	A & O	101⅝	Apr. 30,'02	....	....	....
" Nebraska extensi'n 4's	1927	25,900,000	M & N	107	May 18,'03	107½	106½	47,000
" registered			M & N	112¾	Apr. 17,'01	....	....	....
" Southwestern div. 4's	1921	2,750,000	M & S	100	Mar. 20,'02	....	....	....
" 4's joint bonds	1921	215,180,000	J & J	94½	May 29,'03	95	93⅝	1,019,000
" " registered			Q JAN	93	May 29,'03	94¼	92½	16,000
" 5's, debentures	1913	9,000,000	M & N	105½	May 20,'03	105½	104⅝	10,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114⅝	Apr. 29,'03	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	110	May 6,'03	110	110	1,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	131	May 1,'03	131	131	1,000
" gen. con. 1st 5's	1937	14,020,000	M & N	115⅝	May 23,'03	117	115⅝	224,000
" registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120⅝	Feb. 5,'03	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	129	May 12,'03	129	129	1,000
" ref. g. 5's	1947	4,142,000	J & J	111½	May 26,'03	111½	111	5,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	110⅝	May 4,'03	110⅝	110⅝	1,000

BOND QUOTATIONS.—Last sale, price and date; highes and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	1,860,000	J & J	178	May 8,'03	178	178	1,000
" terminal g. 5's	1914	4,748,000	J & J	111	May 25,'03	111	111	10,000
" gen. g. 4's, series A	1989	23,676,000	J & J	110	May 29,'03	110¾	110	9,000
" registered		....	Q J	111	Dec. 8,'02	....	....	....
" gen. g. 3½'s, series B	1989	2,500,000	J & J	104¾	Jan. 29,'02	....	....	....
" registered			J & J			....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	118⅝	May 15,'03	118⅝	118½	8,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	113¼	Mar. 26,'03	....	....	....
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	116⅛	May 28,'03	117¼	116⅛	99,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111⅜	May 1,'03	111⅜	111⅜	4,000
" Far. & So. g. 6's assu	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	119½	May 15,'03	119½	119½	2,000
" 1st 5's	1910	990,000	J & J	107⅜	Aug. 28,'02	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,059,000	J & J	183	Feb. 28,'03	....	....	....
" 1st 5's, La. C. & Dav	1919	2,500,000	J & J	115	May 4,'03	115	115	1,000
" Mineral Point div. 5's	1910	2,840,000	J & J	109	Oct. 3,'02	....	....	....
" 1st So. Min. div. 6's	1910	7,432,000	J & J	113½	May 16,'03	113½	113½	4,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	112½	May 8,'03	112¾	112½	9,000
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	117	May 4,'03	117	117	7,000
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	113	May 20,'02	113	113	2,000
" 1st con. 6's	1913	5,092,000	J & D	119	May 21,'03	119	119	1,000
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	132¼	Apr. 23,'03	....	....	....
" extension 4's	1886-1926	18,632,000	F A 15	104½	May 15,'03	104½	104½	10,000
" registered			F A 15	106⅜	Oct. 9,'02	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	100	May 16,'03	101	99½	4,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's	1879-1929	5,753,000	A & O	112	May 12,'03	112	112	1,000
" registered			A & O	110⅛	May 4,'03	110⅛	110⅛	1,000
" sinking fund 5s'	1879-1929	6,837,000	A & O	106	Apr. 1,'03	....	....	....
" registered			A & O	106¾	Mar. 30,'03	....	....	....
" deben. 5's	1909	5,900,000	M & N	105	Mar. 27,'03	....	....	....
" registered			M & N	105½	Dec. 23,'02	....	....	....
" deben. 5's	1921	10,000,000	A & O	109½	Apr. 10,'03	....	....	....
" registered			A & O	114	Oct. 23,'01	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	116¼	May 7,'03	116¼	115½	5,000
" registered			M & N	123	May 28,'01	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	108	Oct. 9,'02	....	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	105⅝	May 2,'03	105⅝	105⅝	6,000
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	115⅜	Apr. 30,'03	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	131⅛	May 12,'03	131⅛	131⅛	2,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	120⅛	May 28,'03	120⅛	119½	5,000
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	133⅛	May 5,'03	133⅛	133⅛	1,000
" con. deb. 5's	1907	436,000	F & A	107½	Feb. 21,'01	....	....	....
" incomes	1911	500,000	M & N	114¼	Sept. 17,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup	1917	12,500,000	J & J	127½	May 15,'03	127½	127½	1,000
" registered	1917		J & J	126⅝	May 25,'03	126⅝	126⅝	20,000
" gen. g. 4's	1988	40,581,000	J & J	106½	May 20,'03	106½	105½	77,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. trust serial 4's								
" series A	1903	1,473,000	M & N	....		....	....	....
" B	1904	1,473,000	M & N	99	Dec. 6,'02	....	....	....
" C	1905	1,473,000	M & N	100⅜	July 2,'02	....	....	....
" D	1906	1,473,000	M & N	....		....	....	....
" E	1907	1,473,000	M & N	....		....	....	....
" F	1908	1,473,000	M & N	....		....	....	....
" G	1909	1,473,000	M & N	....		....	....	....
" H	1910	1,473,000	M & N	99⅝	June 30,'02	....	....	....
" I	1911	1,473,000	M & N	....		....	....	....
" J	1912	1,473,000	M & N	....		....	....	....
" K	1913	1,473,000	M & N	....		....	....	....
" L	1914	1,473,000	M & N	....		....	....	....
" M	1915	1,473,000	M & N	99½	July 10,'02	....	....	....
" N	1916	1,473,000	M & N	99⅜	June 28,'02	....	....	....
" O	1917	1,473,000	M & N	....		....	....	....
" P	1918	1,473,000	M & N	....		....	....	....
Chic. Rock Is. & Pac. R.R. 4's	2002	69,491,000	M & N	81	May 29,'03	85	80	1,465,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	97	May 18,'03	97	97	1,000
" 1st 2½'s	1905	1,200,000	J & J	93	Jan. 28,'03	....	....	....
" extension 4's		672,000	J & J	94¾	Jan. 9,'03	....	....	....
Keokuk & Des M. 1st [illegible] 5's	1923	2,750,000	A & O	107¼	May 27,'03	107⅛	106	10,000
" small bond	1923	....	A & O	107	Oct. 1,'01	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Chic., St.P., Minn.& Oma.con.6's	1930	14,606,000	J & D	133⅜	Mar. 17,'03	....	....	....
" con.6's reduced to 3½'s	1930	2,000,000	J & D	....		....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,906,000	M & N	131¼	May 28,'03	131¼	131¼	1,000
North Wisconsin 1st mort. 6's	1930	701,000	J & J	137½	Sept.23,'02	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	124	May 12,'03	124	124	5,000
Chic., Term. Trans. R. R. g. 4's	1947	13,635,000	J & J	83½	May 29,'03	84½	83½	18,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,835,000	Q M	113½	Apr. 20,'03	....	....	....
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Choc., Oklahoma & Glf.gen.g. 5s	1919	5,500,000	J & J	109	Mar. 10,'03	....	....	....
" con. g. 5's	1952	5,062,000	M & N	....		....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	111½	Dec. 9,'01	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	112½	May 26,'03	113½	112½	5,000
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	17,657,000	J & D	100	May 29,'03	100¼	99¾	162,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	101½	Oct. 8,'02	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98¼	May 5,'03	99¼	98¼	4,000
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	101½	May 26,'03	101¾	101	22,000
" registered				103	Oct. 10,'02	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	95	May 12,'03	95	95	2,000
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,685,000	Q F	101½	May 27,'03	101½	100¼	2,000
" registered				95	Nov. 15,'94	....	....	....
" con. 6's	1920	668,000	M & N	107½	June 30,'93	....	....	....
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115	Nov. 3,'01	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	134⅛	Jan. 7,'02	....	....	....
" sink. fund 7's	1914		J & D	119⅜	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	133⅜	May 12,'03	133⅜	132	5,000
" registered			J & J	....		....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	96½	May 29,'03	98	95	20,000
" income 4's	1990	4,000,000	A	72½	May 28,'03	74	72½	90,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	114	Dec. 19,'02	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	127½	Jan. 25,'02	....	....	....
" registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	74	May 27,'03	77⅝	74	91,000
Colorado & Southern 1st g. 4's	1929	18,650,000	F & A	89	May 28,'03	90	89	149,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	113⅝	May 19,'03	113⅝	113⅝	1,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	132	Apr. 24,'03	....	....	....
" 1st c. gtd 7's	1915	12,151,000	J & D	134½	May 14,'03	134½	134	3,000
" registered			J & D	140	Oct. 26,'98	....	....	....
" 1st refund. gtd. g. 3½'s	2000	7,080,000	J & D	....		....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	131½	Apr. 23,'03	....	....	....
" const. 5's	1923	5,000,000	F & A	115	Apr. 1,'03	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	102¼	May 27,'03	102½	102	22,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	113⅜	Feb. 18,'02	....	....	....
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	137	Mar. 20,'03	....	....	....
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	111¼	Feb. 27,'03	....	....	....
" registered			A & O	122	June 6,'99	....	....	....
" 6's	1906	7,000,000	A & O	106	Oct. 7,'02	....	....	....
" registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
" 1st r 7's	1921		M & N	147½	June 18,'01	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	99⅛	May 27,'03	99¾	99	173,000
" con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	107	106⅝	3,000
" impt. m. g. 5's	1928	8,103,500	J & D	108	May 27,'03	108	108	2,000
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	70	May 25,'03	70	70	1,000
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'01	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	102½	Oct. 16,'01	....	....	....
" g. 4s	1995	1,250,000	J & D	93½	Apr. 13,'03	....	....	....
Detroit Southern 1st g. 4's	1951	2,866,000	J & D	84	Jan. 8,'03	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	89¾	May 14,'03	90½	89¾	6,000
Duluth & Iron Range 1st 5's	1937	6,734,000	A & O	112½	May 25,'03	113	112½	9,000
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....		....	....	....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	114	May 23,'03	115	114	4,000
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	112½	Mar. 4,'03	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE Price.	Date.	MAY SALES. High.	Low.	Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	May 25,'03	114	114	4,000
" 2d extended g. 5's	1919	2,149,000	M & S	113¼	May 2,'03	113¼	113¼	1,000
" 3d extended g. 4½'s	1923	4,618,000	M & S	112	May 1,'02	112	112	3,000
" 4th extended g. 5's	1920	2,926,000	A & O	117	Dec. 19,'02	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	109¼	Jan. 16,'02	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	135½	May 11,'03	135½	135½	4,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	132¼	Apr. 1,'03	....	....	....
Erie R.R. 1st con. g. 4s prior bds.	1996	34,000,000	J&J	99½	May 29,'03	99½	98½	214,000
" registered			J&J	97	May 15,'03	97	97	2,000
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	85	May 29,'03	87	84⅝	700,000
" registered			J&J	....	....	....	....	....
" Penn. col. trust g. 4's	1951	32,000,000	F & A	92¼	May 29,'03	92¼	91½	99,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	129	Mar. 18,'03	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
" small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	118	May 20,'03	118	117½	9,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	131	May 11,'03	131	131	2,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	113¾	Dec. 17,'02	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	118½	Apr. 23,'02	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	109	Oct. 27,'98	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110½	May 26,'03	110½	110½	2,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,750,000	J & J	111	May 27,'03	112	111	2,000
" 2d g. 4½'s	1937	453,000	F & A	101⅜	May 19,'03	101⅜	100½	2,000
" gen. g. 5's	1940	2,546,000	F & A	106½	May 26,'03	106⅝	106¼	10,000
" term. 1st g. 5's	1943	2,900,000	M & N	108	May 1,'03	108	108	2,000
" registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	112	May 9,'03	112	112	1,000
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	122½	May 5,'03	122½	122½	1,000
" 1st General g 5's	1942	2,223,000	A & O	104	May 20,'03	106	104	11,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept. 15,'91	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	115	May 28,'02	....	....	....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ex. g 5's	1930	423,000	J & J	....	....	....	....	....
" 1st con. g 5's	1943	4,370,000	J & J	106½	Feb. 26,'02	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	110	May 29,'03	112	110	57,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	82	May 23,'03	84½	81	25,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Apr. 20,'03	....	....	....
Geo. & Ala. 1st con. g 5s	1945	2,922,000	J & J	109¾	May 11,'03	109¾	109¾	1,000
Ga. Car. & N. Ry. 1st gtd. g. 5's	1927	5,360,000	J & J	109½	May 19,'03	109½	109½	1,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	2,931,000	J & J	106¼	Mar. 9,'03	....	....	....
" registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	12,157,000	J & J	107¾	May 28,'03	107¾	107	58,000
" registered			J & J	....	....	....	....	....
Col. Hock's Val. 1st ext. g. 4's	1948	1,401,000	A & O	105¾	Mar. 20,'03	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	112¼	May 28,'03	113	112¼	29,000
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102	May 21,'03	102	102	4,000
" registered			J&J	94	Mar. 28,'03	....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....	....	....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	104	May 12,'03	104	104	1,000
" regist'd			A & O	102	Oct. 4,'01	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	103	May 16,'03	103	102¼	5,000
" registered			M & N	104⅝	May 20,'02	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s	1953	14,320,000	J & J	95	May 14,'03	95	95	2,000
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	87½	May 24,'02	....	....	....
" registered			J & J	101¼	Jan. 31,19'	....	....	....
" g. 3½'s	1951	6,321,000	J & J	98¼	Oct. 3,'02	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's	1951	5,425,000	F & A	107⅜	May 27,'03	107⅜	107⅜	2,000
" registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124	May 16,'03	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	125⅛	Jan. 12,'03	....	....	....
" gold 5's, registered........			J D 15	126¼	Nov. 18,'01	....	....	....
" g. 3½'s................	1951	1,352,000	J D 15	104⅝	Apr. 11,'02	....	....	....
" registered................			J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	106⅝	Jan. 28,'03	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	107⅛	Mar. 28,'03	....	....	....
" 1st gtd. g. 5's............	1935	933,000	J & J	107⅛	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	102	May 12,'03	102	102	1,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	10,742,000	M & N	122⅛	May 12,'03	122⅛	119	12,000
" 2d g. 5's..................	1909	9,842,000	M & S	97¾	May 29,'03	99	97⅝	32,000
" 3d g. 4's..................	1921	2,730,000	M & S	74¼	Feb. 20,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	114	May 21,'03	114½	113	24,000
" refunding g. 4's ...	1951	2,000,000	M & S	91	May 15,'03	92	91	7,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's......................	1929	3,000,000	A & O	....		....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	69¾	May 28,'03	70	69¼	105,000
" registered....................			A & O	68¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119¼	May 29,'03	119¼	118	8,000
" 2d mtge. g. 5's...........	1941	3,625,000	J & J	113	May 23,'03	113¼	113	13,000
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	111	Apr. 13,'03	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	110	Feb. 3,'02	....	....	....
" registered....................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	108	May 26,'03	108½	108	16,000
" registered....................		....	J&J	109½	June 18,'02	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	113⅛	May 26,'02	114	113⅛	2,000
" registered....................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,280,000	J & J	108½	Sept. 8,'01	....	....	....
" registered..............	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	96	May 7,'03	96	96	1,000
" registered....................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100	Mar. 25,'99	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	118	Jan. 22,'03	....	....	....
" 1st con. g. 4's............	1931	1,121,000	Q J	101	Nov. 22,'99	....	....	....
Long Island gen. m. 4's.........	1938	3,000,000	J & D	102	May 16,'03	102	101½	8,000
" Ferry 1st g. 4½'s......	1922	1,500,000	M & S	101	May 5,'03	101	101	7,000
" g. 4's....................	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's............	1949	6,860,000	M & S	100	May 29,'03	100	98	47,000
" deb. g. 5's.........	1934	1,135,000	J & D	111	Jan. 22,'02	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
" 1st 5's...................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	Q JAN	112½	Apr. 9,'02	....	....	....
Louis. & Nash. gen. g. 6's.......	1930	8,911,000	J & D	118	May 28,'03	118	116¾	43,000
" gold 5's................	1937	1,764,000	M & N	112	Apr. 27,'03	....	....	....
" Unified gold 4's........	1940	29,677,000	J & J	101	May 28,'03	101⅞	100⅛	158,000
" registered	1940		J & J	88	Feb. 27,'98	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	111	May 18,'03	112	110½	79,000
" E., Hend. & N. 1st 6's..	1919	1,785,000	J & D	114½	May 19,'03	114½	114½	10,000
" L. Cin. & Lex. g. 4½'s..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	126	May 18,'03	128½	126	9,000
" 2d g. 6's................	1930	1,000,000	J & J	124⅝	Apr. 16,'02	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	125½	Aug. 12,'02	....	....	....
" 2d g. 3's................	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,621,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	99	May 12,'03	100	99	2,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	110½	Mar. 20,'02	....	....	....
" South. Mon. joint 4's.	1952	11,788,000	J & J	92	May 26,'03	92¼	91½	80,000
" registered................			Q Jan	....		....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	113	Mar. 30,'03	....	....	....
" Pen. & At. 1st g. g. 6's,	1921	2,550,000	F & A	111¼	May 9,'03	111¼	111¼	7,000
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	115	Dec. 5,'01	....	....	....
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	100	Mar. 19,'01	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	101¾	May 29,'03	102	101½	464,000
" registered....................			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	111	May 21,'03	111½	110⅝	14,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
" con. mtge. 4's	1911	65,643,000	J & J	78	May 29,'03	80	78	54,000
" 1st con. inc. 3's	1939	20,511,000	JULY	25¼	May 28,'03	28¼	25⅛	2,407,000
" 2d 3's	1939	11,724,000	JULY	17¼	May 29,'03	18½	16½	658,600
" equip. & collat. g. 5's	1917	650,000	A & O	....	....	....	....	....
" 2d series g. 5's	1919	765,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	96½	May 29,'03	97	93⅞	357,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
" stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,061,000	J & D	....	....	....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	144½	Apr. 7,'03	....	....	....
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	116¾	Feb. 24,'03	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	123½	Apr. 29,'03	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	116	May 23,'03	116	116	3,000
" 1st & refunding g. 4's	1949	7,600,000	M & S	100½	May 25,'03	101¼	100	16,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	103	Nov. 11,'01	....	....	....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	21,949,000	J & J	98	Apr. 3,'01	....	....	....
" stamped pay. of int. gtd.				....	....	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,718,000	J & D	99⅞	May 29,'03	100	99½	150,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	81¼	May 29,'03	82½	80¼	118,500
" 1st ext gold 5's	1944	2,548,000	M & N	102	May 25,'03	103	101	30,000
St. Louis div. 1st refundg 4s	2001	1,852,000	A & O	86	Oct. 16,'02	....	....	....
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	106¼	Sept. 20,'02	....	....	....
Mo. K. & T. of Tex 1st gtd. g. 5's.	1942	3,597,000	M & S	102	May 25,'03	103	102	19,000
Sher. Shrevept & So 1st gtd. g. 5's	1943	1,689,000	J & D	105½	July 28,'02	....	....	....
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	90	May 14,'03	90	90	5,000
Tebo. & Neosho 1st 7's	1903	187,000	J & D	....	....	....	....	....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	108½	May 28,'03	108⅝	108½	34,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	118	May 23,'03	119	118	7,000
" 3d mortgage 7's	1906	3,828,000	M & N	108	May 29,'03	108	108	3,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	105	May 29,'03	105⅝	104¼	154,000
" registered			M & S	....	....	....	....	....
" 1st collateral gold 5's.	1920	9,636,000	F & A	105	May 23,'03	105½	104½	198,000
" registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	91½	May 26,'03	91½	90	76,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	103⅝	May 4,'03	103⅝	103⅝	1,000
" 2d extended g. 5's	1938	2,573,000	F & A	112	Apr. 13,'03	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,258,000	A & O	112¼	May 29,'03	113	112	110,000
" stamped gtd gold 5's	1931	6,945,000	A & O	112½	Dec. 18,'02	....	....	....
" unify'g & rfd'g g. 4's.	1929	25,726,000	J & J	87¾	May 29,'03	88⅜	87½	384,000
" registered			J & J	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	109	Aug. 31,19'	....	....	....
" small		226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's	1945	700,000	J & J	93	Apr. 25,'02	....	....	....
" small		500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,000,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	124	Apr. 14,'03	....	....	....
" 1st extension 6's	1927	974,000	J & D	124⅜	Apr. 28,'03	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	94	May 20,'03	94	93½	23,000
" Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	114	Mar. 30,'03	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	93	Feb. 3,'03	....	....	....
" collateral g. 4's	1930	2,494,000	Q F	96½	Nov. 30,'01	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	124	May 20,'03	124	123⅛	11,000
" 1st cons. g. 5's	1928	7,412,000	A & O	112½	May 28,'03	112½	112⅜	8,000
" 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	116	July 31,'02	....	...	....
" 1st 6's T. & Pb	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	102½	May 28,'03	103⅛	102	79,000
" 1st con. g. 4's	1951	22,000,000	A & O	78¾	May 29,'03	79⅞	76¾	1,327,500
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

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N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	65,261,000	J & J	103½	May 29,'03	103½	102	25,000
" " registered			J & J	102⅞	May 20,'03	102⅞	102⅞	4,000
" debenture 5's	1884-1904	4,480,000	M & S	101½	May 21,'03	101¾	101½	21,000
debenture 5's reg			M & S	100	May 20,'03	100	100	2,000
" reg. deben. 5's	1889-1904	689,000	M & S	103½	Apr. 30,'01	....	....	....
" debenture g. 4's	1890-1905	5,094,000	J & D	100⅝	Jan. 13,'03	....	....	....
" registered			J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	100⅝	Apr. 28,'03	....	....	....
" registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	90	May 28,'03	92½	90	232,000
" registered			F & A	90	May 27,'03	91	90	30,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	90	May 18,'03	90½	89½	12,000
" registered			F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	108	May 5,'03	108	108	1,000
" registered			J & J	106	June 17,'98	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	4,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	770,000	J & J	95	Apr. 3,'02	....	....	....
" small bonds series B		33,100	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
" inc. 5's	1992	3,900,000	Sept.	110¼	Dec. 6,'01	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov. 15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109¾	May 29,'03	110½	109½	82,000
" registered			J & J	109	May 28,'03	110½	109	136,500
Lake Shore con. 2d 7's	1903	6,812,000	J&D	103⅝	May 14,'03	103⅝	103⅝	5,000
" con. 2d registered	1903		J&D	102¾	Jan. 9,'03	....	....	....
" g 3½s	1997	43,820,000	J & D	102¾	May 27,'03	103	102½	11,000
" registered			J & D	105	Jan. 6,'03	....	....	....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	Jan. 5,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	112	May 13,'03	112	112	3,000
" 5's	1931	3,576,000	M & S	123½	Mar. 13,'03	....	....	....
" 5's reg	1931		Q M	127	June 19,'02	....	....	....
" 4's	1940	2,600,000	J & J	110	Dec. 7,'01	....	....	....
" 4's reg			J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S		2,000,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	10,000,000	M & N	....	....	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	102¾	Mar. 13,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Dec. 3,'02	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	118⅝	May 21,'03	118⅝	118⅝	3,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅜	Feb. 2,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	102¾	May 29,'03	103½	102	121,000
" registered			A & O	103	May 14,'03	103	103	3,000
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	100	Dec. 18,'01	....	....	....
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	106¼	May 14,'03	106¼	106	7,000
" 1st 6's	1905	4,000,000	J & J	105	May 12,'03	105	105	5,000
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	16,937,000	M & S	101	May 28,'03	101¼	100½	112,000
" registered.......$5,000 only.		....	M & S	101	May 15,'03	101	101	5,000
Norfolk & Southern 1st g. 5's	1941	1,380,000	M & N	114	Feb. 4,'03	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Apr. 25,'03	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	128	Apr. 1,'03	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132¼	Jan. 16,'03	....	....	....

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Name.	*Principal Due.*	*Amount.*	*Int'st Paid.*	Last Sale. *Price.*	Last Sale. *Date.*	May Sales. *High*	May Sales. *Low.*	May Sales. *Total.*
Norfolk & West. Ry 1st con. g. 4s	1996	34,210,500	A & O	98⅞	May 29,'03	100¼	98½	429,000
" registered			A & O	100½	Jan. 13,'02	....	....	....
" small bonds			A & O	....	....	....	....	....
" Pocahon C.&C.Co.jt.4's	1941	20,000,000	J & D	93	May 29,'03	94	92	239,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E. 1st g.4's	1989	5,000,000	J & N	99¼	May 26,'03	100½	99¼	6,000
N. P. Ry prior ln ry.&ld.gt.g.4's	1997	100,209,500	Q J	102⅛	May 29,'03	102½	101⅜	617,000
" registered			Q J	102⅛	May 18,'03	102¼	102	13,500
" gen. lien g. 3's	2047	56,000,000	Q F	72¼	May 29,'03	72⅜	71¼	396,000
" registered			Q F	70½	Mar. 9,'03	....	....	....
St. Paul & Duluth div. g. 4's	1996	9,215,000	J & D	102½	May 20,'02	....	....	....
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125	Apr. 21,'03	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	118	Nov. 6, 02	....	....	....
" 2d 5's	1917	2,000,000	A & O	110	Oct. 6,'02	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Mar. 3,'03	....	....	....
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	94½	Feb. 19,'01	....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,692,000	J & J	116½	May 8,'03	116½	116½	1,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02	114½	114	7,000
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 9,02'	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	110	May 14,'03	110	109	6,000
Panama 1st sink fund g. 4½'s	1917	2,386,000	A & O	102	Apr. 21,'03	....	....	....
" s. f. subsidy g 6's	1910	1,049,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	109	May 19,'03	109¼	109	7,000
" reg	1921		J & J	106	Mar. 26,'03	....	....	....
" gtd.3½ coi.tr.reg. cts.	1937	5,000,000	M & S	96½	Dec. 11,'02	....	....	....
" gtd.3½ col.tr.cts.serB	1941	10,000,000	F & A	96	Mar. 19,'03	....	....	....
" Trust Co. ctfs. g. 3½'s	1916	18,666,000	M & N	97½	May 12,'02	....	....	....
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	122¼	Feb. 9,'03	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's	1942	1,063,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A	1942	3,000,000	J & J	121	Oct. 22,19'	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,933,000	F & A	....	....	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,250,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	....	....	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	114½	Jan. 20,'03	....	....	....
" Series B gtd	1942	8,786,000	A & O	110⅜	May 27,'03	110½	110⅜	11,000
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	106¼	Nov. 19,'02	....	....	....
" Series E gtd. g. 3½s	1949	10,840,000	F & A	96	Jan. 13,'03	....	....	....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,407,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	2,047,500	J & J	128	Jan. 26,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	120	Mar. 16,'03	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B	1933	978,000	J & J	....	....	....	....	....
" 4's series C	1942	1,492,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	104	Apr. 6,'03	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....	....	....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....	....	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	....	....	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	3,000,000	M & N	....	....	....	....	....
" ten year conv. 3½'s	1912	20,713,000	M & N	95½	May 29,'03	96½	95¼	1,139,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111	Dec. 8,'02	....	....	....
Sunbury & Lewistown 1st g.4's	1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	124½	Apr. 18,'03	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	Oct. 31,19'	....	....	....
Pere Marquette.								
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	120½	May 27,'03	120½	120½	....
" 1st con. gold 5's	1939	2,850,000	M & N	109	May 26,'03	109	109	2,000
" Port Huron d 1st g 5's	1939	3,325,000	A & O	109	May 28,'03	109	109	2,000
Sag'w Tusc. & Hur. 1st gtd.g.4's	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	107½	Oct. 26,'93	....	....	....

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 18,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	119	Nov.25,'02	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg & West'n 1st gold 4's,	1917	1,589,000	J & J	100½	Mar. 25,'03	....	....	....
" J. P. M. & Co., ctfs.,	....	8,111,000	......	100¼	Feb. 18,'03	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	120½	Dec. 8,'02	....	....	....
Reading Co. gen. g. 4's	1997	64,526,000	J & J	97⅛	May 29,'03	97⅞	97	485,000
" registered			J & J	96	May 7,19'	96	96	1,000
" Jersey Cent. col. g. 4's	1957	28,000,000	......	92½	May 19,'03	92½	92½	25,000
" " registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.	1951	900,000	M & N	....		....	....	....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	98	May 28,'03	99	97	142,000
" mge & col. tr. g. 4's ser. A.	1949	12,200,000	A & O	91	May 16,'03	91	89½	44,000
" Utah Cen. 1st gtd. g. 4's.	1917	550,000	A & O	97	Jan. 3,02'	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	1,850,000	J & D	110½	Feb. 25,'03	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	92	Mar. 23,'03	....	....	....
" guaranteed		2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	....		....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's.	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
Salt Lake City 1st g. sink fu'd 6's,	1913	297,000	J & J	....		....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4	1947	3,500,000	J & J	88	May 26,'03	89	87	13,000
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J	....		....	....	....
" 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	105	May 7,'03	105	105	5,000
" 2d g. 6's, Class C	1906	829,000	M & N	103¼	May 5,'03	103¼	103¼	1,000
" gen. g. 6's	1931	3,681,000	J & J	127⅝	May 20,'03	127¾	127½	22,000
" gen. g. 5's	1931	5,806,000	J & J	113¼	May 28,'03	115	113½	21,000
St. L & San F. R. R. con. g. 4's.	1996	1,558,000	J & D	95½	Jan. 9,'03	....	....	....
" S. W. div. g. 5's	1947	829,000	A & O	100	Jan. 3,'02	....	....	....
" refunding g. 4's	1951	48,186,000	J & J	85⅝	May 29,'03	87½	85¾	1,168,000
" " registered			J & J	....		....	....	....
Kan. Cy Ft. S. & Mem R R cong6's	1928	13,736,000	M & N	124	Mar. 19,'03	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g4s.	1936	12,355,000	A & O	85	May 21,'03	86⅝	85	105,000
" registered			A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	94⅞	May 29,'03	95	93½	118,000
" 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	81	May 29,'03	83	81	41,000
" con. g. 4's	1932	12,054,000	J & D	83	May 15,'03	83	81	29,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D			....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,369,000	A & O	113¼	Feb. 24,'03	....	....	....
" 1st con. 6's	1933	13,344,000	J & J	132¼	May 28,'03	133⅛	132½	16,000
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		19,857,000	J & J	111	May 9,'03	111	111	6,000
" 1st cons. 6's register'd			J & J	115½	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,570,000	M & N	111¼	May 29,'03	111¼	111	2,000
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	102½	May 18,'03	102½	102½	2,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's	1908	4,700,000	A & O	104	May 7,'03	104	104	5,000
" registered			A & O	....		....	....	....
" Minn, N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd	1937	6,000,000	J & J	134	Mar. 16,'03	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	118½	May 1,'03	118½	118½	2,000
" registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	125¼	Feb. 17,'02	....	....	....
" registered			J & D	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's,	1942	4,940,000	M & S	111	Aug.15,'01	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	128	Oct. 28,'02	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112	Mar. 17,'99	....	....	....
" St. John's div. 1st g. 4's.	1934	1,350,000	J & J	95¼	Nov.30,'01	....	....	....
Alabama Midland 1st gtd. g. 5s.	1928	2,800,000	M & N	111	Apr. 20,'03	....	....	....
Brunsw. & West. 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil. S. Oc. & G. R. R. & lg. gtd. g. 4's.	1918	1,107,000	J & J	95¼	May 13,'03	95¼	95¼	5,000
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	81½	May 29,'03	83¼	81½	76,000
" registered			A & O	....		....	....	....
" col. trust refdg g. 5's	1911	10,000,000	M & N	103	May 26,'03	102¼	101¾	22,000
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	111¼	May 7,'03	111¼	111¼	1,000
Carolina Central 1st con. g. 4's.	1949	2,847,000	J & J	95½	Feb. 17,'03	....	....	....

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Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	15,000,000	J & D	100	May 28,'03	100⅛	99¾	69,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	90½	May 29,'03	91	90	173,000
" " registered......		J & D	95	Apr. 10,'02	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	105½	Feb. 25,'03	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..1949	60,017,000	F & A	98¾	May 29,'03	99¼	98¼	227,500
" registered...............		F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s...1929	18,069,500	J & D	88	May 26,'03	88	87	25,500
" " registered		J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's...............1905	1,000,000	J & D	105	Feb. 11,'03	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	109⅞	Jan. 30,'03	....	....	....
Gila Val. G. & N'n 1st gtd g 5's.1924	1,514,000	M & N	109½	Feb. 24,'03	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	105	May 20,'02	105	105	5,000
" 1st gtd. g. 5's.........1933	2,199,000	M & N	102½	Dec. 1,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	2,826,000	J & J	111¾	May 29,'03	111¾	111¾	1,000
" con. g 6's int. gtd......1912	2,911,000	A & O	111	Mar. 14,'03	....	....	....
" gen. g 4's int. gtd......1921	4,287,000	A & O	92	May 7,'03	92	92	4,000
" W&Nwn. div. 1st. g. 6's.1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Morgan's La & Tex. 1st g 6's....1920	1,494,000	J & J	122	Sept. 15,'02	....	....	....
" 1st 7's.................1918	5,000,000	A & O	130	Nov. 19,'02	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's..1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's.1907	3,964,000	J & J	94	Nov. 30,'97	....	....	....
" gtd. g. 5's..................	4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's........1927	19,207,000	J & J	105½	Nov. 7,'01	....	....	....
San Ant. & Aran Pass 1st gtd g 4's.1943	18,900,000	J & J	79⅛	May 29,'03	81	79	186,000
South'n Pac. of Ariz. 1st 6's.....1909	6,000,000	J & J	110¼	Apr. 9,'03	....	....	....
" " " 1910	4,000,000	J & J	111½	Apr. 6,'03	....	....	....
" of Cal. 1st g 6's ser. A.1905	29,192,500	A & O	103¼	May 15,'03	103½	103¼	7,000
" " " ser. B.1905		A & O	104¼	May 15,'03	104¼	104¼	1,000
" " " C. & D.1906		A & O	106½	May 15,'03	106½	106½	3,000
" " " E. & F.1902		A & O	119¾	Feb. 20,'03	....	....	....
" " " 1912	....	A & O	119	Mar. 17,'03	....	....	....
" 1st con. gtd. g 5's...1937	6,809,000	M & N	110	May 15,'03	110	110	1,000
" stamped........1905-1937	20,420,000	......	107½	May 27,'03	108	107½	6,000
So. Pacific Coast 1st gtd. g. 4's.1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's.1911	4,180,000	J & J	112	May 19,'03	112	112	4,000
Tex. & New Orleans 1st 7's......1905	862,000	F & A	108	May 20,'02	....	....	....
" Sabine div. 1st g 6's...1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's.............1943	1,620,000	J & J	101	Apr. 25,'03	....	....	....
Southern Railway 1st con. g 5's.1994	35,367,000	J & J	116	May 29,'03	116⅞	116	288,000
" registered..................		J & J	117	Feb. 26,'03	....	....	....
Mob. & Ohio collat. trust g. 4's.1938	7,855,000	M & S	94	May 27,'03	95	94	12,000
" registered................		M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's.1996	5,183,000	J & J	112½	Apr. 15,'03	....	....	....
" registered..................		J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's...1951	11,250,000	J & J	95¾	May 25,'03	96½	95¾	5,000
" " registered.........		J & J	....	....	....	....	....
Alabama Central, 1st 6's.......1918	1,000,000	J & J	120	Mar. 25,'01	....	....	....
Atlantic & Danville 1st g. 4's..1948	3,925,000	J & J	95	Dec. 4,'02	....	....	....
Atlantic & Yadkin, 1st gtd g 4s.1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's.....1916	2,000,000	J & J	120	Sept. 10,'02	....	....	....
East Tenn., Va. & Ga. div. g. 5's.1930	3,106,000	J & J	116⅛	May 29,'03	116⅛	116	9,000
" con. 1st g 5's..........1956	12,770,000	M & N	115	May 29,'03	117	115	32,000
" reorg. lien g 4's.......1938	4,500,000	M & S	114	Jan. 26,'03	....	....	....
" registered................		M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's......1922	5,660,000	J & J	122	Mar. 30,'03	....	....	....
Knoxville & Ohio, 1st g 6's.....1925	2,000,000	J & J	124½	Feb. 18,'03	....	....	....
Rich. & Danville, con. g 6's....1915	5,597,000	J & J	118	Apr. 23,'03	....	....	....
" equip. sink. f'd g 5's, 1909	818,000	M & S	101¼	July 20,19'	....	....	....
" deb. 5's stamped......1927	3,368,000	A & O	109¼	Apr. 21,'03	....	....	....
Rich. & Mecklenburg 1st g. 4's.1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's....1919	5,250,000	M & S	106½	May 20,'03	106½	106½	2,000
Vir. Midland serial ser. A 6's..1906	600,000	M & S	....	....	....	....	....
" small.....................		M & S	....	....	....	....	....
" ser. B 6's.............1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small.....................		M & S	....	....	....	....	....
" ser. C 6's.............1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small		M & S	....	....	....	....	....
" ser. D 4-5's............1921	950,000	M & S	112	Feb. 18,'03	....	....	....
" small.....................		M & S	....	....	....	....	....
" ser. E 5's..............1926	1,775,000	M & S	115	Jan. 6,'03	....	....	....
" small.....................		M & S	....	....	....	....	....
" ser. F 5's.............1931	1,310,000	M & S	114	Dec. 18,'02	....	....	....
Virginia Midland gen. 5's......1936	2,392,000	M & N	110	May 26,'03	112½	110	4,000
" gen. 5's. gtd. stamped.1926	2,466,000	M & N	113½	May 14,'03	113⅝	113½	11,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
W. O. & W. 1st cy. gtd. 4's.....1924	1,025,000	F & A	98	Feb. 20,'03	....	....	....
W. Nor. C. 1st con. g 6's.........1914	2,531,000	J & J	115⅛	Mar. 6,'03	....	....	....
Spokane Falls & North.1st g.6's..1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1stgtd.g.4½'s.1943	500,060	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	109	May 29,'03	111¼	109	2,000
" 1st con. g. 5's.....1894-1944	5,000,000	F & A	116⅛	Apr. 24,'03	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	117⅞	Mar. 18,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,815,000	M & S	102	May 8,19'	102	102	2,000
" 1st gold 5's..............2000	22,120,000	J & D	118⅛	May 29,'03	118⅛	118	20,000
" 2d gold income, 5's......2000	963,000	MAR.	87	May 7,'03	87	87	1,000
" La. Div.B.L. 1st g.5's...1931	3,848,000	J & J	111	Jan. 3,'03	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	113	May 6,'03	113	113	7,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	118⅞	Nov.17,'02	....	....	....
" gen. g. 5's..................1935	2,000,000	J & D	112¾	Mar. 2,'03	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	92½	May 22,'03	92½	92	7,000
Toledo Peoria & W. 1st g 4's....1917	4,[illegible]00,000	J & D	91	May 16,'03	91	89½	83,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	86	May 29,'03	86	85¾	5,000
" registered....................		J & J	....	....	....	....	....
" fifty years g. 4's.........1925	6,500,000	A & O	74	May 28,'03	75¾	74	93,000
" registered....................		A & O	....	....	....	....	....
Toronto,Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's....1925	1,852,000	J & D	110	Apr. 25,'03	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	102⅛	May 29,'03	102⅝	102¼	789,000
" registered....................		J & J	102½	May 21,'03	102½	102½	22,000
" 1st lien con. g. 4's......1911	87,259,000	M & N	96¾	May 29,'03	100⅝	96½	6,369,000
" registered....................		M & N	105¼	Dec. 6,'02	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	100	May 29,'03	102	99¾	111,000
Oreg. Short Line Ry. 1st g. 6's.1922	18,651,000	F & A	125⅛	May 26,'03	125⅛	125	19,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	113	May 29,'03	114	113	73,500
" 4's&participat'g g.bds.1927	41,000,000	F & A	91½	May 29,'03	93¾	91¼	512,000
" registered.................		F & A	....	....	....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	115	Nov.24,'01	....	....	....
" g. 5's.....................1926	1,877,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	103½	May 19,'03	103¾	102	30,000
Wabash R.R. Co., 1st gold 5's....1939	32,498,000	M & N	115½	May 28,'03	115⅝	115	188,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	105¼	May 29,'03	108	105⅛	31,000
" deben. mtg series A...1939	3,500,000	J & J	101½	Apr. 28,'03	....	....	....
" series B..................1939	26,500,000	J & J	74¾	May 29,'03	78	73	6,795,000
" first lien eqpt. fd.g. 5's.1921	3,000,000	M & S	104½	Dec. 11,'02	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,411,000	J & J	109	May 14,'03	109⅝	109	11,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	May 12,'02	....	....	....
" Omaha div. 1st g. 3½s..1941	3,500,000	A & O	84¼	May 21,'03	84¼	83½	74,500
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.&N.St.Chas.B.1st6's1908	478,000	A & O	109½	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	117¼	May 20,'03	118	117¼	3,000
" gen g. 3-4's..............1943	9,789,000	A & O	98½	Apr. 24,'03	....	....	....
" inc. 5's.....................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	112	Apr. 27,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	116⅛	Jan. 21,'03	...	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	113	Sept. 9,'02	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,130,000	M & S	91	May 29,'03	92	90¾	61,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,879,000	J & J	91⅞	May 29,'03	92⅛	91	131,000

STREET RAILWAY BONDS.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	104⅛	May 29,'03	105	104⅛	7,000
" Atl. av.Bkn .imp. g.5's,1934	1,500,000	J & J	110	Jan. 20,'99	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,378,000	J & J	110	Apr. 14,'03	....	....	....
" Qu. Co. & Sur. con. gtd. g. 5's..................1941	2,255,000	M & N	102	May 18,'03	102	101¾	18,000
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	100¾	May 29,'03	101	100¼	220,000
" stamped guaranteed......		......	101	May 7,'03	101	101	1,000
Kings Co. Elev. R. R. 1st g. 4's.1949	7,[illegible]00,000	F & A	87	May 6,'03	87	87	1,000
" stamped guaranteed......		......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	85½	Jan. 5,'03	....	....	....
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	99⅞	Oct. 30,'02	....	....	....
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June18,19'	....	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	918,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,500,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'98	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE.		MAY SALES.		
			Price.	*Date.*	*High.*	*Low.*	*Total.*
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	114¼	May 22,'03	115¾	114¼	67,000
" refunding 4's..........2002	12,780,000	A & O	93⅝	May 20,'03	93⅞	92½	15,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	116½	May 26,'03	116½	116½	1,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	8,000,000	M & S	118½	Apr. 21,'03	....	....	....
" registered................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	118	Mar. 31,'03	....	....	....
" registered................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	35,000,000	J & J	97¼	May 27,'03	98	97	208,000
" registered................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	119¾	May 8,'03	119¾	119¾	1,000
Met. West Side Elev.Chic.1st g.4's.1938	10,000,000	F & A	99½	Mar. 27,'03	....	....	....
" registered................		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's........................1919	4,050,000	J & J	110	June 26,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1st g.5's.1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	84⅞	May 26,'03	85¾	84⅞	40,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	79	May 28,'03	80	78¾	565,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	103¾	May 29,'03	104	103¾	47,000
Am.Steamship Co.of W.Va.g.5's 1920	5,452,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.Ferry Co.of N.Y.1st c.g.5's.1948	6,500,000	F & A	73	Mar. 26,'03	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Mar. 7,'01	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	2,771,000	A & O	84	May 29,'03	87¾	83	53,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuildng & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	91½	May 23,'03	91½	91¼	28,000
" registered..................		F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	101	Feb. 19,'97	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s 1901–1916	1,000,000	J & J	....	....	....	....	....
" E 4's 1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's 1908–1918	1,000,000	M & S	....	....	....	....	....
" G 4's..............1903–1918	1,000,000	F & A	100	Mar. 15,19'	....	....	....
" H 4's..............1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's..............1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's..............1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's..............1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds.........................	....	......	....	....	....	....	....
BONDS OF MANUFACTURING AND INDUSTRIAL CORPORATIONS.							
Am. Bicycle Co.sink.fund deb.5's.1919	9,234,000	M & S	34	Feb. 2,'03	....	....	....
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	97½	May 19,'03	98	96⅞	26,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	8,375,000	M & S	90	May 29,'03	91½	90	53,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	88	May 14,'03	90	88	8,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	80	Jan. 12,'03	....	....	....
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	61	May 29,'03	62½	60	2,207,000
" registered..................		F & A	66½	Oct. 8,'02	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	65	May 29,'03	68¾	65	365,000
Dis. Co. of Am. coll. trust g 5's..1911	3,580,000	J & J	100	Mar. 25,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	100	May 2,'02	....	....	....
Internat'l Paper Co. 1st con.g 6's.1918	9,326,000	F & A	106½	May 26,'03	108	105¾	45,000
Knick'r'ker Ice Co.(Chic) 1st g 5's.1928	2,000,000	A & O	93	Feb. 24,'03	....	....	....
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	95	Mar. 2,'03	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	70	May 21,'03	75	70	68,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	60	May 28,'03	62½	60	39,000

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NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name.	Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	May Sales. High.	May Sales. Low.	May Sales. Total.
Standard Rope&Twine inc.g.5s	1946	7,500,000	......	8	May 21,'03	9⅛	8	71,000
United Fruit Co., con. 5's	1911	4,000,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's	1918	3,797,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	111⅛	May 15,'03	111⅛	111⅛	20,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	83	May 27,'03	83	83	1,000
U. S. Shipbldg. 1st & fd g.5'sSer.A.	1932	14,500,000	J & J	40⅛	May 29,'03	55	40⅛	118,000
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S.Steel Corp. col. tr. 2d gs. 5's	1963	....	M & N	86⅛	May 29,'03	86⅛	84⅛	5,398,500
" " " reg.	1963	....	M & N	86¾	May 27,'03	86¾	86¾	500
BONDS OF COAL AND IRON COS.								
Colo. C'l & I'n Devel.Co. gtd g.5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	112	Apr. 30,'03	....	....	....
Col. Fuel & Iron Co. gen. sf g 5's	1943	5,336,000	F & A	102	May 21,'03	103	102	94,000
" conv. deb. g. 5's	1911	14,068,000	F & A	86	May 29,'03	87¾	88¾	1,300,000
" registered			F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Grand Riv. Coal & Coke 1st g. 6's	1919	949,000	A & O	115	June23,'02	....	....	....
Jefferson & Clearfield Coal & Ir.								
" 1st g. 5's	1926	1,621,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	80	May 4,'97	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	2,750,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,174,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.	1946	1,092,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	879,000	J & D	....	....	....	....	....
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,244,000	A & O	107	Mar. 30,'03	....	....	....
" Bir. div. 1st con. 6's	1917	3,399,000	J & J	112	May 21,'03	112	112	1,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & J	105	Feb. 10,19'	....	....	....
De Bard. C & I Co. gtd. g 6's	1910	2,771,000	F & A	102	May 28,'03	102	102	10,500
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,993,000	M & S	78¼	May 25,'03	78¼	77	76,000
Wheel L. E. & P. Cl Co. 1st g 5's	1919	836,000	J & J	82	Jan. 15,19'	....	....	....
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's	1945	14,493,000	M & N	113¾	May 25,'03	116⅛	113¾	24,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	76⅛	May 29,'03	79⅞	76	46,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,606,000	J & J	98	May 19,'03	99	98	35,000
Detroit Gas Co. 1st con.g.5's	1918	381,000	F & A	104	May 24,'02	....	....	....
Equitable Gas Light Co. of N. Y.								
1st con. g. 5's	1932	3,500,000	M & S	102⅞	Feb. 19,'03	....	....	....
Gas. & Elec.of Bergen Co, c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	....	....	....	....	....
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	....	....	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L.&Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's	1997	5,010,000	J & J	125	Mar. 16,'03	....	....	....
Edison El.Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	93¼	May 29,'03	94⅛	93¼	2,000
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	106	May 29,'03	107	105¾	19,000
" small bonds				97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	95	July 31,'02	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g5's.	1948	15,000,000	J & D	110	May 25,'03	110¾	109⅛	42,000
" registered			J & D					
" purchase mny col tr g 4's.	1949	20,839,000	F & A	92	May 21,'03	93¼	92	70,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	104⅛	May 14,'03	105	104⅛	5,000
" 1st con. g. 5's	1995	2,156,000	J & J	119	Apr. 24,'03	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	103	May 12,'03	103	102	10,000
N.Y.& RichmondGasCo.1stg. 5's.	1921	1,000,000	M & N	102¾	Apr. 30,'03	....	....	....
Paterson&Pas. G.&E. con.g.5's	1949	3,817,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	103¼	Feb. 25,'03	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	102⅛	Mar. 17,'03	....	....	....
" 1st con. g 6's	1943	4,900,000	A & O	116	May 28,'03	120	116	21,000
" refunding g. 5's	1947	2,500,000	M & S	105¼	Apr. 12,'03	....	....	....
" refuding registered			M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.	1937	10,000,000	J & J	109	May 9,'03	109	108⅛	12,000
Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	107	May 15,'03	107	106	19,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.	1905	2,000,000	J & J	103	May 12,'03	103	103	1,000
MutualFuelGasCo.1stgtd.g.5's.	1947	5,000,000	M & N	105	Feb. 16,'03	....	....	....
" registered		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.	1950	500,000	J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE.		MAY SALES.		
				Price.	*Date.*	*High*	*Low.*	*Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	28,000,000	J & J	96½	Apr. 29,'03	....	....	....
Commercial Cable Co. 1st g. 4's	2397	10,828,000	Q & J	100⅛	Apr. 8,'02	....	....	....
• registered	....		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Erie Teleg. & Tel. col. tr. g s fd 5's	1926	3,906,000	J & J	109	Oct. 7,'99	....	....	....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	114	Nov. 7,'02	....	....	....
• registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	108¼	Apr. 15,'03	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	110	May 22,'03	110	110	2,000
• fundg & real estate g. 4½'s	1950	16,000,000	M & N	108⅛	May 29,'03	108⅛	102	78,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	110	Apr. 23,'03	....	....	....
Northwestern Telegraph 7's	1904	1,250,000	J & J	104	May 9,'02	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1903.		MAY SALES.		
				High.	*Low.*	*High.*	*Low.*	*Total.*
United States con. 2's registered	1930	499,622,550	Q J	106⅛	106	106⅛	106	45,000
• con. 2's coupon	1930		Q J	107½	106¼	106¼	106¼	2,000
• con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
• con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
• 3's registered	1908-18	89,322,750	Q F	108½	107	107¼	107¼	4,500
• 3's coupon	1908-18		Q F	109	107⅛	107½	107¼	17,600
• 3's small bonds reg.	1908-18		Q F	....	....	....	....	......
• 3's small bonds coupon	1908-18		Q F	108½	107⅛	107¼	107¼	300
• 4's registered	1907	187,690,400	J A J&O	111½	109	111	110¾	16,000
• 4's coupon	1907		J A J&O	112	109¼	111⅛	110¾	8,500
• 4's registered	1925	118,489,900	Q F	136½	135	136½	135⅞	37,000
• 4's coupon	1925		Q F	137½	136	....	....	......
• 5's registered	1904	19,385,050	Q F	....	....	....	....	......
• 5's coupon	1904		Q F	103⅝	103	103¼	103¼	4,000
District of Columbia 3-65's	1924	14,224,100	F & A	121	121	....	....	......
• small bonds	....		F & A	....	....	....	....	......
• registered.	....		F & A	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,600	J & J	....	....	....	....	......
• • small	....	....	....	....	....	....	....	......
• Class B 5's	1906	575,000	J & J	....	....	....	....	......
• Class C 4's	1906	962,000	J & J	....	....	....	....	......
• currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	106	106	....	....	......
• • small bonds	....			....	....	....	....	......
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	....	....	....	....	......
• small	....		J & J	....	....	....	....	......
• 6's	1919	2,720,000	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	95	97	96	8,100
• registered	....	6,079,000	J & J	....	....	....	....	......
• small bond	....	362,200	J & J	....	....	....	....	......
Virginia fund debt 2-3's of	1991	18,046,336	J & J	....	....	....	....	......
• registered	....		J & J	....	....	....	....	......
• 6's deferred cts. Issue of 1871		3,974,966	....	....	....	....	....	......
• • Brown Bros. & Co. ctfs. of deposit. Issue of 1871	.....	8,716,565	....	12	8½	8½	8½	50,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1	1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente	....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	....	Q J	96⅝	90½	....	....	......
Regular delivery in denominations of £100 and £200	....	£22,857,680	......	....	....	....	....	......
Small bonds denominations of £20	......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Chamberlain.—Dwight S. Chamberlain, President of the Lyons (N. Y.) National Bank, died May 11, aged sixty-five years. He was a surgeon in the United States Army in the Civil War, and was mustered out as a major.

Dulaney.—Robert L. Dulaney, President of the Dulaney National Bank, Marshall, Ill., and a director of the Vandalia Railroad Co., died May 5.

Fahnestock.—Derick Fahnestock, head of the banking firm of D. Fahnestock & Co., Baltimore, and for a number of years president of the Baltimore Stock Exchange, died May 11, aged eighty-two years.

Graff.—Paul Graff, President of the First National Bank, Blairsville, Pa., since 1886, died May 10. He had also been at the head of many other successful business enterprises.

Lindsay.—Col. Wm. B. Lindsay, President of the Farmers' National Bank, Owenton, Ky., and one of the leading lawyers of Northern Kentucky, died April 27.

McConnell.—Henry McConnell, Cashier of the Kensington National Bank, Philadelphia, died May 11, aged sixty-five years. He had been connected with the bank for the past thirty-four years, and was Cashier fifteen years. Mr. McConnell was third assistant engineer of the United Steamer Kearsarge at the time that vessel sunk the Alabama.

Ross.—Joseph Ross, President of the Ipswich (Mass) Savings Bank, died April 21. Mr. Ross was born at Ipswich eighty-two years ago. He was instrumental in organizing the Ipswich Savings Bank, and he held the office of President from the incorporation of the bank till his death, a period of thirty-four years. He had held a number of local offices and had also served in the Legislature.

Shirk.—Milton Shirk, President of the First National Bank, Peru, Ind., a large owner of real estate and extensively interested in banking and manufacturing, died May 9. He was born at Peru, Ind., in 1849.

St. John.—Selleck Y. St. John, who for the last forty years had been Cashier of the First National Bank, New Canaan, Ct., died May 14, aged eighty-five years. He had been county commissioner and also served three terms in the State Legislature.

Taylor.—Horace P. Taylor, President of the Oakland National Bank, Chicago, died May 14, at the age of seventy-five years. He was born at Chesterfield, Mass., and went to Chicago about thirty years ago.

Voorhees.—Edward M. Voorhees, for over thirty years Vice-President of the New York Savings Bank, New York city, died May 31, aged eighty-one years.

Woods.—Chas. F. Woods, President of the Bank of Correll, Minn., died April 26.