

171

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OF THE
AMERICAN BANKERS ASSOCIATION

INCLUDING

BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

Volume 3

JULY, 1910 — JUNE, 1911

FRED. E. FARNSWORTH,
THOMAS B. PATON,
W. W. WAINE,

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Editor
Associate Editor

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JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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VOL. 3

JULY, 1910

No. 1

OUR NEXT CONVENTION.

REPORTS received from various parts of the country indicate that there will be a large attendance at the thirty-sixth annual convention to be held at Los Angeles the week of October 3d. Several of the State Associations have arranged for special trains. These trains will be made up at central points—the larger cities of the east and middle west—and contemplate tours over various routes, returning by the northern routes, and occupying from twenty to thirty days. The number already registered for these special trains is much larger than for any previous convention.

The local committees of bankers in Los Angeles are long in advance completing arrangements which will insure elaborate entertainment and every attention to details.

The business program, which will also embody the principal addresses, is being considered by the executive officers, who will meet at the general offices in New York City on July 7th to formally adopt a program which will then be made public, and next month's Journal will practically give the week's plans complete.

While it is not practical for the entire membership to attend conventions, and while quite a portion of the membership is not sufficiently interested to attend, members should not lose sight of the fact that these conventions are of general benefit to the banking fraternity; from personal contact by those who attend, by the business transacted and the able addresses delivered, which brings the Association into the lime-light, and by the proceedings which are published and which furnish food for thought and argument for those who are unable to attend.

The various railroad systems of the country have already announced special rates applicable to this convention.

POSTAL SAVINGS BANKS.

AFTER various vicissitudes and buffeting between special committees, and the general committees of the House and Senate, and these two bodies, the Postal Savings Bank Bill has become a law.

From the time this proposition was first submitted to Congress up to the passing of the bill, the special committee on Postal Savings Banks of the Sav-

ings Bank Section has been alert and has done everything in its power to prevent the passage of this measure. Many addresses have been made on the subject; valuable statistics have been compiled and furnished by the Savings Bank Section and much publicity given to the statistics and varied reasons why Postal Savings Banks would not be a good thing for the country from a business standpoint; frequent hearings have been given to the committee at Washington, but all to no avail. No power or influence on earth could have prevented the passage of this measure which finally developed into a question of pure politics. Being one of the planks in the last platform of the Republican party, the administration insisted that the pledge should be redeemed, and every other consideration in Congress was obliged to give way before the power exerted by the party and the administration.

The bill as passed does not cover any of the details necessary to thoroughly establish and run Postal Savings Banks. This power is vested in a Board of Trustees composed of the Postmaster-General, the Secretary of the Treasury and the Attorney-General. It will take months of hard work to devise a practicable scheme even should there be any practicability in the proposition as adapted for the United States, which very many who have given the question any thought doubt.

The appropriation of \$100,000 cannot and will not establish Postal Savings Banks, for the expenditure for preparation, necessary forms, burglar-proof safes, and other equipment required to properly fit up Postal Savings Banks, will run into the millions. Without question several months will elapse before Postal Savings Banks will become an established fact.

CREDIT BLANKS.

There was published in the May issue of the Journal, a description of credit blanks and a questionnaire for use in the credit department of banks, which forms were presented by Mr. James G. Cannon, of New York City, and reproduced in the Journal mentioned. The prices were also quoted at which they can be obtained in quantities of 250 up to 1,000.

Anyone desiring these forms can send their order to the General Secretary of the Association, who will forward same to the printer, and the blanks will be shipped direct to the purchaser, together with bill.

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TRUST COMPANY SECTION.

Membership in the Section now numbers 1,027.

After the adjournment of the successful meeting of the Executive Committee held at Atlantic City, reported in the May Journal, the officers of the Section, who were constituted a sub-committee on program, started preparations for the coming convention at Los Angeles, taking up the many valuable suggestions made by members and submitted at that meeting.

Mr. Lawrence L. Gillespie, Vice-President of the Equitable Trust Company of New York and Chairman of the Executive Committee, upon whom devolves the major part of the work, has taken active steps to secure speakers and to arrange for the discussion of topics, which for several years has been an interesting part of the program.

It is hoped to give an outline of the program in the next month's Journal and to have the full and complete program in the hands of members at least thirty days before the convention.

Many valuable suggestions have been received from members regarding the topics for discussion and it is hoped that others will advise the Secretary within the next few weeks of any subjects which they would like to have discussed.

Attention is called to the book of "Forms for Trust Companies," a full notice of which appears on this page. Many letters of commendation for this publication have been received by the Committee and its Secretary.

Trust Company Forms Now Ready for Delivery.

The officers of the Trust Company Section of this Association, believing that there was a wide demand for a new and up-to-date book of "Trust Company Forms," appointed a little over a year ago a committee to take up the matter of such a publication. This committee is as follows:

J. N. Babcock, Chairman, Trust Officer The Trust Company of America, New York.

Charles L. Mosher, Vice-President Guardian Savings and Trust Co., Cleveland, Ohio.

George H. Stuart, 3d, Assistant Treasurer The Girard Trust Co., Philadelphia, Pa., with the Secretary of the Section as Secretary.

Circular letters were sent to all members of the Section asking that sample forms, pages of books, cards, etc., be sent to the Secretary. A large number of such "forms" were received from representative companies throughout the country. The committee has spent a great deal of time in arranging, classifying and indexing these "forms," eliminating duplicates and such as seemed undesirable for the purpose in view. The result is a collection of "forms" in use in the representative trust companies of the country. Care has been taken to include "forms" in use in the smaller institutions as well as those submitted by the large city companies.

The selections cover all departments of the trust company, and it is believed offer practical "forms" for carrying out all of the various banking and trust functions which may fall to the lot of an active company.

The book is arranged as follows:

Banking. Deposits, Withdrawals, Records, Collections, Pass Books, Bookkeeping, Condition Statements, Investment Records, Miscellaneous.

Loans. Collateral Loans, Time and Demand, Commercial Paper, Credit Statements, Miscellaneous.

Trusts. Individual Trusts, Estates, Corporate Trusts, Bond Issues, Escrows, Reorganizations, Stock and Bond Registrations and Transfers, Payment of Coupons, Mortgage Records, Real Estate Records, Insurance Records, Card Index Systems, Tickler Systems, Miscellaneous.

Savings. Deposits, Withdrawals, Signature and Index Cards, Miscellaneous.

Safe Deposit Department. Identification Cards, Book and Miscellaneous Forms.

Foreign Exchange. Various Forms.

The work is now ready for delivery; the selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11 x 14 inches in size—and is for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to Mr. P. S. Babcock, Secretary Trust Company Section, 11 Pine Street, New York, who will forward book prepaid at once.

SAVINGS BANK SECTION.

Savings Bank Section Book of Printed Forms.

Nearly 700 copies of the book of Printed Forms issued by the Savings Bank Section have so far been sold to the members, and orders are still being received for it.

The book is handsomely bound in flexible seal, issued in a convenient loose-leaf style, and comprises over 600 of the most useful and typical forms used by the most progressive savings banks of the country; these forms were selected from a collection of

over 20,000 blank forms on file at the Secretary's office, and bound up in about fifteen huge volumes.

The forms are reproduced at one-half their original dimensions, viz., one-quarter of the area. The third edition is for sale to non-member banks at \$18 per copy, and to members of the American Bankers Association at \$12 per copy. Orders will be received and promptly attended to by William Hanhart, Secretary Savings Bank Section, 11 Pine Street, New York City.

CLEARING HOUSE SECTION.

The Executive Committee of the Clearing House Section at its meeting held May 30, 1906, granted three prizes aggregating one hundred and fifty dollars to the members of the American Institute of Banking for a contest on an article showing the advantages in the use of a system of letters and numbers in the handling of checks in transit departments, the contest being open to Managers of Transit Departments in banks, members of the association, in any city wherein the system of letters and numbers devised by the Clearing House Section is applicable.

The Judges for this contest were the Chairman of the Executive Committee of the Clearing House Section at the time of the offer (Mr. E. R. Fancher, of Cleveland), Secretary Fred E. Farnsworth and Mr. George E. Allen, Educational Director of the Institute. The various papers were prepared and presented prior to the recent meeting of the Institute at Chattanooga. The award of prizes was to the following: First, William J. Kerr, First National Bank, Pittsburg, Pa.; second, George O. Bordwell, First National Bank, San Francisco, Cal.; third, H. J. Turton, Lin-

coln Trust Company, New York City. All of the papers presented were excellent. The paper receiving the first prize (by Mr. William Kerr) follows:

**THE NUMERICAL SYSTEM IN TRANSIT WORK
A TIME SAVER.**

On the general proposition that a system of numbers and forms should be adopted for conducting the work of the Transit Department of banks there can be little room for question. The department calls for a large force of clerks, a large stock of supplies, endless time, trouble (alas!), and expense, is therefore a drag, and the profits, if any, extremely precarious. There is no uniformity whatever in the present system—or rather manifold systems—of handling transit department items. The various systems are as numerous as the banks themselves. Hence, relief is sought in the adoption of a system of numbers and forms which, by eliminating the present laborious time-losing methods will effect a material saving of time, labor and expense.

A system which, it is thought, possesses the inherent merit of effecting the maximum of economy in the operation of the transit department—always consistent with safety—is here submitted, and as some important alterations are proposed with respect to the numerical system at present in vogue, this article will proceed by:

First. Showing the necessity of such "alterations," and

Second. Submitting a system which, by its general utility, tracing facilities and economy, fills the bill.

First. To those who have taken the trouble to study the recent introduction and spread of the numerical system, two ideas may have presented themselves. One is, that already the new system has assumed various forms. Some banks are using batch numbers on all items passing through the transit department, some are using these numbers on those items only which come in through the mail from correspondents, others use arbitrary numbers on certain items, while yet others have adopted a system of employing even and odd numbers with discrimination. Thus it appears that there is some danger of the numerical systems themselves becoming as numerous and confusing as the *efete* styles.

The second thought which asserts itself is, that a system which will avoid these difficulties; a system which will make the use of numbers instead of depositors' names and bank endorsements simple and direct must be possible, and in any case that such a system is the desideratum. What is wanted is a uniform and universal system of handling the "White Elephant" end of the banking business.

This brief statement of the anomalies now making their appearance in connection with the numerical systems so far adopted, leaves the way clear for the presentation of the system referred to under the second head of this paper.

Second. Transit department items may here be classed as follows:

- (a) Items received through the mails.
- (b) Items received by transit department from the receiving tellers.
- (c) Items received from the paying and note tellers.
- (d) Remittances (or) payments of collections.

(a) Mail coming in goes through the following operations and in the order named. It is sorted into batches of a size suitable to be run off on a sheet of plain paper. Having balanced the batch, or sheet, the clerk handling the matter endorses sheet and items with a number—say 1 for first sheet balanced, 2 for second sheet and "its" items—and so on. The sheet is then given to the mail proof, and the items sorted to the various clerks whose duty it is to write up the mail letters. This process is repeated until the incoming mail has been "cleaned up."

The mail clerks may now be considered as at their places in the act of writing. It is right here that the advantages of the system of numbers is most apparent. The simple adding machine has given place to the split instrument, by the use of which letter writing is simplified, and time reduced. The letter

form calls for (besides the amount), three particulars, viz.: drawee town, bank and endorser. Under the system here suggested the clearing house cities are numbered, and the banks in these towns are also numbered. Hence, the name of the city on which a given item is drawn is replaced by a number and the drawee bank is likewise numbered. The same principle holds with respect to endorsers' names; again the names are described by a number, as the bank stamp bears the bank's particular number. Banks hereafter organized, or banks which do not come under this arrangement for any reason, would be numbered in order, beginning with the number immediately following that of the last numbered bank included in the above. The Clearing House Section of the association would continue the work of numbering banks.

The question now concerns itself with banks which are located in cities lacking clearing house facilities. How can these be cared for in a numerical system? A system which should number every bank in this country is altogether impracticable. It would involve the use of numbers of great length, would stand constantly in need of alteration, and is not calculated to fulfill the functions of a time-saving system. For this reason the typewriting part of the machine must be used in describing such items. The banks in the large cities, however, could be numbered according to "age" and this numbering be left in the hands of the same section of the association.

(b) Items which are handed over the counter in the form of deposits and sent through the transit department are handled in a somewhat similar way. In sheets, as described above, they are run off and balanced. The only difference is in the matter of endorsements, that is, the depositors' endorsements. The method may be explained after this manner: Depositors are furnished with stamps which, in addition to stating depositor's name have numbers suitably placed on them. Now, in a growing bank, with a constantly increasing number of accounts, the numerical system should be one which will lend itself easily to this contingency. The matter, also, of withdrawals and changes of one kind and another should be guarded against, as otherwise confusion may arise. Above all the use of long numbers is to be avoided. These several difficulties are discounted in this way.

Suppose the list of depositors to begin with the account of Aarons & Co. The stamp of this firm would read

Pay to the order of the
Blank National Bank
A 1
(See figure below)
Aarons & Co.

For Adams the stamp might be expected to read A 6. The mail clerk, therefore, records the endorsement of Adams as A 6, and of Aarons as A 1. For Brown, Sons & Co., the endorsement recorded would be B 8; and so on down the list to Young & Brother, whose endorsement is recorded Y 7. The initial letter is the key. The method could be further shortened with but little inconvenience by combining I and J, and O and Q, and V and X. If depositors are letter-numbered in this way the largest number of accounts conceivable may be recorded without the use of big long numbers, without the necessity of using arbitrary numbers, without the introduction of even and odd numbers, and without the batch figures. Nor does the matter of how many tellers the bank has effect the working of the system either one way or another. It should never be forgotten that every additional figure means an additional chance of error, and, as the philosopher of a bye-gone age declared, "Humanist est errare."

(c) Items handled by the Paying Teller, or Tellers, are by him endorsed "P. T.", sent to the transit department, there run on a sheet, the sheet balanced, sheet and items numbered as before, and the items sorted to the mail clerks in the proper order. The endorsements are recorded as "P. T. 50, P. T. 54," and so on in order, the number always depending upon the order in which the sheet was run. The same holds good with regard to Note Teller, though in this case endorsements will read "N. T." instead of "P. T."

No mention has thus far been made of items received by the transit department from the foreign department—a not unimportant department in modern banking; but the system stands here also. The endorsements are recorded along the identical lines, with the substitution of "For", and the appropriate sheet number.

(d) It remains to be stated what method is pursued with respect to "Remittances," that is items received in payment of collections. In many cases banks might find the straight numbering of these to be inexpedient, and therefore the method about to be described is one which will be found convenient in banks of all sizes. For the purpose of fuller illustration a number of remittances will be followed through the bank.

Let it be supposed that a stack of mail comes in and fifty remittances are there. Then, as with all other items—though of course, separately—the remittances are run on a sheet, balanced, and the sheet and items endorsed as usual with a number, thus: RE 4, RE 7, etc. This number denotes simply that the sheet was the fourth or seventh in "running" order, and the RE explains itself. The mail clerk sending any of these out records the endorsements as RE 4, or RE 7 as the circumstances may require. If he is unable to decide whether a check is for \$20.56 or \$20.36, he looks on sheet number so-and-so and verifies the amount, exactly as he would do for any item no matter where it originated.

It should, of course, be clearly understood that a sheet with mail on it has mail only; a sheet with Paying Teller on it has "P. T." items only, and items received from the various other sources are never mixed. But, whether a sheet has on it mail, P. T., N. T., R. E., or "For." the fact will make no difference whatever in numbering the sheet. Yet, when the sheets pass into the hands of the proof clerk they are segregated on his sheet in the proper way, still however, retaining the order of number. A clerk wanting to refer to any sheet will ask proof to show him sheet No. so-and-so of Mail, P. T., N. T., as the case may be. Thus is confusion avoided and order maintained.

Section of a cash letter, usual heading.

Town	Bank	Amount	Spec. Inst.	Endorser
12	8	600 00	no pro.	44
15	10	1,200 00		26
28	320	5 25		B 5
12	14	35 10		W 12
14	24	3,544 15		P. T. 3
45	4	22 00	T. N. P.	RE 5
20	16	1 00		N. T. 6
32	22	45 04		FOR. 2
17	1	75		55
		5,453 29		5,453 29

Applying the system, it is evident that the first two items in the above came through the Mail; the next two were deposited by customers of the bank; the next is a Paying Teller, then a Remittance, then a Note Teller, then a Foreign Department, and last another Mail item.

The Field Has Been Covered.

Summarizing, what are the virtues of the numerical system described in the foregoing? Is the system safe? Is it a time saver? Does it offer good tracing facilities? In hastily scanning a cash letter, written under this system, can the clerk say without hesitation or uncertainty; "That item came in by mail from so-and-so; this one was handed over the counter by so-and-so; this one was charged to the Mail Department by the Foreign Department, and will be found on sheet 5. I shall look these up and see how we stand about it. It is a matter of looking, not hunting." He can say so.

The mail clerk is deeply interested in this whole subject, for no matter what kind of system is finally introduced, he will be affected. It is fair then to remark here that there must be something incongruous, something unwieldy, certainly great liability to error in any system which would have the mail clerk use such a number as 13252, or 23241, in other words big numbers. The system described above, however, has the rare feature of avoiding big numbers. This is one advantage of getting rid of "arbitrary, and even and odd" numbers, while not in any

way interfering with the system. A feature, too, which should not be overlooked is that this system readily lends itself to "taking off balances" at suitable times during the day.

Such then is the system described in this paper; such its advantages as a time saver; such its avoidance of confusion in locating items in dispute; such its easy method of handling transit work; and such its general utility. In all the directions mentioned it effects a saving of time, of labor, of worry, and of expense. It makes no arbitrary uses of numbers, and it most effectively keeps a straight record of all transit items.

To devise—to begin to devise—a system to suit the requirements of big banks alone would be a waste of time; to offer a system whose benefits would apply in the case of banks with a small transit department only would be likewise futile. The exigencies of the transit department to-day demand the introduction of a system capable of universal application. And that, it is confidently believed, is the outstanding virtue of the system which has just been described—"described," because in this case an "outline" is not considered sufficient—would, in fact, evade troublesome details.

REGISTRATION.

THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of June:

- H. J. Peairs, Second National Bank, Pittsburg, Pa.
- Edward J. Newell, Cashier The People's Bank, Buffalo, N. Y.
- F. W. Hyde, Cashier National Chautauqua County Bank, Jamestown, N. Y.
- W. Y. Barnet, Editor "Banking World," Chicago, Ill.
- Wm. H. Conroy, assistant to the President, United States Fidelity and Guaranty Co., New York, N. Y.
- J. R. Van Wageningen, President First National Bank, Oxford, N. Y.
- W. L. Moyer, New York, N. Y.
- M. A. White, Cashier Ravalli County Bank, Hamilton, Mont.
- J. V. A. Walt, St. Louis, Mo.
- W. Livingstone, President Dime Savings Bank, Detroit, Mich.
- Henri J. van Zelm, Secretary New Rochelle Trust Co., New Rochelle, N. Y.
- Edwin Chamberlain, Vice-President San Antonio Loan and Trust Co., San Antonio, Tex.
- Geo. A. Brown, Denver National Bank, Denver, Colo.
- G. A. Asklng, First National Bank, Denver, Colo.
- W. H. Wright, President Red River Valley Mortgage Co., Fargo, N. D.
- A. L. Hoblit, Cashier Carlville National Bank, Carlville, Ill.
- M. F. Roesti, William Salomon & Co., New York, N. Y.
- A. E. Mason, Cashier and Treasurer Glens Falls Trust Co., Glens Falls, N. Y.
- Chas. B. Lewis, Vice-President and Cashier Fourth National Bank, Macon, Ga.
- Lawrence L. Gillespie, Vice-President Equitable Trust Co., New York, N. Y.
- Jas. H. Tripp, President First National Bank, Marathon, N. Y.
- J. M. Miles, Marathon, N. Y.

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DEVOTED TO THE SCIENCE OF BANKING AND FINANCE

VOL. 3

JULY, 1910

No. 1

FRED. E. FARNSWORTH, PUBLISHER
General Secretary American Bankers Association

THOMAS B. PATON, EDITOR
General Counsel American Bankers Association

W. W. WAINE, ASSOCIATE EDITOR

CONSOLIDATION OF THE JOURNAL AND BULLETIN.

WITH this issue, No. 1 of volume 3, appears the Journal of the Association in an enlarged and improved form, including the Bulletin of the American Institute of Banking, with double column instead of single as heretofore, which will enable the reader to more easily follow the type. This first issue of the combined publications will comprise twenty-four thousand copies and will, without doubt, be welcomed by all those who receive the benefit of the joint periodical.

The Journal will be conducted as in the past, and under the same editorial management, and will embody association news. The Bulletin will also retain its identity, occupying a distinct portion of the publication with all of its past features carried on under the same control and management. The Legal Department, which has formerly been published in both periodicals, will now appear under one head.

The wisdom and advantage of the consolidation of the two publications cannot be overestimated. The members of the American Bankers Association, as a rule, have not been fully acquainted with the valuable work of the Institute—its conventions, the debates, Chapter meetings, and its educational feature. On the other hand the 11,500 members of the fifty-five associated Chapters of the Institute, will be in a position to receive full information as to the accomplishments of the association. Under the plans proposed and authorized, the members of the American Bankers Association now become members of the American Institute of Banking. Instead of the annual appropriation to the Institute, a fixed sum per member will be paid into the Institute treasury, and the Institute pays a fixed amount per member into the treasury of the American Bankers Association as a subscription, to the joint publication.

All this is a move in the right direction and will have a strong tendency to bind the parent organiza-

tion and its valued adjunct—the Institute Section—more closely together, from which union still greater achievements will result.

THE AMERICAN INSTITUTE OF BANKING CONVENTION.

The Eighth Annual Convention of the American Institute of Banking, which was held in the city of Chattanooga, Tennessee, June 8th, 9th and 10th, was generally conceded to be the best in the series in attendance and enthusiasm, and marked by strict attention to business on the part of officers and delegates. Ten years ago, at Richmond, Virginia, the initial step was taken, banding together the bank clerks of the country for educational work. Most rapid progress has been made and the Institute has developed beyond the most sanguine expectations of its promoters of a decade ago.

The program at Chattanooga included six business sessions with addresses on various subjects of interest by men of note from different parts of the country. The young men took part in the several contests and discussed the many problems of banking, and the intricacies of transit items, exchange charges, clearing houses, etc., and even launched into the higher sphere of banking, making excellent extemporaneous addresses on a Central Bank, Postal Savings Banks, and other live topics.

The annual reports of the officers indicated the Institute to be in fine condition and that it is conducted on a business basis. The sessions were well attended, there being scarcely any absentees.

The entertainment furnished by the Chapter and the bankers of Chattanooga was most lavish, but was not allowed to interfere with the business sessions. The Institute is entitled to much credit, and is to be congratulated on the great success of its eighth annual convention.

The detailed report will be found in the Bulletin section of this number.

DOCUMENTS FOR DISTRIBUTION.

The Association has on hand quite a quantity of printed matter appertaining to the work of the Bills of Lading Committee, which will be sent to such members as may desire same if they will notify this office. This list is as follows:

New Uniform Bills of Lading.
Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.

Pennsylvania Speech—L. E. Pierson.
Little Rock, Arkansas, Speech—Thomas B. Paton.
Jamestown, Virginia, Speech—Thomas B. Paton.
Oklahoma Speech—Evans Woollen.

Report of Committee to 1908 Convention at Denver, with Appendices.

Report of Committee to 1909 Convention at Chicago, with Appendices.

Proceedings of Joint Bill of Lading Conference between bankers, carriers, shippers, etc., held at Chicago, September, 1909.

A quantity of the following currency documents is on hand in the Secretary's office. If any of our members want copies with which to do educational work we will be pleased to send them on advice to that effect:

Report of The Currency Commission of the American Bankers Association.

Report of Currency Commission of American Bankers Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers Association, presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor "Bankers Magazine."

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before The Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Ill., before the annual meeting of Group Two of the Bankers Association of the State of Illinois, held at Peoria, June 11, 1908.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section, September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."

Address by Daniel S. Remson before the Trust Company Section, September 15, 1909, "Post-Mortem Administration of Wealth."

MORTUARY RECORD OF MEMBERS FOR JUNE, 1910.

The following list is compiled from the financial journals. If, in future, our members will advise the Journal of the decease of any officer or director of their Institution, giving name, title, age and date of death, the same will be published.

- Amacker, Col. O. P.—President Kentwood Bank, Kentwood, La.
- Clark, Charles Cameron—Director Lincoln National Bank, New York, N. Y.
- Davis, John H.—Director Seaboard National Bank, New York, N. Y.
- Flannery, Capt. John—First Vice-President The Citizens and Southern Bank, Savannah, Ga.
- Jaffrion, Bennett B.—Director Mansura Bank, Mansura, La.
- Moies, Charles P.—Treasurer Pawtucket Institution for Savings, Pawtucket, R. I.
- Osborn, John A.—Director National Bank of Norwalk, Norwalk, Conn.
- Rice, Maj. F. S.—Vice-President and Manager First National Bank, Bakersfield, Cal.
- Sheldon, Herbert L.—Cashier Citizens' National Bank, Watertown, S. D.
- Smith, Henry J.—President Savings Bank of Ansonia, Ansonia, Conn.
- Stelnauer, John—Vice-President Farmers' National Bank, Pawnee City, Neb.
- Thompson, R. H.—Director Home Trust Co., Brooklyn, N. Y.
- Turk, William Howard—Director First National Bank, Belleville, N. J.

LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

BILLS OF LADING.

Last month we announced to our members through the pages of the Journal that the Bill of Lading measure advocated by this Association (H. R. 25,335) had passed the House of Representatives on June 6th and that the bill would be taken up by the Senate where we hoped for favorable action.

Since then, three hearings have been given on the bill by the Senate Committee on Interstate Commerce, on June 16, 20 and 21, respectively, which were attended by both proponents and opponents of the measure, and on June 22 the Committee decided to postpone action until the next Session. This does not mean that the bill will again have to be passed by the House, for it is the same (61st) Congress which will meet next December.

At the hearings upon the bill the Railroad lawyers, who opposed it, were out in great force and it became evident at the outset that the Senate Committee were not going to ratify the action of the House pro forma, but intended to make an independent investigation of the measure and become convinced as to its merits before finally passing upon it. As was said by one Senator: "You cannot expect us in ten days to investigate and decide upon a technical proposition that has taken the House Committee three years in which to reach a conclusion." Everything possible was done in advocacy of the measure, and our Committee on Bills of Lading had strong hopes that the bill would become a law at the present session, but, as the result proves, it could not reasonably have been expected that the Senate would act upon a bill only reported to it on June 7, before the end of June, in a case where the House Committee had taken three years to reach a favorable decision, and where, owing to a determined opposition, the Senate Committee felt the necessity of themselves being convinced of the merits of the measure.

Next December the bill will again be taken up and, we hope, will be acted upon favorably by the Senate. In the meantime, bankers in all sections can materially aid by keeping afresh in the minds of their respective Senators, at every opportunity, the great necessity which exists for the passage of the bill of lading law, as well as in urging upon such Senators that the responsibility which it imposes upon the carrier for the acts of his agent is a just and reasonable requirement. All technical objections raised by the carriers with respect to the phrasing of particular provisions in the proposed law have been swept aside or obviated and there now remains, as the sole issue for determination, the plain and simple but fundamental issue—Shall the carrier be held liable for the act of his agent who issues a bill of lading reciting the receipt of certain merchandise which has not in fact been received in a case where some innocent third party—banker or consignee—has paid money in good faith and reliance upon the truth of the recitals in such bill of lading? The carriers, on the one hand, most strenuously contend that this is an unreasonable responsibility to impose upon them; the commercial men and the bankers on the other hand, assert that

bills of lading are no longer mere contracts of affreightment, but have developed into instruments of credit; that the commerce of the country is moved by advances on the faith of such bills; and that the principle of responsibility of railroad corporations for the acts of their agents, when they issue untrue bills of lading, is necessary to maintain the integrity of these documents as such instruments of credit.

When an agent of a bank who is authorized to certify checks or to issue certificates of deposit, or the agent of a corporation who is authorized to issue its shares of stock, or the agent of a warehouse who is authorized to issue warehouse receipts, proves in any such capacity unfaithful to his trust and issues a false document upon which some innocent person advances value, the law steps in and makes the principal responsible in every such case; equally, in the case of bills of lading, which are no longer mere receipts for property between carrier and shipper, but which, by the custom of the country, have become instruments of credit upon which millions of dollars are yearly advanced by third persons, should the principal be responsible where his agent puts out an untrue document and thereby misleads the commercial holder into advancing money upon its faith. This principle of responsibility of the carrier upon untrue bills of lading issued by his agent has been slowly making headway in the jurisprudence of this country; it is now established by statute in some eleven States and by judicial decision in six more States; and, despite the continued opposition of some of the railroads—while others concede it to be just—it will ultimately prevail as a universal principle throughout the entire country. It has taken three years to bring the House of Representatives to recognize the justice of this principle and its necessity to the safe and convenient handling of our vast modern commerce, and we look, in the near future, for similar favorable action by the Senate of the United States.

POSTAL SAVINGS BANKS.

The Senate on June 22d passed the Postal Savings Bank bill as it came amended from the House and it was signed by the President on June 25th. The text of the measure as passed is printed herewith. The Postmaster-General, the Secretary of the Treasury and the Attorney-General are constituted a board of trustees with authority to designate such post offices as the board may select to be postal savings depository offices to receive deposits of funds from the public. The minimum deposit which will be received is one dollar, and deposits may be of a larger amount in multiples thereof, not exceeding \$100 in any calendar month, and the maximum deposit of any one depositor is fixed at \$500, exclusive of accumulated interest. The bill provides for the sale of adhesive "postal savings stamps" to be attached to a postal savings card in order that smaller amounts may be accumulated for deposit; when such cards contain stamps in amounts of one dollar or multiples thereof they are acceptable as deposits. The law provides that interest at the rate of two per cent. per annum shall be credited to the depositor each year. It provides that postal sav-

ings funds shall be deposited in solvent banks, whether organized under National or State laws, such banks being subject to National or State supervision and examination, and the deposits in banks to bear interest at the rate of not less than two and a quarter per cent. per annum, which rate shall be uniform throughout the country. Provision is made that funds received at postal savings depository offices shall be deposited in banks in the same locality. A reserve of five per cent. of postal savings funds is to be kept with the Treasurer of the United States.

The funds deposited in banks may at any time be withdrawn for the repayment of postal savings depositors, and concerning further withdrawals, the following provision (see sec. 9) is of peculiar interest:

"Not exceeding thirty per centum of the amount of such funds may at any time be withdrawn by the trustee for investment in bonds or other securities of the United States, it being the intent of this act that the residue of such funds, amounting to sixty-five per centum thereof, shall remain on deposit in the banks in each State and Territory willing to receive the same under the terms of this act, and shall be a working balance and also a fund which may be withdrawn for investment in bonds or other securities of the United States, but only by direction of the President and only when, in his judgment, the general welfare and the interests of the United States so require."

Under this, it is seen that not only thirty per cent. of postal savings deposits may be taken out of the banks in the locality where the deposits originated and invested in government bonds, but the remaining sixty-five per cent. may also be so taken when in the judgment of the President of the United States, the general welfare so requires.

The act, in full, is as follows:

TEXT OF POSTAL SAVINGS BILL AS PASSED.

That there be, and is hereby, created a board of trustees for the control, supervision, and administration of the postal savings depository offices designated and established under the provisions of this Act, and of the funds received as deposits at such postal savings depository offices by virtue thereof. Said board shall consist of the Postmaster-General, the Secretary of the Treasury, and the Attorney-General, severally, acting ex officio, and shall have power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repayment of the funds deposited at postal savings depository offices.

The board of trustees shall submit a report to Congress at the beginning of each regular session showing by States and Territories (for the preceding fiscal year) the number and names of post-offices receiving deposits, the aggregate amount of deposits made therein, the aggregate amount of withdrawals therefrom, the number of depositors in each, the total amount standing to the credit of all depositors at the conclusion of the year, the amount of such deposits at interest, the amount of interest received thereon, the amount of interest paid thereon, the amount of deposits surrendered by depositors for bonds issued by authority of this Act, and the number and amount of unclaimed deposits. Also the amount invested in government securities by the trustees, the amount of extra expense of the Post-Office Department and the postal service incident to the operation of the postal savings depository system, the amount of work done for the savings depository system by the Post-Office Department and postal service in the transportation of free mail, and all other facts which it may deem pertinent and proper to present.

Sec. 2. That the Postmaster-General is hereby directed to prepare and issue special stamps of the necessary denominations for use, in lieu of penalty or franked envelopes, in the transmittal of free mail resulting from the administration of this Act.

Sec. 3. That said board of trustees is hereby authorized and empowered to designate such post-offices as it may select to be postal savings depository offices, and each and every post-office so designated by order of said board is hereby declared to be a postal savings depository office within the meaning of this Act and to be authorized and required to receive deposits of funds from the public and to account for and dispose of the same, according to the provisions of this Act and the regulations made in pursuance thereof. Each postal savings depository office shall be kept open for the transaction of business during such hours as the Postmaster-General, with the approval of the board of trustees, shall direct.

Sec. 4. That accounts may be opened and deposits made in any postal savings depository established under this Act by any person of the age of ten years or over, in his or her own

name, and by a married woman in her own name and free from any control or interference by her husband; but no person shall at the same time have more than one postal savings account in his or her own right.

Sec. 5. That the postmaster at a postal savings depository office shall, upon the making of an application to open an account under this Act and the submission of an initial deposit, deliver to the depositor a pass book free of cost upon which shall be written the name and signature or mark of the depositor and such other memoranda as may be necessary for purposes of identification, in which pass book entries of all deposits and withdrawals shall be made in both figures and writing: Provided, That the Postmaster-General may, with the approval of the board of trustees, adopt some other device or devices in lieu of a pass book as a means of making and preserving evidence of deposits and withdrawals.

Sec. 6. That at least one dollar, or a larger amount in multiples thereof, must be deposited before an account is opened with the person depositing the same, and one dollar, or multiples thereof, may be deposited after such account has been opened, but no one shall be permitted to deposit more than one hundred dollars in any one calendar month: Provided, That in order that smaller amounts may be accumulated for deposit, any person may purchase for ten cents from any depository office a postal savings card to which may be attached specially prepared adhesive stamps, to be known as "postal savings stamps," and when the stamps so attached amount to one dollar, or a larger sum in multiples thereof, including the ten-cent postal savings card, the same may be presented as a deposit for opening an account, and additions may be made to any account by means of such card and stamps in amounts of one dollar, or multiples thereof, and when a card and stamps thereto attached are accepted as a deposit the postmaster shall immediately cancel the same. It is hereby made the duty of the Postmaster-General to prepare such postal savings cards and postal savings stamps of denominations of ten cents, and to keep them on sale at every postal savings depository office, and to prescribe all necessary rules and regulations for the issue, sale, and cancellation thereof.

Sec. 7. That interest at the rate of two per centum per annum shall be allowed and entered to the credit of each depositor once in each year, the same to be computed on such basis and under such rules and regulations as the board of trustees may prescribe; but interest shall not be computed or allowed on fractions of a dollar: Provided, That the balance to the credit of any one person shall never be allowed to exceed five hundred dollars, exclusive of accumulated interest.

Sec. 8. That any depositor may withdraw the whole or any part of the funds deposited to his or her credit, with the accrued interest, upon demand and under such regulations as the board of trustees may prescribe. Withdrawals shall be paid from the deposits in the State or Territory, so far as the postal funds on deposit in such State or Territory may be sufficient for the purpose, and, so far as practicable, from the deposits in the community in which the deposit was made. No bank in which postal savings funds shall be deposited shall receive any exchange or other fees or compensation on account of the cashing or collection of any checks or the performance of any other service in connection with the postal savings depository system.

Sec. 9. That postal savings funds received under the provisions of this Act shall be deposited in solvent banks, whether organized under national or state laws, being subject to national or state supervision and examination, and the sums deposited shall bear interest at the rate of not less than two and one-fourth per centum per annum, which rate shall be uniform throughout the United States and Territories thereof; but five per centum of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the board of trustees, in lawful money as a reserve. The board of trustees shall take from such banks such security in public bonds or other securities, supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this Act and the regulations made by authority thereof, but the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half the surplus of such bank. If no such bank exist in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this Act in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then the same shall be deposited with the treasurer of the board of trustees, and shall be counted in making up the reserve of five per centum. Such funds may be withdrawn from the treasurer of said board of trustees and all other postal savings funds, or any part of such funds, may be at any time withdrawn from banks and savings depository offices for the repayment of postal savings depositors when required for that purpose. Not exceeding thirty per centum of the amount of such funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States, it being the intent of this Act that the residue of such funds, amounting to sixty-five per centum thereof, shall remain on deposit in the banks in each State and Territory willing to receive the same under the terms

of this Act, and shall be a working balance and also a fund which may be withdrawn for investment in bonds or other securities of the United States, but only by direction of the President, and only when, in his judgment, the general welfare and the interests of the United States so require. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue: Provided, That postal savings funds in the treasury of said board shall be subject to disposition as provided in this Act, and not otherwise: And provided further, That the board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors. For the purposes of this Act the word "Territory," as used herein, shall be held to include the District of Columbia, the District of Alaska, and Porto Rico, and the word "bank," shall be held to include savings banks and trust companies doing a banking business.

SEC. 10. That any depositor in a postal savings depository may surrender his deposit, or any part thereof, in sums of twenty dollars, forty dollars, sixty dollars, eighty dollars, one hundred dollars, and multiples of one hundred dollars and five hundred dollars, and receive in lieu of such surrendered deposits, under such regulations as may be established by the board of trustees, the amount of the surrendered deposits in United States coupon or registered bonds of the denominations of twenty dollars, forty dollars, sixty dollars, eighty dollars, one hundred dollars, and five hundred dollars, which bonds shall bear interest at the rate of two and one-half per centum per annum, payable semiannually, and be redeemable at the pleasure of the United States after one year from the date of their issue and payable twenty years from such date, and both principal and interest shall be payable in United States gold coin of the present standard of value: Provided, That the bonds herein authorized shall be issued only (first) when there are outstanding bonds of the United States subject to call, in which case the proceeds of the bonds shall be applied to the redemption at par of outstanding bonds of the United States subject to call, and (second) at times when under authority of law other than that contained in this Act the Government desires to issue bonds for the purpose of replenishing the Treasury, in which case the issue of bonds under authority of this Act shall be in lieu of the issue of a like amount of bonds issuable under authority of law other than that contained in this Act: Provided further, That the bonds authorized by this Act shall be issued by the Secretary of the Treasury under such regulations as he may prescribe: And provided further, That the authority contained in section nine of this Act for the investment of postal savings funds in United States bonds shall include the authority to invest in the bonds herein authorized whenever such bonds may be lawfully issued: And provided further, That the bonds herein authorized shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under state, municipal, or local authority: And provided further, That no bonds authorized by this Act shall be receivable by the Treasurer of the United States as security for the issue of circulating notes by national banking associations.

SEC. 11. That whenever the trustees of the postal savings fund have in their possession funds available for investment in United States bonds they may notify the Secretary of the Treasury of the amount of such funds, in their hands which they desire to invest in bonds of the United States subject to call, whereupon, if there are United States bonds subject to call, the Secretary of the Treasury shall call for redemption an amount of such bonds equal to the amount of the funds in the hands of the trustees which the trustees desire to thus invest, and the bonds so called shall be redeemed at par with accrued interest at the Treasury of the United States on and after three months from the date of such call, and interest on the said bonds shall thereupon cease: Provided, That the said bonds when redeemed shall be reissued at par to the trustees without change in their terms as to rate of interest and date of maturity: And provided further, That the bonds so reissued may, in the discretion of the Secretary of the Treasury, be called for redemption from the trustees in like manner as they

were originally called for redemption from their former owners whenever there are funds in the Treasury of the United States available for such redemption.

SEC. 12. That postal savings depository funds shall be kept separate from other funds by postmasters and other officers and employees of the postal service, who shall be held to the same accountability under their bonds for such funds as for public moneys; and no person connected with the Post-Office Department shall disclose to any person other than the depositor the amount of any deposits, unless directed so to do by the Postmaster-General. All statutes relating to the safe-keeping of and proper accounting for postal receipts are made applicable to postal savings funds, and the Postmaster-General may require postmasters, assistant postmasters, and clerks at postal saving depositories to give any additional bond he may deem necessary.

SEC. 13. That additional compensation shall be allowed postmasters at post-offices of the fourth class for the transaction of postal savings depository business. Such compensation shall not exceed one-fourth of one per centum on the average sum upon which interest is paid each calendar year on receipts at such post-office, and shall be paid from the postal revenues; but postmasters, assistant postmasters, clerks, or other employees at post-offices of the presidential grade shall not receive any additional compensation for such service.

SEC. 14. That the sum of one hundred thousand dollars is hereby appropriated, out of any money in the Treasury not otherwise appropriated, or so much thereof as may be necessary, to enable the Postmaster-General and the board of trustees to establish postal savings depositories in accordance with the provisions of this Act, including the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized in this Act; and the Postmaster-General is authorized to require postmasters and other postal officers and employees to transact, in connection with their other duties, such postal savings depository business as may be necessary, and he is also authorized to make, and with the approval of the board of trustees to promulgate, and from time to time to modify or revoke, subject to the approval of said board, such rules and regulations not in conflict with law as he may deem necessary to carry the provisions of this Act into effect.

SEC. 15. That all the safeguards provided by law for the protection of public moneys, and all statutes relating to the embezzlement, conversion, improper handling, retention, use, or disposal of postal and money-order funds and the punishments provided for such offenses are hereby extended and made applicable to postal savings depository funds, and all statutes relating to false returns of postal and money-order business, the forgery, counterfeiting, alteration, improper use or handling of postal and money-order blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor, with the penalties provided in such statutes, are hereby extended and made applicable to postal savings depository business, and the forgery, counterfeiting, alteration, improper use or handling of postal savings depository blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor.

SEC. 16. That the faith of the United States is solemnly pledged to the payment of the deposits made in postal savings depository offices, with accrued interest thereon as herein provided.

SEC. 17. That the final judgment, order, or decree of any court of competent jurisdiction adjudicating any right or interest in the credit of any sums deposited by any person with a postal savings depository if the same shall not have been appealed from and the time for appeal has expired shall, upon submission to the Postmaster-General of a copy of the same duly authenticated in the manner provided by the laws of the United States for the authentication of the records and judicial proceedings of the courts of any State or Territory or of any possession subject to the jurisdiction of the United States, when the same are proved or admitted within any other court within the United States, be accepted and pursued by the board of trustees as conclusive of the title, right, interest, or possession so adjudicated, and any payment of said sum in accordance with such order, judgment, or decree shall operate as a full and complete discharge of the United States from the claim or demand of any person or persons to the same.

Approved June 25, 1910.

OPINIONS.

Summary of Questions Received and Opinions Rendered to Members of the Association.

SAVINGS BANK PASSBOOK.

Not a negotiable instrument and assignee of book takes no greater rights than depositor against bank.

From South Dakota.—We have a Savings Department; our passbooks contain the following clause: "Rule 3. The passbook shall be the voucher of the depositor, and the possession and presentation of it shall be the authority for any payment being made and entered therein; and in all cases when money is withdrawn, the book must be brought to the bank to have payment entered therein."

Suppose that Customer A has with us a deposit of \$500 which is entered in this passbook. Subsequent

to this he issues a check for \$100 on the account, which we honor, and charge to the account, but the same is not entered in his book. Later he goes to another bank, presents his book, which shows a balance of \$500, and the said bank cashes his check and transmits the draft on us for \$500 with the passbook showing a balance for that amount. We have but \$400 here; who is liable for the \$100?

Can you give us any light, or refer us to any text case of this kind?

The bank which cashed the depositor's draft for \$500 with passbook showing balance for that amount,

will be the loser where the balance to the depositor's credit is only \$400 unless, of course, it can recover the \$100 from the depositor. A savings bank or savings department passbook is not a negotiable instrument (*Mills v. Albany Exchange Bank*, 59 N. Y. S. 149), and an assignee of the book and account from the depositor takes no greater rights than the latter against the bank.

I do not think the passbook rule referred to, which makes the book the depositor's voucher, authorizes payment to any one presenting the book and requires the book to be presented as a prerequisite to payment, would be held to estop the bank, as against the depositor's assignee, from asserting that \$100 had been paid the depositor which had not been entered in the book. I am not aware of any decision which has held a rule of this character would estop the bank from showing, as against third parties who are assignees of the deposit and passbook, that the passbook does not show the true indebtedness of the bank to its depositor. While it is the custom to enter withdrawals in the passbook, as made, and while passbook rules and some laws require production of the passbook as a prerequisite to payment (the New York law for example prohibits savings banks from making payment except on production of the book) so that withdrawals may be entered, cases sometimes happen where, for good cause shown, payments are made without production of the book.

In the present state of the law, it is not safe for a bank or other purchaser to advance to a savings depositor the full amount shown by his passbook without first making inquiry of the bank and learning that the amount shown stands to his credit, free from offset, and then, after making the advance, notifying the bank that the account has been assigned. A mere passbook rule that the book must be presented when money is withdrawn to have payments entered therein would not, in my opinion, estop the bank as against a purchaser of the book, from asserting that it had waived this rule in a particular case and made a payment to its depositor which had not been entered in the book; and, as I have already said, a savings bank passbook not being a negotiable instrument, a purchaser of the book and the account which it represents, would simply stand in the shoes of the depositor and take no greater rights against the bank.

COLLATERAL SECURITY.

Securities pledged for specified debt cannot be held for other demands in absence of agreement.

From Alabama.—I enclose clipping of a recent decision, *Trueber v. Dane*, 89 N. E. (Mass.) 227, which holds that collateral pledged to a bank for a specific demand cannot be held for other demands. I also send copy of our collateral note form. Does this decision invalidate the terms of our note?

The proposition decided by the Supreme Court of Massachusetts, in *Trueber v. Dane*, 89 N. E. 227, that "securities pledged to a bank to secure a specified demand cannot be held for other demands though against the same debtor," merely states the well established rule of the common law in the absence of an agreement to the contrary. It is owing to such rule that clauses are inserted in collateral notes by virtue of which the deposited collateral is not only pledged for the payment of the particular debt, but for

any other liability or liabilities of the pledgor, whether now existing or hereafter contracted, etc. A bank holding collateral so pledged has a right to hold it as security for any other liability. It is only when there is no such provision that the rule declared by the Supreme Court of Massachusetts applies. Consequently such decision in no way weakens the legal effect or value of your collateral note form.

INTERNAL REVENUE.

Question of Power of Collector of Internal Revenue to examine Bank Officer.

From Louisiana.—Will you kindly let us know if a Collector of Internal Revenue can force us to tell him whether or not a certain check of one of our depositors has been paid; and if such an officer has a right to come here and force us to let him examine our books.

The United States Revised Statutes, Section 3165, provides that every Collector of Internal Revenue

"is authorized to administer oaths and to take evidence touching any part of the administration of Internal Revenue Laws with which he is charged, or where such oaths and evidence are authorized by law or regulation authorized by law to be taken."

If the information the Collector seeks from you is necessary to the performance of his duty in the administration of the Internal Revenue laws, I presume, in view of the power thus given, he has a right to require you to give him such information; otherwise not.

CORPORATION TAX LAW.

Question whether return to Collector of Internal Revenue mailed March first is in time to avoid fifty per cent. penalty, though not received by Collector until after that date.

From Mississippi.—When we made income tax returns to the Collector of Internal Revenue, it appears that the return was a little late getting in. One of the officers of our bank said it could not have been more than one day late, unless the mails were responsible, as it was mailed here at noon, March 1st, and should have reached the city in which the Collector is located that evening at six o'clock.

The Collector has assessed us fifty per cent. charges on account of this delay, and has sent us a bill accordingly, with notice that we must pay it on or before June 30th.

Please advise us if we can obtain relief in the premises, and if there is no way of getting this fine set aside at once. Can we simply tender, June 30th, the amount of what the tax would be normally without danger of suffering additional fines? In other words, we should not be called upon to pay more than \$514.21, whereas the government has demanded \$771.32. Can we tender \$514.21 June 30th without danger of suffering additional fines, on account of not paying the penalty at the same time?

If the Collector should refuse the payment and June 30th should pass, what would be the penalty?

The provisions of the Corporation Tax Law applicable to your case are these:

"On or before the first day of March * * * a true and accurate return * * * shall be made * * * to the Collector of Internal Revenue for the district. * * * In case of a refusal or neglect to make a return or to verify the same as aforesaid he (the Commissioner of Internal Revenue) shall add fifty per centum of such tax * * * the amount so added to the tax shall be collected at the same time and in the same manner as the tax originally assessed * * * All assessments shall be paid on or before the 30th day of June * * * and to any sum or sums due and unpaid after the 30th day of June in any year, and for ten days after notice and demand thereof by the

Collector, there shall be added the sum of five per centum on the amount of tax unpaid and interest at the rate of one per centum per month from the time the same becomes due."

You see the heavier penalty is for neglect or refusal to make a return and the lighter penalty of five per cent. and one per cent. per month for non-payment for ten days after notice.

It seems to me the adding of fifty per cent. in your case is straining the law very much. In the first place, it is a question whether you did not strictly comply with the law. The law requires that the return "shall be made" on or before March 1st. Is the return "made" when it is placed in the postoffice addressed to the Collector, or only when it is received by the Collector? I am inclined to think the former is the correct view; if so, you incurred no penalty.

But inasmuch as the Collector has assessed (note that the law says that the Commissioner of Internal Revenue shall assess) you fifty per cent. additional, with notice, this means that unless you pay the whole amount within the time fixed by law, you must pay five per cent. additional penalty and also interest at the rate of one per cent. per month on the unpaid part, provided, of course, the added penalty holds.

My suggestion would be either to pay the whole amount, paying \$257.11 thereof under protest; or else pay the \$514.21 and run the risk of being mulcted five per cent. plus one per cent. a month on the \$257.11 in the event the ruling is maintained. I think the former course would be preferable.

Then, in either case, make an application to Royal E. Cabell, Commissioner of Internal Revenue, Washington, D. C., stating the facts and asking that the fifty per cent. addition be revoked. It does not seem to me that the law ever intended imposition of a fifty per cent. penalty where a corporation actually mails its return on the day fixed for making thereof, in time to reach the Collector the same day, but owing to delay in the mail, the return does not reach the Collector until the following day. I should contend that mailing a return at noon on March 1st was making a return in compliance with the law which says that "on or before the first day of March a true and accurate return" shall be made.

BILL OF LADING.

Respective rights of bank discounting shipper's draft with accompanying B/L, and of creditor of shipper subsequently attaching goods, in a stated case.

From New York.—We are enclosing you a statement of the case of P & T against D. (The principal facts in the statement are that P & T, shippers of a car of hay to D, drew on D, with bill of lading attached, for contract price, and deposited this draft with the bank "who discounted the draft, giving P & T credit for same and subject to their check." When the car arrived, D caused it to be attached because of a prior claimed indebtedness to him of P & T and refused to pay the draft.) The principal question which presents itself is, do we as a bank, on the discounting and crediting to the account of the drawer of a draft with bill of lading attached, obtain title to the property represented by the bill of lading, or are we simply his agent (or forwarding agent, as you might put it), and does the title to the goods remain in the drawer, so that the goods might be attached by a party with a claim against the drawer?

It is the undoubted rule of law, supported by abundant authorities in a number of States, that where a bank purchases or makes advances upon a draft, to which is attached a bill of lading as security,

the purchasing bank takes a right to the property superior to that of an attaching creditor. Among other authorities are *Seward Co. v. Miller*, Supreme Court of Appeals of Virginia, 53 S. E. Rep. 681; *Mather v. Gordon*, 77 Conn. 341; *American National Bank v. Henderson*, 123 Ala. 612; *Bank v. Milling Co.*, 103 Iowa 518; *Neill v. Rogers*, 41 W. Va. 37; *Sather Banking Co. v. Hartwig*, 23 Misc. (N. Y.) 89; *Third Nat. Bank of St. Louis v. Hayes*, Supreme Court of Tennessee, December, 1907. The last stated case contains a full citation of the authorities on the subject and would be very helpful to your attorneys in any brief they might have to prepare to maintain your rights.

In the Tennessee case a grain company at St. Louis consigned to their own order at Chattanooga a car load of rye with instructions to notify the proposed purchasers, T. H. Cheek & Co., of Chattanooga. The grain company drew sight drafts against this rye in favor of the Third National Bank of St. Louis and attached thereto the bills of lading. The drafts were purchased by the complainant bank and the grain company was given credit therefor by the bank and checked against that credit in the regular way. According to the weight of the testimony, there was a straight purchase of these drafts by the bank, the drawers reserving no interest in the property represented by the bills of lading. The sight drafts were sent, with bills of lading attached, to a Chattanooga bank for collection. On the arrival of the shipment it was attached by T. H. Cheek & Co. and impounded to satisfy an alleged indebtedness of the grain company growing out of an independent grain transaction.

The court held that the bank purchasing the draft with bill of lading attached acquired a special property in the goods which gave it a better right thereto than the attaching creditor, until the draft was paid, and it said: "If the collection of drafts with bills of lading attached could be defeated by the attachment of creditors after the purchase of the drafts, the commerce of the country would be seriously obstructed."

The attaching creditors in that case contended the transaction between the bank and the grain company was merely colorable, that there was no purchase of the drafts by the bank, but it was simply acting as the collecting agent of the grain company, but the court said: "It is shown by the bank's cashier that the drafts were not taken for collection, but were purchased outright from the grain company, who were given credit therefor and who checked against that credit."

Whether or not your bank can maintain a superior right to the hay in this case, as against the attaching creditor, will depend upon the question of fact whether it was a purchaser or mere collecting agent. If the bank was a purchaser of the draft and received a transfer of the bill of lading as security, it acquired a special title to the property and, in view of all the authorities above cited, its rights therein would be clearly superior to those of the attaching creditor. If, on the other hand, the bank was a mere collecting agent and the title remained in the shipper, the attachment would take precedence.

Your statement shows that the draft for the contract price with bill of lading attached was deposited with your bank, "who discounted the draft, giving P. and T. credit for same and subject to their check." It does not say that the credit was checked out. It

is the rule of law in New York and other States that the crediting to a depositor's account on the books of a bank of the amount of a check or draft drawn upon another, where the depositor's account continues to be sufficient to pay the check in case it is dishonored, does not constitute the bank a holder in due course; in other words, the credit must have been actually drawn against to complete the bank's standing as a bona fide holder for value entitled to enforce the instrument free from equities. (See *Citizens State Bank v. Cowles*, New York Court of Appeals, January, 1905.) Your statement does not assert that the credit was checked out.

If the credit was checked out, you have a clear case. Assuming it was not checked out, then the question arises whether this rule of law would operate in any way to affect your rights as against the attaching creditor. If you were seeking to enforce the draft against some party who had a defense thereto against the drawer, this rule of law would enable that defense to be made against you. But you are not seeking to enforce the draft, but to maintain your rights under a special title to the property which you acquired when the bill of lading was pledged to you, and I am inclined to the view—although there may be some little doubt upon the point—that having purchased this draft by credit to account in the regular way and acquired a special title to the property by way of security through transfer to you of the bill of lading, your right to enforce that title will not be effected by the fact, if it be a fact, that the credit so given was not actually checked out at the time you received notice of the attachment. Surely such a transaction is not one where you became a mere collecting agent of the shipper, but one where you took title to the draft and accompanying security, and although, as said, the mere giving of credit without paying out the credit, would not make you a holder in due course of the draft so as to enforce free from equities, nevertheless you acquired the special title to the property by this transaction—the shipper relinquished all title to it—and it would seem that this title should hold good as against a creditor of the shipper who has attached the property for a debt arising out of an independent transaction.

Since writing the foregoing, I find that the Supreme Court of Iowa, in *First Nat. Bank v. Mt. Pleasant Milling Co.*, 103 Iowa 518, has ruled upon the specific point last discussed, and held that the credit to account of a draft, although the proceeds have not been paid out, is sufficient to vest in the bank title to the goods represented by the accompanying bill of lading,

superior to that of the attaching creditor. The syllabus of that case is as follows:

"A bank which discounts a draft with bill of lading attached, drawn against a shipment, and credits the amount thereof to the drawer, acquires an interest in the property shipped, paramount to that of a subsequent attaching creditor of the drawer and shipper, though it advanced him no money before the attachment was effected; although this is not the rule in the sale of negotiable paper."

The court in that case says:

"Appellee contends, however, that the bank did not purchase the bill of lading; that it has no lien upon it or upon the property, except to the extent of advances made; and that as it did not advance anything on the strength of the bill of lading, but merely gave the commission company credit upon its account—which at the time showed a balance in its favor—it cannot recover. This contention is based upon a rule applicable to the transfer of negotiable paper, to the effect that a mere discount and credit do not of themselves amount to a bona fide purchase for value."

" * * * The trouble with this position, as applied to the facts in this case, lies in the assumption that a bill of lading is to be treated in all respects as a negotiable instrument, and subject to the same rules, as to its transfer and negotiation. * * * Bills of lading represent property, and, when indorsed or assigned, operate as a symbolical delivery to the indorsee or assignee of the property covered thereby. Such a transfer is quite different from the negotiation of a bill of exchange or a promissory note, which circulates in the commercial world as an evidence of money."

" * * * The question here presented is not whether the indorsee takes the bill of lading free from equities or defenses in the hands of the original holder, but whether he has a better title to the grain than an attaching creditor of the indorser. * * * If the bank had simply undertaken the collection of the purchase price as agent of the commission company, then the title to the grain remained in the latter company, and it was subject to attachment until delivered to and paid for by the Roller Mills. But if the bank purchased the draft, and accepted the bills of lading as collateral security, or if it purchased the grain outright, and accepted the bills of lading as evidence of this purchase, or if, in consideration of the indorsement and delivery of the bills of lading, it made or agreed to make certain definite future advances, it acquired a title to the grain which could not be defeated by a subsequent attachment."

From the above it is clear that your bank, having credited the shipper with the amount of the draft and taken same with bill of lading attached, acquired a special title to the hay superior to that of an attaching creditor of the shipper. Your lawyer will, of course, advise you as to the proper form of action to obtain the hay or its value.



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

Members are requested, in case of attempted or successful perpetration of fraud, forgery, burglary, or hold-up, to wire the American Bankers Association, 11 Pine Street, New York, N. Y., at once; and follow the wire up immediately by letter, giving the details as fully as possible.

It having become apparent through recent developments in the protective work of the Association that bank forgers are securing sample checks from engraving, printing and stationery houses, utilizing these samples for reproduction of checks and drafts, houses which furnish checks and drafts should not distribute samples promiscuously and banks should discourage this custom by notifying the firms from whom they secure their supply.

The criminal records which appear in this publication are under the direct supervision of the Manager of the Protective Department. They are a part of the records of the Association and are not, as heretofore, published without opportunities for verification as furnished by the former agency.

On June 10th, 1910, this department was advised of an attempt to burglarize a bank (M) in Collinston, La. None of the bank's funds was taken, but a number of miscellaneous articles were stolen from the premises. The case was referred to our detective agents for investigation by them, and we are pleased to report that on June 16th their representative succeeded in locating and apprehending the guilty party, who proved to be James Grant, a negro, 22 years of age, 5 feet 9 inches tall, weighing 150 pounds. The stolen articles were found in Grant's possession and were identified by the officials of the bank. The representative of our detective agents took Grant to Bastrop, La., where he was turned over to the police authorities and where he is now held in custody awaiting the action of the Grand Jury.

agents being present when Kessler's arrest took place. These parties had jointly perpetrated a forgery on a bank (M) in New York. They have since been convicted of the charge and will come up for sentence early in July.

On information furnished by, and at the request of our detective agents, Max Fine and Saul Kessler were placed under arrest in New York city, on June 9th, 1910, the local representative of our detective

On June 10th, 1910, our detective agents succeeded in locating Lewis Eaton, Jr., who had defrauded a bank (M) in Buffalo, N. Y., out of a large sum of hypothecating stock, to which he had forged the signature of the rightful owner. Eaton was taken in custody in Philadelphia by our representative detective agents. He waived extradition and was taken to Buffalo, N. Y., by the representative of our detective agents, where he was turned over to the police authorities and is now lodged in jail in that city awaiting trial. This case was handled by our former Detective Agents without obtaining any results, and was over a year old, when turned over to our present Detective Agents.

On June 13th, 1910, Lee West, alias Howard

SIMMONS HARDWARE COMPANY	
ST. LOUIS	NEW YORK PHILADELPHIA
ROBERT R. HANNING, PRES.	D. J. SCHLOSSER, SECY
No. <u>386</u>	NEW YORK, N. Y. <u>May 23</u> 191 <u>0</u>
PAY TO THE ORDER OF <u>Carl Schlosser</u> \$ <u>300.00</u>	
<u>Three hundred and no</u> DOLLARS.	
TO:	<u>Robert R. Hanning</u>
MERCHANTS NATIONAL BANK.	<u>D. J. Schlosser</u>
NEW YORK, N. Y.	

300 NOT OVER THREE HUNDRED

Hunter, was placed under arrest in Joseph, Ore., at the request of, and on information furnished by, our detective agents, whose representative was present when West was taken into custody. This party had forged three checks on a bank (M) in Bellevue, Ida., the forgeries remaining undetected until the depositor had his account balanced. West has been turned over to the Blaine County authorities and awaits trial in the county jail, at Hailey, Idaho.

We publish on page 13 reproduction of check that is being circulated by a party employing the name of Carl Schlossner, who fraudulently represents himself as an employee of the Simmons Hardware Company. Schlossner has succeeded in having a number of these checks cashed through the middle West and the Southwest, but has not attempted to defraud any member of this association. His checks range from \$25 to \$300. This is the same party whose operations were reported in the March and April issue of the Journal, when he employed the name of D. J. Sinclair, and claimed to represent the Glidden Varnish Company. He looks like a man of either German or Swedish extraction, is 32 to 35 years of age, about 5 feet 7 inches tall, weighs about 160 pounds, is of stocky build, is light complexioned, has light hair and is smooth shaven.

The Protective Department learns that E. N. Roseweig, alias E. N. Freeman, has removed operations. He appeared in New York city on June 23d, and defrauded an insurance agent by means of a bogus draft. Members are warned to be on the lookout for this party, who recently made an unsuccessful attempt to defraud a bank (B) in Cincinnati, Ohio. He claims to represent the Sprague Mercantile Agency of Chicago, and presents forged credentials purporting to give him authority to draw drafts on that firm. Roseweig is described as 29 years of age, is 5 feet 8 inches tall, weighs 210 pounds, is of stout build, has dark brown hair, a ruddy complexion and a red nose.

Our attention has been called to the appearance of a bogus check operator in Southern Michigan. This party claims to be a sign painter, and enters a paint store in painters garb. He claims to have run short of paint, makes a purchase of a small additional supply, tenders a check far in excess of the amount of sale and leaves town after securing the difference in currency. The checks he is circulating are drawn on a bank (M) in Indianapolis and purport to be signed by the American Advertising Company. They are made payable to C. H. Miller.

Members are warned against the operations of one C. G. Bell, who forged the signature of a depositor to a check, drawn on a bank (M) in Washington, and thus succeeded in defrauding that institution. Bell is described as 24 years of age, is about 5 feet 8 inches tall, fair complexion, full face, gray eyes, smooth shaven; is almost entirely bald, and wears a blond wig; has small, round chin; gold crowns on teeth in upper jaw; speaks with a thin voice; has erect walk, and a seemingly frank expression. We furnish below a specimen of this party's handwriting:

*Pittsburg May 11.
Eighty %
80 00
C G Bell*

The attention of this department has been called to one J. M. Armstrong, who is issuing worthless checks drawn on a bank (M) in Pittsburg, which purport to bear the signature of the Rex Manufac-

turing Company, by B. A. Mix, President. We furnish a specimen of this party's handwriting:

*J M Armstrong
Forty-two % 42 100
J M Armstrong*

We desire to warn members against the operations of a swindler who defrauded a bank (M) in Jackson, Miss., through the "fake" telegram swindle. This party called at a telegraph office in Chattanooga, Tenn., and sent to the bank in Jackson a telegram, requesting that they wire him a sum of money through a bank (M) in Chattanooga. To this telegram he affixed the name of a depositor in the Jackson bank, whom he knew to be absent from that city at the time. When the telegram reached Jackson the cashier of the bank, who was aware that the depositor had left town, readily forwarded the amount requested, and when the swindler called at the Chattanooga bank the money was promptly turned over to him. It was not until after the depositor returned to Jackson that the fraud was discovered. We regret that we have no accurate description of this party outside of the fact that he was about 30 years of age.

The attention of the Protective Department had been called to the fact that one W. F. Morgan is issuing worthless checks purporting to be signed by himself as manager of the Golfers' Record and Diary. Morgan is described as 35 to 40 years of age, is about 5 feet 7 inches tall, weighs 175 pounds, has brown hair tinged with gray at temples, has brown eyes, a round dull face, and is a neat dresser.

A bank (M) in Cincinnati was last month defrauded by Sam Levenson, a young man who forged the name of his employer to a check and skipped town after having the check cashed. Levenson is described as a Hebrew, 18 years of age (though he appears to be about 21), about 5 feet 5 or 6 inches tall, weighs about 165 pounds; has light hair, a light complexion, gray eyes, round full face, is smooth shaven, and talks with a foreign accent. We furnish below a specimen of his handwriting:

*No 977 Cash June 4 1910
Eighty \$ 80 00
S Levenson*

A party named Ambrose C. Moore is issuing worthless checks drawn on a bank (M) in New York city, which purport to be payable to his order. He has not attempted to defraud any member of this association. We furnish below a specimen of this party's handwriting:

*Ambrose C Moore
Ten and 80/100
C J Hamilton*

We desire to warn members against the operations of a party employing the name of Wm. Thomas, who defrauded a bank (M) in Ballard, Wash., out of a small sum by means of a forged check. This party called at the office of a lumber concern in that city and claimed that he had a lot of logs which he desired to sell. While in the office of the prospective purchaser, he reached into the safe and appropriated some of the firm's cancelled checks. In this manner he secured a copy of the signature appearing on the checks and then presented a forged check at the bank. Emboldened by his success in having that check cashed he drew up another forged check for a much larger amount. This he turned over to an accomplice, giving the name of M. C. Smith. When Smith presented this check at the bank the paying teller's suspicions were aroused and he decided to telephone to the concern whose name appeared on the check in order to determine whether they had issued a check for so large an amount. At this juncture Smith hastily left the bank, with the paying teller in pursuit. Smith, however, managed to board a passing trolley car and in that way made his escape.

Thomas is described as 26 years of age, is about 5 feet 8 inches tall, weighs 150 pounds, is of stout build, has dark hair, dark complexion, dark eyes, and is smooth shaven.

Smith is described as 26 years of age, is about 6 feet tall, of slender build, smooth shaven and is dressed like a laborer.

We furnish below a specimen of the handwritings appearing on the forged checks:

Wm Thomas M. C. Smith
Four Hundred Twenty One
421⁰⁰ June Battery June 4 10

We learn that a person employing the name of J. F. Schmidt is drawing bogus checks on a bank (M) in Chicago, Ill., and another in Gary, Ind. Schmidt is described as a German, 38 years of age, 6 feet 2 inches tall, weighs 190 lbs., has blue eyes, is smooth shaven, has a thin face, with prominent cheek bones, and talks broken English. He claims to be a traveling salesman. We furnish below a specimen of his handwriting:

No 214 May 31st 1910
P A Larsen — Four ^{17.00} \$4¹⁰
P A Larsen J. F. Schmidt

A party giving the name of Bernard Cahnn succeeded in defrauding a bank (M) in Newark, N. J., early last month, by securing from that institution cash on a worthless draft purporting to be drawn on a bank in Havana, Cuba. Cahnn, who represented himself as a salesman connected with a firm handling artificial flowers, is described as a Hebrew, 45 years of age, 5 feet 10 inches tall, weighs about 165 pounds, is dark-complexioned, has a small dark mustache, black hair and wears glasses. He dresses in dark

clothes. We furnish below a specimen of this party's handwriting:

B Cahnn April 29 1910
July Eight ¹⁴/₁₀ 98 ¹⁴/₁₀
D Hoffmann B. Cahnn

A party employing the name of William Palmer has been issuing worthless checks in South Norwalk, Conn., the checks being drawn on a bank (M) of that city and purporting to be signed by the Gorham Decorating Company, per H. B. Gorham. This bogus check operator is described as 32 years of age, 5 feet 4 inches tall, light complexioned, small mustache, and had the appearance of being a laborer.

Members are warned against the operations of a swindler who last month defrauded a bank (M) in Toledo, O. He gave the name of E. M. Wilson and claimed to represent a New York water meter firm which, according to Wilson, was about to open up a branch establishment in Toledo and install him as manager. He rented a store in the name of that firm and had the owner of the building introduce him to the cashier of a local bank, where he started an account with a draft on New York purporting to be signed by the firm in question and payable to his (Wilson's) order. The following day he made two calls at the bank and cashed two checks drawn against his account, reducing his balance by about one-half. Two days later the Toledo bank received word from the New York bank that the draft deposited by Wilson was a forgery. In the meantime Wilson managed to skip town. This swindler is described as 45 to 50 years of age, is 5 feet 9 or 10 inches tall, has a light sandy complexion, light sandy hair, and a small sandy mustache. His eyes have a peculiar look and leave the impression that he is cross-eyed. Wilson's appearance is very untidy, and when last seen he wore a well-worn grayish suit with stripes. We furnish below a specimen of this party's handwriting:

June 10 1910 No. 14
E. M. Wilson
E. M. Wilson

A bank (M) in Cedar Rapids, Ia., was defrauded out of a small sum and a number of merchants were swindled out of sums ranging from \$25 to \$75 by two parties giving the names, respectively, of M. A. Crittendon and C. T. Mobley. These men rented a store in Cedar Rapids and engaged in the wholesale produce business. They obtained a large quantity of vegetables, fruits, fowl, eggs, etc., which they paid for in checks drawn on the above-mentioned bank. In the meantime they sold the stock they had thus acquired and left town with the proceeds. They withdrew their entire account from the bank, so that when the checks they had issued were presented for payment it was found that there was no money to meet same. The loss to the bank was brought about through one party who had received a check telephoning to the cashier and inquiring whether the check was good, and as the money was still on deposit when the inquiry was made the cashier replied that the check was all right. Shortly after, the account

was closed out and when the check in question was presented for payment the bank paid over the money.

Crittenden is described as 55 years of age, is 5 feet 9 inches tall, weighs 165 to 170 lbs., has dark hair mixed with grey, dark sallow complexion, pleasing voice; is a slow talker; his right leg is slightly lame; is a heavy drinker. Mobley is 30 years of age, 5 feet 11 inches tall, weighs 175 lbs., is dark complexioned, smooth shaven, raw boned, speaks with Southern accent, has large hook nose, and is a cigarette fiend.

A party employing the name of Samuel Curtis and fraudulently claiming to be purchasing agent for the Western Penitentiary, Pittsburg, Pa., is issuing worthless checks drawn on banks (Ms) payable to his own order and purporting to bear the signature of E. L. Ross. Curtis has defrauded a number of New York merchants through his operations. He is described as 35 years of age, 5 feet 8 inches tall, weighs 175 to 180 lbs., has dark hair, round face, smooth shaven, tanned complexion; wore a brown suit and a black derby when last seen and had a gold Elk button stuck in his coat lapel. He is a fluent talker and seems to know a good deal about the construction of the Western Penitentiary.

Members are warned to be on the lookout for one J. C. Coleman who defrauded a bank (M) in St. Maries, Ida., by means of forged order for school warrants. Coleman, who claimed to be a carpenter, stole several of these blank orders which he later filled out and to which he forged the names of the town officials. He is described as 36 years of age, is 5 feet 9 inches tall, weighs about 160 lbs., has dark brown hair, blue eyes and a reddish brown, closely cropped mustache. We reproduce herewith a specimen of Coleman's handwriting:

Two Hundred and no
J C Coleman Building
Antonow barn and bridges at
school house J. P. Coleman

Members are warned to be on the lookout for a forger named J. W. Pierce, a former resident of Long Beach, Cal., who defrauded a bank (M) in Los Angeles, Cal., by means of a check drawn on a bank (M) in Wellington, Kans., which purported to bear the signature of a depositor in the last-named institution. Pierce is described as 23 years of age, is about 5 feet 8 inches tall, weighs 140 lbs. A specimen of his handwriting is reproduced below:

May 16 1910 No
Three hundred \$ 300
Mrs S J Carter

A bank (M) in New York City has advised us that a party using the name of Samuel Eichen has been drawing worthless checks on that institution. This party has not attempted to defraud any member of this association.



CHARLES ROSS.

On May 31, 1910, the local police of Pittsburg, Pa., succeeded in arresting one Chas. Ross, alias Harry Lane, on the charge of obtaining money on worthless checks. Ross, whose photograph is published herewith, is described as 22 years of age, 5 feet 4½ inches tall, weighs 130 lbs., is of medium build, has black hair, hazel eyes and is dark complexioned.

We are advised that a party is drawing worthless checks on a bank (M) in Washington, D. C., in amounts ranging from \$15 to \$150. This party used the names of Roland B. Sanford, Selden M. Smith, Howard P. Stillman, H. P. Farnsworth and H. P. Borden. Within the past few weeks he has appeared, respectively, in New York, New Jersey, Maine and Massachusetts.

A swindler appeared in Sioux City, Ia., on June 16th, and victimized a bank (M) by means of a bogus draft purporting to be signed by the W. B. Young Supply Company to the order of C. Woods and drawn on a bank (M) in Kansas City, Mo. Woods is described as 42 years of age, 5 feet 9 or 10 inches tall, weighs 190 lbs., stout build, fair complexion, is smooth shaven, wore a blue serge suit and a soft black hat. He had the appearance of a prosperous railroad man and in making the request to have the draft cashed mentioned that he owned a large piece of property in Sioux City. We reproduce herewith a specimen of this swindler's handwriting:

C Woods, No. 216
One Hundred - \$100
C Woods

On June 7th, 1910, the local police of Cincinnati arrested John C. Frey, alias Ellington, French, Curry and Brown, on a charge of issuing worthless checks in Washington, D. C. He has been returned to the latter city to stand trial.

The attention of the Protective Department has been called to a forgery committed on a bank (M) in Long Branch, N. J., by one Giles Billington, who has

resided in that city for the past four years, but who left town immediately after committing the forgery. Billington is described as 60 years of age, is of medium height, weighs 175 pounds, is of stocky build, has dark hair and a dark mustache mixed with gray. He is a carpenter and machinist by trade.

A dangerous swindler, who gives his name as Wiley Cox, made his appearance in Oklahoma City early last month and defrauded a bank (M) in that city. The mode of operation employed by Cox was as follows: He called on the bank in question and made a cash deposit, returning a week later with a second deposit. In the third week he withdrew a small sum, and a few days later re-appeared at the bank and made a deposit consisting of some cash, and a cashier's draft for a large amount purporting to have been drawn by a Louisiana bank (M) on a New York bank (M). Later in the day he made a large cash withdrawal which left a small amount to his credit on the books. Within a few days the Oklahoma City bank received word from New York that the cashier's draft deposited by Cox was a forgery. In the interim Cox had left Oklahoma City for parts unknown. This swindler is described as 40 years of age, five feet eight or nine inches tall, weighs 175 to 180 lbs., and is a good dresser. We furnish below a specimen of his handwriting:

Wiley Cox 9000
 Nine Hundred & no/1000
 W. Hammer Wiley Cox
dest

On June 8th, 1910, the local police of Hamilton, O., succeeded in causing the arrest of John Edwards, alias Henry Wilson, alias Thos. Lord, on the charge of passing worthless checks. Edwards has been returned to Oxford, O., for trial. Edwards' mode of operation was to represent himself as a workman or farmhand, make small purchases at a store, give a good-sized check in payment of the purchase and leave town after securing the change. He is supposed to be the party who has been working this same scheme in a number of small towns in Ohio and Indiana.



A. T. DAMAN.

On June 11th, 1910, the local police of Schuyler, Nebr., succeeded in causing the arrest of W. R. Pepper, alias A. T. Daman, alias W. R. Howard. Pepper

was apprehended while attempting to defraud a merchant in Schuyler. This is the party who, as reported in different issues of the Journal has been issuing worthless checks purporting to be signed by the Pittsburg Refining Company and the Harrisburg Refining Company and drawn on banks (Ms) in Pittsburg and Harrisburg, respectively. He has operated in a number of towns in the middle west and southwest. Pepper is now lodged in jail in Schuyler, Nebr.

This department has been advised that one Edward Wright, claiming to represent J. F. Wright & Co., is issuing worthless checks purporting to be payable to the order of that firm and drawn on a bank (M) in Providence, R. I. Wright, who operated last month in Boston, Mass., is described as forty years of age, five feet nine inches tall, weighs 150 to 160 pounds and has a medium brown mustache. His face is quite fleshy. He talks in a modulated tone of voice.



MORRIS ROBINSON.

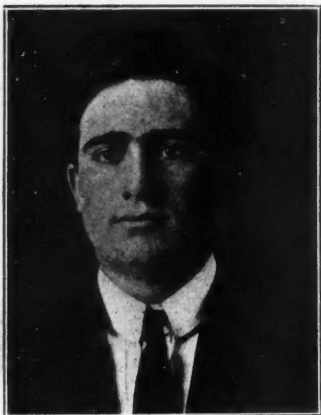


DAVID J. SIMON.

When our present Detective Agents took over the work of the Protective Department of this Association they were given a number of cases in which their predecessors had failed to apprehend the for-

gers or determine their identity. Our Detective Agents took up these old cases and found that one particular gang of forgers had operated extensively throughout the country. They finally succeeded in locating one of the gang and later located a second member of the gang, with the result that on June 18th the two men were traced to Washington, D. C., where detectives from the Agency retained by this Association, caught them in the act of defrauding a bank (M) by means of forged checks. Later in the day the detectives above referred to caused the arrest of these two parties, which was made at their request by the Washington Police authorities.

The men arrested gave the names of David J. Simon, alias David Cohen, alias Joseph Simon, alias Samuel Marks, alias Samuel Hayes, described as 32 years of age, 5 feet 5 inches tall, weight 130 pounds, black hair, sallow complexion; and Morris Robinson, aged 30 years, 5 feet 3½ inches tall, weight 111 pounds, black hair, sallow complexion. Both parties have previously served prison terms.



WILLIAM BRINGHURST.

We publish herewith the photograph of William Bringham, who was arrested by the local police of Salt Lake City, Utah, following his attempt to burglarize a bank (M) in Layton, Utah. Bringham was sentenced on June 5th to serve 12 years in the Utah State Prison.

On June 7th, 1910, Hugo Norman was released on suspended sentence. This party had been arrested for issuing worthless checks in Toledo, Ohio.

Geo. H. Brigham was released from custody in Cincinnati, Ohio, after making good the loss sustained by various merchants, who cashed worthless checks issued by Brigham.

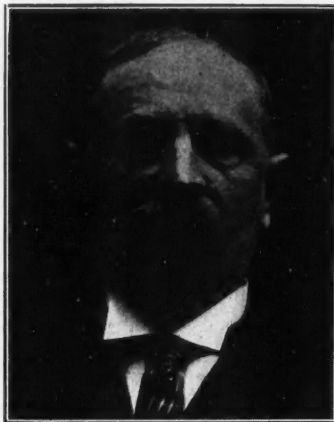
On June 18th, 1910, Stray Waddell was sentenced to the Kansas State Prison at Leavenworth, Kans., for the burglary committed on a bank (M) in Ford, Kans., last February. He was given an indeterminate sentence of one to five years for breaking and entering in the night, and five to ten years for using high explosives, making a total sentence of six to fifteen years.

Johnny Maw, the boy who drove the automobile containing the burglars, who made the attack on the bank (M) at Ford, Kans., was released from custody, having been used as a witness.

Because of certain features that made a successful prosecution of the case against him impossible, John H. Henderson was released from custody in

New York City, on June 20th, in connection with a forgery committed on a bank (M) in New York.

On June 6th, 1910, J. Holbrook Estill was sentenced to serve three years in the Waupun, Wis., Penitentiary for issuing worthless checks drawn on a Manitowac, Wis., bank (M).



WILLIAM LODTMAN.

On June 1st, 1910, the local police of Boston, Mass., placed under arrest Wm. Lodtman, alias H. J. Frawley, alias Wm. Lansing, on the charge of forgery and issuing worthless checks. Lodtman, who is a well-educated man, with literary ability, is described as 65 years of age, 6 feet 2 inches tall, weighs 199 pounds, is light complexioned, has blue eyes and gray hair.

On June 16th, 1910, Geo. E. Weiler was given a sentence of seven months in the Harrisburg, Pa., jail for uttering worthless checks drawn on a bank (M) in Lowell, Mass.

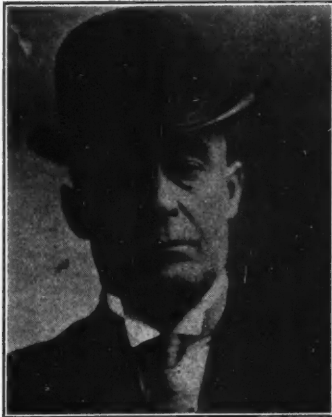


HOWARD L. BAKER.

Members are warned to be on the lookout for H. L. Baker, who recently forfeited his bail bond while awaiting trial for a forgery committed on a bank (M) in Kansas City, Mo. He is now a fugitive from justice and may attempt to renew operations. Baker

is described as 28 years of age, is 5 feet 9½ inches tall, of slender build, has dark hair, medium complexion and brown eyes. His occupation is that of bookkeeper.

On June 24th, 1910, John Lovell, alias John Woolton, was sentenced in Detroit, Mich., to serve six years in the Jackson, Mich., penitentiary for issuing worthless checks and for committing a forgery on a bank (M) in Detroit.



W. C. ORGAN.

On May 26th, 1910, the local police of Fremont, Nebr., arrested W. C. Organ on a charge of attempted forgery. Organ is 55 years of age, weighs 200 pounds, has dark hazel eyes, is smooth shaven,

has black heavy eyebrows; all the toes of his left foot have been amputated. Organ has employed the following aliases: James G. Emerson, J. W. Martin, W. C. Ogden, A. F. Powell, etc.

Wm. A. Rumsey, alias E. R. Willis, was sentenced to serve three years in the Fort Madison, Iowa, prison for issuing worthless checks in Davenport, Iowa.

On June 6th, 1910, John Kelley was released on suspended sentence in connection with a forgery committed on a bank (M) in Brooklyn, N. Y.

N. C. Hill, Jr., who was arrested for a forgery committed on a Monroe, La., bank (M) was sentenced to serve 12 months in the workhouse.

August Meyer, alias Alton Russ, who was arrested in connection with the burglary committed on a bank (M) in Chatsworth, Ill., last February, has been given five years in the Illinois State Penitentiary.

On June 4th, 1910, John W. Coon was sentenced to serve one to twenty years in the Washington State Penitentiary for a forgery committed on a Seattle, Wash., bank (M).

Our attention has been called to a party who is issuing worthless checks, purporting to be signed by E. P. Emerson, treasurer of M. Melachrino & Co., and drawn on a bank (M) in New York City. These checks are a very elaborate affair, and the amount, payee, etc., are filled in on the typewriter. Inquiry develops the fact that there is no one by the name of J. Haskell employed by Melachrino & Co. Members are warned to be on the lookout for the swindler, who is circulating these checks. Thus far he has confined his operations to large hotels in Texas, Arkansas, Minnesota and Ohio.

STATISTICS OF WORK OF THE PROTECTIVE DEPARTMENT

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE FROM SEPTEMBER 1, 1909, TO JUNE 30, 1910.

New York, July 1, 1910.

CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, ETC.

Burglars—Special: Arrests up to May 31st, 8; arrests in June, 2; total arrests, 10. Convicted, 4; released, 3; died, 1; awaiting trial, 2.

Burglars—General: Arrests up to June 30th, 25. Convicted, 9; released, 10; killed, 1; awaiting trial, 5.

Forgers—Special: Arrests up to May 31st, 121; arrests in June, 6; total arrests, 127. Convicted, 63; released, 32; died, 1; escaped, 3; awaiting trial, 28.

Forgers—General: Arrests up to May 31st, 81; arrests in June, 5; total arrests, 86. Convicted, 41; released, 16; escaped, 1; killed, 1; awaiting trial, 27.

Hold-Ups—Special: Arrests up to June 30th, 8. Convicted, 2; released, 1; escaped, 1; killed, 1; awaiting trial, 3.

Hold-Ups—General: Arrests up to June 30th, 6. Convicted, 3; released, 1; killed, 1; awaiting trial, 1.

Sneak Thieves—Special: No pending cases.

Robbers—Special: Arrests up to June 30th, 1. Awaiting trial, 1.

Robbers—General: Arrests up to June 30th, 3. Released, 1; awaiting trial, 2.

Arrests—Special Investigations—prior to, and awaiting trial on September 1, 1909.... 30

Arrests—Special Investigations—from September 1, 1909, to June 30, 1910, inclusive.. 116

Arrests—General Investigations—prior to, and awaiting trial on September 1, 1909.... 17

Arrests—General Investigations—from September 1, 1909, to June 30, 1910, inclusive.. 103

Total arrests 266

Convicted 122

Released, escaped, killed, died..... 75

..... 197

Awaiting trial 69

BURGLARS—SPECIAL INVESTIGATIONS.

June 10, James Grant arrested for attempted burglary of bank, (M.) in Collinston, La.; lodged in jail at Bastrop, La., to await trial.

June 5, Wm. Bringhurst arrested for attempted attack on bank (M.) in Layton, Utah; sentenced to 12 years.

June 18, Stray Waddell given five to fifteen years for burglarizing Ford, Kans., bank (M.). Johnny Maw, who drove automobile to scene of attack on Ford, Kans., bank (M.), released from custody.

August Meyer given five years in Illinois State Penitentiary for burglarizing Chatsworth, Ill., bank (M.).

Awaiting Trial: Thomas Howard, Coal City, Ill.; James Gran, Bastrop, La.

BURGLARS—GENERAL INVESTIGATIONS.

Awaiting Trial: J. Callahan, Milan, Kans.; Allen Hindglass, Vernon, Tex.; Robt. Huntley, Vernon, Tex.; Harry A. Warner, Vernon, Tex.; Wm. Kellar, Brookland, Tex.

FORGERS—SPECIAL INVESTIGATIONS.

June 9, Max Fine arrested for forgery committed on New York bank (M.); now lodged in jail awaiting sentence.

June 9, Saul Kessler arrested for committing forgery on New York bank (M.); lodged in the Tombs, New York, awaiting sentence.

June 10, Lewis Eaton, Jr., arrested, and now awaits trial in Buffalo, for forgery committed on Buffalo bank (M.).

June 13, Lee West placed under arrest for committing forgery on Bellevue, Idaho, bank (M.); awaits trial at Hailey, Idaho.

June 18, David J. Simon and Morris Robinson arrested in Washington, D. C., for forgeries committed on Washington bank (M.); held for trial in that city.

June 20, John H. Henderson released from custody in connection with forgery committed on New York bank (M.).

June 24, John Lovell, alias John Woolton, given six years in Jackson, Mich., penitentiary for issuing worthless checks.

H. L. Baker, who was awaiting trial for forgery in Kansas City, Mo., forfeited ball bond; is now fugitive from justice.

Wm. A. Runsey given three years in Fort Madison, Iowa, penitentiary for issuing worthless checks.

June 6, John Kelley released on suspended sentence in connection with forgery committed on Brooklyn, N. Y., bank (M.).

N. C. Hill, Jr., given 12 months in workhouse for forgery committed on Monroe, La., bank (M.).

Awaiting Trial: Max Fine, New York City; Saul Kessler, New York City; Lewis Eaton, Jr., Buffalo, N. Y.; Lee West, Hailey, Idaho; David J. Simon, Washington, D. C.; Morris Robinson, Washington, D. C.; Irving G. Crocker, Evanston, Ill.; Wm. Knapton, Roanoke, Ala.; Eugene C. Brockaw, Chicago, Ill.; Emil Nordloef, St. Cloud, Minn.; Melville Garfield, Indianapolis, Ind.; Josephine Croane, Alton, Ill.; M. Olson, Stronghurst, Ill.; A. R. Rickey, Seaton, Ill.; A. J. Seidemann, Vienna, Austria; Chas. P. Robinson, Springfield, Mo.; J. Reilly, Chicago, Ill.; Geo. Levy, Chicago, Ill.; M. Reischling, Corpus Christi, Tex.; Chas. M. Meeker, New York City; Wm. S. Richey, Texline, Tex.; Harry Weiss, Brooklyn, N. Y.; John Burns, Roxbury, Mass.; Floyd Koon, Chicago, Ill.; C. E. Hill, Toledo, Ohio; Louis Meyer, Newark, N. J.; John T. Iler, Towson, Md.; Wm. A. Leigh, Emporia, Va.

FORGERS—GENERAL INVESTIGATIONS.

May 31, Chas. Ross arrested in Pittsburg, Pa.; held to await trial on bogus check charge.

June 7, John C. Frey arrested on worthless check charge; returned to Washington, D. C., for trial.

June 8, John Edwards arrested and returned for trial to Oxford, Ohio, for issuing worthless checks.

June 11, W. R. Pepper, alias A. T. Daman, arrested in Schuyler, Nebr., for issuing worthless checks; held for trial.

June 4, John W. Coon, given indeterminate sentence of one to twenty years for forgery committed on Seattle, Wash., bank (M.).

June 7, Hugo Norman released on suspended sentence in connection with bogus check charge.

Geo. H. Brigham released from custody in Cincinnati, Ohio, making good amounts obtained on bogus checks cashed by various merchants.

June 1, William Lotdman arrested and held for trial in Boston, Mass., for uttering worthless checks.

June 6, J. Holbrook Estill, given three years in Waupun, Wis., penitentiary for issuing worthless checks.

June 16, Geo. E. Weiler given seven months in Harrisburg, Pa., jail for uttering bogus checks.

Awaiting Trial: John A. Ross, Hoboken, N. J.; Stephen R. White, New York City; Clifton Monk, Little Rock, Ark.; H. R. Davis, Kansas City, Mo.; L. Burgemeister, Toledo, Ohio; Joseph P. Kitch, Sullivan, Ill.; S. B. Adams, Bristol, Va.; C. A. Breen, Los Angeles, Cal.; E. Hummell, Jr., Chicago, Ill.; Orville Hodson, Marion, Ind.; W. A. Coutant, Amerillo, Tex.; John Capehart, Hartford, Conn.; Edw. D. Feist, Newark, N. J.; Fraser Mander, New York; John O'Neill, New York; Chas. Fisher, New York; A. E. Webb, Toledo, Ohio; Jas. T. Hardy, New York City; T. J. Mowery, Denver, Colo.; Richard Crook, Plymouth, Pa.; James Morrow, Philadelphia, Pa.; G. N. Garsten, Buffalo, N. Y.; Chas. Ross, Pittsburg, Pa.; Jno. C. Frey, Washington, D. C.; Jno. Edwards, Oxford, Ohio; W. R. Pepper, Schuyler, Nebr.; Wm. Lotdman, Boston, Mass.

HOLD-UPS—SPECIAL INVESTIGATIONS.

Awaiting Trial: J. R. Austin, Kiefer, Okla.; W. D. Dixon, Kiefer, Okla.; J. H. Wilson, Canon City, Colo.

HOLD-UPS—GENERAL INVESTIGATIONS.

Awaiting Trial: M. Thornberry, Hoffman, Okla.

SNEAK THIEVES—SPECIAL INVESTIGATIONS.

No pending cases.

ROBBERS—SPECIAL INVESTIGATIONS.

Awaiting Trial: H. B. Elliot, Eufaula, Okla.

ROBBERS—GENERAL INVESTIGATIONS.

Awaiting Trial: I. H. V. Barckers, Benbow City, Ill.; J. A. Guhman, Benbow City, Ill.

	Attempts.	Burglaries.	Losses.	Total Losses.
Attacks upon members from September 1, 1909, to and including November 22, 1909 (under former agency, 83 days)	5	4	\$1,563.15	
Attacks upon members from November 22, 1909, to and including June 30, 1910 (under Burns & Sheridan, 221 days)	11	4	15,490.76	\$17,053.91
Attacks upon non-members from September 1, 1909, to and including June 30th, 1910.....	28	48		\$157,830.37
	Attempts.	Hold-ups.	Losses.	Total Losses.
Hold-ups on members from September 1, 1909, to and including November 22, 1909 (under former agency, 83 days)	3	2	\$13,202.44	
Hold-ups on members from November 22, 1909, to and including June 30th, 1910 (under Burns & Sheridan, 221 days)	0	1	1,600.00	\$14,802.44
Hold-ups on none-members from September 1st, 1909, to June 30th, 1910, inclusive.....	4	3		\$5,763.00

STATE BANKERS' ASSOCIATIONS, 1909-10.

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS.

Organized November 13, 1902.

OFFICERS.

W. F. KEYSER, Sedalia, Mo., *President*.
 N. P. GATLING, Lynchburg, Va., *First Vice-President*.
 WM. B. HUGHES, Omaha, Neb., *Second Vice-President*.
 FRED. E. FARNSWORTH, New York, N. Y., *Sec. & Treas.*

BOARD OF CONTROL.

J. M. DINWIDDIE, Cedar Rapids, Iowa.
 W. W. BOWMAN, Topeka, Kansas.
 W. C. MACFADDEN, Fargo, N. Dak.
 W. J. HENRY, White Plains, N. Y.
 ANDREW SMITH, Indianapolis, Ind.

CONVENTIONS TO BE HELD IN 1910.

July	8-9	North Dakota	Valley City.
"	14-16	New York	Cooperstown.
"	21-23	Washington	Holquiam and Aberdeen.
Aug.	17-18	Wisconsin	La Crosse.
Sept.	27-29	Colorado	Grand Junction.
"	6-7	Pennsylvania	Bedford Springs.
"	14-15	Indiana (The Vendome Hotel)	Evansville.
Oct.	3-7	American Bankers Association	Los Angeles.
"	26-27	Illinois	Cairo.
Nov.	11-12	Arizona	Phoenix.

STATE CONVENTIONS IN JUNE.

SOUTH DAKOTA.

The South Dakota Bankers' Association held its nineteenth annual convention at Yankton, June 8th, 9th and 10th, the registration at headquarters—Portland Hotel—showing an attendance of 200.

The business sessions were held in the Yankton Opera House, the convention being called to order by S. Drew, President Bank of Highmore and President of the Association. The invocation was pronounced by Dr. H. K. Warren, President of Yankton College. Judge E. T. White, Mayor of Yankton, made an address of welcome, which was responded to by John R. Hughes, ex-President of the Association.

Addresses were delivered as follows: "A New Safety Device," Frank Strattan, Cashier Black Hills Trust and Savings Bank, Deadwood; "Uniform Rate of Exchange," E. B. Soper, Jr., Cashier Citizens' National Bank, Woonsocket; "Whom to Trust," W. F. McLane, Cashier Hennepin County Savings Bank, Minneapolis, Minn.; "The Central Bank and the Country Banker," E. R. Gurney, Vice-President First National Bank, Fremont, Nebr.; "Early Banking Methods," Clement Chase, Omaha, Nebr.; "Answers to Question Box," Hon. A. H. Orvis, Yankton. This address was followed by a general discussion by the members.

It was evident from the reports of the officers, committees, and presidents of the several groups, that the Association had made considerable progress in all lines of work. Secretary J. E. Platt, of Clark, reported an increase of 62 members since the last convention.

The entertainment of delegates and visitors was excellent and included automobile rides, receptions, luncheons and a grand ball at the Portland Hotel.

The following officers were elected for the current year: President—C. H. Barrett, Cashier Vermillion National Bank, Vermillion; Vice-President—G. W. Hart, President Merchants' Bank, Bryant; Treasurer—J. R. McKnight, Cashier Pierre National Bank, Pierre; Secretary—J. E. Platt (re-elected), Cashier Security Bank, Clark. F. C. Danforth, President Dakota National Bank, Yankton, was elected Vice-President of the American Bankers Association for South Dakota, and J. E. Platt was appointed member of the General Nominating Committee.

MASSACHUSETTS.

The sixth annual convention of the Massachusetts Bankers Association, which took place at Pittsfield, June 8th and 9th, was a happy combination of business and pleasure. Hotel Maplewood was headquarters and the meetings were held in Maplewood Hall.

At seven o'clock on the evening of the first day, a banquet was given to the delegates and ladies. The Hon. Charles E. Hibbard made an address of welcome, followed by Mayor William H. MacInnis, in an address tendering the freedom of the city. Dr. Arthur G. Root, of Albany, N. Y., also addressed the banqueters. A reception and dance followed the banquet.

The delegates convened at nine o'clock the next morning. President Alfred L. Aiken delivered his annual address; Secretary G. W. Hyde and Treasurer F. C. Nichols made their annual reports; F. A. Shove, Chairman of the Committee on Legislation, reported for that committee.

While the annual meeting was in progress the ladies were entertained with a musicale by the Buhler Chamber Music Club, in the reception room.

On the adjournment of the meeting at 10:30 A. M., the delegates and ladies went for an automobile ride through an interesting section of the Berkshire Hills, stopping off for luncheon at the Red Lion Inn, Stockbridge.

The following officers were elected for 1910-11: President—Joseph W. Stevens, President First National Bank, Greenfield; Vice-President—E. Elmer Foye, Cashier Old Colony Trust Company, Boston; Treasurer—Frederic C. Nichols (re-elected), Treasurer Fitchburg Savings Bank, Fitchburg; Secretary—G. W. Hyde (re-elected), Assistant Cashier First National Bank, Boston.

OHIO.

The twentieth annual convention of the Ohio Bankers Association at Columbus, on June 6th and 7th last, was the banner one in the history of the Association, over eight hundred having registered at the Chittenden Hotel, which was headquarters.

The Convention Hall in the Board of Trade

Building was divided into ten sections, one for each of the nine groups of the Association, and one for visitors; each section designated by a banner showing the group number.

The invocation at the first day's session was pronounced by Rev. Theodore Irving Reese, Rector Trinity Church, Columbus, and on the second day by Rev. Samuel S. Palmer, Pastor Broad Street Presbyterian Church, Columbus. The Hon. Judson Harmon, Governor of Ohio, made an address of welcome in behalf of the State, and P. W. Huntington, President Huntington National Bank, Columbus, welcomed the visitors on behalf of the bankers of Columbus. These addresses were responded to by the Hon. Myron T. Herrick, President Society for Savings, Cleveland.

W. F. Hoffman, president Commercial National Bank, Columbus, in his annual address as President, gave a summary of the good work accomplished by the Association during the year. The report of Secretary S. B. Rankin, of South Charleston, showed an increase in membership of 76 since the last convention, making the total membership at the present time 837; that it had not only been the greatest year for the Association in point of membership, but that the beneficial results attained in every other respect had surpassed all previous years.

The reports of the chairmen of the several committees and groups covered the work done in their respective lines, all having made excellent records for the year.

The addresses delivered were as follows: "Federal Taxation," Hon. Smith Bennett, Columbus; "A Cost System for Individual Accounts," F. W. Thomas, President Bankers' Publishing Company, Toledo; "The Tendency of Recent Legislation," Hon. B. W. Waltermire, Findlay; "Life Insurance," Dr. William Oxley Thompson, President Ohio State University, Columbus; "A Uniform Charge for Collections Throughout the United States," George Guckenberger, President Atlas National Bank, Cincinnati, and Chairman Executive Committee Clearing House Section, American Bankers Association; "The Banker's Responsibility in Saying No," A. M. Harris, of N. M. Harris & Co., Chicago. A discussion on "A Central Bank of Issue for the United States" was engaged in and five-minute talks made by Col. J. J. Sullivan, President Central National Bank, Cleveland; M. M. White, Chairman board Fourth National Bank, Cincinnati; Thomas H. Wilson, Vice-President First National Bank, Cleveland, and others.

The officers elected for the ensuing year are as follows: President—George P. Jones, Cashier First National Bank, Findlay; Vice-President—W. F. Sharer, Vice-President First National Bank, Zanesville; Secretary—S. B. Rankin (re-elected), President Bank of South Charleston, South Charleston; Treasurer—Fay Baldwin (re-elected), Vice-President Highland County Bank, Greenfield.

The Ohio members of the American Bankers Association elected Thomas J. Davis, Cashier First National Bank, Cincinnati, as a member of the Executive Council of the American Bankers Association. If the membership of the State in the national association reaches 500 by August 31st, Ohio will be entitled to another member of the Council, and L. A. Loichot, Vice-President First National Bank, Canton, was nominated. This will make three members of the Council from Ohio, as the term of F. J. Woodworth, Vice-President First National Bank, Cleveland, will not expire until 1911. W. F. Hoffman, President Commercial National Bank, Columbus, and retiring President of the Association, was elected as the Vice-President from Ohio, to take office after the next convention of the American Bankers Association; W. A. Graham, Cashier Citizens' National Bank, Sidney, was selected as a member of the Nominating Committee of the national association.

GEORGIA.

On June 7th and 8th the members of the Georgia Bankers' Association gathered together at Atlanta on the occasion of their nineteenth annual convention.

Governor Joseph M. Brown extended the welcome of the State to the bankers and their ladies. Mayor Robert F. Maddox welcomed them in behalf of the city, and Col. Robert J. Lowry in behalf of the Atlanta Clearing House. The response to the addresses of welcome was made by J. P. Shattuck, president of the Bank of Lafayette.

As shown by the report of Secretary L. P. Hillyer, 100 new members had been added to the roll during the year, bringing the total membership up to 471.

Congressman Vreeland, of Washington, talked on the work of the National Monetary Commission, and Orville A. Park on bank examination in Georgia. George D. Pollock, of Rome, made an address, in which he said that the people in general should know more about the banking business, and its principles should be taught in the colleges. "The resources and possibilities of Georgia" was exploited by Richard H. Edmunds, of the "Manufacturers' Record."

A committee was appointed to take steps, in conjunction with committees of other jurisdictions, to protect the interior banking interests in the matter of bills of lading on the exportation of cotton.

The Association will give a prize of \$100 to the Georgia boy between ten and eighteen years of age who grows the best acre of corn this year, the money to pay the expenses of a trip to Washington.

Auto rides, receptions, baseball games and a banquet at the Kimball House comprised the entertainment features.

The following officers were elected for the ensuing year: President—W. W. Osborne, President Exchange Bank, Savannah; Vice-Presidents—Robert F. Maddox, Atlanta; B. W. Hunt, Eatonton; J. D. Neill, Columbus; C. J. Hood, Commerce, and J. A. Sasser; Secretary—L. P. Hillyer (re-elected), Vice-President American National Bank, Macon; Treasurer—E. C. Smith (re-elected), Cashier Griffin Banking Company, Griffin; L. P. Hillyer, Vice-President of the American National Bank, Macon, and Secretary of the Georgia Bankers' Association, was chosen by the Georgia bankers as a member of the Executive Council of the National Association, and C. B. Lewis, Cashier of the Fourth National Bank, Macon, as Vice-President from that State.

CONNECTICUT.

The eleventh annual convention of the Connecticut Bankers' Association was held at New Haven, June 8th and 9th, beginning with a banquet at the Shoreham Hotel, Wednesday evening. President C. C. Barlow, of New Haven, acted as toastmaster. Mr. Barlow introduced Mayor Rice, who extended a hearty welcome to the bankers on behalf of the city. Dr. Watson Lyman Phillips, Pastor of the Church of the Redeemer, New Haven, made a brief address. Henry Clews, of New York, gave an extensive address on "Reasons Against a Central National Bank and Postal Savings Banks." Rev. Hugh Elmer Brown, Pastor of the Windsor Avenue Congregational Church of Hartford, in his address, said that unselfishness should be our standard—a square deal for everybody. Col. Norris G. Osborn, Editor of the "Journal and Courier," made some remarks, in which he emphasized character as the fundamental principle in all things.

The business session was called to order Thursday morning in the ball room of the Shoreham, and President C. C. Barlow made his annual address. He said "the prosperity in our State is strikingly illustrated in the splendid gains which have been made by our financial institutions." He also said "the recent convention of the American Bankers Association in Chicago with a registry of over 4,000 delegates, goes down into history as the largest convention that the Association has yet held in its over a third of a century of existence. I would recommend all our banks not now members of the American Bankers Association to enroll at once, as many advantages would be derived from such membership. Our present membership in the national body is 152."

In his report Secretary C. E. Hoyt, of South Nor-

walk, stated that the membership had reached the high water mark—comprising 113 banking institutions of the State. Treasurer H. C. Lathrop, of Wilmamantic, reported a substantial balance on hand. Meigs H. Whaples read the report of the Legislative Committee. L. W. Gammon, Manager of the Protective Department of the American Bankers Association, told of the work of that department.

The officers elected for the ensuing year are as follows: President—M. H. Griffing, Cashier City National Bank, Danbury; Vice-President—Joseph H. King, President American National Bank, Hartford; Secretary—Charles E. Hoyt (re-elected), Secretary-Treasurer South Norwalk Trust Company, South Norwalk; Treasurer—Frederick W. Hall, Cashier Poquonnock National Bank, Poquonnock.

C. C. Barlow, Vice-President and Cashier of the Yale National Bank, New Haven, the retiring President of the Association, was chosen as a member of the Executive Council of the American Bankers Association; M. H. Griffing, of Danbury, Vice-President for Connecticut, and B. G. Bryan, of Waterbury, Vice-President of the Trust Company Section. C. E. Hoyt was chosen as a member of the Nominating Committee of the American Bankers Association.

VIRGINIA.

The seventeenth annual convention of the Virginia Bankers' Association was called to order on Thursday morning, June 9th, at the Hotel Chamberlain, Old Point Comfort, by President Henry A. Walker, Cashier National Valley Bank, Staunton. The Rev. Jas. H. Owens, of St. Paul's Church, Norfolk, pronounced the invocation.

President Walker delivered his annual address and the balance of the morning session was devoted to the consideration of routine work.

Secretary N. P. Gatling, of Lynchburg, reported a gratifying increase in membership since the last convention—three hundred and ten banking institutions being now on the roll. Geo. Bryan, of Richmond, the Association's Attorney, reported on acts pertaining to the banking interests which had been enacted by the last legislature, and congratulated the Association on the enactment of the act providing State examination of Virginia banks.

The convention was in session three days and the addresses delivered covered a variety of subjects. Hon. Job. E. Hedges, of New York City, gave a general talk. E. P. Miller, President First National Bank, Lynchburg, had for his topic "Security to Depositors vs. Guarantee." Royal Meeker, Professor of Economics at Princeton University, assailed this country's banking system as grossly defective and declared its evils should be corrected. Robert E. James, President Easton Trust Company, Easton, Pa., took for his theme the "Segregation of Deposits." C. C. Barksdale, State Bank Examiner, also addressed the convention.

Retiring President Henry A. Walker, Cashier of the National Valley Bank, Staunton, was presented with a loving cup.

On Thursday evening, June 9th, a concert was given in the parlors of the Hotel Chamberlain, and the annual banquet was held on the following evening.

The following officers were elected: President—J. W. Miller, Cashier People's Bank, Pulaski; Vice-Presidents—E. P. Miller, Lynchburg; T. F. Tilghman, Norfolk; W. M. Addison, Richmond; R. G. Vance, Waynesboro; J. W. Bell, Abingdon; Secretary—N. F. Gatling, Lynchburg (re-elected); Treasurer—Julien H. Hill, Assistant Cashier, National State Bank, Richmond (re-elected); Attorney—Geo. Bryan, Richmond (re-elected).

WEST VIRGINIA.

The seventeenth annual convention of the West Virginia Bankers' Association was held at Huntington, June 22d and 23d, the headquarters being at Hotel Frederick and the meetings held in the assembly rooms of the hotel.

The convention was called to order by President William B. Irvine, Vice-President National Bank of West Virginia, Wheeling, and the invocation pronounced by the Rev. John Shackelford Gibson, rector Trinity Episcopal Church.

An address of welcome, on behalf of the Huntington bankers was made by J. L. Caldwell, President First National Bank, Huntington, and on behalf of the city of Huntington, by Mayor Rufus Switzer, and responded to by Wylie W. Beall, President Commercial Bank, Weillburg. The President delivered his annual address. The report of Secretary-Treasurer Joseph S. Hill, Cashier National City Bank, Charleston, showed that the association had been active during the year in all lines of association work and good results had been obtained.

Addresses were delivered by Dr. A. Platt Andrew, Director of the Mint, Washington, D. C., and W. R. Creer, Secretary Cleveland Savings & Loan Company, Cleveland, Ohio, and President of the Savings Bank Section American Bankers Association, that of the former on "The Work of the National Monetary Commission," and of the latter on "Postal Savings Banks and Segregation of Savings Deposits."

The reports of the chairmen of the nine groups of the association showed that the groups had made rapid progress in their respective localities.

The invocation at the session on the second day was pronounced by Rev. Newton Donaldson, D. D., Pastor First Presbyterian Church, and the Hon. Harold Remington, Cleveland, Ohio, spoke on "The National Bankruptcy Act in Relation to Bankers." The balance of the morning was devoted to routine business. In the afternoon special cars conveyed the bankers and their ladies to Camden Park in time for a ball game. In the evening a banquet was given at the Hotel Frederick.

The officers elected for the current year are as follows: President—James K. Oney, Vice-President, Huntington National Bank, Huntington; Vice-President—Wylie W. Beall, President Commercial Bank, Weillburg; Secretary-Treasurer—Joseph S. Hill (re-elected) Cashier National City Bank, Charleston.

William B. Irvine, Vice-President National Bank of West Virginia, Wheeling, was selected as Vice-President of the American Bankers Association for the State of West Virginia.

NORTH CAROLINA.

The attendance at the fourteenth annual convention of the North Carolina Bankers' Association at Wrightsville Beach, June 22d-24th, was the largest in its history and the program the best ever carried out.

The visitors were welcomed by J. A. Taylor, President Chamber of Commerce, Wilmington. Gen. Julian S. Carr, President First National Bank, Durham, responded.

The annual address of President John O. Ellington, Vice-President-Cashier Fourth National Bank, Fayetteville, and the reports of Secretary-Treasurer William A. Hunt, and the other officers and committees evidenced the fact that the association had made considerable progress in the various branches of its work and was in a prosperous condition.

Speeches were made by George E. Allen, Educational Director of the American Institute of Banking on "Knowledge and Wisdom"; Alfred A. Thompson, Vice-President Commercial National Bank, Raleigh, on "The Ethics of Banking"; L. W. Norman, Cashier Hertford Banking Company, Hertford, on "Capital of Banks." Other speeches were made by Col. John F. Bruton, President First National Bank, Wilson, "Bank Taxation," and Henry E. Litchford, Cashier Citizens National Bank, Raleigh, on "Torrens System of Land Registration."

The guests were entertained by boat rides, banquets, dancing and receptions.

The officers elected for the ensuing year are as follows: President—W. C. Wilkinson, Cashier Farmers & Merchants' National Bank, Charlotte; Vice-Presidents—J. C. Braswell, President Planters Bank, Rocky Mount; L. S. Covington, Cashier Farmers' Bank, Rockingham; G. A. Holderness, President Farmers

Banking & Trust Co., Tarboro; Secretary-Treasurer, William A. Hunt (re-elected), Cashier Citizens' Bank, Henderson.

IDAHO.

The sixth annual convention of the Idaho Bankers' Association was held at Idaho Falls, June 20th-22d. The headquarters were at the Porter House and the business sessions held in the Club of Commerce.

President Boyd Hamilton, Cashier Coeur d'Alene Bank & Trust Co., Coeur d'Alene, called the convention to order at 11 A. M. Hon. E. P. Coltman, Mayor of Idaho Falls, welcomed the delegates and their friends, which was responded to by A. B. Moss, President First National Bank, Fayette. The balance of the morning was devoted to the appointing of committees. In the afternoon the different committees held meetings, following which an automobile ride was given to the visiting bankers and their wives; in the evening they were entertained at the Scenic Theatre.

At the second day's session President Hamilton made his annual address and the reports of Secretary L. A. Coate, Treasurer E. K. Hayes and the Executive and Legislative Committees were submitted.

Addresses were delivered by Edwin T. Coman, President Exchange National Bank, Spokane; Judge Standrod, Pocatello, on "The Development of Upper Snake River Valley"; Hon. B. F. O'Neill, President State Bank of Commerce, Wallace, on "General Conditions." There was also a general discussion of the proposed new banking law. In the evening a banquet was given to the visitors and ladies at the Porter House.

At the third days' session, addresses were made by Hon. J. J. Browne, President Coeur d'Alene Bank & Trust Co., Coeur d'Alene, on "Conservation"; W. G. Cruse, State Bank Commissioner, on "The Proposed New Banking Law." Considerable routine business was also transacted at this session.

In addition to the social features already mentioned the ladies were entertained at a bridge tea by the Idaho Falls bankers' wives; concerts and smokers were also held at the Club of Commerce rooms. A trip was made through Yellowstone Park, the party leaving Idaho Falls Wednesday night and occupying five days showing all the beauties of the Yellowstone.

MINNESOTA.

There was a large attendance at the twenty-first annual convention of the Minnesota Bankers' Association at St. Paul, June 22d and 23d. The convention was called to order by President W. I. Prince, Cashier City National Bank, Duluth, and the invocation pronounced by Rev. Fred. Budlong, Rector of Christ Episcopal Church.

In his annual address President Prince said that "Co-operation is a distinguishing characteristic of modern civilization. It is axiomatic that 'In union there is strength,' and it is equally true that in reasonable co-operation there is to be found the maximum of attainment and accomplishment." He recommended that the activities of the association be directed towards securing the most liberal appropriations by the legislature for the purpose of more adequately advertising the agricultural and manufacturing advantages of the State, the promoting of agricultural instruction and education, the construction of good roads and for drainage purposes.

Secretary Charles R. Frost, of Minneapolis, reported 102 new members having joined the association since the last convention; 10 members lost by reason of consolidations, retirement, etc., a net gain of 92, making the total membership 892. Hereafter the Secretary expects to issue to the members semi-monthly bulletins in shape of circular letters concerning the work of the office, the protective department and other matters of interest. He has secured commodious offices at 611 Bank of Commerce Building, Minneapolis, and with the increased room and greater facilities for handling the work of the association the possibilities for working out benefits to the members were never so good; and better results than ever are looked for.

In accordance with a resolution adopted at the last convention a committee was appointed on "Agricultural Development and Education in Minnesota." Mr. Joseph Chapman, Jr., Vice-President Northwestern National Bank of Minneapolis, Chairman of that committee, made an excellent report showing that the investigations of the committee have been exhaustive and far-reaching; that the relation of farm development, farm prosperity and land speculation to careful and profitable banking is bound to result sooner or later in a fuller material improvement of the present conditions.

The speakers and their subjects were as follows: "What the Department of Agriculture of the University of Minnesota Has Done, Is Doing, and Plans to Do in the Future in the Developing of Agricultural Interests of the State," Prof. A. F. Woods, Dean and Director of the Agricultural College of the University of Minnesota. "The New Banking Department," Hon. J. E. Galarneau, Superintendent of Banks. "The Present Tendency of Public Expenditures," Howard S. Abbott, Director Minneapolis Trust Company. "Progress in Banking Methods," Governor A. T. Eberhart. "The Conservation of Our Most Important National Resources," W. C. Brown, President New York Central Railway. "Monetary Reform," Prof. J. Laurence Laughlin, University of Chicago. "American Citizenship," J. Adam Bede. "The Minnesota Bankers' Association, Past, Present and Future," was the subject of a debate by members of the St. Paul, Minneapolis and Head-of-the-Lakes Chapters of the American Institute of Banking.

The entertainment features included theatre parties, ball games and a banquet.

The election of officers resulted as follows: President—L. A. Huntoon, President First National Bank, Moorhead; Vice-President—D. S. Culver, Vice-President National German-American Bank, St. Paul; Secretary—Charles R. Frost (re-elected), 611 Bank of Commerce Building, Minneapolis; Treasurer—A. G. Wedge, Jr., Vice-President First National Bank, Bemidji.

The Minnesota members of the American Bankers' Association held a meeting and elected the following to hold office in the national association for the coming year: Member of the Executive Council—George F. Orde, Cashier First National Bank, Minneapolis; Vice-President from Minnesota—George C. Power, President Second National Bank, St. Paul; Member of the General Nominating Committee—Joseph Chapman, Jr., Vice-President Northwestern National Bank, Minneapolis.

MARYLAND.

The members of the Maryland Bankers' Association attended the fifteenth annual convention on June 21st-23d in large numbers, the business sessions being held at the Blue Mountain Hotel, Blue Mountain.

President Joseph D. Baker, President Citizens' National Bank, Frederick, called the convention to order at 10:30 in the morning, the Rev. J. Spangler Kiefer, D. D., Pastor of the Zion Reformed Church, Hagerstown, pronouncing the invocation. The address of welcome was delivered by Emory L. Coblenz, President Central National Bank, Frederick. The response to same was made by Waldo Newcomer, President National Exchange Bank, Baltimore.

President Baker, in his annual address, discussed at some length the subjects of a Central Bank and Bills of Lading. The reports of Secretary Charles Hann and other officers and committees showed the association to have prospered in all lines of work during the year.

The invocation at the second day's session was pronounced by Rev. Robert A. Boyle, Pastor of the Presbyterian Church, Hagerstown.

The following gentlemen made addresses: Hon. Pierre Jay, Vice-President Bank of the Manhattan Company, New York, on "Segregation of Bank Deposits," (pro) Robert E. James, President Pennsylvania Bankers' Association, Easton, "Segregation of Bank Deposits" (con.); John M. Nelson of Hambleton & Co., Baltimore, on "The Central Bank Proposition"; Col. Henry B. Wilcox, President First National Bank, Baltimore, on "Uniform Taxation." A telegram was

sent to Senator Elkins asking him to see that the Senate again take up the Uniform Bills of Lading measure.

The annual banquet was held on Thursday evening, the Hon. F. J. Duncan, Associate Judge Towson, acting as Toastmaster. Extempore remarks were made by Congressman George A. Pearre of Cumberland, Md., and Lewis E. Pierson, President Irving National Exchange Bank, New York, and President of the American Bankers Association.

The officers elected for the ensuing year are as follows: President—Joshua W. Miles, President Bank of Somerset, Princess Anne; First Vice-President—Waldo Newcomer, President National Exchange Bank, Baltimore; Secretary—Charles Hann (re-elected), Assistant Cashier National Mechanics' Bank, Baltimore; Treasurer—William Marriott (re-elected), Cashier Western National Bank, Baltimore.

The Maryland members of the American Bankers Association held a meeting and elected the following to hold office in the National Association for the coming year: Member of the Executive Council—Albert D. Graham, Vice-President and Cashier Citizens' National Bank, Baltimore; Vice-President from Maryland—H. H. Haines, President National Bank of Rising Sun, Rising Sun; Member of the General Nominating Committee—Maurice H. Grape, Continental Trust Company, Baltimore.

MAINE.

The eleventh annual convention of the Maine Bankers' Association was held at Bangor, June 17th and 18th, with headquarters at the Penobscot Exchange Hotel.

The business meeting was held in the assembly room of the hotel in the afternoon, at which the reports of the officers for the past year were submitted. There was also an interesting discussion on the exchange problem.

A banquet was served in the main dining room at 8 o'clock in the evening. There were no set speeches, as it was purely a social affair.

On the second day a trip was made by steamer to Stockton Springs, at which a fish dinner was served, after which the visitors returned by special train.

The officers elected for the ensuing year are as follows: President—C. H. Sawyer, Cashier First National Bank, Dexter; Vice-President—E. S. Kennard, Cashier Rumford National Bank, Rumford Falls; Secretary—Haskell S. Hall (re-elected), Cashier Ticonic National Bank, Waterville; Treasurer—George A. Safford (re-elected), Cashier Northern National Bank, Hallowell.

IOWA.

The twenty-fourth annual convention of the Iowa Bankers' Association was held in Des Moines, June 16th and 17th, the attendance of delegates and guests numbering over 1,100. Two days were devoted to the business sessions. The program embodied the usual addresses of welcome, responses, the annual address of the Acting President, Leo E. Stevens, and the reports of the various committees.

Among those who made addresses were Hon. W. W. Witmer, President Iowa Tax Revision Association; Governor B. F. Carroll; Hon. John L. Bleakley, Auditor of State; Hon. Leslie M. Shaw on "The Central Bank," and Fred E. Farnsworth, General Secretary of the American Bankers' Association. The program was a most excellent one and the subjects sufficiently varied to be interesting.

The bankers of Des Moines proved themselves most hospitable hosts, and furnished delightful entertainment for their visitors. One of the principal events of the occasion was the retirement of J. M. Dinwiddie, the veteran Secretary, who had served the association faithfully since its organization—a period of twenty-three years. He is known among the members of the Organization of Secretaries as the "Father of Secretaries." Mr. Dinwiddie's retirement was brought about by the desire on the part of the Iowa Bankers' Association to establish permanent headquarters, with a permanent Secretary. His banking connections were too valuable for him to consider giving up for the secretarial work. Mr. Dinwiddie received much

merited praise, for it is generally conceded that through his efforts the Iowa Association has grown to its present magnitude and strength. This was recognized by the presentation to Mr. Dinwiddie and his wife of a magnificent case of flat silver. It was also voted to send him to the Los Angeles convention as a delegate-at-large, with all expenses paid. The following officers were elected for the ensuing year: President—John H. McHugh, President First National Bank, Sioux City; Vice-President—G. E. MacKinnon, Vice-President Mechanics' Savings Bank, Des Moines; Secretary—P. W. Hall, Cashier Sheldon National Bank, Sheldon; Treasurer—D. B. Allen, Cashier First State Bank, Arlington. Vice-President of American Bankers' Association from Iowa—Kent C. Ferman, Cashier Cedar Rapids National Bank, Cedar Rapids, Iowa; Member Nominating Committee—Henry M. Carpenter, President Monticello State Bank, Monticello; For Executive Council American Bankers' Association—E. L. Johnson, Vice-President Commercial National Bank, Waterloo.

MICHIGAN.

The bankers of Michigan rendezvoused at Port Huron, June 21st, on the occasion of the twenty-fourth annual convention of the association.

President H. G. Barnum of the First National Exchange Bank, Port Huron, in his annual address covered very fully bank legislation, and other important matters pertaining to the banking interests of the state.

The reports of the officers and committees covered in detail the work accomplished during the past year, and showed advancements along all lines, including legislation, bonding and burglary insurance business, protection to members and increase in membership.

The themes of the addresses delivered at the convention were of an instructive and interesting character.

The entertainment features at Port Huron were of an attractive character. On Wednesday noon the party boarded the "City of St. Ignace" for Parry Sound arriving there Thursday morning. On that day special trains conveyed the party to Bala Park, at which point they embarked on the steamer "Sagamo" for a day's trip to Muskoka Lakes, with luncheon at the Royal Muskoka Hotel. In the evening they were entertained on board the steamer "City of St. Ignace"; Friday morning a trip was taken on the steamer "Waubic" through the Thirty Thousand Islands to Midland. Friday evening special entertainment was provided on board and on Saturday the return trip made to Detroit.

The officers elected for the ensuing year are as follows: President—Emory W. Clark, Vice-President First National Bank, Detroit; Vice-Presidents—C. J. Monroe, President First State Bank, South Haven; B. F. Davis, President City National Bank, Lansing; Secretary—H. M. Brown, 1123 Ford Building, Detroit; Treasurer—Leon F. Titus, Cashier First National Bank, Traverse City; Attorney—Hal H. Smith, Ford Building, Detroit.

Emory W. Clark, of Detroit, was selected as a member of the Executive Council of the American Bankers Association and F. P. Browne, Cashier of the First National Bank, Bay City, as Vice-President for Michigan.

UTAH.

The second annual convention of the Utah Bankers' Association was held at Carnegie Hall, Ogden, on June 22d and 23d.

Mayor William Glasmon of Ogden City welcomed the visitors. The reports of the officers and committees showed that the association had made rapid progress; also a gratifying increase in membership; and all indications for a prosperous future.

OREGON.

The fifth annual convention of the Oregon Bankers' Association at Pendleton, June 24th and 25th, was well attended.

The reports of the officers as submitted evidenced the fact that the association had an active year and was in a prosperous condition, financially and otherwise.

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS.

Nebraska Bankers Association,
Office of the Secretary.

Omaha, June 16, 1910.

\$1,000 REWARD.

On the night of June 14th or the morning of the 15th, an unsuccessful attempt was made to burglarize the First National Bank of Minden, Nebraska. The burglars forced a door on the second story of the building, which is unoccupied, and cut their way through the floor to the vault. No description of the robbers was secured.

This Association offers a reward of one thousand dollars (\$1,000) for the apprehension and conviction of the person or persons committing this crime. Reward to remain in force for one year from date and to be paid under the rules and regulations of the Association.

Any information should be phoned or wired at our expense to this office.

Montana Bankers Association,
Office of the Secretary.

Lewistown, Mont., June 10, 1910.

You are again warned to be on the lookout for the man who wants to buy a farm and who will allow you or some real estate dealer in your town to show him farms and finally settle on the one he wants to buy. This is all preliminary to getting a check cashed before he leaves town. The check, of course, always turns out to be worthless. This old game has again been worked in our State by a man giving his name as Carl Schlosner, weight 169 pounds, sandy mustache and light hair, height 5 feet 7 inches, ruddy complexion and about 36 years old. Wore gray suit and gray soft hat. The check he used was for \$300, signed Simmons Hardware Co., of St. Louis, and drawn on a bank in New York City.

Please notify all your customers dealing in real estate to be on the lookout for this game.

I am in receipt of information that a concern calling themselves the Pittsburg Refining Co., has checks printed payable at their institution. This company is not known and the checks are evidently fraudulent. The checks are signed Pittsburg Refining Co., by J. J. Perkins, or by J. J. Brown, Pres., and are made payable to D. D. Dallin. Checks signed Harrisburg Refining Co., payable to A. T. Damon, have also appeared and are supposed to be worked by same party who has been quite successful in Minnesota and is now known to be in the Dakotas.

Wire this office promptly if you can give us any information in reference to these parties.

Montana Bankers Association,
Office of the Secretary.

Lewistown, Mont., June 8, 1910.

WARNING.

Referring to our warning concerning A. McDermott Scott, a swindler, this party is working west into Colorado, where he is attempting to pass bad checks. He represents himself as Mr. S. L. Johnson and is now described as weighing about 170 pounds, smooth shaven, forty years of age, and of splendid appearance, very pleasant and an agreeable talker. Wore black suit and derby hat.

Montana Bankers Association,
Office of the Secretary.

Lewistown, Mont., June 4, 1910.

WARNING.

Look out for a person signing himself Geo. Wilson, who has been attempting to pass checks drawn on a

fictitious Spokane bank, changing the counter checks to read "First National Bank, Spokane." He is described as about 28 years of age, wears a blue serge suit, tan oxfords and small Scotch cap, height about five feet ten inches, dark complexion. Wears small black mustache. Purports to be an engineer in employ of Northern Pacific Railway. Carries a fountain pen and uses a small check protector, known in the catalogue as "Pearl." If you locate him hold and wire this office.

Nebraska Bankers Association,
Office of the Secretary.

Omaha, June 10, 1910.

WARNING.

Advised by the Illinois Association. A reward of \$100 is offered by them. This is the way he works:

He calls upon merchants usually in hardware and furniture trade. In the past he claimed to represent the American Register Co., or the Lovell Manufacturing Co., but may use any other firm name. He contrives to steal printed checks from the check books of the merchants, and, after filling them out for an amount around \$75 each, passes them in different towns. He usually writes in the lower left hand corner of the check, something like the following: "In full for invoice of December 10, 1909, Lovell Mfg. Co." He has used many different names for himself.

He may select Nebraska as his next stamping ground. Please ask your customers to report to you at once any checks missing from their check books, especially after receiving a visit as above. If he gains possession of blank checks from the books of any of your customers you should telephone the banks in all nearby towns in order to catch him when he presents the checks.

Nebraska Bankers Association,
Office of the Secretary.

Omaha, June 11, 1910.

A man has been in and out of Fremont for some time past, giving the name J. W. Martin. Posed as a horse dealer. Made deals and talked deals with many parties, and was in and out of the bank frequently. Finally presented a check for \$492, bearing the signature of a well-known firm, perfect in all its details of imitation of the check of the firm. He is described as follows: About 5 feet 10 inches tall; gray hair, top of head bald; about 55 years old; dark eyes, heavy eyebrows; weight, about 200 pounds; all toes off left foot.

We are just advised through Fremont of the capture of the swindler at Schuyler. Has not operated upon banks. Victims worked were jewelry stores.

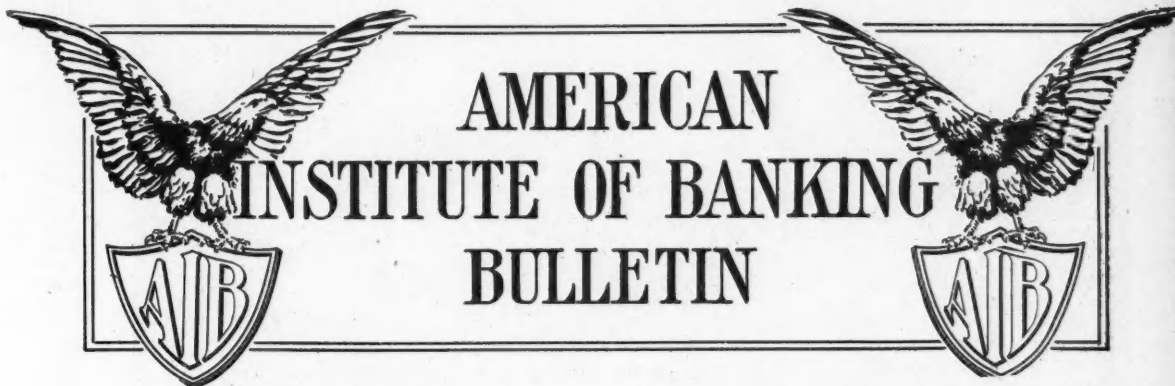
Looks at watches, wants to send present to relative in East. Selects one and says will call when his expense check arrives. Goes to post-office and returns with unopened envelope. Opens in presence of jewelry man and discloses check, Harrisburg Refining Co., on First National Bank, Pittsburg, Pa. Usually gets watch and difference in cash. Post your customers against next man with similar game.

Montana Bankers Association,
Office of the Secretary.

Lewistown, Mont., June 21, 1910.

WARNING.

Time Certificate of Deposit No. 424, dated February 8, 1910, favor Mrs. Georgetta C. L. Henry, amount \$250, issued by State Bank, of Moore, has been lost or stolen. If presented to you by any one other than Mrs. Henry hold party and wire this office.



AMERICAN INSTITUTE OF BANKING BULLETIN

CHATTANOOGA CONVENTION.

Successful Beyond All Precedents in Character as Well as Size—Distinguished Speakers Honor the Institute With Their Presence and Wisdom—Marked Development of Institute Members—Winners of Prizes—New Officers and Executive Councilmen—Chattanooga an Ideal Host.

Successful beyond all precedents, in character as well as in size, the eighth annual convention of the American Institute of Banking, held at Chattanooga, June 8th, 9th and 10th, was a creditable climax to a year of phenomenal Institute work. Good fellowship bubbled like carbonated honey and politics boiled like the witches' cauldron, but back of all such evidences of the glad hand and the heated heart was sufficient cold-storage intellectuality to satisfy the militant hosts of the high-brows.

Wednesday Morning Session.

The first session of the convention was called to order by President Newton D. Alling at 10 o'clock in the morning of June 8th. After an impressive invocation by the Rev. J. W. Bachman, of Chattanooga, Hon. T. C. Thompson, Mayor of Chattanooga, made the following address of welcome:

ADDRESS OF WELCOME.

Your local Chapter occupies the assembly room for its meetings of the Manufacturers' Association. There is a very close kinship between the bankers, your Institute, and the Manufacturers' Association; and I am requested, by the secretary of the Manufacturers' Association, to say that those rooms are open at all times to the members of this convention. They will be glad to have you come and see what we do here in a manufacturing way.

I read something recently that Elbert Hubbard had said, which does not apply to this convention, however; but that story seems to apply to a man following in your footsteps, and perhaps to some of the young bank clerks. A clerk for one of the large city banks, who only got three dollars a week, and who, it was observed, was attending strictly to his business, one day went into the office of the President and said, "I want a raise." The President said, "What are you getting?" He replied, "Three dollars a week." The President then asked, "What do you think you are worth?" The clerk replied, "Four dollars a week." The President said, "You do, do you?" He said, "Yes, I have been thinking about it a damn long time, but I have been so busy I haven't had a chance to come up to see you about it."

A good many years ago a small bank in Middle Tennessee was forced to close its doors by reason of bad crops. The Vice-President of the bank was a young lawyer. The farmers began to come in from all over the surrounding country, wanting to know what was going to be done. He went to the President of the bank and asked, "Is this bank solvent?" The President said, "Yes, but we need a little time." He said, "All I want to know is, Are you going to pay dollar for dollar?" The President replied that he was. So he went out among those farmers and said, "Boys, this bank is solvent. It is going to pay dollar for dollar." Some old farmer, out on the edge of the crowd, "Is that the Vice-President of the bank or is that Howell E. Jackson talking?" He replied, "Sir, this is Howell E. Jackson." After the bank was able to pull out, because Howell E. Jackson's personal and individual credit was just as strong as the bank's credit. Howell E. Jackson became a senator, and then a member of the Supreme Court. That shows to you the character of such a man.

The Bankers' Association of the State of Tennessee was here last month. I talked some politics to them, and I was criticised for it. I said to them, "Why don't you go back to your different communities and send decent men to the legislature? Somebody has to be sacrificed and take public office, and if you do that, you don't have to get up these strike bills. If you people want an honest banking law, which should be and is for the best interests of the people, there is no reason why you have to send delegations over there to kill those bills.

This being a national organization, I am going to touch on this, and say that you gentlemen not only owe to yourselves, but to your customers and to your business the very best that you have, and you also owe the city, the State and this government the duty, if any one of you is called upon to run for public office, to do so to the best of your ability, and to give your every effort to it.

I'll tell you, gentlemen, in this great rush of today, in this great republic of ours, such men as you and I can take care of it; and the hoodlums cannot last very much longer. And when you men go back to your various homes, please carry that with you, that thought. Cleanliness is the essential thing to good government, and you can do a whole lot. My goodness alive, I would run for President of the United States to-morrow if I could get these men to back me.

I believe in organization. I believe you should come together and touch elbows. The contact of mind with mind is beneficial, and always does good.

I met a gentleman last week who told me he was 79 years of age, and had lived 77 years in Chattanooga. I believe he is the only man of my acquaintance past 25 years of age who came that near being born in Chattanooga. This is a peculiar city. We are indebted to other cities and States for our population. This city is made up from the 44 States of the Union, and from nearly every city of any size that I know of.



INSTITUTE EXECUTIVE COUNCIL OF 1910.

(LEFT TO RIGHT) TOP ROW—FRANK M. CERINI, D. J. LYONS, F. L. UNDERWOOD, CARROLL PIERCE, GEORGE A. JACKSON, W. S. EVANS. MIDDLE ROW—D. C. WILLS, BRANDT C. DOWNEY, ALFRED M. BARRETT, RALPH C. WILSON, E. C. PHINNEY, FRANK M. POLLIARD. BOTTOM ROW—GEORGE E. ALLEN, NEWTON D. ALLING, E. A. HAVENS, A. WALLER MORTON.

The result is that Chattanooga is the most typical and representative city on this continent to-day.

And we do not know any North, South, East or West. Right down here on the threshold of the city is the great battlefield of Chickamauga, where Americans fought against Americans. Every foot of this country around is sacred, having been made so with the purest blood of America.

No man need be ashamed of what his father did in that battle, it matters not whether he was trying to preserve the Union or break it, whether he wore the Blue or the Gray. At the very gateway to the Park there is the greatest monument to American valor and American manhood that I know anything about—the greatest monument to American manhood that stands on this continent to-day. It was erected in memory of those who fought for the Blue, and in memory of those who wore the Gray.

It is in that spirit that we welcome you here. It matters not where you come from, you will find that, somewhere in Chattanooga, if you will make the effort, there is somebody from your own township or city or county. There is somebody here from the same place you are. You may not be particularly anxious to make yourself known to him, but you will find somebody here in Chattanooga who knows somebody you know.

But I suppose it is all right for bankers to always make themselves known. I never have understood how you would take some other fellow's money behind the cage, and then turn it out to me, and still keep it straight.

But, gentlemen, as I said, it is in that spirit of the American that we welcome you to Chattanooga, and if Chattanooga has given you a kind reception—and you are entitled to it, and God knows I say it from my heart; you are entitled to the best—come back and see us again. Make this your permanent convention place.

I do not expect to be the mayor of this city more than one year longer. I am going to try to be a respectable man after my term of office. But I am sure Mr. Brown or some of the local men will still be here to welcome you.

Gentlemen, if any of you get into trouble, just let me know, and I'll see that you are liberated.

PRESIDENT ALLING'S RESPONSE.

President Alling, in response, said:

"Mr. Mayor, this applause which we have just heard speaks louder than any words that I can utter in appreciation of your remarks and words of welcome. I expected to tell you a little something about the Institute, but I see that you know something about it already.

"This, however, is the 8th annual convention of the American Institute of Banking, and when you consider that last year we met on Puget Sound and the year before that on Narragansett Bay, it seemed but fitting that we should meet this year on the banks of the Tennessee; and it seemed especially fitting that we should meet this year in your beautiful city, under the shade and within sight of Lookout Mountain, where our members may gather inspiration from the union of the Blue and the Gray; for south of the Ohio we have many of our most thriving, our most active and our most hospitable Chapters. Now, let me add, the Institute may count among the bank officers in that territory many of its best friends.

"I have said enough to show that we are a national organization as to territory, and I think a glance at this assemblage here is enough to show you that we are a national organization in spirit—not desiring to carry the examination further, for a glance at our history will confirm that opinion.

"When a few of the forward spirits of the American Bankers Association first launched the Insti-

tute, they had in mind, as I understand it, a sort of correspondence school of instruction on banking subjects. Since that time it has become a thorough organization, in charge of the members, and in which the members elect the officers and control the organization.

"During this development not only has the educational feature been placed upon a more secure footing, but the talents of the members for management and for executive work has been developed and brought to the front—thus proving, as I said, that we are an American, a national organization.

"Though we can boast of no Bunker Hill, I give you fair warning, sir, if you will be patient and wait, we will give you as fine a sample of education and politics as any commonwealth can boast of.

"Since the control of the Institute has been in the hands of the members, there has been a marked development physically, in numbers, and spiritually in the changed attitude of all towards a more definite and systematic education.

"During the term of my predecessor, who was the first President under our present constitution, the increased effort and enthusiasm of all was very noticeable. Why, last year more certificates were issued than had previously been issued during the history of the Institute.

"There had always been a deplorable disposition on the part of the members in the past to shy at the mention of certificates, because that meant examination; and none of us like to stand up and be measured for just what we know (I don't, and there are others just as delicate).

"When a man comes to the bank for credit, he must submit a statement of his condition; if necessary, his stock in trade must be inventoried; and it is just this that the Institute must or means to do with those who go to the bank for a position. It aims to set a standard of efficiency for bank men. This is for the benefit of the banks as well as the employees; but this effort is in no way parallel to that of a laboring man, for it strives not to level, but to boost up.

"I will admit that brains cannot be inventoried, but what they contain may be. It is with this end in view that the Institute has established courses of study and examinations in Commercial and Banking Law and Banking Finance, the two most important subjects for a man to be well grounded in if he would be the head of a department or a higher man; and I may say that any man who is well grounded in those two branches of knowledge, other things being equal, need not fear the taking up of the duties of any office in a bank.

"But, of course, when these men take the examination, we don't want them to be like the jury out in Illinois. Out in Illinois they have an old law, I believe, somewhat obsolete, and which was only taken advantage of in rare cases, which is that a jury is to be the judges of the law as well as the facts. It is not often resorted to, but, in desperate cases, the defense sometimes resorts to it. Such a case was being tried, and the judge, in charging the jury, told them that they were to be the judges of the law as well as the facts. 'But,' he added, 'you are not to be the judges of the law unless you know more than I do.' Well, the jury went out, and shortly returned

with an outrageous verdict, and the Court felt called on to rebuke them, which he did at some length. Finally, one old farmer arose and said, 'Judge, didn't you say we were to be the judges of the laws as well as the facts?' 'I did,' said the Court, 'but I warned you that you were not to be the judges of the law unless you were certain that you knew more law than I did.' 'Well,' said the juror, 'we considered that point, too.'

"Now, the endeavor has been made during the past year to bring the work of the various Chapters together; that is, educationally, to unify their programs and produce the feeling that we are all traveling the same road. The smaller Chapters have labored under a disadvantage in the past in their efforts to do their best and gain the certificates. This problem, I think, has, in a measure, been met, if not solved, by the prepared courses of lectures given out by the Institute last year. They may be used in making up the program, or they may be used as a guide, according to the requirements of the various individual Chapters.

"Sometimes criticism has been heard because these lecture courses were not printed and supplied to all the individual members; but, according to my conception, that would have destroyed the whole intent and purpose of the scheme. To those who would read at home books are available which are more comprehensive than any courses of lectures which we could afford to prepare. But for the members who will not read, there is the course of lectures to which they will listen.

"Still, I recognize that this method of giving out the lectures, or one copy of lectures to each Chapter, does not provide for the scattered membership of the present correspondence Chapter in small towns. We are, therefore, preparing certain courses of lectures on banking and finance. We have taken a little different course with them, and have printed them, so that they may be supplied the members of the correspondence Chapter; and, of course, the method by which they will be handled in the coming year will be up to the coming administration.

"I desire, at this time, to recognize the unflagging zeal and never-failing interest of your Educational Director. Without his aid, very little could have been accomplished.

"The Bulletin has been changed a little, and there are prospects—at least, after a considerable discussion, we have practically made arrangements with our friends of the American Bankers Association to consolidate the Bulletin and The Journal, of which you all know; and that deal has been consummated and will be up for your consideration in this convention.

"I think we may well congratulate ourselves upon the general condition of the Institute. With a prospect in the near future of being placed on a more definite financial basis, we may devote ourselves with more zeal and less interrupted interest, pushing the membership of the Institute into every section of the country. As a section of the American Bankers Association, and as an educational institution, its power for good is great, and may be made greater by instilling into our membership the religion of better standards and higher ideals, and of patriotism in business.

"The day of the note-shaver and of the hard-fisted

banker is gone, and the changed conditions demand a broad-mindedness and at times a personal sacrifice of one for the benefit of all. The slogan of the three Musketeers has become that of business, and especially of the banking world to-day. And let us remember, in the time of stress, that, instead of 'The devil take the hindmost,' it is 'One for all, and all for one.'

"I want to thank the committees, especially the Program and Transportation Committees, for the good work they have done in bringing this convention to a successful issue. And we want to thank Chattanooga for inviting this convention here, and for providing so royally for the entertainment of the delegates and guests.

"The banking business has been designated as the life-blood of trade. It is all of that and more. The deposits in the banks are, to the people, the same as money. When we hear that the pro rata of money in circulation is only \$23.00 or \$24.00, we know why: The gross individual deposits of the banks are not included. So that you see the banks are the very life to business and trade; and it is the duty of every banker to learn not only the laws which govern, the technique and systems which facilitate, and the methods which increase those deposits, but he should study the humanitarian issues involved, and learn to realize that he is one of a great brotherhood who hold not only the principal but the prosperity of this country in trust.

"I believe that Chattanooga will always be proud of the fact that she has harbored a convention of the American Institute of Banking, where the awakening seeds of that great responsibility are being sown." (Applause.)

NEW GAVEL.

W. C. Brown of Chattanooga, said:

"Of course, you all know that you are welcome, or we would not have asked you to come down here. But I am not here to make any further remarks on the welcome this morning. I am here, gentlemen, on behalf of the Chattanooga Chapter, to present to the American Institute of Banking, through your President, a gavel—a gavel cut from the holly on the top of old Lookout Mountain. This gavel was made by Mr. Harbison on the mountain, and he requested me to call attention to his museum, which is a very fine one, and which will be open to all the visiting members here when they make the trip to the mountain. He will be glad to have you call and inspect the old relics of the battlefields and other relics which he has. I take great pleasure, gentlemen of the convention, in presenting to the A. I. B., through your President, from the Chattanooga Chapter, this gavel."

The President then accepted the gavel, which was used during the convention.

President Alling replied: "Mr. Brown, I take great pleasure in accepting this gavel on behalf of this and succeeding conventions. I note, in your remarks, that you said this gavel came from the top of Lookout Mountain. I do not know whether there was any intentional significance attached to that remark, but it grew up there where it overlooked the famous battles, and it stood there ever since, I presume, until it was brought here. It has now simply transferred its scene of action. It is now going to look upon the great battles of the American Institute of Banking."

The President announced the appointment of the following committees:

Committee on Credentials: J. C. Knox, Philadelphia, chairman; W. B. Matteson, New York; Walter Johnson, Chicago.

Committee on Resolutions: W. McK. Stowell, chairman, Washington; H. C. Owen, Providence; L. C. Humes, Memphis.

EXECUTIVE COUNCIL REPORT.

Chairman Ralph C. Wilson submitted the annual report of the Institute Executive Council in which he said:

Acting upon suggestions made by President Lewis E. Pierson, of the American Bankers Association, in an address at the annual banquet of New York Chapter, the Executive Council of the Institute adopted resolutions favoring the amalgamation of the Bulletin of the American Institute of Banking and the Journal of the American Bankers Association. An apparent disadvantage to the Institute in uniting the two periodicals was seen to be in a loss of Bulletin subscriptions among country bankers, who would receive the consolidated publication in connection with their membership in the American Bankers Association. As a means of meeting such difficulty, and at the same time bringing country banks and their employees into a closer relationship with the Institute, the idea was suggested by the Executive Council of the Institute that all institutions that are members of the American Bankers Association should be made associate members of the Institute upon payment of annual dues of seventy-five cents.

The action of the Executive Council regarding the consolidation of the Journal and the Bulletin, and the proposition to make members of the American Bankers Association associate members of the Institute, was embodied in a report submitted by the Institute Council to the Executive Council of the American Bankers Association at the meeting in Atlantic City in May. The report was approved by the Executive Council of the American Bankers Association, and the following resolutions adopted:

"Resolved, That the consolidation of the Journal of the American Bankers Association and the Bulletin of the American Institute of Banking into a joint publication, retaining the features of both periodicals as now conducted, be and hereby is recommended, provided that editorial and financial details can be satisfactorily arranged.

"Resolved, That if the Institute will accept as associate members all members of the American Bankers Association, the association will pay to the Institute in monthly instalments annual dues of seventy-five cents for each Institute associate member so constituted, in lieu of the annual appropriation heretofore made by the Association for Institute purposes.

"Resolved, That the subject-matter of the foregoing resolution be, and is hereby, referred to the Institute Committee in conjunction with the officers of the association with power to arrange details."

In view of the importance of the consolidation of the Journal and Bulletin, the chairman of the Institute Executive Council appointed Messrs. Newton D. Alling, E. A. Havens and Frank M. Polliard a special committee to meet members of the Institute Committee and officers of the American Bankers Association at the recent meeting of the Executive Council of the association in Atlantic City. At a joint meeting of the special committee thus appointed and the Institute Committee, represented by Messrs. J. H. Puelicher and D. C. Wills, the following resolutions were unanimously adopted as equitable conditions upon which the proposed consolidation should be based:

"Resolved, That the name of the consolidated periodicals should be Journal of the American Bankers Association, including the Bulletin of the A. I. B.

"Resolved, That upon the consolidation of the Journal and Bulletin into a joint publication as heretofore provided, the policy of the Bulletin, editorially

and otherwise, and the subject-matter contained therein, shall be under the control and direction of the Executive Council of the American Institute of Banking Section of the American Bankers Association.

"Resolved, That the Institute shall pay fifty cents a year to the American Bankers Association for such annual subscriptions to the consolidated publication as the Institute may order, provided that the association shall fulfil all prepaid unexpired subscriptions to the Bulletin and continue to furnish subscriptions to Chapter members in accordance with the present custom of the Institute."

The conditions of periodical consolidation thus proposed have since been approved by the officers of the American Bankers Association.

To embody in the constitution of the Institute changes of organization agreed upon by the respective Executive Councils of the Institute and the American Bankers Association, Mr. Wilson reported that a constitutional revision had been submitted by William M. Rosendale of New York. In addition to amendments



NEWTON D. ALLING.

providing for Associate Members of the Institute, the proposed revision includes some minor changes which, in the judgment of Mr. Rosendale and others, have been found by experience to be expedient. The proposed revision omits from the original document several minor provisions which may, if so desired, be enacted in the form of by-laws, thus limiting the constitution to essentials of government. Mr. Wilson reported that the proposed revision of the Institute constitution had been approved by the Executive



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AMERICAN INSTITUTE OF BANKING CHATTANOGUE



TADOGA TENN JUNE 8th-10th 1910

W.H. Stokes
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Council, and was respectfully submitted to the convention for consideration.

Chairman Wilson further reported that the following educational plan for the ensuing year has been received from the Educational Director and approved by the Executive Council:

The American Institute of Banking Section of the American Bankers Association is devoted to the education of bankers in "Banking and Finance" and "Commercial and Banking Law" and the establishment and maintenance of a recognized standard of banking and financial education by means of official examination and the issuance of certificates. To qualify students for examination for certificates, which are termed final examinations, the Institute provides standard courses of study in "Banking and Finance" and "Commercial and Banking Law" in the form of serial literature and collateral exercises. Each of the two courses thus provided requires at least fifty hours of class or correspondence instruction. Only students who have completed such study courses are eligible to final examinations for certificates, except that any suitable person who has been in the banking business ten or more years may become eligible to final examination in "Banking and Finance" upon passing a special preliminary examination in that subject. Credit is given severally for examinations successfully undergone, but certificates are issued only to students who have passed final examinations in both "Banking and Finance" and "Commercial and Banking Law." Graduation at any approved school of banking and finance will be accepted as an equivalent of Institute final examination in that subject. Graduation at any approved school of law or membership of the bar will be accepted as an equivalent of Institute final examination in "Commercial and Banking Law."

Professional Instruction—In cities containing suitable schools of banking and finance and law, alliances may be made between such schools and local Chapters for the conduct of study classes by professional instructors, who may utilize the serial lessons provided by the Institute to such extent as may be mutually satisfactory. Approved instructors are deputized to conduct final examinations for Institute certificates.

Co-operative Study—In cities without suitable school facilities, amateur instructors may be appointed to conduct Chapter class work under the supervision of the Educational Director of the Institute. Amateur instructors thus appointed are authorized to conduct exercises in connection with serial lessons, but under this plan final examinations for certificates are conducted from the general office of the Institute.

Correspondence Instruction—Individual students are provided with the Institute study courses for use in accordance with the correspondence method of instruction, in which not only final examinations for Institute certificates, but also exercises in connection with serial lessons are conducted from the Institute general office.

Tuition Fees—The cost of each of the two courses of study thus provided by the Institute, whether furnished to any Chapter as a whole or to any individual studying alone, including all examinations not delegated to local instructors, is \$20, less fifty per cent. to Chapter members or employees of financial institutions that are associate members of the Institute through membership in the American Bankers' Association.

Following is the financial statement of the Educational Director from September 1, 1909, to June 1, 1910:

RECEIPTS.	
Balance on hand September 1st, 1909.....	\$ 2,641.14
Subscriptions, less exchange	9,048.99
American Bankers Association	4,753.28
	\$16,443.41
EXPENDITURES.	
Salaries	\$ 4,390.00
Bulletin and stationery	5,391.56

Traveling expenses of Educational Director..	\$42.00
Expenses of officers	130.36
Postage (\$751.47); incidentals (\$502.45).....	1,253.92
Institute certificates	148.25
Law lectures	375.00
Banking and finance lectures	360.00
Program committee meeting	106.20
Office rent	333.28
	\$13,330.57
Balance on hand June 1st, 1910.....	3,112.84
	\$16,443.41

The report of the Executive Council was received and consideration of the revised constitution made a special order to be called for at a subsequent session of the convention.

NO SMALLER CURRENCY.

Under the head of new business the following preamble and resolution, offered by E. A. Fitzpatrick, of Scranton, were adopted:

Whereas, It has come to the knowledge of the American Institute of Banking that the Secretary of the Treasury contemplates making radical changes in the paper currency of the country, relating especially to the size of the notes; and,

Whereas, The proposed reduction of the notes would entail very great additional burden upon bank tellers and others who handle large quantities of bills; and,

Whereas, The reduction in the dimensions of the notes would necessitate the handling by bank tellers, bank clerks and others of two sizes of notes, thereby increasing the responsibility of bank tellers, bank clerks, and others by reason of the additional liability of loss due to the interleaving of the smaller notes with the larger ones; and,

Whereas, The reduced size contemplated for the notes will be less convenient for expeditious handling; and,

Whereas, Almost endless confusion would result in all departments of the bank until the old issue of notes had been retired, thereby greatly adding to the labor; and,

Whereas, The leading bankers of the country are opposed to such reduction in the size of the notes; Therefore, be it

Resolved, That the American Institute of Banking in convention assembled at Chattanooga, Tennessee, do oppose the proposed reduction in the size of the paper currency.

ADDRESS BY WILLIAM J. BURNS.

William J. Burns, Detective Agent of the American Bankers Association, delivered the following address, which was received with the closest attention and notable enthusiasm:

Mr. President and Gentlemen: You are indeed to be congratulated, not only upon this splendid assembly, but also because of the personnel of the members of this convention. And I want to say to you, gentlemen, having attended a great many meetings and gatherings, as I stood last night in the corridor of the hotel, I remarked to Col. Farnsworth that I had never before seen such a gathering of intellectual young men, gathered as you are from the great financial institutions of this country.

Your organization has performed a great work in its educational features; but, in my opinion, one of the greatest services that you are performing is the developing of men for greater and larger responsibilities.

I consider it a great privilege, therefore, to be invited to address you to-day; and, as there are certain features of my work in which it will be necessary to get the co-operation of your organization, I have several suggestions to submit to your body, and perhaps you may consider at least one of them rather unique.

When I took over the work of the American Bankers Association—and I mean the detective features of it—I made a careful study of what was necessary in the premises, because I realized the great responsibilities that lay upon any person who undertook that character of work. I concluded that, in addition to matters pertaining to the apprehension of criminals after the crime had been committed, there was still another important feature that should be covered, and that was the preventative feature.

And now, in order to illustrate the point, I desire to state that my idea is that the members of this Institute should be educated along the methods of detecting criminals. In other words, I propose to educate, if possible, and if permitted, the members of the Institute in the art of detecting criminals. And I want to say to you, gentlemen, that there is not as much to that, perhaps, as you imagine; because I know many bank tellers personally throughout the country who have developed the very keenest detective talents of any persons I know. Therefore, it would be a simple matter for the members of this Institute, and especially the tellers, if they were thoroughly versed in the methods of criminals and in the methods of detecting them. And of that I hope you will take some note, gentlemen, and take some action on it; because, with your co-operation, there isn't any question in the world but that much of the crime can be prevented.

It only requires what I call "finesse" upon the part of the bank teller to sometimes prevent great forgeries. For instance, it does not sound like very much for me to tell you of finessing, but I will illustrate what it means and what great results sometimes follow.

For instance, in one of your cities—and many of you are familiar with it—a forger presented a check. The signature looked all right to the teller—and I say it with no disparagement to any teller, as to some of the forgeries that we are getting to-day. Concluding the signature was all right, his attention was attracted to the name of the person upon whom the check was drawn, as to his balance, which he examined; and the forger, noting the fact that he hesitated, concluded at once that it was because of the signature. But the teller, having satisfied himself that the balance was all right, counted out something like \$4,000. When he turned to hand it out, however, there was no one there to take it; so he pulled it back again. The forger had gone.

Now, if the tellers would simply apply a test of that character when they are at all suspicious, or have the person presenting the check write their name, or if there is anything connected with the check in which they become suspicious, the applying of such a test will many times prevent the forger from waiting for his money.

You know they are but human, and it is the easiest matter in the world to follow the criminal mind. Of course, they sit down and figure out the best method of beating the bank, and they select the most opportune time. For instance, you will notice that most forged checks are presented either on Saturday morning, or immediately preceding a holiday. Of course, you can readily understand the reason for that.

Now, if the teller would ask, on a no-pay check, the man to write his signature, you would find it almost impossible for him to write it the second time. In many cases of that kind where they have handed back the check, instead of re-writing the signature, they have run out and gotten away.

But, speaking of finesse, and what it will accomplish sometimes, in order to thoroughly illustrate it, I want to tell a particular story of the Monroe head silver certificate, with which you are all familiar. You will remember that was considered the greatest counterfeit ever made, because it was the only counterfeit which the government experts declared genuine.

After we had arrested Taylor and Riddle, you will remember, they are the engravers of the note, as was my custom, I always gave the criminal a fair chance, I notified them of their right; that they did not have to make any statement to me; and that anything they did say would be used against them; but that, in view of the fact that they had been caught

red-handed in the matter, if they saw fit then to make a clean breast of the whole affair and turn up their plates, that matter or information would also be conveyed to the District Attorney; and, of course, they told me they had nothing whatever to say.

Taking a file I found there, I pried open a drawer—a drawer which, I might say, I visited many times in the absence of the proprietors, and found the plates—the \$100 Lincoln head plate, which was the new plate they had just finished, and also one genuine \$100 Lincoln head note, which had been used as a pattern-piece. Turning to Mr. Wilkey, who stood behind me—and the two defendants were also sitting behind me—I said, "Mr. Wilkey, here is only one of the notes. Kendrick said he sent them two." When they heard that, Riddle said, "Mr. Burns, may I ask you a question?" I, of course, said, "Yes." "Whom have you under arrest?" Well, of course, we did not have anybody under arrest then except those two men, but I named all of the men whom we intended to arrest.

And, now, in passing, I want to call your attention to another feature in finesse; and it is my purpose, in telling the story, to thoroughly illustrate to you how to take advantage of the psychological moment of the situation. In naming over the men we had arrested, I mentioned one of the attorneys who had endeavored to bribe me in the matter, and who was subsequently sent to the penitentiary with his partner. When I mentioned the name, one of the counterfeiters repeated the name. I at once knew that that was not the man with whom he had done business; and so I said, "It is the fellow that does not hear well." He said, "Yes, that's the man;" and they named the real man with whom they had done business, and so they were all turned up.

Then he took a little pin, and went to what I supposed was a thing of solid iron, and by inserting the pin took off the top, and there we found the other \$100 genuine note and a proof of really the best counterfeit that was ever made. It was a \$50 note, but it had never been put into circulation and had not been used by them. It was being held in reserve until such time as they succeeded in getting the genuine paper.

That is what I call finessing; for in that way we succeeded in getting all of the plates except the \$100 Monroe head silver certificate plate, which they did not have at the time, but which was at Lancaster.

And now I will illustrate another feature of finessing. In order to get at that place, we had gone to Lancaster, Pa., and made search there of their factory, and seized about 27 tons of paper (they were making cigar stamps as well as \$100 notes); but we still failed to find the \$100 plate. After having about two hours' talk with Jacobs, one of the counterfeiters, he refused to tell me where the plates were unless I would agree to give him some consideration; and that, of course, I refused to do. But, after talking to him for some time, and failing to move him in the matter, I went down to Mr. Kennedy at the other factory, or warehouse rather, where they had stored the paper for making the stamps and also for printing, where they intended to print the money, and told Kennedy that I intended to arrest everybody connected with it; and he at once went into a frenzy, and was terribly worked up over the matter. He asked me why we were going to do that. I told him we had not found the \$100 Monroe head plate, and he said, "My God! man, if you will only unlock me I'll get it for you immediately." We unlocked him, and he got it for us.

So we got that by finessing.

And so with the bank teller, if he would do a little finessing in matters of that sort—that is, where he suspects a check, or where it was a no-pay check—if he would hesitate or hold it for a little while, it would oftentimes save the bank embarrassment and money.

Now, gentlemen, I do not propose to take up any more of your time, because I know you have a great deal of important business before you; but, in conclusion, I want to state that, in my opinion, there should be something done to protect the checks and check-books of the various banks, because it is so easy at this time to obtain both, and to that is at-

tributable many of the forgeries, for without those checks and check-books it would be impossible for the forgers perhaps to work off their checks.

In making an investigation recently in New York of a forgery, I examined the check-book of the firm upon which the forgery was committed, to ascertain if they had gotten their checks. They were individual checks, and printed. I found they had not. Then I visited the printer, and asked him if it was possible to get checks from his place. He told me it was absolutely absurd to think of it; that it could not possibly be done. I asked him about the book-binder, and he said it would be impossible to get it there. With this information from him, I left him. I came back, however, at lunch time, when he was not there, and I made a cursory examination of the place. Some of the workmen were sitting about there, and on the wall I found a large number of blank checks of various kinds, and in there I found two sheets of the identical checks for which I was looking. I also found a number of check-books on various firms and banks, which I did not have any trouble in getting.

So, when the fellow came back, I asked him if he was not mistaken about not being able to get the checks there, and he said, no, he was not. I then pulled from my pocket the two sheets of checks, and asked him what he thought of those. He asked me where I got them, and I told him. He said he was very much surprised; that he had forgotten about them. Then I showed him the blank check-books which I found about his place there, and he was still further surprised. Then I showed him eight sheets I had gotten from the book-binder, and he was ready to admit that it was not very much trouble to secure those checks.

And so, if the check-books were registered, and every check numbered, or something of that kind, it would have a tendency to reduce, in my opinion, at least, one-half of the forgeries that are committed to-day.

THE PAYING TELLER.

The convention then listened to the following masterly address by Cullom W. Kay, of the Whitney-Central National Bank, of New Orleans, on "The Paying Teller, with Relation to His Work and His Fellow-Employees":

Of the many departments of a bank, there is none which is of so much interest to the general public as that of the paying teller. To the bank man it is not so, for he knows that the work is often a large physical strain, and very few of them care to carry the burden of always having a large amount of currency in their custody, and to be subjected to the many petty annoyances that he has to bear. He is not looked upon by them with the veneration and interest the customers give him, and he is to them only a more fortunate person, enjoying a larger salary, with, perhaps, at times a very ungentle disposition.

However, when the cash settlements of the various departments are turned in early in the morning, in regular sequence, and found correct, the clearings have been examined and proved (in New Orleans we do this work before ten o'clock, at which time the bank is opened for business), the shade on the window is raised and the paying teller gives his attention to the demands of the customers and public, he is usually in a good humor and ready to see and enjoy the interesting events that come under his observation.

Can the paying teller find time to entertain the public? As a rule, and when not rushed, every one of them seems to, and do enjoy greeting the customers, and will talk upon all kinds of subjects from baseball to serious public questions, and it is remarkable that a man can do this and not make errors. I have noticed that the older men give in to this habit more than the younger. I used to know a typical old French gentleman, who was teller for many years of one of the largest banks in New Orleans, who would invariably hold the money in his hands until he had said a few words or cracked a little joke, and sometimes even when several persons were waiting in line, too. He was always cool and collected. It will not surprise

you to hear that the bank has retired him on a pension. It is perhaps interesting to remark here that he was succeeded by his son, who was receiving teller, and the receiving teller's son, who was employed in the same bank, about that time was offered a paying teller's position in another large bank, which he accepted. It is not unusual in New Orleans for a father, son, and, sometimes, a grandson, to be in the same bank, particularly among those families which are of French descent.

One of the advantages the paying teller has in waiting on ladies, for the trouble of identification often arises, and when the teller for his usual courteous treatment is rewarded with a smile and a "thank you," the advantage is very apparent. A very pretty woman recently presented a check for \$100 at our window, on a Saturday during a rush—we never let them wait, and the men in line always step aside and give them the preference—and this lady requested that she be given four twenty-five dollar bills. The teller caught the words "twenty" and "five" and gave her five twenty dollar bills; and she returned them immediately, with a frown, and again, this time distinctly, demanded four twenty-five dollar bills. She finally accepted four 20's and four 5's, and from that day whenever she comes to this teller's window he guardedly jokes her about it.

You older gentlemen paying tellers have, no doubt, had many and various interesting experiences with forged checks. Not long ago, on a busy Saturday, a well-dressed fellow joined the line, and, in his turn, presented a check for \$3,500 to one of our tellers. It was recognized immediately to be a forgery of the personal or individual signature of a member of a prominent local business firm, and the teller was aware of the fact that he did not keep a personal account, so the detection was easy enough to make and also to make the fellow believe he was going to get the money. He was told to wait a moment in order that we might see if the check was good, the teller in the meantime waiting on the customers as they came up to the window one after the other, at the same time keeping his eye on the fellow and the bank's detective to see that they did not get too far apart. When the assistant teller returned the check and stated there was no account under that name as an individual, the forger was politely asked to go to the office in the rear. Apparently, he felt so sure that he would get the money that he did not hesitate to follow the teller to the cashier's rail, where the teller turned the check over to that official and introduced the forger as an interesting person, who would have to account for having such a check in his hands. The teller sent the detective back to the rear office almost immediately afterwards to "stand by," and then went on with his work, and shortly afterwards noticed above the heads of the crowd of customers that the rascal went out with the local detective and was placed in an automobile and taken to prison. The fellow was convicted and is now serving fifteen years in the penitentiary. The customers did not notice anything unusual, and the teller did not lose three minutes from his work. The effect of this kind of experience to one who handles many checks is that he is worried for days afterwards, and strains his eyes looking for defects in signatures and very apt to be unusually nervous for some time.

(Is it possible for any of you to conceive how a felon may remain in a bank, and such fact be known to the officials, and yet they would be precluded from discharging anyone? A bone felon!)

About four years ago there was deposited in one of the smaller banks of New Orleans a check on our bank for \$3,900 by a person who opened the account in the name of, and represented himself to be a well-known lawyer. The bank was a new one, having opened for business a few months before, and was anxious for customers and grateful for the deposit. The party depositing called an hour or so afterwards and presented his check for \$3,000. The teller looked up the deposit, and finding out of what it was composed, he referred the check to an official, who telephoned to our bank to me, and read out the check. I knew the official's voice and the party whose name was apparently signed to the check. I told him that

I thought it was good, but as it was late—a little after twelve M. on Saturday—I declined to pass on it. They paid against it anyway for \$3,000. The following Monday morning I passed the check in the clearings and did not notice anything was the matter; but, fortunately for the bank, there was not sufficient funds at the credit of the account to meet it. We telephoned to the depositor and notified him. He answered that he had not issued any such check, and declared it was a forgery. We, of course, threw the check out. The new bank was stuck for \$3,000. I was cautioned to watch the signatures more carefully, but as it was a good forgery they did not censure me. A man named Fred Deibel, Jr., was accused of committing the forgery. This fellow has become famous, and much could be said about his crooked ways. This case illustrates that it is well not to answer such inquiries over the telephone, and checks should be presented personally. In speaking of checks and forgeries, I cannot fail to remark of the meanest act that was ever committed in a bank. There are fifteen members of the New Orleans Clearing House Association, and a number of non-member banks, which clear through the others. The clearings are very large and a great number of checks are drawn. One day they could not prove by \$10, and, after checking, it was given up, as there were so many checks of that amount, and it was found that one was missing, so that the bank suffered the loss. Several days afterwards the clearings were short \$100, and, after checking, two \$50 checks were missing. We realized that somebody was stealing, and every one was on the watch. Shortly after—the last event—the clearings were short \$50. We located the difference to be missing express money orders, and notified the express company to observe carefully those orders that were paid out of the regular system. It was not many days afterwards that a boy in the bank was caught trying to cash the last \$50 item. He was discharged, but not prosecuted, as he was so young, and his family made the amount good. To those who know what it is to check a large clearing composed of hundreds of checks I need not say much, but to those who do not I must say it is the meanest work in a bank. Several months afterwards this young fellow was caught and sent to the pen for trying to cash a check for \$3,000. After, in the pen, he was put in charge of the tobacco and tobacco money, and was caught stealing that.

By the way, we have another well-known fellow down in New Orleans who has wrecked several banks within the last two years, and he has not even been arrested, except when he dropped a brick on a passing pedestrian. (He is a demolishing contractor.)

A great many of you have probably read an article in a recent Wall Street journal which says: "For some time the Treasury officials at Washington have had under consideration a reduction in the size of the existing paper money." Have you realized what an inconvenience this innovation is apt to cause us? Suppose some day in the near future we are paid a lot of these little bills by the local Assistant Treasurer? As a matter of course, the newspapers will publish the facts, for a wideawake reporter soon hears of it, and then the public swoops down on the tellers of the different banks, and makes their existence a miserable one, as invariably happens when the Treasury issues new designs of pennies, gold coins, etc. We, of course, shall have to separate the bills. Shall we be compelled to have two drawers and perform gymnastic feats from one to the other at the beck and call of customers, like a musician playing several different instruments? Let us strenuously object to any innovation like this by the Treasury Department. Whatever system a bank may have of handling the cash, whether the work devolves entirely upon the teller or upon an official, the teller is largely responsible for and should be consulted as to the amount of each of the different sizes of bills, for he is expected to know about what the demands of the seasons will be; and if he is not thoughtful and the fall of the year finds him without plenty of small bills to meet the demands of the country banks to move the crops, he is going to have a lot of unnecessary trouble, for in the winter and early spring he is flooded with small bills and silver coins, and he may easily save the

new bills usually received for the redemption of the silver and much of the currency. When a teller has a good working assortment of cash and provides himself well with small change for pay days and is easily familiar with the signatures, he is able to meet the customers' demands with a cheery grace that gives him a good standing with them and with the officials of the bank. It is well for him to remember that the small duties pertaining to his work are a necessary adjunct to the successful handling of his department.

There is hardly any position in a bank in which there is a larger opportunity to make friends of their fellow employees than is that of the paying teller, for there are so many little kindnesses he can do for them, and he is usually amply rewarded and shown their appreciation by giving him a good support and helping hand when he calls upon them. In point of years, most men work a long time in a bank, for it is steadiness, after all, all things being equal, that counts there, and a great many spend a lifetime in one bank. When we realize that we see more of each other



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than we do of our own families day after day, year in and year out, I think we ought to be as friendly and kindly helpful as brothers. Dislike of each other, needlessly unfair reporting of trivial errors and faults to the officers of the bank, feelings of avarice for place and power should not outweigh a higher and more manly ambition and desire for advancement. With these higher forces combined we are sure to succeed in advancing and retaining the friendship and good will of our fellows, and being an honor to the institutions which we represent.

The first session of the convention then adjourned for the wonderful trip to Chickamauga National Military Park and the subsequent dance at the Golf and Country Club.

Thursday Morning Session.

The second session of the convention was opened

at ten o'clock on Thursday morning with an earnest invocation by the Rev. Wilbur N. Mason of the First Episcopal Church at Chattanooga. President Alling read the following telegrams:

Minneapolis, Minn., June 7, 1910.

Newton D. Alling, President, American Institute of Banking, Chattanooga, Tenn.

Will give one hundred dollar cash prize for best two-hundred-word article on American Bankers Association travelers' checks, open to any Chapter member; contest to close September first, and to be in charge of Executive Council of the Institute.

JOSEPH CHAPMAN, JR.

The next telegram is as follows:

Albany, June 8, 1910.

Newton D. Alling, Hotel Patten, Chattanooga, Tenn.

Until to-day I had not given up intention of attending part of convention. Please express my regrets to New York delegates and the many other friends. I desire to record my best wishes for successful meeting and my continued loyalty and support to the Institute, whose work is only beginning.

O. H. CHENEY.

MR. WATTS' ADDRESS.

F. O. Watts, President of First National Bank of Nashville, Vice-President of American Bankers Association, was introduced in a few appreciative words by President Alling, and spoke as follows:

As you have honored the State of my adoption by coming into her midst and being our guests, and as I have an affection for that State beyond expression, and although I was not on the program to speak of your welcome, I take the liberty of prefacing my remarks by saying to you that there has been nobody coming within our midst; there have been no men coming as our guests, to whom we feel like extending a greater welcome, and who are as a matter of fact more welcome within our borders than the American Institute of Banking.

There is a Grecian fable about a certain baron of whom it was said it gave him great pleasure to extend invitations; and, upon the acceptance of his guests, he placed them in a chamber where he had an iron bed. And there, for his own amusement, those who were too short, he stretched to fit the bed, and those who were too long, he proceeded to cut off their limbs. I fancy the only thing that will be done here is to stretch your eyes a bit, to take in the wonders of Chattanooga and Tennessee; and, incidentally, our brethren in Chattanooga may "pull your legs" a bit.

But it is not my purpose, upon this occasion, to enter into any lengthy dissertation. I do not propose to take as a subject any of those issues that are concerning the American people and especially the banking interests of America to-day. If I were to assume that upon the Central Bank question, the Postal Savings Bank question, the Currency question, or upon any of the details of bank management, I could stand before you and tell you things that you did not know already, I should be sailing under false colors, and would probably, in the end, have to make some such explanation as was made by a tramp who appeared at the rear door and asked the woman of the house for something to eat. Upon being given something, he politely took off his hat and displayed an absence of hair. The woman looked at him and said, "My good man, were you ever married?" He looked at her and said, "Not guilty, Ma'm, though the appearances are again' me."

My purpose to-day is merely to visit this great convention; and I am glad to say that I may visit it with some show of being a representative of the American Bankers Association. That (indicating) is our honored, quiet, unassuming and very active General Secretary. If it were not for the fact that I had arranged to appear first on the program, it is possible that I would have had to set some fit subject, such as "The Labor Question in America;" but, as it is, I come before Farnsworth, and, therefore, I am The Representative of the American Bankers' Association.

I am put in the attitude of the farmer who wanted to give his horse some powder, but he didn't know just how to do it. A neighbor advised him to get a quill, stuff it full of powder, and blow it down the horse's throat. The next time his neighbor saw him, he said, "Say, John, did you give your horse that medicine?" He replied, "No, the horse blew fust."

I feel sure, gentlemen, that you have kept up with the history of your organization, but it is possible that some have not, and that some of your guests have not. Therefore, my mind is drifting to the organization of the American Institute of Banking, to the progress it has made, and to the future before it. And it is along those lines that I intended to occupy your attention for a few minutes.

In the spring of 1899 a petition was presented to the Executive Council of the American Bankers Association by the bank clerks in the cities of Louisville, Ky., and Buffalo, N. Y. This petition to the Executive Council of the American Bankers Association contained, among other things, this, as the purposes of the organization:

"As a means of education and training the proposed Institute must be as valuable to the banking houses as to the employees who enjoy its benefits. * * * Its aim must appeal to those who believe in a more intelligent application of banking practices in this country."

That petition was received with some favor by the Executive Council of the American Bankers Association, and a committee was appointed for the purpose of studying the subject and presenting it to the next convention to be held in the city of Cleveland.

At that convention the subject was presented. I fear that, if you knew the division of sentiment at that time upon the subject, you would not now feel complimented. But if you hear it you will feel gratified that the movement, and the movement of your making, has changed those conditions to a point where there is not to-day a banker in this country who is not proud of the American Institute of Banking.

The President-elect of the American Bankers Association five years after that convention, in a public meeting, stated that he had appointed the committee for the purpose of killing the movement. That committee, however, possibly having some degree of bias in the beginning, applied themselves, as the American bankers do, with the idea that, if their bias was not well founded, if they were mistaken in their hasty conclusions, they would lend their best efforts, they would lend their encouragement to the building up of such an Institute; and that was the result. This man of whom I spoke, five years later, stood in the American Bankers' Convention and acknowledged his error, in that way acknowledging that he was wrong, that the American Institute of Banking was now one of the greatest, if not the greatest, work of the American Bankers Association.

This Committee of Education was appointed in 1899, to report to the subsequent convention. In 1900, in the city of Richmond, this committee reported, and reported that such a plan was feasible, and recommended that such an organization be made.

That committee was continued, and in the spring of 1901, on February 15th, the plan was approved. On March 23, 1901, the plan was put into execution, and the American Institute of Bank Clerks was a thing of reality. The organization from that date began to do its work and to prosper.

I may be permitted here to read from one of early essays of one of the members:

"The idea of combination among those in a particular calling is not new, but we recall no trade union or other organization, by whatever name it may be known, where the members have united with the intention of improving their condition by first fitting themselves for higher things, so that personal ability, rather than the coercive power of organized numbers, shall compel recognition of the individual's claims."

I shall not go into the intermediate history between the organization in 1901 and the year 1907. A report was made, however, in the interim, by the Committee on Education, in which was found these words:

"The members of the association may feel assured, however, that a foundation has been laid upon which a superstructure may be erected in keeping with the dignity, wisdom and pride of the Bankers of America."

You note the words, "may be erected." We stand to-day, gentlemen, five years removed, and we say, without fear of contradiction, that such a foundation has been erected.

In the year 1907, as the result of your work, as the result of close observation and scrutiny of the Committee from the American Bankers Association, the American Bankers Association decided upon a broader organization. They decided first to acquiesce in the change of name, the name originally being, "The American Institute of Bank Clerks." They decided the name might be, "The American Institute of Banking." They decided that the American Bank Clerks were but bankers and bank officers in the bud; and that there was no authority that might be entrusted to the bank officers of America that could not safely be entrusted to the Bank Clerks of America.

So the American Bankers Association decided to give to the American Bank Clerks the Home Rule.

It was my honor, in 1908, to be the chairman of the Committee on Revision of the Constitution of the American Bankers Association; and, as such, it gave me great pleasure to crystallize and put in lawful force the sentiment in the American Bankers Association, of which I have spoken, by changing its constitution and making the American Institute of Banking a section of the American Bankers Association—a section similar to that of the great trust companies of America—a section similar to that of the great savings banks of America; a section similar to that of the great clearing houses of America.

And so you stand to-day, one of four children of the American Bankers Association—not one whit less in importance as the result of the amendment of the constitution made at the convention in the city of Denver in 1908. There was not a dissenting voice. There could be found on no side a single intimation that that should not be done. And, having attended every convention of the American Bankers Association from the first suggestion of the creation of the Institute to the time of the adoption of this constitutional amendment, I thought and marvelled at the change in sentiment among the bankers; and I thought and marvelled not at what the American Bankers Association did, but at your work and your deportment, which had brought about such a marvelous change in such a brief space of time.

I am, now, not unlike other bankers. I had been a believer in the movement from the beginning, but now we are all believers. And that there is practically no banker to-day who would not go speedily, who would not at your command or your call give his time or his talents to help you—if I can impress this upon your minds, the willingness and readiness and quickness with which, I shall be pleased.

This can best be illustrated by a jocular statement, which I shall attempt to give you. It is told of a dinky who was a bootblack in the hotel in the city of Cincinnati, that a murder occurred near his bootblack stand; and he, of course, was a witness. Now, the hotel at which this murder occurred was a block from the Big 4 Station. When this bootblack was called as a witness before the judge and jury, the counsel asked him where he was when the murder occurred. He said he was right there. He was then asked how many shots there were. He said there were two. The counsel then asked how rapidly those shots were fired. Using his hands, the negro said, "About this way, Boss" (slapping his hands together). The counsel then asked, "Ephraim, where were you when the first shot was fired?" "I was right there, Boss." "Where were you, Ephraim, when the second shot was fired?" "Boss, I was just passing the Big 4 Station."

The American Institute of Bank Clerks has shown that it is an organization ambitious to learn, ambitious to acquire both practical and technical knowledge of their profession. They have shown by persistence in their work that they intend preparing

themselves and being prepared at all times for the greater responsibilities of their profession; and, what is more, for the great responsibilities of an American citizen.

I fancy that it is those clerks who are not members of the Chapters, and yet who have had it within their power to become such, that are like my small boy, twelve years old.

I had noticed upon his part a disinclination to go to school, and it annoyed me, and I wondered what was in his mind. I began trying to get from him what was his reason for not wanting to go to school, and, after much parleying between us, in which I used some diplomacy, I realized that diplomacy came to naught; so I had finally to come out with the plain question, "Son, why do you dislike to go to school?" He said, "Father, I think I know enough."

I fancy that it is not the members of the American Institute of Banking who think they know enough, but, on the contrary, it is that class who re-



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fuse—those men in the banks who refuse—to ally themselves with this great movement who think they know enough.

The fact is, that I have such an admiration for your organization that I have pretty much the feeling of the Tennessean who went to New York for his first time. He thought it was a great city, of course. On his return home he was asked what he thought of New York. He said, "Well, New York is a great city. I am certainly sorry I did not go there before I was converted."

With the opportunities that you have to-day, with the opportunities that every bank clerk in Amer-

ica has, I am certainly sorry that, 26 years ago, when I began as a bank clerk, I did not have such opportunities.

This is an organization without parallel, probably, in history; an organization truly not a labor organization, and yet an organization of employees. And if I were one of your members, I should pride myself in saying that it is an organization of workmen—an organization in which the employer has as great interest and lends as much to its promotion as the employee; an organization in which the employee and employer have but one motive and a common motive. Other organizations are not so.

A great English authority said of the labor unions of England that they were a clog in the wheel of industry and progress, and that they insisted upon stopping and fighting at every mile-post of the journey. Now, you will notice that I used that expression regarding the labor unions of England. As I happen to be at the head of an organization that is especially a saving institution, I have been that careful.

I dislike to have to make any apologies. I feel very much like the husband, who was a neighbor of mine, who had a wife who insisted upon singing in the evenings when the neighbors were all at home. She probably was the only one in the community who enjoyed the singing. Whenever his wife began to sing, the husband was seen to pass the front porch, and, finally, his wife began to notice it. She said, "Dear, why do you go out on the front porch?" I don't believe you enjoy hearing me sing." He said, "Dear, it is not that, but I don't want my neighbors to think I am a wife-beater."

Another authority upon the labor situation in America and England has said that the labor unions are fighting organizations, a militant body that is merely looking for the advantage of an hour. The American Institute of Banking is an organization of employees, so to speak, forgetting the advantages of an hour, losing sight of temporary benefits, and thinking only of the improvement first and themselves second, the institution to which they are loyal, and third of the profession of which they are yet probably in a way prejudiced, and best of all of what they can do to advance commercial and social interests in the country in which they live and of which they are supremely proud.

They are accomplishing those ends. They are brightening their visions.

I heard an illustration once made from the pulpit, in which the pastor said that misfortune everywhere was the sparrow's vision; that everywhere men failed to see beyond their limited vision; that the sparrow sitting on the telegraph lines, thinking of its own world only, thinking of itself only, thinking only of those things immediately within its vision, little knowing that, underneath it, was passing every second messages bearing the important commerce of the country; little knowing that, on every hand, were guided affairs and things of great importance, things even beyond the conception of man, and yet it sat there, always in its ignorance. He said that such thing was the trouble.

When you reflect upon it, gentlemen, is it not so yet? In some degree everywhere is it not so among the American Bank officers? Is it not so within your minds now? Every one of you possibly have your chief or superior officer. You have a picture of one bank man or two bank men or more that are narrow enough to forget that there are other things about them, that there are bigger things about them; that there are things about them that, if they would give those things some thought and some time; if they would give those things but a small part of the time which they are selfishly giving to their own affairs, that the time would come when you and another neighbor and another employee and a broader circle and a still broader circle would say that they had not lived in vain.

Gentlemen, I feel that the work you are doing, possibly more than any other organization anywhere, is removing that disposition. You are broadening your vision; you are looking with a broader view upon your own affairs, upon your civic affairs, and the time will come when those of you who continue such work, those

of you who do not falter, will not only be the presidents of your banks, but you will stand up in your community; you will stand up in your States; you will stand up in the country as a whole as an American citizen worthy of the tribute and worthy of the acclaim of every man within the sound of your voice. I trust that you will continue such work.

The American Bankers Association, as you may already have surmised from my remarks, shall continue to lend its help in every possible way. The American Bankers Association has spent \$80,000 in promoting this work. They now consider that a mere pittance. There is scarcely any sum that they would not continue to spend to continue such work.

Mr. Watts' address was received with exceptional enthusiasm and prolonged applause.

REPORT OF TEXT-BOOK COMMITTEE.

Chairman Franklin L. Johnson of the Institute Text-Book Committee was called upon for a report which was made informally, as follows:

Before making the report, I want to express my personal gratification at the pleasure I have felt as one of the members of the Institute in the address of Mr. Watts; and I believe that some statement ought to be made from this platform that the success of the Institute has not been due alone to the work of its members. The Institute would have prospered, I believe, in spite of the support we have had, but the thing that made the Institute what it is to-day is the hearty support we have had from the outside, from such men as Mr. Watts.

I do not want to make a detailed report of the committee here; I shall merely state some of the difficulties that the committee has had to contend with, and the chief difficulty, perhaps, is on the text-book proposition. We are trying to write text-books on banking and commercial law. To write a text-book requires two qualifications: You must first have knowledge of the subject, and have it thoroughly. Aside from that, you must have knowledge of teaching and knowledge of how to write, and the sequence in which to introduce your subjects. I believe that, in the Institute, we have the necessary knowledge concerning the subjects of which we wish to write; but we are not teachers. We are learning that as fast as we can.

In one respect, at least, your committee is composed of very good Episcopalians; we have left undone many things which we ought to have done. On the other hand, we have done some things which we should have done; and those things have been done well. I say, your committee has done it; your committee has apportioned the work, and the Institute has done it. The text books are far from complete; but the work is in good shape. The work that has been done is excellent, and we expect to have the lecture courses ready for use next fall.

Mr. Allen, in the report of the Educational Committee, will tell you of the details, as to what work has been done; and the committee desires to say, in making this report, that the brunt of the work has fallen on the Educational Director; and to say that the credit for the work belongs to him. Mr. Allen is a very busy man, for he is not only the Editor of the Bulletin, he is not only the traveling representative of the Institute to visit Chapters, he not only runs the office of the Institute and serves as a sort of business manager, but he is the head teacher, the head professor, and he is the chief editor of the Institute text books; and I presume he does a whole lot of things the rest of the committee do not know about. So that the committee desires to here express their indebtedness to the Educational Director for the splendid service he has rendered.

The report was received and the committee thanked for its efficient and arduous services.

WINNERS OF PRIZE CONTESTS.

Educational Director George E. Allen reported that there had been eighteen entries in the contest

for prize essays on the subject of a Central Bank and seven contestants for the prize on Canadian Banking System. Dr. Channing Rudd, Professor Chas. A. Green and Walter E. Frew of New York, the committee in charge of the Central Bank contest, decided after much conference and some difference of opinion that the essay winning the first prize was that written by J. E. Rovensky of Pittsburg. The second was won by A. M. Dickerson of Chattanooga. In the Canadian Banking contest the judge was Professor Joseph French Johnson of New York University, who decided that the essay written by Christian Bonnet of St. Louis was entitled to the first prize. As Mr. Bonnet was not present his essay was not read, but will be published in a subsequent issue of the Bulletin, as will also the essay of Mr. Dickerson. The essay of Mr. Rovensky, which won the first prize in the Central Bank contest, was read by the author, as follows:

During the past twenty years the opinion has been gaining ground that our present banking system is in need of revision.

At first this question was discussed only by bankers, but as one defect after another became apparent, each causing more or less injury to the fabric of credit, interest became more general, until to-day the banking problem is attracting the attention of business men throughout the land.

It cannot be denied that our present system, born of the exigencies of the Civil War, has in the past been of great service to our business interests, but there are tremendous changes taking place, not only in our business methods, but even in the very nature of the country. Large sections are being transformed from agricultural to manufacturing districts; villages are growing into cities; railroads are forming a network throughout the West, bringing into use sections formerly uninhabited—in short, we are becoming an older nation, and the banking system of former years cannot be expected to operate satisfactorily under conditions so vastly different from those on which it was founded.

Numerous remedies have from time to time been urged upon the public. Each should be examined with the greatest caution. The banking system of a country forms the very basis of its entire structure of credit, and this delicate structure must not be disturbed by wanton experiments.

During the past decade the proposition to establish a so-called central bank has been gaining in favor, and a close examination of the advantages to be gained by the public from such an institution seems to prove that its foundation would give us a better banking system than the present.

To arrive at a proper conclusion regarding this measure, we must first consider the functions of a banking system in our community, and, second, whether these functions would be better performed with the assistance of a central bank. We must also bear in mind any new disadvantages to business created by its establishment.

The narrow view of considering the proposition only from the bankers' standpoint must be avoided. Unless the central bank can be shown to benefit business generally, it should not be organized.

Let us first take up the question, What are the functions of a banking system?

Primarily, banks were organized to provide a place for the safe-keeping of valuables and money. In the days when nearly all business was conducted on a cash basis, necessitating the handling of much money, this part of banking was of great value to commerce. With the increasing use of credit instruments the importance of this service has declined greatly, and to-day practically the sole economic function of a bank is the manufacturing and handling of credit. The importance of this function can hardly be over-estimated. In fact, commerce could not have developed much beyond the barter stage without the aid of credit. In scanning the pages of history, we find that in the last analysis the principal "raison d'etre" of

modern banking was the desire to transact the maximum amount of business on the minimum amount of cash. Though customs and methods have changed this, the fundamental principle remains, and the value of a banking system must be measured by the efficiency of the credit system created thereby. The duties of a banking system may, therefore, be grouped under two headings:

1. Acting as a custodian of the country's money.
2. Manufacturing and handling of credit.

The first division is unimportant in this connection, and we may, therefore, confine ourselves to the second.

The credit operations of our banking system may again be sub-divided into:

1. Issue of banknotes and deposit certificates (or sales of credit).
2. Loans and discounts (or purchases of credit).

Whether a central bank would or would not be beneficial to the business interests of the country therefore becomes a question of whether the banking system founded upon it would perform better the credit operations outlined above.

What is a "central bank?"

The term "central bank" is now understood to mean an institution, more or less under government



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control, privileged to issue banknotes under certain restrictions, which, by acting as the depository of the bank reserves and government moneys, serves as a reservoir of the national funds. By the rediscounting of paper offered by other banks these funds are distributed wherever necessary throughout the land. It must be a "bankers' bank" only—under no circumstances should it be permitted to do a commercial banking business.

The advantages to be gained by establishing an institution of this kind in the United States may briefly be outlined as follows:

Issue of Banknotes.—A central bank would be better fitted for the issue of banknotes than our present national banks, and would furnish automatically expanding and contracting currency.

Deposits.—Depositing bank reserves with the central bank would render them less rigid and avoid the

present fallacy of depositing and redepositing of reserves. It would also tend to equalize the financial condition of the various sections. Depositing the government funds with the central bank would be a better method of placing them in commercial channels than the present method.

Loans and Discounts.—Rediscounting can only be practiced with the aid of a central bank, and would render our funds more mobile, as the present system has no provision for distribution of surplus funds of one section amongst others, and retards development of business. This system would also give greater stability to our interest rates and in time secure proper preference for the handling of commercial "acceptances"—a live credit instrument now used but little.

A central bank could, by repressing speculation, render panics less frequent and violent, and in times of stress would give the small banker greater confidence in himself. He would be assured that as long as he remained solvent he could always obtain the assistance of the central bank in the form of rediscounts.

Now, let us consider these subjects in detail:

Issue of Bank Notes.—Beyond pointing out that our vicious currency system has to-day reached the height of its inflation and is a source of much concern to bankers on both sides of the Atlantic, it seems hardly necessary to devote any considerable space to a repetition of its well-known defects. Rigid, perversely elastic, its volume determined by the market price of government bonds and not the requirements of business, it is now a powerful factor in creating an abnormally high level of prices.

That a central bank of issue would be better fitted for furnishing the country an elastic and safe circulating medium can hardly be denied. To grant twenty thousand institutions the right of issuing currency on the "banking principle," i. e., on the security of their general assets, is self-evidently impracticable.

A central bank—practically the banking department of the government—may safely be entrusted with this privilege, and the problem of safeguarding the interests of the public becomes a mere matter of detail which has been solved in each country in accordance with existing local customs. The success of the central bank plan abroad cannot, of course, be considered as conclusive evidence that a similar system would be operative here; but it must be remembered that the difference between English and French or German and Italian financial methods is as great as the difference between American and English methods. It naturally follows that if each European country found it possible to adopt the central bank plan to its local requirements, the same could be done here.

The volume of the central bank's notes would be directly governed by the demands of business. Should there be an increased demand for currency, the local banks of the country would obtain the same either by decreasing their reserve deposits with the central bank, or by rediscounting a part of their paper. In either event, the bank notes would be promptly retired when the causes leading to their issue had ceased to operate. The local banks finding themselves in possession of an undesirable amount of banknotes would naturally send them to the central bank for credit on their reserve account, and thus the value of bank currency would automatically expand and contract in accordance with the requirements of business. A situation such as the present, when the volume of banknotes is expanding while the demand is decreasing, would be absolutely impossible.

It is difficult to correctly estimate the value of this improvement of our credit system to the business interests of the country. That the present high price levels, however, are injurious to our foreign trade, and that the outflow of gold caused thereby affects adversely our commercial machinery is self-evident, and a remedy for these evils would alone be sufficient justification for the foundation of a central bank.

Deposits.—Our method of handling individual deposits has but one objectionable feature—that of paying interest on demand deposits. This, however, is the result of competition, and the "laissez faire" policy is the best treatment of such evils. Like certain

diseases, these evils are self-limited and run their natural course in a short time.

The handling of reserve deposits, however, is quite a different matter. There the interests of the banker run counter to those of the public, and statutory regulation is necessary. Our present regulations are fundamentally incorrect, and proper relief could be embodied in the central bank plan.

We recognize the necessity of a bank maintaining a certain reserve, but we render it unavailable by forbidding its use under any circumstances. The value of a reserve which cannot be used without violating the law is rather limited. Here again the advantage of a single reserve institution becomes apparent. To grant all banks the right of encroaching upon their reserves at will would be fraught with danger, but a public institution—a central bank—could be permitted to take this step with perfect safety, as its every movement would be closely observed by the public and abuse of the privilege would be out of question.

Another fault of our present system is the depositing and redepositing of country bank reserves in the banks of reserve and central reserve cities.

As the very term itself implies, the reserve should be a part of the assets held in cash or liquid form to meet emergencies. If, therefore, the so-called reserve deposits of our country banks are used by the banks in the reserve cities in precisely the same manner as any individual deposit, it can hardly be said that these funds are being held in reserve. Such "reserves" are not even theoretical reserves—they exist only "in the contemplation of the law." Whether the First National Bank of Ruralville itself loans out 94 per cent. of its deposits, or loans out only 85 per cent., and its reserve agents loan out an additional 9 per cent., makes but little difference. In the last analysis, 94 per cent. of its funds have been loaned out in each instance, and nothing illustrates the truth of this statement better than a panic like 1907.

A central bank with power to issue currency against its general assets,—not engaged in any commercial business—a bankers' bank with liquid assets, consisting mostly of bankers' rediscounts, would certainly be a better reserve depository than the commercial banks of our reserve cities. Furthermore, depositing a part of the reserve in a central institution would have the effect of equalizing the money markets of the different sections of the country, as the excess reserves of one community would be available through the rediscounting of paper to the banks of another. To illustrate the importance of this point, let us take the following example:

Suppose the banks of Lincoln, Neb., through the marketing of crops, find their deposits increasing while the demand for loans is decreasing. Only two courses are left open for the employment of the surplus funds. The banks must either buy bonds or commercial paper—or send the funds to their reserve depositories.

If they take the first course, only large concerns of national reputation are benefited—they alone can float their indebtedness outside their own city.

If the second course is taken and the funds are remitted to the reserve depositories, they act as an incentive to speculation. The banks of the reserve cities, knowing that this surplus is but temporary, are disposed to place the greater part of it into call loans, and these, in almost every instance, are based on stock market transactions.

The business men of a dozen cities between Lincoln and the nearest reserve depository may be in need of funds for legitimate purposes, but not one cent of this surplus will be diverted their way. Each community stands alone. When the banks become "loaned up" business must be curtailed, as the surplus of one section cannot at present be made available in another.

A central bank, acting as a reserve depository, would equalize the money market of the country. The surplus of one community, deposited with the bank as reserve, would be utilized by other sections through the rediscounting of paper.

Under this heading may also be considered the handling of government funds or deposits.

We are the only nation that gathers in the money of the taxpayer at one time, causing a stringency in the money market, and pays it out at another, causing a plethora. Between these two periods we are dependent upon the pleasure of the Secretary of the Treasury. He may decide to retain the funds in the treasury, or he may dole them out more or less as political favors to the national banks of the country. The latter is preferable, but only because it is the lesser evil. The first plan is simply indefensible, and as to the second a glance at the list of depository banks, showing small institutions in obscure places with large government balances, shows that the distribution of such deposits is controlled largely by the dictation of politics. Conscientious officials would prefer to be relieved of the responsibility of allotting the government funds. To use the terms of one, "The present head of the Department would be glad to be relieved of it, at least in part, by suitable legislation; but under a fiscal and monetary system which results in large accumulations of actual currency in the Treasury at times, when it may be most needed in the markets, and which affords inadequate means of adapting the circulation to the demands of business, it would, in his opinion, be a narrow view of his functions which should limit him to keeping his own balance sheet favorable, while ignoring the effect of the treasury operations upon the conditions of the country."

Through the mediation of a central bank the surplus part of the government funds would be available to commerce in the same manner as the reserve (or surplus) deposits of the national banks.

Loans, etc.—The immobility of funds in this country is an evil of probably greater magnitude than the inelasticity of our currency, but its effects are less manifest to the average citizen, and consequently this point is frequently overlooked.

It requires no deep examination of our present system to reveal the fact that there is absolutely no provision for the distribution of the surplus funds of one district amongst others where a deficiency may exist. As already stated, each community stands alone, and this condition will always exist until we establish a central institution which will act as an equalizing reservoir of funds. Emergency currency laws, clearing house associations, national bank district associations, and all other plans of similar nature may furnish a more or less complete cure for our inelastic currency, but they will never provide a remedy for the immobility of our funds. The great area of this country has often been used as an argument against the foundation of a central bank, but when we consider the constantly changing conditions of the various sections, how frequently funds are plentiful in several states and scarce in others, we realize that this country is more in need of an instrument which will maintain a financial equilibrium than a small country possessing but a limited variety of interests.

That the present system has been a retarding influence upon business cannot be denied. Each community is compelled to largely furnish its own funds. Capital can be obtained from outer sources only by the sale of stocks, bonds or commercial paper, and these methods are available only after an enterprise has reached considerable proportions. The requirements of the local manufacturers and merchants must be supplied by the depositors of their own community, no matter how good the security or how high the rate of interest. When the supply of local funds has become exhausted development must be retarded until deposits increase. This persistent drag does not produce such spectacular effects as our inelastic currency system. Consequently the latter is receiving by far more attention than it deserves.

It is the unanimous opinion of all students of banking that the funds of a country can be equalized only by the rediscounting of paper. The sale of bonds or stocks represents a more or less permanent investment of capital, and a temporary surplus will never be invested in that manner. Our system of issuing "commercial paper" is theoretically a step in the direction of utilizing the surplus funds of one district for the temporary requirements of another, but in practice it too often represents a means of obtaining per-

manent capital and, being under no restriction, is liable to abuse.

Rediscounting can be practised only with the assistance of a central institution which possesses the faculty of accumulating funds from the entire country.

A central bank, by rediscounting the paper of the national banks, would not only equalize the supply of funds throughout the land, but would also furnish us a more stable money market. New York has to-day our nearest approach to a national market, but its erratic course is largely caused by local conditions.

When a small country like France can, by means of a central bank, withstand the ravages of a flood covering such a large proportion of her area without a change in the discount rate, it stands to reason that a large country like the United States, where not only the crops and industries, but even the climate is



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so varied, could maintain practically a fixed rate of interest. To-day the interest rate in New York fluctuates largely in accord with the movements of the stock and bond market. This certainly cannot be considered an absolute index of the supply and demand for funds throughout the land. As a matter of fact, the supply and demand of the various sections of a large country like the United States, when averaged, will be found practically the same at all times. In a small country a period of drought or the failure of the principal crop may affect the demand for funds throughout the land at the time, but in the United States the failure of one crop, or the unfavorable weather of one section, would in all probability be equalized by more favorable conditions in others.

In time, the changes in the central bank's discount rate would be a barometer of trade. A raise would indicate an increasing activity; a reduction, decreasing business. An increase in the discount would have a retarding influence upon excessive activity, and business would thus be carried on a more level basis. While panics would still be possible, they would not occur with the regularity of the past, as the main cause, excessive speculation, would be subject to the gradual restraint of a rising discount rate.

The central bank's discount rate in all countries acts as an automatic regulator of commercial activity, and as it has this effect under the varied conditions existing in each nation, it is not unreasonable to suppose that the same effect would be produced here.

Rediscounting would tend to secure proper preference for commercial bills of exchange, or, as they are known abroad, "acceptances." There cannot be a more legitimate instrument of commercial credit than a time draft of the seller accepted by the purchaser of a consignment of goods. It represents an actual business transaction, complete except that payment has been deferred until the goods can be marketed. Such acceptances if discounted and freely rediscounted would keep the commercial credit of the country in a healthy liquid condition, expanding and contracting in perfect accord with the volume of trade.

Another beneficial effect of the rediscounting method is the assurance it gives the small bankers. In 1907 the banks were more panic-stricken than the general public. The statements published in accordance with the comptroller's call on December 3rd, 1907, show that they were curtailing loans and hoarding every available dollar of cash, just at a time when additional accommodations were most required by the public. Our present system was largely responsible for this condition of affairs. A loan or discount to-day is a dead asset; the funds are locked up until the maturity of the loan, and we can hardly blame small country bankers for refusing to tie up a dollar more than is absolutely necessary when they know no assistance will be forthcoming in case of need. Knowing our system to be one where each bank must take care of itself, they took the natural course of fortifying their reserves to the best of their ability. Had a central bank been in operation at that time, there would have been no incentive for hoarding. Any bank could, as long as it was solvent, obtain banknotes upon the rediscount of their customers' paper. The pacifying influence this provision would exercise, not only on the banks, but also on the public, can hardly be overestimated. Experience teaches that in time of stress the mere announcement of a relief measure is generally sufficient to allay the panic.

The objections advanced by the opponents of the central bank proposition may briefly be outlined as follows:

1. It would create a banking monopoly. Its enormous capital and special privileges would tend to place other bankers at a disadvantage.

2. It would tend to foster additional credit inflation. Its note issues, not being based on government bonds, could be over-expanded during the periods of tight money generally preceding a panic.

3. The officers of the bank may abuse the power placed in their hands by practicing favoritism in granting discounts; also by using their power for political purposes.

4. The former banks of the United States were put out of business by the people after a twenty years' trial.

While a few of these objections possess some merit, we find upon careful consideration that they do not constitute insuperable obstacles to the successful operation of a central bank. Some of them are based merely on prejudice of many years standing, while others could be minimized and regulated by appropriate legislation.

Let us analyze each objection carefully:

1. Would a central bank create a banking monopoly?

This objection will not bear close investigation. If the central bank could not transact commercial business and was confined to acting as a depository for bank reserves and government funds, it is difficult to see wherein it would compete for the legitimate business of existing banks. Accepting reserve deposits of other banks is not the legitimate field of commercial banks, and this would be the only deposit business of the central bank.

In this connection it may be pointed out that, far from being a step in the direction of monopoly, the foundation of a central bank would enable the small

banker to face with greater hope of success the competition of the great banking combinations now being formed. Unless the small bank is given such support, the time will soon arrive when a few gigantic banking institutions will dictate to them the terms of their very existence. Consolidation of capital is a tendency of the times. The frontier man who made his own shoes was succeeded by the village cobbler, who in turn gave way to the city factory, and the organization of a shoe manufacturing trust of national proportions is but the next step of the march of civilization. The recent consolidation of banks announced in New York show that banking capital is following the same course, and it is only logical that it should. Large industrial combinations require large banking facilities, and it is but proper that banking, like law, "should follow business."

The support of a central banking institution in the form of rediscounts, however, is absolutely necessary to enable the small independent bank to successfully weather a storm without the aid of the large institutions. Unless we furnish them this protection there is danger of a monopolistic combination of banking being centered in the hands of a few.

2. Would not a central bank, by permitting a further expansion of credit beyond our present limits, merely postpone and greatly aggravate the final crash of a panic?

This is largely a question of human nature, and in the words of Patrick Henry we have "no way of judging of the future but by the past." If the Central Bank directors and their supervisors—the United States Government—were to create an additional inflation of credit by the improper issue of bank notes at a time when restrictive measures should be adopted, they would undoubtedly cause considerable harm; but is it reasonable to suppose they would do anything of the sort?

There is nothing in our constitution to prevent our present government from legislating into existence an unlimited volume of new greenbacks, when currency becomes scarce, yet such a thought never occurred to even the most radical inflationist.

This objection could be advanced with equal propriety against our present or any other fiscal system, and, therefore, it has no weight.

3. Would the officers of the central bank misuse the powers entrusted to them?

This brings up one of the most weighty objections advanced by the opponents of the central bank. It must be admitted that necessarily great power would be wielded by the officers and directors of such an institution, and the possibility of abuse is a very serious question.

Experience teaches that human nature is much the same the world over, and surely we will not admit that Americans cannot be entrusted with the powers now wielded by a few men in every European country. The motives of the central bank directors in England, France and Germany have never been questioned. Their record in this respect is absolutely without blemish. They have always managed the bank under their control with a view of furthering the best interests of the country, frequently resorting to measures which were certain to cause a monetary loss to the central bank itself to attain this object. This high standard of devotion to duty has been brought about by making the office of director a post of honor, to which only bankers of the highest rank may aspire. By appointing the officers for life, the management is kept free from the influence of politics. The Supreme Court of the United States is a good example of what can be accomplished by this method of filling office. There is no reason to believe that if the methods which have kept our Supreme Court inviolable were used in filling the offices of the central bank like results would not be obtained. At any rate, it is undoubtedly preferable to grant the authority of regulating the country's finances to a board of bankers, supervised by the government, than to a single official—the Secretary of the Treasury—as we do at present.

4. Would not a central bank follow in the footsteps of the two former banks of the United States?

This objection is caused by the public's lack of

information on the subject, and is based solely on prejudice.

The former banks of the United States and their histories have no bearing whatever on the question of the present day. The causes which brought these two institutions into being were as vastly different from those behind the central bank movement as the business methods of 1810 differed from those of 1910.

Neither the first nor the second bank of the United States was a bankers' bank. Both were simply specially-privileged private banks, actively and oppressively competing with the other banks of the day for commercial business, and naturally the earning of dividends was an important factor in deciding their policies.

There was no adequate provision for government control. When the policies of the bank ran counter to those of the government, the only remedy was to refuse the renewal of the charter—an unnecessarily drastic measure. Notwithstanding their faults, however, it is a debatable question whether the abolishment of the Bank of the United States was a wise measure.

Within three years after the first bank had been refused a renewal of its charter every bank in the country suspended specie payment, and irredeemable paper became the national currency. The government defaulted on the interest of the public debt, and financial conditions became desperate. The opponents of the first bank then admitted their error, and the second bank of the United States was chartered in 1816. Its downfall twenty years later was simply due to President Jackson's attempt to introduce the "spoils system" into the bank's management. No adequate protection, such as the appointment of officers for life, having been provided for such contingency, a political war naturally resulted, in which the friends of the bank were defeated. President Jackson was undoubtedly a great soldier and a powerful politician, but his most ardent admirer would hardly dare to class him as a financier.

The downfall of the second bank of the United States marks the beginning of an era of frenzied speculation and "wild cat banking" which brought about several panics and kept the currency and finances of the country in a state of chaos until the present National Banking System was established. It would, therefore, appear that, even if the proposition of to-day were not so radically different from the former banks of the United States, there would still be very little merit in an objection based on a comparison of the history of the latter with the probable future of the central bank. However, the central bank idea is an entirely new issue, called forth by new conditions, and it is absurd to judge the probabilities of its success by the standards of a hundred years ago.

A correct opinion of any proposition can only be gained by carefully balancing its advantages and disadvantages.

The central bank would give us a scientifically correct currency, a safe bank reserve system, and would render government funds available for business requirements.

By means of the rediscounting system commercial credit would become more mobile, the money markets of the country more stable, and the independence of small banks in times of stress would be assured.

Matched against these desirable and important improvements in our banking system, we find a few objections, some of which can be avoided by appropriately arranging the organization of the central bank, while the others are utterly without foundation. Therefore, it is reasonable to believe that the central bank, by furnishing an improved banking system, would greatly benefit the business interests of the country. The average merchant and manufacturer does not realize what a great impulse commerce would receive from the foundation of such an institution; he has no idea of the great financial power in our possession now unavailable because dispensed among several thousand banking institutions.

The banking power of the United States is estimated at eighteen billions, while that of all other countries combined is only about thirty billions. And

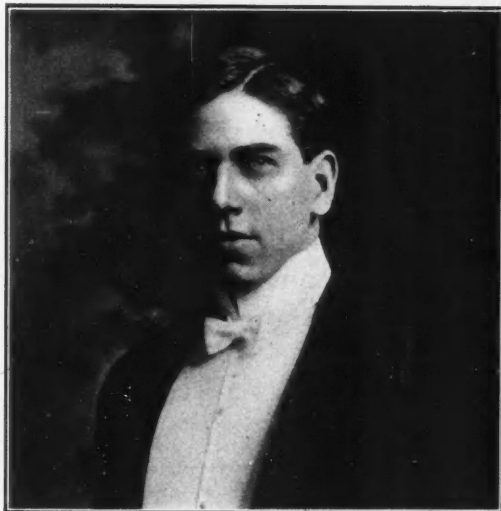
yet this country, controlling over one-third of the banking power of the world, exercises practically no influence in the international money market. "In union there is strength," and, likewise, in dispersion there is weakness. Our banking power is dispersed amongst the 23,000 banks of the country, and until a central bank unites this great power the United States will always be a negligible factor in the world of finance.

The organization of a central bank in this country would in time be considered one of the most important events of the century.

With our vast natural resources and growing population, we lack but a banking system capable of supporting the necessary structure of credit to place us in a position of commercial and financial supremacy.

President Alling, in presenting to Messrs. Rovensky and Dickerson checks for \$100 and \$50 respectively, said:

"I want to say now, gentlemen, that, to those who



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have been in charge of the Institute for the last few years, the most regrettable thing is the lack of original papers on subjects bearing on finance, banking and currency; and I think that that is one of the most potent possibilities of the Institute. We have young men in the Institute who have been trained, who are well educated, who work in the banks and know the practical side of banking and finance, and who, through the agency of the Institute, have studied the theoretical side of finance; and I think it is up to those men—and it is quite possible—for them in the near future to take a large part in deciding the financial questions of this country. You have had it demonstrated before you this morning, by the live and able papers just read, which have taken up the subject of the Central Bank in a very systematic manner, and discussed very ably, regardless of whether or not you or I agree with them.

"Therefore, I take great pleasure in giving to each of you these checks, which represent the prizes offered by the Institute for the first and second best papers in the Central Bank contest."

The second session of the convention then adjourned.

Thursday Afternoon Session.

At the opening of the session of the convention on Thursday afternoon, President Alling announced with regret that Hon. Edward B. Vreeland, Vice-Chairman of the National Monetary Commission and Chairman of the House Committee on Banking and Currency, was unable to be present on account of the necessity of his presence in Washington in connection with financial legislation. Col. Frederick E. Farnsworth, General Secretary of the American Bankers Association and Chairman of the Committee on Prize Essays offered by the Clearing House Section for the best essays on the work of a transit department, reported that the total sum of \$150 had been divided into three prizes: \$75 for the first, \$50 for the second and \$25 for the third. The first prize had been awarded to the essay written by Wm. J. Kerr of the First National Bank of Pittsburg; the second prize had been awarded to Geo. O. Bordwell of the First National Bank of San Francisco; the third prize had been awarded to H. J. Turton of the Lincoln Trust Company of New York City. The essays will all be turned over to the Clearing House Section of the American Bankers Association and one or more of them will doubtless be published in the official periodical.

President Alling then turned the convention over to Raymond B. Cox, Auditor of the First National Bank of Baltimore, who conducted the symposium on bank work. The symposium was one of the most interesting features of the convention and will receive proper attention in the August issue of the Bulletin.

REVISED CONSTITUTION.

The proposed revision of the Institute constitution as presented by the Executive Council and recommended for adoption, was then considered, article by article, and with a few amendments adopted in the following form:

Article I. The American Institute of Banking Section of the American Bankers Association is devoted to the education of bankers in "Banking and Finance" and "Commercial and Banking Law," and the establishment and maintenance of a recognized standard of banking and financial education by means of official examinations and the issuance of certificates. Holders of such certificates shall be known as Institute alumni.

Article II. Members of the Institute shall consist of duly authorized Chapters whose individual members shall pay to the Institute, through their respective Chapter treasuries, annual dues of seventy-five cents, of which sum fifty cents shall be for subscription to the official publication and twenty-five cents for general Institute expenses.

Article III. Associate Members of the Institute shall consist of institutions which are members of the American Bankers Association. For each associate member of the Institute thus constituted the Institute will accept from the American Bankers Association annual dues of seventy-five cents, payable in monthly instalments.

Article IV. Fellows of the Institute shall consist of Fellows already constituted and such others as the Executive Council of the Institute may elect, not exceeding twenty-five annually, subject to the following qualifications: (a) Bank officers who are interested in the work of the Institute; (b) Chapter members who have been officers or members of the Executive Council of the Institute; (c) Ex-presidents of

Chapters in good standing; (d) and such Chapter members as have passed the prescribed examinations of the Institute. Fellows shall pay to the Institute annual dues of two dollars.

Article V. The Institute shall hold an annual convention at such time and place as may from year to year be determined, in which convention each Chapter shall be represented by delegates on the basis of one delegate for each twenty-five members or fraction thereof, and one delegate-at-large, based upon the records of Chapter membership in the general office of the Institute thirty days before such annual convention. Alumni employed in banks located over thirty miles from any Chapter city and not members of any Chapter may be delegates at any annual convention upon personal attendance, provided that no two such delegates shall be identified with any one bank or other financial institution.

Article VI. The elective officers of the Institute shall be a President, Vice-President, Secretary, and Treasurer, who shall be elected by the Institute in convention from Chapter members—who are not bank officers, and no incumbent of either of such offices shall be eligible to consecutive re-election to the same office. Officers of the Institute thus elected shall serve for terms of one year each, or until their successors are elected and qualified.

Article VII. Section 1. The government of the Institute shall be vested in an Executive Council of fifteen members: (1) The President and Vice-President ex officio; (2) seven members elected by the Chapters in convention from Chapter members not bank officers, so classified that the terms of two shall expire at the end of one year, three whose terms shall expire at the end of two years, two whose terms shall expire at the end of three years, and their successors to be elected annually thereafter for a term of three years; (3) six members elected by the Fellows, so classified that two may be elected annually for three years. Present members of the Council shall continue in office for the respective terms for which they have been elected. Members of the Council shall not be eligible to consecutive re-election. **Section 2.** The Executive Council shall meet immediately upon the adjournment of the annual convention of the Institute, and, a quorum being present, elect one of their number chairman, who must be duly qualified to represent the Institute before the American Bankers Association. The Executive Council shall also appoint an Educational Director and such other employees as may in its judgment be necessary, to serve during its pleasure; and transact such other business as may come before it. At other times the Executive Council may transact business by mail. The annual meeting of the Executive Council shall be held at least one day prior to the annual convention of the Institute. Eight members of the Executive Council shall constitute a quorum.

Article VII. Subject to the approval of the American Bankers Association, this constitution may be amended at any annual convention by a two-thirds vote, provided that notice of any proposed amendment shall have been submitted to the secretary of the Institute at least thirty days before the annual convention, published in the official publication of the Institute and submitted to the Executive Council of the Institute for report by said Council to the convention under the regular order of business.

The amendments eliminated the proposition that a financial institution might be elected as Treasurer of the Institute and that students as well as alumni employed in banks outside of chapter cities and not belonging to any chapter should be entitled to representation in any Institute annual convention.

In the course of debate on the constitution a motion was made and voted down that bank officers below the rank of cashier might be elected from the Chapter class as members of the Institute Executive Council. Several newspapers have erroneously reported that the Executive Council recommended such

a change but the movement did not come from the Executive Council but from some of the delegates on the floor of the convention.

The Thursday afternoon session of the convention then adjourned.

Institute Oratory.

In some respects the most interesting feature of the convention was the contest Thursday evening in extemporaneous speaking for a prize of \$100 offered by Jos. Chapman, Jr., Vice-President of the Northwestern National Bank of Minneapolis, who is known as the father of the Institute. Conditions were that the contestants should give a ten-minute extemporaneous speech about any one of five announced subjects, drawn just before speaking. There were five subjects, "Guarantee of Deposits," "Agriculture," "Immigration," "Trusts," and "The Tariff." As it happened the last named was not drawn by any one. The subject on which Mr. Dickerson spoke, receiving the award, was "Immigration." He had seven opponents, John W. Bradley, manager collection department, Old National Bank, Spokane, drew "Guarantee of Deposits." E. S. Jones, Northwestern National Bank, Minneapolis, got "Agriculture"; H. W. Dorn, Commercial National Bank, Chicago, drew the same. W. B. Compton, Crocker National Bank, San Francisco, found himself compelled to talk on "Immigration." W. O. Bird, Colorado National Bank, Denver, drew "Guarantee of Deposits." W. E. Gundelfinger, Commonwealth Trust Company, Pittsburg, got "Trusts," and Q. B. Kelly, Utah National Bank, Salt Lake City, "Guarantee of Deposits." The judges were Col. Fred E. Farnsworth, general secretary American Bankers Association, and Capt. C. A. Lyerly and L. G. Walker, of Chattanooga.

The extemporaneous talk by A. M. Dickerson of Chattanooga on the subject of "Immigration," which won the first price, was as follows:

The right to change domicile is not an inherent right. It springs from the consent of society and the comity of nations. In feudal times it was denied altogether, and the stranger was enslaved. The French revolution swept away this conception, as it did many others, and modern nations have acquiesced, however reluctantly, in the right of the individual to emigrate. They have not, however, relinquished the duty due from the individual to the state, and emigrants returning to their former homes are liable to punishment if they have evaded military service. It is only in America, where the opportunities of the individual are the greatest and the government is most beneficently adapted to society as a whole and the component units of society, that bestows so greatly on the individual and asks nothing in return. It must be noticed that no nation has parted from its right to regulate immigration, nor could it do so and retain its sovereignty.

The question of immigration has many sides, the chief of which are economic, ethical and political, and the power of the forces brought into play by the induction of large and varied alien elements into a state cannot be measured with exactness; still, a careful examination of the problem discloses sufficient data to guide state action; and any such examination must mark definitely where colonization ends and immigration begins. The colonist blazes the way; he conquers the wilderness, establishes his right to self-government and founds the nation. The glory and the hardships are his, while the immigrant, profiting by the work of the colonist, finds the most important and difficult work done, and necessarily and justly his position in society must be fixed to the advantage of the colonists and their descendants, and his welfare and opportunities subordinated to theirs.

Our immigration statistics date back to 1820. We can, therefore, weigh quite definitely the influence of immigration on the development of our country; and, not only that, we can estimate the relative force of the different elements in our national life to-day, and consider the relation these elements bear to the ethical, political and economic problems that confront us today.

We find, in the first place, that immigration and the great area of public lands were the two great forces which have so rapidly developed our nation from a small group of colonies upon the Atlantic seaboard to a world power dominating two continents. In all society there must be a sub-stratum of rude labor, upon which everything else, in a degree, rests; and this is particularly so in a new country. Immigration furnished us this labor, and, on the other hand, conditions in a new country are favorable to the assimilation of alien elements. Our public domain is now almost fully divided, and it is beyond doubt that this power of assimilation has been in large measure lost.

It is very probable that the census of 1910 will show a larger number of citizens of foreign birth, or



HERBERT H. OWENS.

the descendants in near or distant degree, of immigrants than there are descendants of the original colonists. In one hundred years the inflow of aliens has made a cosmopolitan nation. It is well to inquire whether it will be best to allow this unrestricted inflow to continue, and, if not, to consider how and in what manner it should be restricted. It is plain that the immigrant is no longer needed, and the only point in question is, can we continue to assimilate an unrestricted immigration without injuring us from an ethical, economic or political standpoint, and at the same time lift the immigrant to a higher level than that from which he came. Economists agree that the need for rude labor such as the immigrant supplies is no greater than the accessible supply of such labor. Every state has this labor, and it is not hard to produce.

One of the most important points to consider in

weighing the ethical value of immigration is the motive back of the inflow of alien life. Fifty years ago our immigrants were chiefly Irish, Dutch and English, and these men fled from political oppression and from starvation to make a new home in the land of promise. Their motives were not greatly different from the motives that sent the colonists across the Atlantic. To-day the largest element in our immigration is the Sicilian peasant, who comes to us to earn a few hundred dollars and then returns to his home; and, incidentally, brings into our life the crimes of passion and revenge committed by the Mafia and the Black Hand. The next largest element is the Pole, illiterate, degraded, debased in manhood by three centuries of oppression, incapable of labor demanding so large a degree of initiative as farm labor requires, who congests our large cities and multiplies our difficulties in municipal government, and rapidly sinks, by aid of the sweatshop and the strenuous competitive life of to-day, to a state lower than that from which he fled. His physical or mental development is not advanced by his change of domicile. The next largest element is the Greek, a more desirable element in the national life, I think, than either the Sicilian or the Pole; but are not all three of these elements more alien than the German, the Irish and the English, or the Scandinavian, and less easily absorbed into the national life, differing so greatly in racial characteristics, in thought and in manner of living?

Shall we, then, restrict immigration? It is a difficult question. It means a revision of a policy that has become imbedded in our national consciousness. America has always been the refuge of the oppressed and the poverty-stricken of all peoples,—the land where such have found opportunities for a richer and a fuller life. We are proud of that. A change in our policy will necessarily bring about international ill-feeling and measures of retaliation. It will retard the growth of beneficent and important sentiment, the universal brotherhood of man, an irresistible and heaven-sent tendency, immensely forwarded by modern means of transportation, the telegraph, the telephone, and countless other agencies. Furthermore, it would seem almost inhuman to prohibit aliens from reuniting family ties, ties broken by the head of the family seeking larger opportunities in the great republic of the West.

We may put by at once, I think, absolute prohibition of immigration as unadvisable and impracticable. But restriction of immigration is neither one nor the other. If unrestricted immigration is a danger to the state it should be abolished, and our determination in this regard will be strengthened by the conviction that if unrestricted immigration is a danger to the state, it will not benefit either the immigrant or the state to which he formerly owed allegiance. Professor Ely remarks that every government has its own problems for which it must find solution; and we are conferring a doubtful benefit on the nations of Europe in postponing the settlement of their problems by receiving the scum of their population into our state life.

But, if immigration is to be restricted, how? Three methods have suggested themselves to me. The first is by educational restriction. I reject that. If our great nation has any real mission, it is that of educator. Given an immigrant illiterate, but in every other way desirable as a citizen, I advocate his free admission. Our public schools will do the rest, and the second generation will find this man's sons employed in useful and productive capacities.

Immigration can be and should be regulated by the strictest examination of the immigrant's character and civic record. It is a matter of regret that international usage prohibits at present asking an immigrant to prove that he has never been in prison. It is this unfortunate custom that makes it impossible to keep the Mafia or the Black Hand out of the country.

The third method of restriction is the one proposed by Professor Ely, and it has impressed me very much. Protection has placed all values on an artificial basis, except labor. The common citizen is forced by our tariff laws to contribute to the economic welfare of every interest. But he himself has to sell his labor in a market open to the free competition of all

the world. If the protective principle is defensible anywhere, it is in the protection of labor. Why should we not, then, require the prospective immigrant to pay a reasonable price for the economic advantages he receives by residence in our country, particularly when it is pretty certain that, at the present day, he bestows no benefits in return? A tax of five hundred dollars on each male immigrant would restrict immigration effectively, and at the same time confine it to the most desirable immigration, while on the other hand, by swelling the national revenue, it would bring about a reduction in the indirect taxes that would reduce the cost of living to our people, and equalize the burden on labor to a great extent.

I think the needs of the present day indicate such a tax as a wise and salutary measure.

Mr. Dickerson was given the prize of \$100 amid the wildest enthusiasm, which in addition to the prize of \$50 for the second best essay on a Central Bank, made him \$150 to the good for the day.

The meeting then adjourned.

Friday Morning Session.

The session of the convention Friday morning was opened at 10 o'clock with a devout invocation by the Rev. Ira M. Boswell of the First Christian Church of Chattanooga. The feature of the session was a thoughtful and eloquent address by Logan C. Murray, former President of the American Bankers Association, who as President of the American National Bank of Louisville is recognized as one of the leading bankers of the United States. Mr. Murray was one of the pioneer members of the American Bankers Association and is an ardent supporter of the American Institute of Banking.

MR. MURRAY'S ADDRESS.

Thirty-five years ago a few gentlemen laid the foundation of the American Bankers Association. This was for the education of all men, and not least in the thought was the education of the young bankers of the country for their future profession.

I congratulate the American Institute assembled as a future body for the like high purpose of intelligent discussion and dissemination of banking knowledge. It will lay the strong foundation for the future managers of the great trust which will eventually be confided to you and inherited by you.

Webster defines "trustee" as a person in whose hands the effects of another are found for safe keeping. He also defines the word "metaphor" as a similitude, the essence of which he further defines as crafty as a fox. So let us put in juxtaposition these two words—trustee and metaphor—wonderful position. One implies confidence—the other implies craftiness and want of confidence, but a similitude is established beyond question. The end and aim of each is so different—the end of one is faithful to the end; the end of the other, God knows what.

And as the portrait of Justice stands blindfolded with its scales equally balanced, so I can picture for you another scale—on one side of which I would lay energy, your ability, your attention, your duty well done after years of toil—and on the other side of the scales the counterplane would be equally balanced, a pair of clean hands. I commend this to you as the only success known in heaven or among men.

One would be impressed, in looking over this great convention, with youth plainly written on its countenance, a pledged future of accomplishment.

When some of us look over our shoulder in the roads which we have traversed, and then look forward again to the road you must traverse, we wonder if there will be a difference; and if your road will be less burdensome—the soles of your feet will tramp the same flinty rocks. If older men could give you a vision of happiness and peace and prosperity, and whisper a warning against a blundering foothold, how gladly, with extravagant joy, would it be bestowed.

An ever-present and polite Irishman said in being

presented to a lady, "I don't know how old you are but you don't look it."

I do not mean to relegate myself to the older column, but I am going to keep step with the youngest of you.

Yes, I see some of you saying, as the lady said to Mr. Methuselah when she met him in the streets of his city and had complimented him on looking so young: "Oh, no," he said, "I am 946 years old." She said, "You don't say so; I wouldn't take you to be over 910."

And so in like manner I am not going to burden your minds and time with a discussion of the weightier matters of law, new legislation, a discussion of a central bank or a postal savings bank, but let us talk of the practical every-day affairs in the old-fashioned way. When they put these new duties upon us, then we will take that specific thing up and try to work it into our daily routine affairs. But I believe that the recent crisis of 1907 taught us many things practically we had to take into consideration, so let us consider like circumstances.

First—The Aldrich-Vreeland bill permits the establishment of local clearing house associations where ten banks can be made into one clearing house for the purpose of issuing certificates for the deposit of commercial paper and other securities to be certified to the comptroller of the currency and secretary of the treasury that the new emergency currency, not distinguished from any other currency, may be issued to any one of the ten banks in said association.

Section 3 of the same Aldrich-Vreeland bill provides clearly that any national bank in the association can apply to the comptroller of the currency to issue additional circulating notes for the deposit of bonds other than United States bonds and receive this new circulation.

So you will see there are two distinct branches of the Aldrich-Vreeland bill—one to receive circulation through a local clearing house association, and in the absence of which direct application may be made by the individual bank to the comptroller to receive additional circulation on bonds other than United States bonds. I distinctly call your attention to this second feature of the bill, so that in close times, if no local clearing house association for this purpose has been established, additional funds may be procured by any individual national bank.

It is to be regretted that the provisions in the bill in the first and second sections do not meet the views and co-operation of the different sections of the country; only one local clearing house association for the purpose of receiving commercial paper to secure additional bank notes has been established, and that in Washington city. There must be some reason for this universal rejection. Cannot some senator or representative make inquiry as to this and see if it can be remedied, so as to put that part of the bill into practical effect when necessary; that is, at once establishing these local clearing house associations. Certainly there is a reason for this rejection. It ought to be sought out and corrected promptly, so that very many of these associations may be formed, to the end that commercial assets of national banks may be, for temporary purposes at least, utilized as a basis for the issuance of additional circulation, for remember that the Aldrich-Vreeland bill is distinctly a bill for temporary relief in furnishing quick circulation and to be taxed, and thus early-retired. Now it seems to me that, there being \$500,000,000 of this circulation printed and ready for delivery at any time, that most any bank could send State or municipal bonds to Washington and receive additional circulation. I call your attention to the limitation of this privilege as to surplus, etc., but you will find it clearly stated in Section 3. My conclusion is that we have, therefore, behind us a distinct, positive and quick relief in any city for a stringency which may be declared by the Secretary of the Treasury as useful and timely.

In relation to the methods for procuring relief during the panic of 1907, there were different methods employed by different cities. In most of the large cities the clearing houses permitted their members to come to them with their securities, which were ap-

proved by the clearing house committees, on which they issued loan certificates at 75 cents on the dollar of the value of the securities. These, however, were only payable to other members of such clearing house in payment of balances due each other. In nearly all cities there were issued a sort of temporary check, or certificate, from \$1 to \$20, which passed as money and was paid out over the counter, thus aiding the merchants, factories and mills to trade along, considering these small checks as good as money, as they answered the purposes. In some cities, like my own, currency was paid to all who asked it, but power was given the cashiers of the banks to determine whether it was a necessity, or whether it was a clear case of drawing out money and locking it up. But my experience was that locking it up was not done, but that currency was used for legitimate purposes of trade.



HENRY J. MERGLOR.

And I am sure thousands of small banks were kept open by this wise provision of giving sparingly of currency for the immediate necessities of their dealers.

As I am now addressing the executive force of the great force called banking, I am not going into details of this or that means of relief or of methods and systems of banking. No doubt you have heard a great deal of this, and will hear more of it, and in your own homes you will read much of the proposed legislation, changing of system and additional methods, but what I am endeavoring to say is along the lines of daily work at your desks, the principles which guide all men, thereby giving aid to the officers daily by quick handling of the daily business, so as to aid the officers of your institutions in keeping the ship in good working order, and whatever and whenever evil times come up again, you will see so far as you have been able to accomplish, your lamp will be burnished to help in the storm, not thinking you have it all right, for recently a colored man was overheard talking to another on the question of smallpox, which was prevalent. He said: "I am not afraid. I have been

talking to a doctor, and he said that all I have to do is to limate the house, assassinate the children and that all that could come would be celluloid."

No, no; better methods and remedies must be always at hand and in any bank, and, altogether, a temple of banking in the great republic will stand with its gilded dome, still standing as the morning breaks.

The great body of men of your profession aim at success, and what is success—an accumulation of great wealth and power with no matter what the cost as the brand, with a wrinkled conscience to wrestle with the fire-files in the quiet of midnight? Or, as Pope says:

"Of all the causes which conspire to bind
Man's erring judgment and misguide the mind,
What the weak hand with strongest bias rules
Is pride, the never failing vice of fools."

And when some unlucky day has brought some such banker, he will say, as the poor criminal said to the judge when the latter asked him: "Are you guilty?" He said: "Let my lawyer plead not guilty for me, judge, I ain't got the nerve."

And then there is another kind of clerk, called the "clock clerk," who watches for the lunch hour and for the closing hour more closely than he does the figures in his books. The kind, as he goes home, stops at a music store and in a conversation with the music dealer, asks: "Big demand, I s'pose, for ragtime music?" He is answered: "There is," and then he asks: "Ever sell any classical music these days?" and the shopkeeper answered: "Oh, yes, everybody wants a little to stand on the piano."

Sometimes we have sympathy with our junior force because there are so many kinds of folks that come hard to please, and Byron says:

"The inconvenience of civilization
Is that you neither can be pleased nor please;
But where he met the individual man
He showed himself as kind as mortal can."

This I recommend to you as a sort of nerve-ease, to be taken liberally.

And now, gentlemen, as a parting word, after an experience of forty years, I hear the rumbling of laden years, yet clear of vision, and there still echoes in my soul, as evening bells on hills toll to my listening ear, the heartbeats of old-time friends who have gone on; they point my feet to find a greater peace in a sunshine, with them, that will never fail and there forever stay. In the last years of their lives their hands trembled on the stairs which led them to the palace of stars, and when you lay down your pens, which have been your companions through long, weary years, you will take them up again in a land where flowers do not fade and you will forever write new songs.

ELECTION OF OFFICERS.

The election of officers was the most exciting feature of the convention and it would perhaps be out of place for the official organ of the Institute to attempt to go into the political details which led to final results. The following report is therefore reproduced from the Chattanooga "Times":

Two men, members of the American Institute of Banking from southern points, were elected to official positions by that body yesterday morning, out of six positions filled. L. C. Humes, First National Bank, Memphis, was made Vice-President, and R. J. Taylor, of Savannah, was made Treasurer.

R. J. MacMichael, Mellon National Bank, Pittsburgh, was choice of the convention for President. The successful candidate was chairman of the program committee for the convention. Voting for President and Vice-President was quite lively, and the election session provoked probably the largest attendance of delegates during the convention. The hall was well crowded, what with the ladies, too, who were so in-

terested that they stayed through the proceedings. Greatest enthusiasm prevailed during the election, vociferous cheers breaking out frequently from the friends of a candidate as a particular pleasing vote was called out by some delegation. Several times, too, members rose to a point of high personal privilege, to question the vote as cast by their own delegation leader. One or two changes were effected in this manner.

The Tennessean, Mr. Humes, received a nice vote, by which he was declared elected, and Chattanooga delegates were much pleased at the result. Mr. Humes got the votes of the South very largely and a goodly showing throughout the rest of the country, indicative of the popularity and esteem in which he is held.

George A. Jackson, of Chicago, ran close second to Mr. MacMichael for President, and, though defeated, can hardly feel anything but complimented at the large number who favored him for the important office. Mr. MacMichael not only has the distinction of being elected to the highest place in the gift of the Institute, but of being the first Pittsburg member chosen for any office in the national body. Pittsburg has several things in connection with the convention at Chattanooga of which it can well be proud—that it came South with the largest delegation of any city; that two members won prizes in contests, and that another was made President.

Members of the Executive Council elected by the convention were H. F. Pratt, of Cleveland, Ohio, and H. J. Mergler, of Cincinnati. The council vacancies still existing after selection of these two were filled by the Fellows' class, at a meeting subsequent to final adjournment of the convention. The Fellows chose George A. Brown, Denver National Bank, Denver, Col., and Herbert H. Owens, Farmers and Merchants' Bank, Baltimore.

The session then adjourned and everybody went on a delightful trip up Lookout Mountain and enjoyed the matchless inspiration aroused by historic associations and picturesque scenery.

Friday Evening Reception.

The convention closed with an informal reception at the Hotel Patten which proved an acceptable substitute for the annual banquets which have heretofore been the source of more or less embarrassment to the Institute administration. The speakers of the evening included Frank L. Seely, publisher "Atlanta Georgian"; Col. Fred Farnsworth, general secretary American Bankers Association; Ralph C. Wilson, retiring chairman executive council, A. I. B.; C. M. Preston, of the Hamilton Trust and Savings Bank, Chattanooga, and W. L. Frierson, Chattanooga, were among them. The new President, Mr. MacMichael, also spoke very briefly.

The retiring President, Mr. Alling, presided, and his duties on this occasion were the same as toastmaster at a more formal affair. Mr. Alling is just as much at home in this capacity as when wielding the gavel. There have been many comments from Chattanooga about Mr. Alling's tact and readiness in both such capacities.

Mr. MacMichael, in a few words, expressed his appreciation of the honor conferred upon him, the loyalty of his supporters, the friendly feeling exhibited by his opponents and the clean campaign waged by them. He said that it was not only with a feeling of gratitude that he went into office, but one of responsibility, in connection with the Institute which has grown to such proportions. He pledged himself to give of his energy, ability and time to the end that the coming year be the best in the history of the Institute.

In his talk Col. Farnsworth took occasion to compliment the delegates on what he styled "this magnificent convention." He declared that in attendance and precision at sessions the American Institute of Banking leads the various state bankers associations and the American Bankers Association. He commented on the consolidation of the Bulletin and the Journal, saying that the first number under the new arrangement would be issued about July 1. He emphasized that while the two will appear under one cover, they will retain their identity, and that the cover of the combined publication will be practically the same as that of the Bulletin, the organ of the Institute. He closed with flattering comments about the entertainment afforded by Chattanooga Chapter, generous treatment accorded the convention by the local press, and an invitation to all to visit the New York offices of the American Bankers Association.

All the southern speakers, Mr. Preston and Mr. Frierson, Chattanooga, and Mr. Seely, Atlanta, took occasion in their remarks to use an interesting array of facts—perhaps unknown to the northerners—about the South to-day. The early part of Mr. Seely's address, however, was especially directed at those of the delegates before him who were young men. He laid down in a plain and attention-holding style many principles which, if observed, will make success of life for the young man of to-day. He was given a rousing ovation.

Mr. Preston was equally well received, his words being listened to with attention, and applause greeted the conclusion.

MR. PRESTON'S ADDRESS.

It is especially gratifying that we have as our guests to-night representatives of the entire American Banking fraternity. Particularly are we pleased when we realize that the future "Morgans, Vanderlips, Reynolds', Forgans' and Sages" are blushing unseen in our midst.

Many of you are no doubt making your first visit to the South and let me warn you that it is a habit of ours to judge of the intelligence of our visitors by their degree of love and admiration for the southern people. Especially is this true of citizens of the Volunteer State.

In judging the progress the South has made, it is but fair to consider that forty-five years ago this entire country was devastated by war and almost within sight of where you sit to-night is the scene of one of the bloodiest battlefields of history, where more than 33,000 American citizens were slain and wounded.

It is no purpose of mine to recall the unpleasant days of the war or the hardships of the reconstruction period. That we endured much cannot be denied, yet through it all our faith has been sublime—our spirit unbroken. So hopeful have the southern people been of the ultimate results of the future that our neighbors from the East and West have said that our confidence was equal to the southern mother whose son was engaged in the Battle of Seven Pines, and when asked on the day following the battle if she did not fear for his safety, she replied: "No, if there were seven pines there, I am sure Robert was behind one of them."

In 1865, at the close of the civil war, the total bank deposits of the southern States amounted to only \$61,000,000. To-day they exceed \$1,235,000,000. Of these deposits the banks of Tennessee carry, approximately, \$130,000,000, and their resources exceed \$200,000,000. In our State we have 461 banks—444 of which are members of the Tennessee Bankers' Association—the seventeen non-members being in the main private banks, and small State banks, recently organized.

Our association has provided a special fund for the prosecution of forgers and professional crooks, which we believe has materially aided in the reduction of fraud practiced on banks in this State. We are putting forth every possible effort to pass such legislation as will protect our interests, and the interests of our depositors, and it can be truthfully said that the percentage of bank failure in Tennessee compares favorably with that of any State of the Union.

The growth of Tennessee banks is inseparably connected with that of the entire South.

Last year we gave to the world a cotton crop, which, with its by-products, actually exceeded a sum large enough to pay off the national debt, and have money left—a sum sufficiently large to buy at par value the capital stock of every national bank in the United States. Our cotton crop is worth more than twice as much as the entire gold and silver output of the world for one year. One good cotton crop in the State of Texas is worth more than the gold and silver output of Colorado for five years. This says nothing of other crops, which, combined with cotton, amounts to \$2,700,000,000 annually.

A distinguished citizen of Georgia once said that he attended a peculiarly pathetic funeral in his State. The man who had died was a poor "one-gallus" fellow. He was buried in a pine coffin made in Cincinnati, although his grave was in the midst of a beautiful pine forest. The spades and picks that dug his grave were made in Pittsburg, although in digging the grave they went through a rich vein of iron ore. The shirt and clothes he wore were made in Philadelphia, yet he was buried in sight of one of the richest cotton plantations in Georgia. The shoes that he wore were made in Boston, yet the surrounding country was capable of growing the finest cattle and the hills about him were filled with limestone, splendidly adapted to making lime for tanning purposes. In fact, every article of his wearing apparel and everything connected with the funeral was produced by other sections of the country, although natural resources were abundant on every hand. The State of Georgia produced only the mourners, the corpse and the hole in the ground, but we are glad to state that such is not the case to-day.

We will turn out in manufactured articles this year more than \$2,000,000,000, and the city which has the honor of claiming you as its guests manufactures over 600 different articles, and has invested in manufacturing interests \$40,000,000.

Our railroad mileage has increased from 92,000 miles in 1880 to 231,000 miles. In the production of iron we are a strong rival in cheapness and quality to Pittsburg. Experts claim that we have more iron ore in the fourteen southern States than in all Europe combined. In spinning mills we rival New England, consuming annually in our factories more than 2,500,000 bales of cotton.

It is not in material progress alone that we show remarkable development, but we are spending more than \$45,000,000 annually in public schools. Of this amount Tennessee is spending \$2,700,000.

The South, like all other sections of the country, has had its full share of hysteria and fanaticism directed toward corporal wealth, largely due to the agitation of designing politicians. They have met their inevitable fate, however. Sanity has been restored and in no section of the country is greater protection offered investors than in the Southern States.

We hear a good deal of talk about the negro problem and the friction between the races, but I venture the assertion that there are those among us who have spent a life time in the southern States and have never seen the slightest evidence of brutality toward the negro or the slightest intimation of race feeling. All the race problem we have is purely in the newspapers and magazines; in fact, the negro is aware of the fact that his best friend is the southern white man, and is contented to live with him and be his servant. No better proof of the fact that the negro is being treated fairly by the southern white man can be given than the fact that since 1871 the southern States have spent more than \$185,000,000 for public schools for the negro.

It is our hope that in 1915 we will celebrate, somewhere between New Orleans and San Francisco, the opening of the Panama Canal, which will be of immense benefit to the entire country and particularly so to the southern States.

It would fill many volumes to tell you of the good things to be found south of the Mason and Dixon line, in fact, I do not know of but two criticisms that are now offered against us with any degree of justice. One of them is—the W. C. T. U. has said that the men of this section of the country consume too much wet goods, and many fond husbands have been known to say that the ladies consume too much dry goods. Whether these are facts or not we leave to your unbiased judgment.

In mentioning the advantages we offer aspiring youths, we trust you will bear in mind that while we are patriotic, at the same time we are not un-mindful of the achievements of other sections of the country. We turn our eyes wishfully each year to the East and ask for assistance to handle our products. We glory in the mighty West, which builds a city almost over night, and whose enterprise is not surpassed by any section of the country.

Let us in parting to-night carry with us the words of the lamented William McKinley, in his last speech at Buffalo, when he said, "Our interests are in concord and not in conflict, and our greatest victories are those of peace and not war."

MR. WILSON'S ADDRESS.

From the viewpoint of the Institute the address of the retiring Chairman of the Executive Council, Ralph C. Wilson of Chicago, was a marvelous combination of characteristic wit and wisdom intermingled with Institute history and philosophy. Mr. Wilson consigned the heroes who had fallen during the Institute's political battle of the day to honorable resting places among the historic departed in the National Cemetery near Chattanooga. With lightning change from gaiety to seriousness, Mr. Wilson then presented a notable address, as follows:

The American Institute of Banking presents a striking example of constructive evolution. Before speaking of its future, it might be interesting to briefly review its past.

Its origin dates back ten years, and the originator is still living. I doubt whether he had any conception in 1900 of the great success which would attend the Institute. The introduction of a resolution in the American Bankers Association set forth that an educational movement on the part of the American bankers would be commendable, and the idea then was that a course of instruction by correspondence in banking practice could be adopted with beneficial results. No particular plan was outlined and this I believe is one of the very fortunate things about the origin of the Institute.

A committee of members of the American Bankers Association was given charge of the new idea and they being busy men came to a very wise conclusion, that is, that the bank clerks of the country should be given an opportunity to formulate a plan of their own, under the guidance and co-operation of the American Bankers Association. This committee knew the bank clerks better than the bank clerks knew themselves. They knew, from their own experience, that the bank clerk is of a high average of intelligence, and that he did not need so clear an outline as employees in other lines might require.

In 1901, Mr. Kittredge, of New York, an editor, accountant and banker, was authorized to organize the movement among the bank clerks. The immediate success of the call must have been a great surprise to the committee. Up to this time the clerk in a bank had no outside opportunity of education, except such as he sought himself, and we all know that the tendency of human nature is to settle down into a groove deeper and deeper. The response to the organization plans was phenomenal, the city of Chicago alone enrolling over five hundred, among which

number approximately fifty are to-day bank officers. In my opinion, if a certain line of operation had been laid down at that time, as for instance the passing of an examination or the constituting of a certain number of hours of study, the Institute to-day would have been but a feeble and dependent infant. The proposition was thrown open to the bank clerks, they were given free reign, and our present enviable position is due to their ability, their ambition and their loyalty. I want to call particular attention at this time to the fact that no concerted movement at any time has shown itself among the membership to sever its relations with the American Bankers Association. This speaks of the spirit of loyalty which is so dominant and so commendable a feature of the intelligent bank clerk. It is not my intention to give figures; I will simply say that in nearly every city where the organization plans were presented Chapters arose, speedily elected capable and enthusiastic officers, and at once took up the work in accordance with their own ideas as to how best to accomplish results. Nearly every city had a different plan, and herein is shown the wisdom of having no particular plan to start with.

Through all the years, from 1900 to the present, the best way has been a matter of experiment. Differences of opinion have arisen, new schemes have been formulated and tried, with the result that the first decade of our history has brought us gradually and logically to a position which never could have obtained so well by any hard and fast rules.

As early as 1902 Chicago Chapter made a canvass looking to a convention. The proposition was almost too big a one for the young Institute to undertake, but its continued growth brought about in 1903 the first convention at Cleveland to which the Chapters contributed as units. The convention was a decided success, and became an annual event, a committee being appointed at each convention to have charge of the meeting the following year.

The first step in the evolution I spoke of was in the organization of the associated Chapters, which became at once national, and served to unite, by mutual acquaintance and work, the various leaders in the individual Chapters. Recognition of individual men became noticeable about this time and has continued unabated to the present. The asset of a large acquaintance was recognized at once by able bank officers, as it always will be, and the men who take an active part in the Institute Chapter work moved forward naturally to the large field of the associated Chapters, where they steadily become more valuable to their employers. Each succeeding convention seemed to be better than the ones before, and attracted the attention of all bankers. Cities bid for the privilege, and the clearing houses were ever ready to provide the necessary funds for the entertainment and proper expenses of our convention.

During the time the affairs of the Institute had been administered largely by the Committee of Education, appointed by the President of the American Bankers Association. The success of the Institute and the demonstrated ability of the leaders became so noticeable that the bank men from the Institute were gradually drawn into the management, and the next natural step was the turning over to the associated Chapters of the entire active work, including the management and publication of the Bulletin now recognized as a high-class banking magazine.

At the convention in Providence the Institute was formally turned over to the associated Chapters, and a new constitution was adopted whereby the council of the Institute as it stands to-day was inaugurated, the members of which were elected by the convention and the Fellows jointly.

The organization of the Fellows was a growth of a movement among the older Chapter workers, who, having filled the various offices in their Chapter and in the national association, were imbued so thoroughly with the Institute work that they were unwilling to become entirely separated from it. Their idea was to form a social organization of Chapter graduates, to meet at the annual conventions, and renew their acquaintance.

In the meantime a new star had arisen in the firmament of the Institute in the person of George E. Allen, a man of unusual ability, whose talents seemed specially adapted to our work. He seized upon the fellowship idea, and incorporated it in the Institute scheme, and its permanency is now assured.

The third step, and one of the greatest importance, was the adoption at the American Bankers Association Convention in Denver of the Institute as a section of the American Bankers Association. We were now bound by the closest ties to the bankers of the country. We are a part of their organization, and I cannot but believe that we would never have accomplished this desirable position unless we had proven ourselves worthy.

The fourth and last step was the passing of a resolution at the meeting of the Executive Council of the American Bankers Association in Atlantic City, in May last, whereby every member of the American Bankers Association became automatically an associate member of the Institute, and for each such member we receive annually 75 cents for our educational work. No better investment was ever made by the bankers of this country, and it will be a dividend payer from the start. The dividends will be paid in brains, loyalty, effort and example.

This resolution also recommended the consolidation of the Journal of the American Bankers Association and the Bulletin.

By this last step the field of the Institute worker has been broadened to include banks in almost every city of our country. Every bank man who writes for the Bulletin, every bank man whose address before a Chapter or a convention is printed in the Bulletin, and every bank man who by his energy, alertness or originality receives honorable mention in the Bulletin, will now be known to upwards of 25,000 bank officers in the United States. Compare this opportunity with that of a bank clerk of ten years ago, and realize if you can what it means to a young man with an idea, and the knowledge and ability to state it.

One of the first objects of the Chapter workers was to obtain a large membership. This was natural and proper, as in numbers there is enthusiasm and possibility, but to-day the question of membership is no longer paramount. What we now look for is ability, achievement and finished product. We have won recognition—we have proven worthy, and have laid a solid foundation for a permanent educational organization such as no other profession can equal. Early in our history a number of bankers feared a labor union movement. The fear was shortlived, and no breath of such a sentiment can now be heard, and we were for a time looked upon as an infant class of young cub bankers, who wanted to meet and frolic. This idea has been dissipated. We are now a section, and stand on the same footing as the clearing house section. The chairman of our Executive Council is an accredited member of the Executive Council of the American Bankers Association, and the Institute committee of three members as now constituted consists of Institute friends and workers.

The future has every promise of the most conspicuous success. Systematic education will be in my opinion foremost in our work. The confidence which has been shown us by the American Bankers Association has been merited, and we will demonstrate in the finished product of our ranks that their generosity and co-operation has been "bread cast upon the waters." Developing, as we are, a force of young men capable of speaking in public, well grounded in the financial problems of the day, we are prepared to assist in the spreading of sound financial doctrine. An Institute graduate is an infinitely better bank man, better equipped, better trained, better adapted to the life work of a banker than he could ever have hoped to have without the Institute. The solid foundation of a banking fraternity, which is the outgrowth of the associations of the young men at conventions and in the Chapters, will draw closer the bankers of the past. No one knows better than we what co-operation among bankers can accomplish when we reflect upon the panic of 1907.

The Institute teaches no sedition, no anarchy, no fallacy; it teaches nothing but conservative, sound, honorable banking, and of such is the good, helpful, courageous and successful banker made. How great our success in the future may be depends not upon a few men who may be leaders in their particular localities. It depends, in my opinion, entirely upon the average of our members, and as we raise that average in education, in ambition, in loyalty, in public speaking, so we will raise the average of the bankers of the entire country. The individual achievement of a few men counts for little, but the raising of the average counts for much. Let us endeavor to keep interested every man who has ever been a member of the Institute. No matter how high he may climb, let us convince him that we want his help, his friendship, his active co-operation, and thus in time we will have cemented the greatest fraternal organization of bankers the world has ever known.

The American bankers may well be proud of the Institute, and I believe they are proud. I believe the next year, under the joint publication of the two periodicals, will have a great influence upon the bankers at large. They will realize something of the Institute activity which in the past may have come to them only in a vague way. Our work, our ambitions, will be laid before them, and as they read of our achievements I hope they will absorb something of that restless activity which is characteristic of American bank men.

A thought comes to me at this time, which may be worth something. I understand that Denver Chapter is a branch of the Colorado State Bankers' Association. I have not taken the time to inquire as to whether other Chapters are so attached, but it occurs to me that this is a splendid thing, and I would recommend that the Chapters in each State endeavor to have the American Institute of Banking in their State made a branch of the State organization, with representation upon the Executive Council, if possible.

One of the distinguished features of the Institute to-day is the fact that our greatest hope lies in the continual changing of our membership. For instance, the membership of the American Bankers Association might remain stationary for ten years without increasing, without changing, and yet it could continue in its present high position without deteriorating, but the Institute would grow stale in less than half that time, unless its members can advance themselves, and other new members can be drawn in to fill their place. This is, in some sense, selfishness, but remember that we are at the bottom of the ladder, and continual advancement is our desire. Only by this means can we demonstrate our worth and our ability to take upon ourselves a share of those larger responsibilities which the Institute is preparing us for.

Fellowship Dinner.

A pleasant side issue of the convention was the Fellowship dinner at which the following members of the "old guard" were in attendance:

L. H. Woolfolk, Assistant Cashier Scandinavian American Bank, Seattle.

L. W. Fricke, Assistant Secretary Mississippi Valley Trust Co., St. Louis.

John J. Scherer, Mercantile National Bank, St. Louis.

Joshua Evans, Jr., Assistant Cashier Riggs National Bank, Washington, D. C.

Carroll Pierce, Vice-President Citizens' National Bank, Alexandria, Va.

W. McK. Stowell, Assistant Cashier Lincoln National Bank, Washington, D. C.

E. J. Morris, Paying Teller, Manayunk National Bank, Philadelphia.

E. S. Eggers, Assistant Cashier Union National Bank, Pittsburg.

J. S. M. Phillips, Cashier National Bank of West-ern Pennsylvania, Pittsburg.

Frank M. Polliard, Traveling Representative Exchange National Bank, Pittsburg.

D. C. Wills, Cashier Diamond National Bank, Pittsburg.

E. A. Havens, Chief Clerk Mechanics' National Bank, Providence, R. I.

George S. Keesee, Assistant Cashier Merchants National Bank, Richmond, Va.

B. C. Downey, Cashier Continental National Bank, Indianapolis.

C. C. Carter, Assistant Cashier American National Bank, Louisville, Ky.

E. C. Phinney, Paying Teller Northwestern National Bank, Minneapolis.

Frank K. Houston, Assistant Cashier First National Bank, Nashville.

George E. Allen, Educational Director American Institute of Banking.

N. D. Alling, Chief Clerk Nassau Bank, New York, President American Institute of Banking.

F. M. Cerini, Paying Teller Oakland Bank of Savings, Oakland, Cal.

H. H. Owens, Assistant Cashier Farmers and Merchants' Bank, Baltimore.

Charles H. Marston, Auditor National Shawmut Bank, Boston.

T. R. Durham, Paying Teller Chattanooga Savings Bank.

F. L. Underwood, Assistant Cashier Hamilton Trust and Savings Bank, Chattanooga.

George A. Jackson, Chief Clerk Continental National Bank, Chicago.

A. W. Morton, Assistant Cashier National City Bank, Chicago.

John Williams, Western Representative Marwick, Mitchell & Co., Chicago.

Ralph C. Wilson, Assistant Cashier Commercial National Bank, Chicago, chairman Executive Council, A. I. B.

H. F. Pratt, Paying Teller First National Bank, Cleveland, Ohio.

George A. Brown, Assistant Cashier Denver National Bank, Denver, Col.

By the Way.

The eastern delegates to Chattanooga spent Monday in Washington, where Washington Chapter treated them royally. A reception was arranged at the White House, President Taft greeted each one of them. Speaker Cannon held a reception for them in the Speaker's Room and Vice-President Sherman left his station to say a word to the Eastern Delegation. A visit was made to the Bureau of Printing and Engraving and after luncheon at the Library they went by boat to Mt. Vernon, visiting Washington's home, winding up the day with a dinner at the Commercial Club, they left at night for Chattanooga.

The Western Delegation were entertained elaborately. At Chicago a large, spacious parlor was placed at the disposal of the ladies, and although only a few were there to enjoy it on Sunday, some delightful acquaintances were made, and renewed. At noon they were the guests of the Chicago Chapter for luncheon, and all afternoon groups were taken here and there, to the ball game, sight-seeing in automobiles and doing the city generally. In the evening they again enjoyed the hospitality of the Chicago Chapter at dinner. On leaving the city, the number had increased since leaving the West, and Middle-West, and they left Chicago with most pleasant memories.

On to Indianapolis they journeyed, where the staff of members of the Chapter made them feel once more they were in the hands of their friends. The bounteous breakfast at the Maennerchor was only the beginning of the pleasant things the hosts had in store for them. In addition to the leather bill cases given the

men, the ladies were presented with boxes of candy, cherry cocktails, which was the first indication that it was not to be a dry day. Amid the cheers of those with the best voices, they started on the second number on the program, an auto ride over the city. Those who had never visited Indianapolis were interested and charmed with all they saw,—the city's fine buildings, the handsome Soldiers' and Sailors' Monument, the beautiful river drive, terminating with the Speedway. Rain had not been ordered, but rain it did, although it faded flowers on the hats, straightened plumes, ruined suits and veils the crowd declared they were happy to have been in Indianapolis, even in the rain. After visiting the Overland factory, they went directly to the station with much gratitude in their hearts for all the good things that had come to them—their ardor had not been dampened, even though their garments had.

At Cincinnati the crowd was met by the reception committee who piloted them on street cars, placing the ladies in a beautiful special car, the men following in the regular ones. A delightful ride over the hills was made, where the handsome homes are located, and the world-famous Rookwood Pottery visited. In the evening they ended up at the Zoological Gardens, where an elegant banquet was served, the ladies receiving little silver loving cups. At 11:00 the crowd left Cincinnati with the most kindly feelings toward those who had extended such a cordial greeting.

The special train from Chicago arrived at the new Terminal Station in Chattanooga at noon on Tuesday. Special arrangements were provided for the benefit of the ladies while the men were attending the convention. In the entertainment planned by the Chattanooga Chapter the visiting ladies felt that the committee had maintained the Southern reputation for hospitality. Tuesday evening an informal reception was held at the Hotel Patten where we made the delightful acquaintance of the charming Southern women.

Places of interest about Chattanooga were numerous; the National Cemetery, so beautifully laid out and well kept, the famous battlefields at Missionary Ridge, Chickamauga, and Lookout Mountain, with the recent development of the National Military Park at Chickamauga.

On Wednesday afternoon an auto ride was taken over Missionary Ridge,—along the fine boulevard of National Park, on top of the ridge to Chickamauga battlefield. A return was made to the city by way of McFarland Pass. On this trip miles of Government roads were crossed; they were as smooth as those of any city streets.

In the evening a dance was given at the Country Club; although quite warm it was a thoroughly enjoyed affair.

Thursday, while the men were in session, the ladies were given another delightful auto ride, through the residence section. Chattanooga has many handsome homes, in the valley and on the ridge. The ride terminated at the Country Club, where a most charming Chanticleer dinner was served. Covers were laid for fifty; the table appointments were lovely; the entire affair being quite elaborate.

Friday the entire crowd ascended Lookout Mountain by the incline plane. The grandeur of the

scenery from this historic place was an awe-inspiring sight, never to be forgotten. The view of the Chattanooga Valley and the winding Tennessee River cannot be rivaled.

The special committee of Chattanooga Chapter to take care of the ladies was headed by Mr. Henderson. This committee labored strenuously, night and day, to show the visiting women every possible attention, true to ideas of southern hospitality, and too much praise cannot be given them for all their courtesies. The ladies of the convention left with a very warm spot in their hearts for Chattanooga.

NUMERICAL TRANSIT SYSTEM.

By C. J. Grant, Auditor of the American Exchange National Bank of Dallas, Texas.

The transit department of a bank is one from which there is no profit derived, and in a good many cases, a loss created. It has been organized and broadened for the purpose of enabling interior banks to concentrate their small drafts and checks, which are drawn all over the world, at a few points, thereby making the funds immediately available; and as the banks in the concentration points make no effort to derive profit from these transactions, it is believed that the interior banks will be willing to cooperate in an effort to reduce the cost of this department, particularly as their co-operation will not create any cost whatever, and very little trouble, to themselves.

The banks in the Central Reserve Cities have already organized numerical systems in their different institutions, but without any co-operation, which has resulted in the distribution throughout the country of a large number of indorsement stamps, bearing a number which applies to their particular books only. This makes it necessary for a bank trying to comply with the request of each of its correspondents to use a different stamp in each case, and at times causes confusion and delay on account of the use of the wrong stamp. This condition brought about a meeting of the representatives of a large number of Texas Reserve City banks for the purpose of adopting a system which would result in the use of one stamp, no matter to whom the transit matter is sent.

Years ago, the banks, in handling this transit matter, kept books in which a complete description of each item was recorded, that is, the date, drawer, all indorsers, on whom, and the amount, and then wrote letters giving number, on whom, and amount. Almost all of this has now been done away with, until the more modern banks write letters, carbon copies of which are kept showing the last indorser, point on which drawn, and the amount. Although there is not as much record kept as formerly, there are a great many more items and it is a hard problem to get the mail out in time to catch the evening trains; and you will readily see that if the recording of the indorser could be done with three or four figures (rather than from five to fifteen letters) there would be a material reduction in work.

At the meeting above referred to, different numerical plans were discussed and a committee (of which the writer is chairman) was appointed to carry out the work and lay the proposition before the banks who were not represented. The plan adopted was as follows:

Numbers from one to five hundred to be left open for the purpose of allowing each bank to arrange its local system; that is, designate its different departments by the small numbers, say up to twenty-five, and from that number on up as high as necessary to be used to designate its local individual depositors, who can be furnished with indorsement stamps bearing their respective numbers. It is estimated that the city accounts depositing out-of-town checks will not exceed five hundred in any one bank.

Then all of the banks of the State were numbered, beginning with five hundred, and each bank furnished

with an indorsement stamp bearing the number assigned to it by the committee. This stamp is to be used on all transit items sent out, no matter to whom sent, as all of the banks in the concentration points will have a record of the number used by its correspondents and will use this number on its checks to designate from whom the items are received. Now, without going any further, the use of these two series of numbered stamps (city and interior) would mean a great saving of time to any bank using them.

But the good work does not stop here, and this is the point at which we are compelled to ask the co-operation of all of our friends, both in the large and the small towns. There are a great many bank items handed on which there are no indorsers, and as records must be kept of these items the only thing to be done is to write the drawer's name, unless we arrange to cover it by number. This can be done if each bank, as its old checks and drafts run out, will place its order for new ones with instructions to lithograph or print its transit number immediately under its name on its individual checks, and under signature lines on its correspondent's drafts. In most cases the correspondent's name is printed on the draft, and in such cases, have its transit number printed under its name, if a Texas bank, and in an Eastern bank have its clearing house number under its name.

Of course, some time will have to elapse before this part of the plan is in full operation, as some banks probably have enough checks and drafts on hand to last six or eight months; but just think of the benefit when in operation. It means just almost all of the transit work can be done with numbers, the drawer (if a bank) can be recorded by number; the last indorser, both individual and bank, can be entered by number, the drawee (if a Texas bank) can be entered by number, and in entering this number you are also recording the town on which drawn. One place only will always be necessary to use names; and that is where a bank is concentrating in one letter a lot of items which are drawn on towns all over the United States. This, however, will only amount to one letter in probably a hundred among the Texas Reserve City banks.

This numerical proposition is a time saver, no matter what plan you employ in your office, the old-fashioned, complete record or the up-to-date carbon copy system. But there is one other feature which most well managed institutions will consider; neatness in appearance of transit letters. There are a great many efforts being made to adopt some plan to send out neat looking letters, but most of them appear to be expensive, such as doing part of the work on a typewriter and part on an adding machine, or all of it on one of the various complicated machines which require an expert typewriter and an expert at manipulating the various and many sundry slides and switches which are on these machines. Now with this system in operation those of us who have gone into it pretty thoroughly propose to use an addressograph for addressing the letters (and a small boy can address enough letters in an hour or two to keep a large transit department busy all afternoon) and a Burroughs adding machine for the balance of the work. The enterprising Texas managers of the Burroughs Company have co-operated with the committee and arranged a machine which will meet the requirements and turn out more work than any plan which the writer has yet investigated.

The system of numbering having been arranged, the next question is how to derive the most benefit from it.

In the institution which the writer has the pleasure of serving, the plan proposed is about as follows: A simple form of letter will be used, carrying a sheet for a carbon copy which is attached by a fold at the top and perforated so that the copy can be easily detached—the fold being at the top so that when carbon paper is placed between the sheets it will run through an adding machine evenly. These letters are to be addressed (by an addressograph) to each bank to whom transit matter is sent and kept in alphabetical order. Most Texas banks handle transit items in either two or three batches, each of which is

first arranged in alphabetical order, according to destination. The first batch will be run on the letters by adding machines, totaling each letter and keeping them in the same order as originally arranged. When the second and third batches arrive these totals are picked up and the additional items entered and totaled again. Each man's work in the department is charged out to him separately, so that when he finishes his letters he can list the totals, and if his work has been entered correctly he is done, for the total will agree. And I mean *done*, for he does not then have to write the names of all his correspondents opposite the totals in order that the general bookkeeper may make the charges to the accounts, but simply turns over the copies, from which the bookkeeper posts. Not only does this save time, but it obviates errors, for, as you know, copying names adds to the chances of errors. After the bookkeeper has posted from these carbon copies and the statement man has done likewise they are returned to the transit department, where they are placed in a vertical file with thirty-one guide cards (one for each day in the month). The next occasion for the use of the copies is when advices are received covering them. They are then taken out, stamped, and dropped into a similarly arranged file, which automatically keeps them in date order. This arrangement keeps your record in such manner that failure to receive advice cannot be overlooked, as all letters in the top file are without reports and you can tell at a glance just how many days old they are. This, I think, covers the transit matter which is sent to regular correspondents and charged to their account.

Another part of the transit matter is handled through what is usually known as "Cash Collection Account." These items are handled in the same manner as those just mentioned, except that the total of the day is charged to the one account. Then these letters are numbered with a numbering machine, for the reason that there are a great many of them each day, and when returns are received they can be more easily located. Now when the returns are received the letters are taken out of the file and the amount of the remittance compared, and if there is any exchange charge it is noted in blue pencil on the letters. When all of the letters for which remittances are received are taken out the exchange notations are listed and a charge ticket made and placed with the general debits. The letters are then listed and the total credited to collection account and the drafts received should agree with this total. A Collection Account run in this manner would never be out of balance.

A careful investigation of the necessary record to be kept by the bank shows that the indorser, amount and on whom drawn, is sufficient. About the only place where writing will be necessary is where a bank concentrates matter on various towns at one point, and in the case of Texas towns even this point will be covered before a great while by the printing of transit numbers on checks and drafts.

VALUE OF EDUCATION.

"I didn't go to college," says George M. Reynolds, in the "Chicago Tribune." "I started in on a banker's stool when I was fourteen years old. But I sent my son to college. As a result, he is now almost as far advanced in the banking profession as I was when I was his age, and he has his university education behind him. I say this is a result of his university course, because, although the backing of his relatives may get a young man a chance to start in a bank, it won't keep him in a position in a financial institution and it cannot advance him unless he makes good. There is no sentiment or pull working in a bank. My point is this: The college graduate is a man; he has been trained to use his mind, and he is used to mixing with the kind of people he will do business with. A man like that who has made use of his university course has a tremendous handicap over the uneducated boy who has plodded step by step, through the

hard school of experience. My own success, I think, is due to the fact that this is the age of the specialist. I have specialized exclusively and hard on banking, and given all the thought I ever had to it. I never turned my eyes outside of the banking business. I have never been tempted to engage in any of the outside or collateral enterprises that are offered to bankers. Yet my life will leave me with the one regret; that I did not go to college."

DISAPPOINTING AMBITION.

When I was a lad on the Texas plains,
I dreamed of robbing both banks and trains.

Booted and spurred and bonny and bold,
I would gather glory and glittering gold.

But times and methods and dreams, too, change,
And robbers on horseback no longer may range.

I find that, to rob, nowadays, one must
Get in politics, or else form a trust.

And to rob by cutting, chicane and guile
Seems void of merit, and not worth while.

So rather than chose this cowardly plan
I've become a "poor, but honest man."

—"Chicago Journal."

THE SILENT MAJORITY.

We'd rather not expose our neck to corporation axes,
We'd like to have a law or two to mitigate our taxes.
We'd like to growl at Mellen when he placidly explains

That we must ante double fares, or else keep off his trains.

But we can't hope to meddle in the running of the nation,

We're only ninety-five per cent. of all the population.

We'd like to tax the gentlemen who beat the income tax

And place them for a little while in divers stocks and racks.

We'd tell them what we thought of them, we'd howl and hoot and rave,

And they could not escape until they promised to behave.

We'd dearly like to do this thing, but we must be content

To do what we are told to by the other five per cent.

If, herded into subway cars, we dare to make complaint,

We do not like that haughty air of merciful restraint,
With which the subway bosses say that some fine day,

perhaps,
They'll try to furnish us with new and sanitary straps.

We'd like to rise up and demand that we get such and such,

But merely ninety-five per cent. can never matter much.

—Jams J. Montague, in "Louisville Herald."

THE GOLD STANDARD.

Having put our currency on a sounder basis by establishing the gold standard, it is worth the American people's while to consider the adoption of a single standard for its moral currency. When big business and little business, public life and private life, the counter and the pew square themselves to this one standard, the essential part of the democratic experiment will be done. But not till then. And the only true standard of our moral values is the gold standard of the golden rule. Every kind of patriotism, loyalty, or devotion—to country or party or cause, to corporation or person or family—that does not square with this gold standard is, debased moral currency, is counterfeit coin.—"Chicago Tribune."



INSTITUTE CHAPTERGRAMS

BALTIMORE.

By Carl E. Wagner.

Thursday, June 2nd, the new Board of Governors convened for organization and the election of officers. To the highest office in the gift of the Chapter, namely, the Presidency, Frank B. Adams, of the Mercantile Trust Company, was elected. Mr. Adams' work on the board for the last two years has been energetic and his having attended several conventions of the American Institute of Banking and becoming acquainted with the interior workings of that organization, fits him for the responsibilities of the office to which he has been elected. Robert S. Mooney, of the Merchants National Bank, was elected Vice-President. It was to the untiring efforts of Mr. Mooney that the Chapter, in the past year, enjoyed such an excellent program of entertainments. With his election we are sure he will give the Chapter additional time and consideration and we can expect some new surprises along that line.

For Secretary we could not have elected a more capable man than Adrian J. Grape, of the Commonwealth Bank. Although young in Chapter work, Mr. Grape possesses that quality of doing things, and we feel sure that anything entrusted to his care will be done well. Coming to the treasurership, we found his books so well kept and our money in such good hands, that we re-elected Mr. Broening, of the German Bank, for his third term.

On Saturday, the 18th of June, the ball team of the Chapter journeyed to the City of Brotherly Love, but owing to Father Pluvius we were able to play but two innings. Our friends of Philadelphia Chapter entertained us in royal style, and I am sure the first opportunity will find us again in their midst.

The 16th of July we hope will be the "Waterloo" of the Washington Chapter, when they come to Baltimore to have it rubbed in for the way they defeated our team last year. Speaking of the team, we all feel sure that under the guidance of Mr. Reinhardt we will have a very successful season. So far we have played some of the strongest organizations around the city, and with the close of this season hope to stimulate sufficient interest to form a league among the Banks, and in that way to bridge the summer months, and hold the interest of the members unabated the entire year.

By far the most successful excursion of the Chapter was held on May 30th. According to the old saying, and a true one it is: "It never rains unless it pours," expresses exactly the number we had to go with us on that day. The time for leaving had been set for three o'clock in the afternoon, but by 2:30 the boat had its full capacity. Outside of this unfortunate occurrence everything moved along smoothly. Music on every deck kept the crowd in a jolly mood, and after a supper of peculiar excellence and an enjoyable trip on the Chesapeake, we returned home tired but happy.

Mr. Owens' election as a member of the Executive Council at the Chattanooga Convention was very much appreciated, and we feel sure he will occupy the position with honor, not only to his Chapter, but will give the Institute his time and experience.

BOSTON.

By L. V. Banker.

Boston Chapter closed its first year of activity with its annual meeting, held at the Boston City Club on the evening of May 27th. The following officers and Executive were elected for the ensuing year: H. E. Stone, Second National Bank, President; L. V. Banker, Merchants National Bank, Vice-President; A. Oswald Yeames, Suffolk Savings Bank, Vice-President; William T. Killoren, American Trust Co., Secretary; Chas. T. Conway, Old Colony Trust Co., Treasurer. Executive Committee: R. A. Whittier, National Shawmut Bank; Elisha G. Woodward, First National Bank; Walter F. Littlefield, Old Colony Trust Co.; Perceval Sayward, Boston Safe Deposit & Trust Co.; Robt. H. Bean, National Union Bank; John E. Prouty, Boyiston National Bank.

President Stone introduced Mr. Fred I. Kent, Vice-President of the Bankers Trust Co., New York, who addressed the Chapter on "Our Foreign Trade," giving most interesting statistics of our exports and imports. After the meeting a buffet lunch was served.

CHATTANOOGA.

By T. R. Durham.

Judging from the deluge of letters from all over the country to the individual members of our Chapter, the general sentiment of everyone who attended the convention seems to be we are "glad-we-went." It is a certain fact that if the delegates in attendance at the convention received the benefit and pleasure in proportion to the degree in which it was enjoyed by our own people, it was certainly one grand success.

Not only did the bank clerks enjoy themselves thoroughly in acting the part of host, but a large number of Chattanooga people have expressed themselves as being very favorably impressed with the delegates in attendance. Many went so far as to say that they have never seen a cleaner and more intellectual "bunch of fellows" than those which attended this convention.

The Southern Chapters are very proud of the election of Mr. Humes to the Vice-Presidency and Mr. Taylor as Treasurer. We believe that the convention meeting here and the election of two National officers from this section of the country will have a tendency to further the interests of the southern Chapters and be the cause of a large number of additional Chapters being organized.

Our own Chapter is very enthusiastic. Its last meeting for this year was held the week after the convention and fairly teemed with enthusiasm. There were several candidates for the various offices, which made the meeting very much alive. After a close fight the following officers, were elected for the ensuing year: D. H. Griswold, of the American National Bank, President; C. E. Kirkpatrick, of the Citizens' National Bank, Vice-President; W. R. Snyder, of the Citizens National Bank, re-elected Secretary; C. Theo. Seiter, of the Hamilton National Bank, Treasurer. S. A. Strauss, of the Hamilton National Bank; J. C. Shelton, of the American National Bank; J. D. M. Marshall, of the First National Bank; F. L. Underwood, of the Hamilton Trust & Savings Bank; Chas. S. Coffey and T. R. Durham, of the Chattanooga Sav-

ings Bank, were elected members of the Executive Council. The new officers are entering upon the work with a zest that has not been paralleled in the history of the Chapter.

Our Chapter has had occasion for elation over the recent capturing of three prizes offered for Chapter work: one by Mr. Griswold from the Tennessee Bankers' Association, and two by Mr. Dickerson from the Institute.

The Chapter has suspended its regular meetings until after the warm weather, during which time the program will be arranged for the following year, including a series of debates with other Tennessee Chapters. The Nashville Chapter has challenged our Athletic Committee for a baseball game, but it appears to be the sense of the committee that it would be better to leave contests of this description to professionals, said professionals representing Chattanooga having taken the last seven out of eight games played with Nashville.

CHICAGO.

By Lester B. Brady.

Serious moments have been in evidence often during the past year and with all these, the effects of a well meaning educational organization such as Chicago Chapter, American Institute of Banking, have resulted in gaining a better knowledge of the fundamentals of the banking and financial conditions contingent to the present times.

It is pride that prompts me to eulogize the men who have stuck to the work this year to the end, which men have proven by passing rigid examinations that they are qualified to be classed as "up in their profession."

Education has been the foremost object and to procure a certificate from the American Institute of Banking section of The American Bankers Association as a reward of serious work and study is the first goal. The game is young but the early scores conduce confidence.

Upwards of 40 Chicago Chapter men who studied "Banking & Finance, including Political Economy" under Prof. John C. Kennedy (University of Chicago) instructor, and upwards of 60 Chicago Chapter men who studied "Commercial & Banking Law" under James I. Ennis, LL.B., have qualified by examinations and are eligible for certificates and the majority for the "Institute Degree" and "The Fellow Class."

Besides the regular study classes, the programs for regular Chapter meeting nights have been interspersed with four stereopticon lectures by Prof. Paul Goode, University of Chicago, stereopticon by Judge Karel, Milwaukee, Frank W. Smith, Cashier, Corn Exchange National Bank, Chicago; Prof. Holp, irrigation specialist, and Prof. Nightingale, County Superintendent of Schools, et. al.

The annual banquet, influenced by good speakers, was well attended. The athletic meet given in September was a notable, successful feature of the year's program, as was a series of dances which promoted the social side to a great degree.

Athletics is a requisite among perhaps 300 of the Chicago bank men and much interest has been manifested in the past. The Athletic Committee will pull off June 18th the largest meet, no doubt, experienced by the Chapter. The program, filled with advertisements of great scope, is contemplated to be a work of art in that line.

Time does not permit of going into detail of the year's work and in conclusion I want to say that it has been a pleasure to act as your servant, trusting that at least some good has been accomplished. The bankers have indicated their approval of the educational promulgation among the bank men and I want to thank the officers in behalf of the Chapter for their co-operation.

Allow me to thank each and every Chapter committeeman and the officers and executive committee for their efforts during the year. Judging from the officers-elect and executive committee, I predict that next year will be a banner and I appeal to you to lend your aid to make it such.

DENVER.

By W. C. Garver.

The second annual banquet of Denver Chapter, held in the spacious hall of the Traffic Club early in June, was enjoyed by two hundred Chapter members and their friends among local bank officers and others. By the time the toasts were due everybody was feeling in a receptive mood and each speaker was roundly applauded for his remarks. Not all the toasts were devoid of witticisms but none of them were devoid of laugh-producing sayings relative to the life of the money handler.

Frank Finch, commonly known as "Doc Bird," had all hands convulsed in laughter before he talked two minutes. He used a crayon to a good advantage and to the good-natured discomfiture of some of those present.

The scene was then changed from the humorous to the serious, when F. N. Briggs of the Inter-state Savings Bank, arose to give a talk on "Co-operation Among the Banks."

In an impressive manner, he dwelt upon the importance the banks played in the prosperity of a city and he said that if all the banks co-operated in the pursuance of their duties, there would be fewer forgeries and less financial failures.

"We would not need the postal savings bank," he said, "if such conditions as I have suggested, existed. All the banks in Denver should be joined in one great clearing house, and if such a thing should ever come to pass, Denver would become one of the great banking centers of the world. What we need is a more systematic procedure."

Those who had charge of allotting the toasts had foresight enough to interpolate humorous toasts between those which required thought to understand, and it was good thinking that prompted them to choose Arthur Ponsford to give remarks upon the "Tale of the Comet."

No doubt but what the famous astronomers would have gleaned valuable information for their "hobby" had they heard the well known attorney give a legal version as to what is the composition, the tradition and the whereabouts of Halley's wonderful wanderer of the heavens.

Alex. C. Hitzler, who for several years was clerk of the federal court, gained a splendid idea on "Banking as Viewed by a Lawyer." He said that he realized that the banking business was a noble profession, because the bankers took care of the people's money, but he believed that a lawyer made more by taking the people's money away from them.

D. R. Patterson, a prominent attorney of Philadelphia, a city where 2,200 men discourse the fundamentals of Blackstone and common law, was the next speaker on the list. He having been a banker himself at one time, readily appreciated the part played by the banker in worldly affairs and his discourse was stamped with approval of the entire assemblage.

F. P. Lynch gave a sound talk on "Business vs. Banking." He asserted that the bankers of to-day would be far more competent if they should first enter into the life of a merchant.

"The banker and the merchant must go hand in hand together, because they are component parts of one great machine and without the other, the business successes of each would be far from pleasing."

The new officers of the Chapter are: W. C. Bird, President; J. B. Lippitt, Vice-President; W. C. Garver, Secretary; R. A. Brown, Assistant Secretary, and J. C. McEllherren, Treasurer.

LOS ANGELES.

By H. C. Hurst.

Los Angeles Chapter during the coming year, while not neglecting the social side, intends to specialize on educational work, and at least one meeting each month will be devoted to that end.

The May meeting set a pace which we hope will be followed throughout the season, both in the large attendance, and the practical and instructive address-

es delivered. W. C. Patterson's talk on "Our Library" was most timely, and the method he suggested for increasing the same was that each man of our large membership give at least one volume toward a larger library. And then to illustrate his remarks he presented to the Chapter the Nicolay and Hay "Life of Lincoln." When the boys saw this fine set, their enthusiasm knew no bounds, and with such a good example books are coming in with a rush.

A committee has been appointed to keep the good work going, and to care for the books as they come in, and new bookcases are being installed along the north wall of the library.

The address given the same evening by Wellington Clark, on "How to Study Law," was one of the most practical talks ever given along that line. Mr. Clark dwelt on his student days, and on his long experience in the law. He recommended the following as a course of reading for the man who would know law: "Walker on American Law," "Kent's Commentaries," "Tieterman on Real Property," "Bishop on Contracts," "George on Partnership," any good author on "Agency," "Notes and Bills," "Mortgages," "Liens," Pomeroy's "Equity and Jurisprudence"; any good author on "Corporations"; and for those intending to practice, should be added to the foregoing list, works on Evidence, Practice and Pleadings. Mr. Clark very kindly offered to loan to any of the boys volumes from his large law library, upon one condition: He said he had loaned books and they would come back to him without any covers on; other times the covers would return without any books inside of them. But if the boys would return them together he would be very happy to furnish the books. All of which is surely appreciated by our members.

The class in Commercial Law has about completed its work, and will soon be attacking the Institute examination.

MACON.

By Bayard Roberts.

One of the best meetings of our Chapter since its organization last November, was held at the Chamber of Commerce on June the 30th, when we had with us President R. H. MacMichael of Pittsburg. Mr. MacMichael made a splendid talk that was thoroughly enjoyed by all present, giving us the history of the A. I. B. from the organization of the first chapter down to the present time when there are chapters all over the United States comprising a membership of more than ten thousand bank clerks who are being benefited by this organization.

While the year just closed has been a very successful one we feel that with the beginning of our second year in the fall we are going to be able to do a greater work still, having for our President one of Macon's brightest young bank clerks, Mr. F. R. Nisbet, who was our delegate to the convention in Chattanooga. We also expect to greatly increase our membership with the beginning of a new year.

MEMPHIS.

By Herman Alperin.

Memphis Chapter held its regular annual meeting, before adjournment for the summer, in the directors' room of the Bank of Commerce & Trust Co.

An address by S. J. Shepard, Trust Officer of the Bank of Commerce & Trust Co., relative to legal phases of the tellers' work was received by all present with enthusiasm.

As this was also the occasion of the election of new officers for the coming year, we had a large attendance. The following officers were elected: President, Frank S. Omberg, with Bank of Commerce & Trust Co.; Vice-President, M. E. Tapp, with First National Bank; Treasurer, Frank S. Bragg, Jr., with Union & Planters Bank & Trust Co.; Secretary, Herman Alperin, with Commercial Trust & Savings Bank. The Executive Committee was increased from three to five members, the following being elected for the ensuing year: L. C. Humes, with First National Bank; A. P. Walsh, with North Memphis Savings Bank; J. R. Craig, with First National Bank; A. Y. Forbes,

with Bank of Commerce & Trust Co; Fred Neutzel, with Bank of Commerce & Trust Co.

Memphis Chapter is indeed proud that two of its ardent members, A. Y. Forbes and J. N. Foote, both of the Bank of Commerce & Trust Co., captured the first and second prizes respectively offered by the Tennessee Bankers Association at their annual convention at Chattanooga, May 24th-25th, for any member of the Tennessee Chapters correctly listing checks. Many other Chapter members were in the contest but our local boys brought home the honors.

The local Chapter is proud of the fact that one of its members, L. C. Humes, who has by his past efforts in behalf of the Institute in general and the local Chapter in particular, was elected to the office of national Vice-President of the Institute. We feel that he certainly deserves the honor bestowed upon him, for besides being President of Memphis Chapter for two successive years, he is its most ardent and efficient worker, and the local Chapter has prospered largely through his workings since its organization.

The Western and Chicago Chapter men who stopped over with us, en route and returning, will no doubt "speak well" of us, and it is the intention of Memphis Chapter hereafter to have delegates invited to stop over and visit us, either going or returning from annual conventions. This will result in enlarged acquaintances, and maybe it will not be long before Memphis will be asking for an annual convention of the Institute. We feel that we owe quite a debt of gratitude to the members of the other Chapters who honored one of our members at this year's convention.

MILWAUKEE.

By H. G. Zahn.

For a fitting climax to an unusually active winter season, Milwaukee Chapter forsook the "forum" for the "cinder track," and turned out en masse at its first annual field meet at Lake Park Stadium, Saturday afternoon, June 18, 1910. From the time the idea was first conceived, much enthusiasm was shown by the members, who demonstrated by their active participation in the many events, that they were good athletes as well as good bank men.

As a result of this initial meet, the Chapter room is now ornamented by a handsome silver cup, donated by the Bunde & Upmeyer Co., to be contested for annually, and awarded to the bank winning the greatest number of points. The Wisconsin National Bank team has the honor of being the first winner, and having their name inscribed thereon, winning by a score of 61 points out of a possible 117.

Aside from the remarkable success as viewed from an athletic standpoint, the event surpassed expectations as a social affair, many of the members bringing their ladies, for whom special entertainment was provided.

NASHVILLE.

By J. J. Heflin.

Nashville Chapter held its last meeting of the year on May 10th. Reports were submitted by the following: Anderson, Chairman of the Courses in Commercial & Banking Law; Dorriw, Chairman of the Program Committee; Miller, Treasurer; Houston, Chairman of Debates; Heflin, Secretary. The reports made showed a gratifying progress and indicates that the Chapter is in a very substantial condition.

The officers elected for the coming year are: President, J. J. Heflin, First Savings Bank & Trust Co.; Vice-President, L. T. Ayers, First National Bank; Treasurer, C. H. Hillman, Nashville Trust Co.; Secretary, F. M. Mayfield, Tennessee Bankers Association.

The members of the Executive Council are: D. Y. Proctor of the Broadway Bank & Trust Co.; A. B. Benedict of the Nashville Trust Co.; Bradley Curry of the First National Bank.

Arrangements are being made for a baseball game against Chattanooga at an early date. Joe Wilkerson is chairman of the committee in charge.

The second annual banquet was held in Luigart's

cafe on the night of May 18th. T. J. Broderick as toastmaster presided gracefully and a number of responses were made by members.

NEW ORLEANS.

By John Dane.

"Banking Education" was the theme at the fourth annual banquet of New Orleans Chapter, at the Grunewald Hotel May 28th, and during the course of the addresses made, following the passing of good things, the splendid achievement of some of the local men who had taken the study course was commented upon and the good results of the movement generally summed up.

The gentlemen of the local Chapter held their annual meeting in the afternoon, and the following officers were elected to serve for the ensuing term: N. E. Bertel, of the Whitney-Central National, President; P. Blum, Jr., of the Teutonic Bank and Trust Company, Vice-President; F. G. Walle, of Westfeldt Bros., Treasurer; John Dane, of the Hibernia Bank and Trust Co., Secretary.

The tables were spread in one of the big private dining rooms of the Grunewald Hotel, and a large number sat down to partake of the rich feast. W. S. Parkerson, the well-known attorney-at-law, a general favorite with the members of the association, sat in the seat of honor as toastmaster, and Mr. Parkerson, as usual, showed that brief eloquence which fits so well with limited time. Mr. Parkerson commended the association for its growth and accomplishments, and predicted for it a bright future. Mr. Parkerson had something apt to say as he introduced each speaker, and discharged the duties of his office in a manner that materially added to the evening's success.

R. S. Hecht, of the Hibernia Bank, told of the progress and growth of the association. Mr. Hecht was the first man in New Orleans to receive a diploma from the Institute, and when the movement was first started in New Orleans he instructed the first class organized. Mr. Hecht is also Editor of the "Gulf States Banker." In his premise, Mr. Hecht read off the names of the following local gentlemen who had passed the examination and were to receive diplomas: Victor L. Bernard, Assistant Cashier Morgan State Bank; Fritz Borgemeister, German-American National Bank; Harry Hardie, Commercial-Germania Trust & Savings Bank; W. B. Machado, Assistant Cashier Hibernia Bank & Trust Co.; R. G. Fitzgerald and John Dane, Hibernia Bank & Trust Co.; R. J. Palfrey, New Orleans National Bank; F. L. Ramos, German-American National Bank.

Albert Breton, Vice-President of the German-American National Bank, and President of the Louisiana Bankers Association, made a very timely address. He spoke of the bank clerks' opportunity, and commented upon the relationship between the officers and the clerks. Mr. Breton's remarks brought forth enthusiastic applause.

Harry Hardie, chairman of the Educational Committee, and one of the successful members of the examination class, on behalf of the local Chapter, presented Prof. Monte M. Lemann, the local attorney, who had instructed the class in commercial law, a very handsome watch fob. Mr. Lemann made a happy response.

The new President, Mr. Bertel, and the retiring president, Mr. Palfrey, both made short talks, and Mr. Parkerson just before the stirrup cup was drunk called upon all present to stand together and work for New Orleans' advancement and development.

On Saturday, June 4th, Frisco Delegation struck the "Logical Point" en route to the Chattanooga convention. We were delighted to have them with us, and took especial pleasure in showing them the natural beauties and advantages of the Crescent City. The immense possibilities of the Mississippi were laid before their eyes, as was also the quiet beauty and peace of Lake Pontchartrain.

New Orleans sent a delegation of nine to Chattanooga, and we certainly enjoyed ourselves to the utmost. It is certainly a great thing to attend these conventions, the associations and friendships there

formed are some of the good things of life, and one goes back to his daily task with the desire to emulate, and with higher and nobler resolves.

PHILADELPHIA.

By David Craig.

It is our desire that the first thought in our initial Chaptergram to the Bulletin of the American Bankers Association including the American Institute of Banking should be an expression of gratification in the consolidation of the two publications. There is much of good to be gained in this combination and we greet the new edition with earnest appreciation. There are doubtless many into whose hands the Bulletin will now come who are not really aware of the true aims and purposes of the Institute. To such we urge a study of its objects and a realization of its merits will bring renewed and increased support.

Philadelphia Chapter, which has always been unremitting in its efforts for education, recently closed what is probably its best season's work. Aside from the regular bi-monthly meetings the past year's program included the permanent organization of a debating section and the institution of a study class in the prescribed Institute courses. The successes of the public speaking club have been recounted before, while the simple statement that forty-eight men successfully passed the final examinations in Banking and Commercial and Banking Law is more forceful than eulogy. "It's results you know that count."

It is anticipated that all of this number will continue their study in the fall and that as many more will enroll in the new class. This work will be supervised by John C. Knox, last year's president, and under his guidance, it is safe to predict a continuance of the interest aroused by the old committee which was piloted by Wm. S. Evans. Following is a list of the graduates: Rowland Alexander, Raymond R. Bartlett, Edward C. Bell, M. E. Benton, R. M. Brandriff, Dorsey Butler, Robert Campbell, Joseph S. Clark, A. Coffin, A. L. Crispin, Edward J. Davis, Howard E. Dely, Percy E. Dickinson, Elmer G. Dutton, Arthur R. Elmer, Charles B. Engle, A. G. Felix, Jacob Frank, Morton Frick, Charles C. Gamble, H. Gilbert, J. H. Hall, John D. Hayes, W. E. Hitchcock, Edward Hoag, J. Dewette Ingham, A. A. Keiser, M. J. Klank, E. N. Matsinger, William A. Nickert, John F. Paynter, M. D. Reinhold, Clarence P. Rowland, T. H. Runcie, Thomas A. Ryan, T. W. Scattergood, Edwin T. Schwarz, Walter G. Scott, Robert Test, J. L. Thornton, E. H. Thurman, R. W. Whitaker, Stuart White, H. T. Wilcox, Edmund Williams, Adam H. Wilson, E. S. Wilson, W. J. Woerner.

Our delegates to the Chattanooga convention are enthusiastic over its success, and those who have been so fortunate as to have attended previous meetings agree that the 1910 gathering was the most successful. We are indebted to our hosts for a most enjoyable entertainment and gladly concede that they have more than made good the South's reputation for hospitality.

There was much of interest in the convention sessions and the reports of delegates to be submitted to the various Chapters should form an entertaining and instructive program for the opening meetings in the fall. Right here, we want to extend our hearty congratulations and best wishes to the new officers of the Institute, and sincerely trust that their efforts will meet with undivided support and with great success.

That there is more than one side to the bank man's life was aptly demonstrated on Saturday, June 18th. On that day the ball team of Baltimore Chapter journeyed to the Quaker City and crossed tongs with the champion team of the Philadelphia National Bank. Three innings saw the scorer's finish. The tape in his adding machine ran out, but a welcome thunder storm brought relief. In the hurry for shelter the machine list of runs was lost, but there being no circuits to Baltimore's credit, the count was of no avail, as the local boys had "lots" to spare. It was disappointing, of course, that the rain should have stopped the game, especially since our visitors had traveled so far, but inwardly, 'tis said, they welcomed it.

Philadelphia Chapter entertained the Baltimore boys at dinner in the popular and beautiful Strat-haven Inn, Swarthmore, at which suburb the game was started. We thoroughly enjoyed the evening, and were delighted to have the opportunity of promoting the good feeling already existing between Baltimore and Philadelphia.

PITTSBURGH.

By J. Howard Arthur.

One of Pittsburgh Chapter's busiest years came to a very enjoyable close on the night of May 24th, when the annual election of officers and directors was held, followed by a side glance into the realms of up-to-date vaudeville.

After a short and aggressive campaign of two weeks, in which the best feeling and good fellowship among the candidates and their supporters was everywhere manifested. The following officers and directors were elected: President, J. Howard Arthur, People's National Bank; Vice-President, Chas. A. Seibert, Colonial Trust Co.; Secretary, B. O. Hill, Second National Bank; Treasurer, Harry E. Hebrank, Union National Bank; Directors, J. E. Rovensky, Frank S. Mitchell, Wm. E. Scheibler, A. H. Copeland, H. B. Powell, Jr., and Sidney F. Murphy. The vote polled was one of the largest in recent years and the crowd that assembled to hear the election returns was entertained with a smoker and vaudeville show, and proved itself one of the largest and jolliest crowds of the year. After the election returns the meeting adjourned to meet again in the fall and the activities of the summer months were turned over to the delegates elected to attend the convention at Chattanooga.

Pittsburgh Chapter attended the convention about twenty strong, leaving the Union Station at 9:55 Sunday night, June 5th, and stopping over in Cincinnati for one of the most enjoyable days of the convention trip.

The delegates and guests who attended the convention were: D. C. Willis and wife, V. C. Boggs, R. H. MacMichael, J. E. Rovensky, Oscar Kappf, C. Earl Steel, F. G. Bruce, F. M. Pollard, C. G. Pfordt, W. G. Gundelfinger, E. S. Eggers, J. H. Tawney, P. C. Harper, J. S. M. Phillips, and J. Howard Arthur. The Pittsburgh delegates are united in their praise of the splendid way in which those in attendance were entertained by the Chattanooga bankers, and one and all parted with regret from the wonderful mountain scenery and the beautiful and entertaining Tennessee ladies. In fact, we are afraid that some of Pittsburgh's oldest and sanest members left their hearts and many tender memories behind.

From Pittsburgh's point of view the convention was a decided success and we are indeed proud to be able at this time to extend our most hearty congratulations to J. E. Rovensky for his splendid paper on "A Central Bank," which took first prize, and also to Wm. J. Kerr, who carried off first prize in the Transit Department contest. Pittsburgh has always been proud, but never boasted, of her educational achievements, and while at present we have the largest Chapter in the country in point of membership, this fact does not in the least detract from the record of our members in the field of education. Here's to Pittsburgh's prize winners and may we have renewed energy during the coming year along lines of advanced education.

Then, again, Pittsburgh rejoices that its members have not become educated fossils, but that they are still able to enjoy the fun of a fast and furious political campaign. And again we unite in congratulating R. H. MacMichael, one of our most valued members and enthusiastic workers, upon his successful campaign for the presidency. Mr. McMichael has our solid support and best wishes for a prosperous and successful term of office. Pittsburgh feels it a great honor that one of its members was elected to the highest office in the gift of the Institute, and wishes to thank those friends who stood by us through thick and thin in the trying hours just before election.

Pittsburgh delegates together with some of our good friends from Chicago, stopped off on the re-

turn trip at Mammoth Cave, and spent a very enjoyable day exploring the wonders of the biggest cave on the continent, and altogether we feel well repaid for the time and effort spent at the Chattanooga Convention.

SAVANNAH.

By S. W. Lewis.

This month has been a busy one in the local Chapter. We were honored on the 14th instant by a visit from Institute President R. H. MacMichael. We were all glad to have the opportunity of meeting him and his visit to us has infused new life into our Chapter. In an interesting and forcible address in the evening, he clearly explained the workings of the Institute, and gave us new ideas for the advancement of our Chapter. All those present felt fully repaid for their visit to the Chapter rooms, and we are perfectly satisfied with the choice of a President by the Chattanooga Convention. There is much joy in the local camp over the election in Chattanooga of our President to the treasurership of the Institute. We feel that we have been highly honored, especially because of our tender age. Our delegates are loud in their praise of the Chattanooga boys for their hospitality, and we wish to take this opportunity of thanking them for their kindness. We have begun with renewed energy since the convention, and are making every effort to make Savannah a "live wire" in the Institute. Our law class is progressing nicely. On June 3d, this Chapter gave an all-day steamer trip to its members, and about half took advantage of the opportunity to spend a day on the water. After fishing for several hours we tied up at Warsaw Island, and had a surf bath. Although this beach is seldom heard of because of its inaccessibility, it is one of the finest on the South Atlantic coast. We not only get a great deal of pleasure out of these trips, but they bring the boys into close contact with each other and strengthen friendship.

SCRANTON.

By Frank H. Pierce.

Scranton Chapter successfully ushered in the seventh year of its organization on the evening of May 24th, by holding an adding machine contest, an event which was very greatly enjoyed. The affair was held under the direction of the Burroughs and Wales Adding Machine Companies, and the winners were judged on points of accuracy and speed. The test was the listing of a string of 250 checks which were used in the Interstate contest, held April 26, 1907, in St. Louis, these being run on the two machines in relays of three operators each.

Seventeen clerks participated in the contest and the majority of these made remarkable time, but the totals were incorrect and only four of these succeeded in adding the checks correctly, three being entered on the Wales machine and one on the Burroughs. The four correct lists were run by H. J. Ryan, of the First National Bank, Pittston; F. H. Pierce, of the Miners' Savings Bank, Pittston; J. D. D. Gladding, of the Traders' National, Scranton, and P. J. O'Malley, of the North Scranton Bank. The judges were: M. J. Murphy, cashier of the Traders' National Bank; Charles Ross, of the Traders', and John Griener, Jr., of the Lackawanna Trust Company. The timekeepers were A. L. Seidler, of Springfield, Mass., a former representative of the Burroughs people, and J. J. Flannery, of Avoca, connected with the local office of the Burroughs Co. D. E. MacCarthy, sales manager of the Scranton office, was also in attendance.

The winners on the Wales machine were: First, H. J. Ryan, time, 5.14½, handsome traveling bag; second, P. J. O'Malley, time 6.40, alligator skin wallet; third, Frank H. Pierce, gold-lined silver drinking cup. The winners on the Burroughs machines were: First, J. D. D. Gladding, time 6.59, military brushes; second, H. H. Holder, of the Lackawanna Trust, time 5.45, and one error, watch fob; third, J. Russel Jones, of the Traders' National, time 6.40, and one error, cuff links and pin. Mr. Ryan made the best time of

the evening, and his record lacked one minute of the world's record.

The meeting was called to order by the new President in the chair, J. D. D. Gladding, and the other following officers present: Vice-President, John Benfield; Secretary, W. B. Kramer, and Treasurer, K. R. Burnett. These, together with the several committees, expect to make the coming year a banner one in Chapter work, and have something big on the slate for each meeting. The interest which will be taken in the work from now on was shown by the extraordinarily large attendance on the opening meeting. Twelve new members were admitted.

Following the contest, there was an interesting and instructive social session, presided over by President Gladding, who spoke of the Chapter in the past and told of the work which was being planned for the coming year. At this point Mr. MacCarthy, representative of the Burroughs Co., openly commended the boys on the evening's work, and F. J. O'Malley related several funny Irish jokes, which were cordially received.

The feature of the session, however, was the address by M. J. Murphy, cashier of the Traders' National Bank, who spoke of the relationship of the bank clerk to the bank officer, and openly commended the boys on account of their successful work in the law classes. Mr. Murphy spoke at length on the work that the Institute was doing for the bank clerks. Mr. Murphy said that the law class was a splendid feature, and offered the suggestion that the Chapter take a more active interest in debating and organize debating clubs, since there is no work which will enable a man to express his thoughts, or in other words, talk business better than these little debates held within the realms of the Chapter. Mr. Murphy's remarks could be hardly treated as an address and a more appropriate way to put it would be to say that he had a heart to heart talk with the boys and urged them to better results. The speaker is one who has arisen to his present responsible position from the ranks, and has proven himself a staunch supporter of the Institute and its members.

SHREVEPORT.

By Oswell F. Simmons.

Interest has been considerably revived in our Chapter by the arrival of the first of the series of lectures on "Banking and Finance," and the most of our members have been enrolled for the course. We have been fortunate in again securing the services of Albert H. Van Hook, Assistant Cashier of the Commercial National Bank, to deliver these lectures, and we are sure that more of our members will pass the examination than in the course on commercial law. We have lately gotten out a circular letter explaining the benefits to be derived from the Institute, and we are daily receiving applications for membership.

One of our most enthusiastic workers is Patton N. Hawkins, who was our representative at the Chattanooga Convention, and who is already soliciting votes for delegate to Rochester in 1911. Mr. Hawkins sends his greetings to the Bulletin.

We have equipped our splendid quarters in the First National Bank Building with electric fans and will continue our work through the summer months.

SPRINGFIELD.

By Fred H. Tilton.

Springfield Chapter closed its eighth successful year of existence, when on Thursday evening, June 9th, we held our annual meeting and elected the following officers for the coming year: President—Louis E. Combs, Springfield Safe Deposit and Trust Co.; Vice-President—A. A. Mathison, Chicopee National Bank; Secretary—Fred H. Tilton, Third National Bank; Treasurer—H. A. Colwell, Union Trust Co.

The new executive committee consists of the officers and the following five members: Chas. G. Hubbard, Springfield National Bank; Fred L. Ulaite,

Springfield Institute for Savings; Edward Kronval, Springfield Safe Deposit and Trust Co.; H. E. Belden, Chapin National Bank; Raymond H. Flagg, Springfield Safe Deposit and Trust Co.

The officers' reports showed the Chapter to be in a prosperous condition, our membership showing an increase over last year of several members, and our Treasurer's report showing the Chapter to be in a fine financial condition.

After the election we were entertained by Professor Clark, a Hindoo psychic reader, whose feats of identifying and describing accurately and correctly of coins, bills, or other articles placed on a table before him, while heavily and completely blindfolded, were thoroughly enjoyed by all those present.

Our chapter has organized a baseball team and we are all anticipating a fine time when we take a trip down the river to play our friends of Hartford Chapter, on Saturday, June 25th.

ST. PAUL.

By Theodore L. Lee.

To show that the work of our burnt cork artists of recent minstrel show fame was appreciated, a banquet was given in their honor at the Merchants Hotel on the evening of May 26. One hundred and twenty-five plates were laid and the attendance was only exceeded by the enthusiasm of every man present, for even Darius Reese, one of the principal speakers of the evening, stamped it as one of the most pleasant banquets he ever attended. R. H. Lindeke, chairman of the committee in charge, had all arrangements well in hand. Between courses minstrel show songs were sung and the dancers, who made a great hit on the evening of the show, were induced to repeat their performance. Mr. Lindeke also acted as toastmaster, and when chairs had been pushed back and cigars passed around, introduced as the first speaker, Mr. Fairchild, who in a few words explained the object of the gathering. Carl Diether, chairman of the minstrel show committee, followed Mr. Fairchild, and reviewed the different phases of the minstrel show. Both the ups and downs were touched on, but when he volunteered the information that the profits had run well up into four figures, there was no doubt left in the minds of any that the undertaking had been well worth all the labor expended. In closing his remarks Mr. Diether pleasingly expressed appreciation to all who had contributed to the success of the show, and the applause which greeted him as he took his seat showed the high regard in which his own work was held.

The toastmaster then introduced Laurence Hodgson, one of St. Paul's literary men, known by most readers of his articles as "Larry Ho," and for the next half hour funny stories and philosophical reflections on life in general fell upon the ears of interested listeners. Mr. Hodgson hardly thinks the money vaults and the making of the wherewithal with which to fill them should constitute the sole ambition of any banker, but that mirth, laughter, fun and recreation in various forms should be given as much consideration as the mad chase for wealth.

Darius F. Reese, well known Minnesota Republican leader, delivered a splendid address, inspiring his listeners with patriotic utterances and earnestly impressing upon their minds the greatness of American principles as they are being worked out to-day.

Among those present were Otto Nelson and John Pearson, first President and last President of the Chapter, preceding the present administration. Both were called upon to speak to the men and their appearance added much to the evening's entertainment. Mr. Pearson, who is now practicing law, showed himself to be a booster for St. Paul when he urged the delegates to the Chattanooga Convention to support themselves well with badges and to pass them around freely.

As the hour of ten approached, the banquet was well fed, mentally and physically, reluctantly departed, all feeling that they had spent a profitable and pleasant evening.

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