

INDEX TO VOLUME 7

AMERICAN BANKERS ASSOCIATION

- Pacific Coast Conventions, 1.
- Convention of 1914, Richmond—
 - General Outline, 2.
 - Notes, 79.
 - Hotel Accommodations, 81.
 - Railroad Rates, 82, 146.
 - Program, Entertainment and Committees, 139.
 - Special Trains, 148.
 - Synopsis of Proceedings, 279.
- Convention of 1915—
 - Pacific Coast Suggested, 2.
 - Seattle Hotel Committee Headquarters in Seattle, 447.
 - Arrangements, 540, 745, 865.
 - Transportation Arrangements, 963.
 - Outline of Program, 965.
- Cipher Code, 3, 82, 83, 84, 85, 128, 205, 364, 457, 458, 876, 977.
- Meeting of Bank Credit Men, 3, 83, 670.
- Registration at Offices, 3, 84, 207, 292, 363, 460, 542, 652, 782, 879, 972.
- Membership Increase, 82.
- State Bank Supervisors, 82.
- One-cent Letter Postage, 83.
- Bank Publicity Association, 84.
- Farm Mortgage Bankers, 84, 291.
- A Death-blow to Note-kiting, 137.
- Travelers' Cheques, 138, 293, 365.
- State Bankers' A. B. A. Elections, 144, 224, 458.
- Proposed Amendments to the Constitution, 149.
- Council Club, 156.
- Topics of the Month, 201, 271, 443, 537, 647, 741, 837, 949.
- Banking Conditions in France, 204.
- Proposed War Tax, 205.
- A. B. A. Finances, 205.
- Executive Council, Spring Meeting, 1915—
 - Time and Place Selected, 278.
 - Announcement, 546.
 - Program, 753.
 - Synopsis of Meeting, 851.
- Department of Public Relations, 291.
- A. B. A. Men in Reserve Bank System, 353.
- Rules and Regulations of the Federal Reserve Board, 354.
- Daniel R. Wilkie, 357.
- The Non-Borrowing Country Bank, 358.
- Investment Bankers at Philadelphia, 359.
- Charging Collections Under Federal Reserve Act, 360.
- The "Banker-Farmer," 362.
- Rural Credits, 363, 453, 750, 868.
- Larger General Offices for A. B. A., 365, 548, 929.
- Federal Reserve Advisory Council, 371.
- Tax Against Promissory Notes, 447.
- Clearing Functions of the Reserve Banks, 448.
- New A. B. A. Fidelity Board, 452.
- Reserve District Boundaries, 457.
- Appreciation of Membership, 457.
- Mayo Case, 459.
- Public Utility Problem, 460.
- Banquet Abandoned Because of War, 472.

AMERICAN BANKERS ASSOCIATION—Continued.

- Rules for Farm Loans by National Banks, 474.
- Reserve Act a Menace, 541.
- Report of Federal Reserve Board, 543.
- Ninth District Reserve Bank, 544.
- Death of Henry W. Yates, 546.
- New Copyright Burglary Insurance Policy, 547.
- Why the Cotton Pool Failed, 548.
- John P. Branch, 549.
- Invitation to Salt Lake City, 549.
- Times Gradually Improving, 650.
- Reserve Bank Plan to Care for Cotton Crops, 651.
- Paper Eligible for Rediscount, 653.
- Reserve Act's Place in American Finance, 655.
- Incorporation of Bankers Health Commission, 659.
- Burglary Insurance That Insures, 662.
- No Lack of Opportunity for Bankers of Ability, 663.
- Bank of England Rediscount Policy, 665.
- Work of Agricultural Commission, 749.
- Should Canada Retail Her Gold, 760.
- William Walter Waive, 842.
- Regional Banks Join the Association, 842.
- The Suit of the Riggs Bank, 843.
- Authorship of Federal Reserve Act, 850.
- Associate Editorship of the JOURNAL-BULLETIN, 867.
- Year Book for 1914, 875.
- Some Facts About Rediscounting in Practise, 876.
- Reserve Bank System of Intra-District Collections, 877.
- Travelers' Cheques at Frisco, 878.
- The Progress of the South, 879.
- Vice-President for Philippine Islands, 952.
- Pan-American Conference—Financial Policy for Pan-America, 953.
- Lake Mohonk Arbitration Conference, 958.
- George H. Russel, 961.
- Training Men for South American Business, 962.
- Postal Savings by Mail, 965.
- Recent International Gold Movements, 966.
- Reserve Act a Measure of Protection, 967.
- Unusual Opportunity for A. B. A. Cheque Business, 969.
- Banker-Farmer Conference, 970.
- State Banks May Suit Reserve System, 981.
- Reserve Banks Not Violating Neutrality, 981.
- Gold Reserve in Uruguay, 989.

AMERICAN INSTITUTE OF BANKING SECTION

- Amortization of Bonds, 55.
- Trust Companies, 61.
- Institute Extension, 63.
- Studies in English, 64.
- Reserve Computation, 65.
- Better Banking, 65.
- Proposed Board of Regents, 66.
- Compulsory Education of Bankers, 66.
- Chaptergrams, 67, 128, 191, 266, 333, 427, 526, 629, 710, 787, 904, 1017.
- Proposed Constitutional Amendments, 89.
- What About the Fellows, 120.
- Guarantee of Deposits, 122.

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

AMERICAN INSTITUTE OF BANKING SECTION

—Continued.

- What the Institute Is, 124.
- An Officer's Impressions of the A. I. B., 125.
- Chapter Men in Public Work, 127.
- Bankers Health Commission, 127.
- The Price of Success, 127.
- Chapter Presidents' Conference, 156.
- Institute Graduates, 185.
- Study Course Revision, 188.
- Elements of Accounting, 189.
- Dallas Convention, 239.
- Present Banking Problems, 327.
- U. S. Opportunities in Central and South America, 329.
- Rural Credits, 330.
- Popularizing Thrift, 409.
- Inter-Chapter Debating, 413.
- Chicago-Philadelphia Debate, 414.
- Institute Committees, 426.
- Forum of the Institute, 514, 607, 693, 783, 901, 1003.
- Board of Regents, 516.
- Gold on the Pacific Coast, 516.
- 1915 Competitive Essay Contest, 517.
- Philosophy of Credit, 518.
- San Francisco Convention—
 - Announcement, 520.
 - Route Selected, 723.
 - Transportation, 931.
 - Program, 1016.
- The Merchant and Foreign Trade Development, 522.
- Life Strain on Bankers, 524.
- Some Financial War Problems of America, 610.
- Branch Banks in Foreign Countries, 615.
- Regulation of Public Utility Securities, 620.
- A Credit Man Analyzes Business Statements, 623.
- Bryan Urges Bankers to Get Into Politics, 704.
- Need of Education to Meet New Conditions, 707.
- Post-Graduate Theses, 806.
- Cotton as a Potent Factor in Finance, 807.
- Change of Attitude Towards Banks That Rediscount, 809.
- Rights of Member Banks in Reserve System, 811.
- Domestic and Foreign Acceptances, 813.
- Country Bankers and the Institute, 814.
- Report of Institute to American Bankers Association, 903.
- Foreign Trade and Domestic Prosperity, 922.
- Investment and Speculation, 927.
- Correspondence Chapter Work, 928.
- Mental Strain in American Life, 930.
- Reserve System from Standpoint of a Statesman, 932.
- Lessons of the European War, 933.
- How the War Affects Practical Operations in Foreign Exchange, 1005.
- Work of Reserve Board Explained by Secretary Willis, 1010.
- Studies in Grammar and Rhetoric, 1013.
- Effect of Reserve Act on New York as a Banking Center, 1014.
- Book on Elementary Banking for Beginners, 1016.

CLEARING HOUSE SECTION

- New Clearing Houses, 7.
- Low Clearing House Numbers, 7.
- Uniform Drafts on Reserve Banks, 7.

CLEARING HOUSE SECTION—Continued.

- Uniformity in Checks, 90.
- New Clearing House Examiners, 90.
- Conference of Clearing Houses, 90.
- Book of Forms, 91, 210, 556.
- Motes and Beams, 155.
- Meeting of Clearing House Examiners, 155.
- Banking Practise Under Federal Reserve Act, 210.
- Key to Numerical System, Supplement, 210.
- Total Bank Transactions, 297.
- Increase in Numbered Checks, 297.
- The Clearing House Examiner, 297.
- Georgia Clearing House Association, 362.
- State Clearing House, 370.
- Transit Number Statistics, 370.
- Payment of Clearing House Balances, 370.
- Federal Reserve Bank Drafts, 371.
- Universal Numerical System, 469.
- Shipments of Currency, 469.
- Clearing Totals Will Lose Value as Statistics, 470.
- "Exercising the Functions of a Clearing House," 554.
- Clearing Houses Show Interest in Total Bank Transactions, 555.
- Clearing House Examinations or Guaranty of Deposits, 668.
- Bank Clearings and Bank Business, 670.
- Should Country Checks Be Charged Against Balances, 763.
- Additional Uses for Numerical System, 764.
- Why the "Check Collection Provisions" Were Necessary, 883.
- Gold Settlement Fund and Inter-District Clearing, 975.
- Reserve Board's Regulations as to Clearings, 978.
- Gov. Seay Explains Clearing Plan, 979.

LEGAL DEPARTMENT—ARTICLES AND NOTES.

- Interlocking Bank Directors, 23, 94, 162, 217, 300.
- Bills of Lading, 31, 575.
- Analysis of Trust Bills, 94.
- Postal Savings Legislation, 162, 488, 684.
- Federal Reserve Act—
 - Amendment relating to National Currency Associations, 162.
 - Amendment relating to reserves, 162.
 - Legislation enabling State banks to join Federal Reserve System, 380, 772.
 - Opinions, legislation and regulations relative to, 480.
 - Regulations and circulars issued by Federal Reserve Board, 564, 675, 888.
 - Amendment relative to Acceptances, 684.
 - Announcements and Resolutions of the Federal Reserve Board, 769.
 - Recent State legislation on trust powers of National banks, 771.
 - Bank Officer as Beneficiary in Member Bank Transactions, 990.
- Emergency Revenue Act—
 - Proposed tax on bank capital, 217.
 - Stamp and bank tax provisions, 301.
 - Digest of rulings under War Revenue Act of 1898 applicable to Act of 1914, 375.
 - Recent rulings under, 377, 485, 570, 770.

LEGAL DEPARTMENT—ARTICLES AND NOTES

—Continued.

- No stamp tax upon certificates of deposit, 378.
- Trust companies and the emergency tax, 378.
- The tax on emergency circulation, 378.
- Checks refused through error, 475.
- Payment of deposits to minors, 477.
- Circulation based on commercial paper, 487.
- No protest items, 576.
- The Comptroller's circular on Overdrafts, 680.
- Income Tax Law—
 - Deduction of bank taxes from gross income, 683.
 - Deduction of interest on Government bonds, 684.
- Late Rural Credit developments, 685.
- Legislation in the Sixty-third Congress affecting banks, 770.
- State legislation affecting banks recommended by Association, 771.
- Terminal Warehouse Bill in Washington, 772.
- New general banking laws, 772.
- Guaranty of bank deposits, 772.
- Instruments payable at bank—Kansas N. I. Act amended, 773.
- Power of National bank to contract for insurance of deposits, 890.
- Acknowledgments over telephone, 891.
- Negotiability of Bills of Exchange and Acceptances, 991.
- Confiscation of Enemy's Property in Event of War, 992.

LEGAL DEPARTMENT—OPINIONS.

- Checks for More Than Balance Presented Through Clearing House.—Where a number of checks aggregating more than the depositor's balance are presented at the same time through the Clearing House and the balance is sufficient to pay some of them, the bank must pay such of the checks as the deposit is sufficient to meet and may choose which to pay and which to reject, but it will be liable in damages if it returns all such checks unpaid, 31.
- Duty of Collecting Bank.—Does due diligence require request for certification, after check is refused payment because of improper indorsement, before returning for correction? 33.
- Forged Draft Against Stolen Letter of Credit.—Bank purchasing forged draft against lost letter of credit is the loser and cannot hold bank issuing letter of credit responsible, 34.
- Agent's Authority to Collect Note.—An authority to an agent to sell does not include authority to collect note received in payment unless principal instructs agent with possession of note and payment to agent is at debtor's risk unless he can prove agent had actual or ostensible authority to receive payment without having possession of note, 35.
- Does Accommodation Indorser of Check Warrant Amount to Drawee?—Question doubtful in present state of law, although in a recent New York case, where a raised check was paid by the drawee to the payee, accommodation indorser was held liable to drawee, 36.

LEGAL DEPARTMENT—OPINIONS—Continued.

- Subsequent Accommodation Indorser.—Accommodation indorser signing note after delivery and passing of consideration not liable without new consideration unless pursuant to prior agreement, 36.
- Application of Payment.—Debtor, owing two or more debts, has primary right to have money tendered in payment applied upon any debt he specifies, and creditor must apply accordingly.—But if creditor refuses and applies payment upon another debt, acquiescence by debtor will ratify such application, 37.
- Application of Payment.—Where A gives note to bank and B signs with him and, after maturity, A tenders money to bank with request that it be applied on such note, but bank applies on other indebtedness of A, B, who is surety, is released, 38.
- Note Maturing on Saturday in Pennsylvania.—By statute in Pennsylvania a note otherwise presentable for payment on Saturday is "payable" on Monday, hence bank owning note would be entitled to interest for two added days and renewal should be dated Monday, 38.
- Stop Payment of Note Payable at Bank.—Note payable at bank is equivalent to order to bank to pay same for account of maker and latter has right to stop payment, 39.
- Negotiation of Altered Check.—Where payee alters date of check to six months later and then negotiates, purchaser cannot recover from drawer, if alteration apparent; but if not apparent, the check is enforceable according to its original tenor and purchaser's right of recovery depends on whether check was negotiated within a reasonable time after issue, 39.
- Check Raised After Certification.—Where after certification of a check the amount is raised and the increased amount paid, the certifying bank has a right of recovery under the rule that money paid under mistake of fact is recoverable, provided the position of the holder receiving payment will not be changed for the worse as a result of such mistake, 96.
- Bank's Right of Set Off.—Opinion that, in the absence of statute to the contrary, a bank which carries the deposit of a city has a right to apply such deposit to payment of the city's indebtedness to it, the same as in case of an individual depositor, 97.
- Undated Check.—A check, though not dated, is a valid and negotiable order on the bank to pay on demand, but the absence of date may (although the point has not been decided) afford justification for drawee's refusal to pay until reasonable time for inquiry as to age of check, for if check

LEGAL DEPARTMENT—OPINIONS—Continued.

has been outstanding an unreasonable length of time, payment is at bank's peril, 98.

Trust Company as Executor, Guardian or Depository.—Deposits held by trust company in that relation are not preferred in event of failure, unless segregated and earmarked or unless preference created by statute, 98.

Taxation of Savings Deposits.—Opinion that savings deposits in interest department of National bank not exempted from taxation by provision of Tax Law of New York exempting "the deposits in any bank for savings which are due depositors," 100.

Assignment of Debt.—Debtor paying to creditor after notice of assignment of debt must pay again to assignee—Sufficiency of notice of assignment printed on bill of goods and question of responsibility of bank making out draft at request of debtor, 100.

Rebate of Interest on Prepaid Loan.—Where debtor, before maturity, makes partial payment of principal of loan, by consent of creditor, but without agreement for rebate of interest, question considered whether creditor has right to collect interest upon amount of prepaid principal for time intervening between payment and maturity, 101.

Sufficiency of Acknowledgment.—Where statute requires that a certificate of acknowledgment must be substantially in a form therein provided, the certificate will be valid though not in the precise language of the statute, if it substantially complies therewith, 102.

Liability of Surety Maker.—Where a joint and several note executed by two makers, one of whom is surety, is partly paid after maturity, in consideration of which extension of time is given the principal maker to pay the balance, the surety is not released by such extension because (1) the agreement to extend is not binding, being without valid consideration, and even if otherwise (2) under the Negotiable Instruments Act a surety maker is not discharged by extension given the principal maker without his consent, 103.

Competency of Notary.—By statute in Indiana a notary public who is an officer or employe of a bank or trust company cannot act as notary in the business of the bank, 104.

Note Made and Payable in Canada.—Provision that it is given for principal and 7 per cent. interest does not invalidate it, 104.

Notes Made or Endorsed by Executor.—In the absence of statute or authority in will, an executor has no power to make or endorse notes in renewal of notes made or endorsed by the testator and such acts bind only the executor personally, 104.

LEGAL DEPARTMENT—OPINIONS—Continued.

Payment of Forged Check.—Rule that drawee bound to know drawer's signature and cannot recover money paid on forgery thereof, changed by statute in Pennsylvania passed in 1849 permitting recovery where due diligence in discovery and notice of forgery—Negotiable Instruments Act held in recent case not to have repealed Act of 1849, 105.

Stop Payment of Check.—Drawer has right to stop payment of a check payable to bearer equally as in case of a check payable to order, 106.

Liability of Endorser.—Bank cashing check for endorser which is dishonored can hold endorser liable although check cashed at request of drawee and endorser claims such cashing was for benefit of drawee and not for his benefit, 106.

Telegraphic Money Order.—Telegraph Company, wiring a forged message purporting to be from one bank to another, requesting payment of money to a person named, without identification, is not an insurer of genuineness of message, but is bound to exercise reasonable care and responsible for negligence—Utility of A. B. A. Cipher Code as a safeguard, 163.

Certification Over Telephone.—Oral promise over telephone by drawee to pay check not binding because N. I. Act requires acceptance to be in writing—Nor is bank bound to holder, who has cashed check on faith of such promise on principle of estoppel, as this principle inapplicable in face of positive statutory requirement of written acceptance—Holder's remedy against drawer, 165.

Certification of Improperly Indorsed Check.—Where a check is improperly indorsed and is received by the drawee through the mail and the funds are sufficient, the drawee is not liable to the holder for failing to certify the check before returning it for proper indorsement, 165.

Outstanding Certified Check.—Where check to drawer's order is certified for drawer and delivered by him without indorsement to a third person without consideration, bank is not liable to holder as certification conditional on payee's indorsement—Drawer may bring replevin to recover check, 165.

Innocent Purchaser of Stopped Check.—Innocent purchaser for value of stopped check can enforce payment from drawer and prior parties free from defense of fraud, but cannot compel bank to pay, 165.

Competency of Notary.—Under decisions in Iowa, stockholder of bank is incompetent, as notary, to take acknowledgments of instruments running to bank, but if notary is officer and not stockholder, he is not disqualified, 166.

LEGAL DEPARTMENT—OPINIONS—Continued.

Competency of Notary—Illinois.—Opinion that notary of bank in Illinois who is an officer of the bank, but has no stock interest therein, is competent to protest paper owned by the bank, 166.

Power to Sell Collateral.—Where a promissory note is given with collateral and contains a provision that the holder may sell the collateral, death of the maker does not revoke the power of sale, it being an authority coupled with an interest, 167.

Interest Clause in Note.—Note payable 10 years after date "with interest at the rate of five per cent. per annum until paid" does not call for interest payable annually but only at maturity of principal—if mortgage securing note provided that interest should be payable annually this would probably govern provisions of note, 167.

Identification of Payee of Forged Draft.—Liability of person identifying payee to bank depends upon whether he made a false statement of fact upon which bank relied to its injury, 167.

Check Indorsed in Blank and Stolen.—Bona fide purchaser from thief can enforce against drawer and indorser, 168.

Restrictive Indorsement.—Indorsement "pay to order of A for collection on account of" is restrictive and conveys no right to holder to negotiate instrument, 168.

Check on Branch Bank.—A check drawn by a depositor in a branch bank upon such branch is not presentable or payable at the parent bank, 169.

Imprint of United States Flag on Bank's Statement Folder.—Not prohibited by Federal statutes, but statute in Massachusetts to prohibit misuse of flag might be so construed as to make such imprint a violation, 169.

Banker's Duty of Secrecy as to Customer's Affairs.—Relation of banker and customer creates duty of secrecy and banker should not disclose information as to account or affairs of customer, except under legal compulsion; but in absence of statute, no legal consequences would follow breach of this duty by banker except a possible liability in damages in case customer could prove injury, 169.

Bank Collection.—Collecting bank not liable for correspondent's default in Florida and Alabama—Question whether initial bank receiving draft from customer was purchaser or agent—Question as to preferential claim for proceeds in hands of receiver of failed correspondent, 218.

Forms of Accommodation Notes.—Utility considered of note (1) payable to and indorsed by accommodation party and discounted for maker; (2) pay-

LEGAL DEPARTMENT—OPINIONS—Continued.

able to bank, indorsed by accommodation party and discounted for maker; (3) made by accommodation party and discounted for payee, 218.

Checks Signed in Blank, Stolen and Paid.—Drawee bank which pays checks signed in blank by drawer, though never delivered but stolen, filled out and negotiated, can charge amount to drawer's account—But drawer has right of recovery from banks which purchased and collected such checks because both under the rule of the law merchant and the Negotiable Instruments Act an incomplete instrument not delivered is not a valid contract in the hands of any holder, notwithstanding its subsequent unauthorized completion and negotiation, 219.

Bank Taxation in New York.—Bank must pay taxes on its real estate notwithstanding such real estate is included in the value of its shares upon which one per cent. tax is levied, 220.

Draft on Grain Company Payable at Bank.—Where an agent located at S of a grain company at D draws a draft on the grain company payable at a bank at S, opinion that payment of such draft by such bank is not a purchase, but discharge thereof and of the indorser thereon, so that there would be no recourse upon such indorser in the event the grain company failed to take up the draft, 221.

Note With Option to Declare Principal Due.—In California a provision in a note giving the holder the option, upon default in payment of interest, to declare the principal due, destroys its negotiability—The authorities in other States conflict, 221.

Set-off Against Insolvent Borrower.—Where borrower becomes bankrupt bank has right, under provisions of National Bankrupt Law, to apply his deposit upon his notes, though unmatured—Aside from Bankrupt Act, the right of set-off of an unmatured note against the deposit upon insolvency of the maker is recognized in some States and denied in others—but where right is given by contract it can be enforced, 221.

Negotiability of Note.—Note promising to pay amount in consideration of goods "to be delivered" is negotiable—Fact that consideration is an executory contract which may never be performed does not make promise to pay conditional nor destroy negotiability, 222.

Erroneous Dishonor of Check.—Bank liable to depositor (1) if a merchant or trader, for substantial damages though no actual damage proved; (2) if not a merchant or trader, for such actual damages as are alleged and proved, 222.

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

LEGAL DEPARTMENT—OPINIONS—Continued.

- Revocation of Check by Death.**—Death of drawer revokes authority of bank to pay his outstanding checks and payment by bank, after knowledge of death of drawer is unauthorized, but bank is protected where it pays check in ignorance of death—Statute in Massachusetts authorizing savings banks to pay orders of depositors notwithstanding death of drawer during a limited period does not apply to National banks, 223.
- Check Indorsed by Person of Same Name as Payee.**—Indorsement a forgery and purchaser takes no title nor right to enforce against drawer—Where drawer negligently mails check to wrong address and it gets into hands of person of same name, who forges indorsement, an Ohio case holds drawer liable to drawee which pays check; but doubtful if such liability would extend to purchaser of check from forger, 223.
- Acceptance by Telegraph and Telephone.**—Drawee bank promising by wire to pay customer's check is liable to holder and drawer cannot thereafter stop payment, but similar promise over telephone is not binding, because acceptance must be in writing and drawer's right to stop payment continues, 304.
- Taxation of National Banks.**—A State or city has no power to impose a license tax upon a National bank, 304.
- Protest of County Warrant.**—Not negotiable and not subject to protest, 304.
- Check "Not Payable Through Express Company."**—Such provision is valid and does not affect negotiability of the check which can be presented through other channels, 305.
- Rights of Holder in Due Course.**—Can enforce payment of draft against drawer free from defenses available against payee, 305.
- Certificate of Deposit.**—Provision printed on back of certificate payable on return that "this certificate is payable 12 months after date" is part of terms of contract on face so that instrument is not a demand but a time certificate of deposit, 305.
- Judgment Note.**—Note authorizing confession of judgment "at any time" not negotiable—Surety consenting to entry of judgment prior to maturity not discharged by such entry, 306.
- Savings Pass-Book.**—A savings pass-book is not negotiable and an assignee or pledgee who advances value thereon upon faith of the entries shown cannot hold the bank liable where withdrawals have not been entered as provided by rules printed in the book, 306.
- No Lien on National Bank Stock.**—National bank has no lien on its stock for indebtedness of stockholder, 306.

LEGAL DEPARTMENT—OPINIONS—Continued.

- Right of Purchaser of Stopped Check.**—Payee has no right to stop payment but where drawer stops payment at payee's request, holder in due course from payee may hold both drawer and payee liable, 307.
- Liability of Indorser.**—Demand and notice of dishonor at maturity are necessary to preserve indorser's liability unless waived, 307.
- Revocation of Check by Death.**—Death of drawer revokes authority of bank to pay his outstanding checks and payment by bank, after knowledge of death of drawer is unauthorized, but bank is protected where it pays check in ignorance of death—Statute in Massachusetts, however, authorizes bank to pay check of a depositor, notwithstanding his death, if presented within 10 days after date, and this applies to National banks, 307.
- Garnishment of Savings Account.**—An account in a savings bank equally as in a commercial bank is subject to garnishment by a creditor of the depositor in the absence of a statute exempting such an account from garnishment, 308.
- Farm Lease as Chattel Mortgage.**—Opinion that the filing of a lease containing agreement by lessee to execute chattel mortgage on crops as soon as planted and growing would not protect lessor against subsequent mortgagee of crops after they were grown, where promised mortgage not given, 308.
- Stamp Tax on Notes Secured by Mortgage.**—Under Act of 1914, stamp tax is on the note and there is no tax on the mortgage, 380.
- Protest by Notary Who is Employee of Member of Federal Reserve Bank.**—Opinion that notary, employee of member bank, not prohibited by Federal Reserve Act from protesting paper owned by bank or held by it for collection and receiving fee therefor, 381.
- Verification of Daily Bank Statement.**—Country bank receiving daily statement from city correspondent must use due diligence in examining statement and giving notification of errors—What constitutes due diligence not yet specifically defined by courts—Discussion of degree of diligence in light of recent New York decision in Morgan case, 381.
- Married Woman as Surety.**—In West Virginia a married woman can bind herself as surety upon note of her husband, 383.
- Note Payable at Bank.**—In California, where note is made payable at bank and forwarded to payor bank for collection, law is uncertain whether note operates as an order or authority to bank to pay and charge to maker's account or whether bank has no right so to do in absence of express instruction from maker, 383.

LEGAL DEPARTMENT—OPINIONS—Continued.

Protest of Check.—Check or note can be protested immediately upon dishonor, 384.

Set-off Against Savings Account.—Where depositor carries both checking and savings account with bank and is indebted to bank upon a matured loan in excess of checking but within savings account, opinion that bank can charge indebtedness to savings account, 384.

Payment of Altered Check.—Bank responsible to customer for money paid on altered check, but if check signed in blank, or with blanks partly filled in, and afterwards fraudulently completed without authority, and paid by bank, payment is chargeable because of customer's negligence, 385.

Signature to Corporation Note.—Note signed "Doe Manufacturing Company, John Doe, President, Jim Doe, Treas.," is generally held obligation of corporation alone, although word "by" or "per" is not prefixed to signature of officers, but in a few States is held prima facie to bind both corporation and officers individually, 386.

Credit of Deposit to Wrong Account.—Where M bank erroneously credited a deposit to N bank instead of to H bank and rendered statements of account from time to time to H bank, which were acquiesced in for seven years before objection, during which time N bank became defunct, opinion that after a reasonable time the accounts rendered became accounts stated, subject to correction only for fraud or mistake and that the seven years' delay of H bank by which M bank was prejudiced in its recourse upon N bank was such laches as would preclude H bank from questioning the correctness of the account, 386.

Set-off by Depositor in Insolvent Bank.—A depositor in an insolvent bank, who is indebted to the bank as maker upon a note, has a right to set off his deposit against such indebtedness, whether the note is due or not yet matured—Where the depositor is an indorser, some courts hold the same right of set-off exists, but others that the indorser cannot set-off his deposit unless the maker is insolvent, 387.

Collection by Insolvent Bank.—Where bank takes check for collection and credit, but credit not given at time of deposit and bank fails before returns are received, depositor entitled to entire proceeds, 387.

Incomplete Check.—Where check has pen line drawn through payee blank, or payee blank is unfilled, it is an unsafe instrument for purchaser to acquire or drawee bank to pay—Law governing legal effect of such instruments discussed, 489.

Lost Certified Check.—Certified check not outlawed in Pennsylvania until statutory period after payment demanded and bank, before paying amount

LEGAL DEPARTMENT—OPINIONS—Continued.

of deposit represented by lost certified check outstanding 10 years, is entitled to satisfactory indemnity or conclusive proof of its destruction, 490.

Unauthorized Indorsement of Certified Check.—Where, after certification of an unindorsed check, the holder indorses name of payee without authority and negotiates to a bank which receives payment, latter is liable to certifying bank, 491.

Acceptance by Wire Telephoned to Telegraph Agent.—Where drawee of bill telephones to telegraph agent to wire acceptance, opinion that acceptance is valid and binding as being an acceptance in writing by the drawee by the hand of his agent, 491.

Payment of Deposit by Mistake.—Bank mistakenly crediting deposit to wrong account and paying out same to depositor whose account is erroneously credited, has right of action against depositor to recover overdraft, 492.

Notary's Certificate of Protest.—Where signature and seal of notary is made by hand of his clerk, opinion that certificate of doubtful validity—The making of demand and protest must be by notary personally and cannot be delegated to clerk, except that a few cases recognize custom for clerk to act, but law unsettled and uncertain as to validity of custom, 492.

Set-off of Collection Proceeds Against Bankrupt's Indebtedness.—Opinion that bank holding claim against bankrupt had right to setoff proceeds of notes deposited for collection at a time when bankruptcy not contemplated and collected after bankruptcy, 494.

Set-off by Depositor Against Insolvent Bank.—Depositor can set-off note of which he is maker, whether due or not, against his deposit in insolvent bank—But if the depositor is indorser on note of a solvent maker some cases hold right of set-off does not exist, 494.

Stamp Tax on Promissory Note.—Where note made and dated prior to December 1, 1914, but negotiated to payee bank on or after that date, stamp is required to be affixed and cancelled as of date of delivery to bank, 494.

Tax on Stock Transfers.—Where stock transferred by A to B and stamp affixed and new certificate is issued to company to B upon cancellation of old certificate, no stamp is required on new certificate, 495.

Bank Stockholder's Right of Inspection.—Stockholder in National bank entitled to inspect books and papers of corporation—Authorities examined with reference to question whether (1) right absolute or (2) only enforceable for proper purposes, 577, 690.

LEGAL DEPARTMENT—OPINIONS—Continued.

Right of Depositor to Inspect Books of Bank.—Opinion that depositor, as distinguished from stockholder, has no right to inspect books and records of bank, 578.

Forged Indorsement of Railway Pay Check.—Purchaser of check having forged indorsement must refund money collected to payor of check, 579.

Pay-roll Checks.—Suggestion of a form of pay-roll check which will (1) safeguard payor bank from risk of identification; (2) relieve payee from risk of loss, and (3) remove saloon-cashing evil, 579.

Stolen Draft.—Where draft is stolen from payee who is forced to indorse the draft, an innocent purchaser may acquire an enforceable title and therefore the drawer should not issue duplicate to payee without receiving indemnity as protection against liability on original, 580.

Partnership Account.—On the death of one partner survivor may draw checks against partnership account, 581.

Interest-Bearing Certificate of Deposit.—Opinion that holder of interest-bearing certificate of deposit in Oklahoma State bank protected by Depositor's Guaranty Fund the same as an ordinary depositor, 581.

Payment of Check on Holiday.—Unsafe in present condition of law for bank to pay check upon a holiday—Saturday afternoon not a half holiday in Kansas, but in view of Negotiable Instruments Act relating to presentment for payment on Saturday, payment of check on Saturday afternoon except to depositor would be at risk of bank, 582.

Husband's Check on Wife's Bank Account.—Where husband deposits money to credit of wife and states he has authority from wife to sign her name to checks, bank not safe in honoring such checks without proof of authority from wife—Question considered with especial reference to law of Louisiana where system of community property exists and where, also, husband has control of such portion of separate estate of wife as is dotal and not paraphernal, 582.

Certification Over Telephone.—Oral promise over telephone by drawee to pay check not binding because acceptance must be in writing, 583.

Forgery of Drawer's Signature.—Where check is cashed by payee A in ignorance that it bears his own forged signature as drawer and is deposited in B bank and collected from C bank upon which drawn, A carrying an account in both banks, opinion that check is chargeable by drawee bank to A's account, he being estopped to assert forgery of his signature, 584.

LEGAL DEPARTMENT—OPINIONS—Continued.

Forgery of Drawer's Signature.—Reasons underlying the rule that drawee bound to know drawer's signature and cannot recover money paid to bona fide holder on forgery thereof—Effect of provision in check that "all indorsers guarantee that maker's signature is genuine," 584.

Acknowledgment Over Telephone.—Opinion that acknowledgment of mortgage or other instrument taken by notary over telephone would be invalid as law requires personal (physical) appearance of person making acknowledgment, 686.

Production of Bank's Books as Evidence.—In suit by depositor against bank officer served with subpoena duces tecum must produce books called for containing evidence relating to transaction, in absence of statute permitting authenticated copy, 686.

Delivery of Express Package of Money After Banking Hours.—Express company not limited to banking hours but tender of delivery of package after banking hours provided it is within usual business hours of the place is sufficient—Question of reasonable time for delivery is one for a jury, 687.

Payment of Protested Check.—Bank which, without express instructions from the drawer, pays a check which has previously been protested, with the notary's fees, does so at its peril, 688.

Depositaries for Indian Moneys.—Moneys belonging to Indians may be deposited in either State or National banks which submit bids therefor and comply with certain requirements, 689.

Check to A for Account of B.—Drawee bank which pays check to A is not charged with duty of seeing that A applies money to B's account, 689.

Slight Excess Interest Not Usurious.—Where, for convenience of calculation, interest is taken slightly in excess of legal rate, transaction not usurious, 689.

Restrictive Indorsement of Bearer Check.—Where instrument is payable to bearer and is indorsed specially, it may nevertheless be further negotiated by delivery, 690.

Validity of Attorney's Fee Clause.—Does Negotiable Instruments Act make valid stipulations for attorney's fees in promissory notes in States where such stipulations before that Act were held void and unenforceable—Conflicting decisions under Act cited, 773.

Attorney's Fee Note.—In South Dakota provision for attorney's fee is void and unenforceable, but does not affect negotiability of note, 774.

LEGAL DEPARTMENT—OPINIONS—Continued.

Deduction of Bank Taxes from Gross Income.—Where taxes are assessed against bank stockholders as upon their property, though paid by the bank, the Federal Courts hold the bank cannot deduct the taxes so paid from its gross income, such taxes not being assessed against the corporation or its property, 774.

Three Years Time Limit for Correction of Erroneous Corporation Return.—Under both Corporation and Income Tax Laws, where erroneous return is made, discovery of error must be made by commissioner within three years from time return is due, 775.

National Bank Cashier.—Cashier of National bank need not be a director, 776.

Stolen Bearer Check.—Where check is indorsed in blank by payee, stolen from him and cashed for the thief by a bank, without notice, the latter is a holder in due course and can enforce payment of the check, which has been stopped, from drawer and payee, 776.

Rights of Purchaser of Check.—Where check is purchased from payee in good faith and payment is stopped because of payee's fraud upon drawer, purchaser may enforce payment from drawer free from latter's defense against payee, 776.

Stopped Check.—Bank which pays stopped check cannot charge amount to drawer's account, but where payee induces payment through fraud, general rule that payment to a bona fide holder is a finality does not apply, and bank has right of recovery from payee, 777.

Check Stopped After Consideration Received.—Where drawer purchases cattle and gives his check therefor and after receiving the cattle, stops payment of his check, his liability to conviction for obtaining goods upon false pretenses would depend upon convincing a jury that he gave the check and received the cattle with fraudulent intent to stop payment of the check, 777.

Check Stopped After Consideration Received.—Where customer, having money in bank, obtains goods and gives his check therefor, payment of which he stops, liability to punishment for obtaining property under false pretenses would depend upon proof of intent to stop payment at time of giving check, 778.

Checks for More Than Balance Presented Through Clearing House.—Bank must pay such of the checks as deposit is sufficient to meet, and may exercise option which to pay and which to reject—Checks presented through morning's mail have priority over checks later presented through Clearing House, 778.

LEGAL DEPARTMENT—OPINIONS—Continued.

Negotiation of Postdated Check.—Postdated check is negotiable before day of its date, and purchaser before maturity takes enforceable title—Where payment of postdated check is stopped, holder has no recourse upon drawee, but only upon drawer and prior indorsers, 779.

Competency of Notary.—In Iowa officer of a bank not a stockholder is competent to take acknowledgments of instruments whether executed by or running to the bank, 779.

Usury in Tennessee.—Taking eight per cent. after maturity of note for forbearance of debt is usurious, 780.

Presentment of Check.—Where check received on Thursday and presented for payment on Saturday forenoon, Friday being a holiday, opinion that collecting bank exercised sufficient diligence and is not liable for not presenting check on day it was received, 780.

Check on Depository Bank.—Where a bank receives on deposit and credits to the depositor a check on itself, the bank cannot, according to a majority of the courts, charge back the amount to the drawer's account upon discovering that the check so deposited is an overdraft, 781.

Validity and Negotiability of Check.—Where amount of check not expressed in words, but figures stamped by mechanical device in body, opinion that instrument is valid and negotiable, and maker not negligent in so drawing check, 892.

Check "In Full Payment of Account."—Where there is an honest dispute between debtor and creditor as to the amount due upon open account as shown by their respective books the acceptance by the creditor of the debtor's check for an amount less than claimed, stated to be "in full of account," will bar the creditor from recovering a further amount, 893.

Certificate of Deposit.—Where certificate on its face provides for payment "on return properly indorsed," but has printed on back, "this certificate is payable 12 months after date," instrument construed as a time, and not a demand, certificate of deposit, 894.

Confession of Judgment in Note.—Negotiability destroyed if clause authorizes confession of judgment at any time—But if provision authorizes confession of judgment "if the instrument be not paid at maturity" the Negotiable Instruments Act provides that negotiability is not affected, 895.

Interest Clause in Note.—Where demand note in Ohio provides for interest at eight per cent, "payable semi-annually after maturity," such interest

LEGAL DEPARTMENT—OPINIONS—Continued.

is collectible from date—Where time note contains similar provision for interest payable semi-annually "after date," doubtful if more than legal rate is collectible after maturity, 895.

Partial Payment of Check.—Where check presented and refused for insufficient funds, bank not obliged to disclose drawer's balance to holder or to receive from holder deposit to drawer's credit sufficient to cover the check, 896.

Mistaken Credit of Deposit to Wrong Account.—Bank which mistakenly credits amount to customer's account has right to charge it back, or recover it if paid to the customer, unless latter has been misled to his injury, 896.

Necessity of Payee's Indorsement.—Where payee presents check in person it is customary to require his indorsement as evidence that he has received payment, and this requirement is none the less necessary because the drawer has indorsed the check in blank, 897.

Stop Payment of Check.—Where customer issues his check and then stops payment the bank is in duty bound to obey instruction and refuse payment, and it incurs no liability to holder by such refusal, 897.

Right of Purchaser of Stopped Check.—Where bank in good faith purchases check, payment of which has been stopped, it has recourse upon the drawer as well as upon the indorsers, assuming latter have been duly charged, 898.

Opening an Account in an Assumed Name.—Depositor may carry account in assumed name, provided the purpose is honest and not fraudulent, 898.

State Taxation of Treasury Notes.—U. S. Treasury notes subject to State taxation as money on hand or on deposit, 898.

Check Upon Insolvent Bank.—Where check upon A bank is cashed by B bank and immediately charged to A's account prior to forwarding to A bank, pursuant to agreement between A and B, opinion that upon failure of a bank subsequent to such charge, but prior to receiving check, the charge to account cannot be maintained, 899.

Competency of Notary.—In North Carolina, notary who is officer of bank, but not a stockholder, is competent to take acknowledgments of instruments running to the bank—If officer is a stockholder he is disqualified, 899.

Competency of Notary.—Cashier of Wisconsin bank who is notary, but not a stockholder, competent to take acknowledgments of instruments running to the bank—If cashier also a stockholder, this fact would probably disqualify him, 900.

LEGAL DEPARTMENT—OPINIONS—Continued.

Control of Corporation by Fraction of Share.—Single share is voting unit and fraction of share cannot be voted in absence of express provision therefor in statute or by-laws of corporation—But if majority stockholder by fraction of share unable to exercise control by inability to vote fraction court of equity would doubtless enforce rights, 995.

Right of Executor to Vote National Bank Shares.—Executor has right to vote shares standing in name of testator at stockholders meeting, 996.

Real Estate and Chattel Mortgages.—Law as to enforcement of deficiency judgments against mortgages of real and personal property, with especial reference to Iowa, 996.

Renewal Note.—Where new note is given in renewal of original, which is retained and not surrendered, new note does not operate as a payment of original, but only as a suspension of the debt evidenced thereby, 997.

Note Payable in Instalments.—Becomes overdue and dishonored upon first default in payment of any instalment—Indorser discharged by failure to give notice of dishonor upon default in payment of instalment, but, according to some cases, is liable for subsequent instalments of the non-payment of which he is duly notified, 998.

Guaranty of Signature.—Guaranty of signature to assignment of stock certificate warrants genuineness, and authority where signature made in representative capacity, but does not extend to validity of acts of person whose signature is guaranteed with reference to such certificate, 999.

Second Protest of Protested Check.—Where a bank receives for presentment a protested check with protest fees added, with instructions to protest if not paid, there is no justification for protesting the check a second time, 1000.

Indorsement of Church Treasurer.—Where check payable to and indorsed by "Treasurer of Congregational Church," such indorsement legally sufficient, 1000.

Check Against Uncollected Funds.—Under law of Illinois, in absence of contrary agreement or usage, a bank becomes debtor for deposited items immediately upon credit, but custom is quite universal not to pay checks against such credit prior to collection of items it represents, 1001.

Check Indorsed in Blank and Stolen.—Bona fide purchaser from thief can enforce against drawer and indorser, although check never delivered by payee, 1001.

Competency of Notary.—In South Dakota notary who is stockholder and director is competent to take acknowledgment of mortgage executed to bank, 1001.

LEGAL DEPARTMENT—OPINIONS—Continued.

Competency of Notary.—In Kansas, cashier and stockholder of National bank is competent as notary to take acknowledgments of instruments running to the bank—Taking fee as notary would not violate Federal Reserve Act, 1002.

LIBRARY AND REFERENCE DEPARTMENT

List of Available Material, 21.
 Information Service, 215.
 Group Organization, 374.
 To Develop Credit Capacity of a Community, 473.
 Traveling Library, 474.
 Index to References on Federal Reserve System, 560.
 High School Talks on Banking, 673.
 Banking Problems Complicated by Reserve Act, 768.
 Bank Acceptances and Documentary Bills, 832.
 Report of Librarian to Executive Council, 887.
 Bibliography, Agricultural Credit, 986.

MORTUARY RECORD OF MEMBERS

In JOURNAL for—

July, 1914, 40	Jan., 1915, 458
Aug., 1914, 85	Feb., 1915, 549
Sept., 1914, 161	March, 1915, 661
Oct., 1914, 216	April, 1915, 782
Nov., 1914, 298	May, 1915, 875
Dec., 1914, 364	June, 1915, 968

PROTECTIVE DEPARTMENT

Current information as to Operations of Criminals—
 JOURNALS for—

July, 1914, 41	Jan., 1915, 496
Aug., 1914, 107	Feb., 1915, 586
Sept., 1914, 171	March, 1915, 725
Oct., 1914, 225	April, 1915, 815
Nov., 1914, 309	May, 1915, 934
Dec., 1914, 388	June, 1915, 1033

Statistics of Work of Protective Department—

Sept. 1, 1913, to June	30, 1914,	53
Sept. 1, 1913, to July	31, 1914,	119
Sept. 1, 1913, to Aug.	27, 1914,	184
Sept. 1, 1914, to Sept.	30, 1914,	238
Sept. 1, 1914, to Oct.	31, 1914,	326
Sept. 1, 1914, to Nov.	30, 1914,	408
Sept. 1, 1914, to Dec.	31, 1914,	510
Sept. 1, 1914, to Jan.	31, 1915,	604
Sept. 1, 1914, to Feb.	28, 1915,	740
Sept. 1, 1914, to March	31, 1915,	831
Sept. 1, 1914, to April	30, 1915,	946
Sept. 1, 1914, to May	31, 1915,	1042

SAVINGS BANK SECTION

Announcement of Thrift Campaign, 5.
 Thrift and Enterprise, 6.
 Thrift Talks Available for All, 6.
 Adelbert Clark Tuttle, 6.
 "The Reward of Thrift," 87, 154, 209, 369.
 New Book of Printed Forms, 87, 154, 369, 553, 667, 762.
 Chicago School Savings Banks, 88.
 New By-Laws, 153.
 Postal Savings, 154, 208, 666.
 Richmond Convention, 295.
 Savings Banks and Federal Reserve Act, 368.
 Suggestions for Federal Reserve Amendments, 463.
 Forward Step in Thrift Campaign, 552.
 E. G. McWilliam Leaves Secretaryship, 553.
 Thrift Publicity, 667, 761.
 Meeting of Executive Committee, 881.
 A Highly Developed School Savings Bank, 882.
 Movable Thrift Exhibit, 882.
 Mutual Savings Bank Law in Washington, 883.
 Banks Should Co-operate in Thrift Campaign, 973.
 Talks on Thrift, 974.
 New York Savings Bank Association, 974.

STATE SECRETARIES SECTION

Conventions, Officers, etc., of State Bankers Associations, reported in JOURNAL-BULLETIN for—

July, 1914, 8	Jan., 1915, 471
Aug., 1914, 92	Feb., 1915, 557
Sept., 1914, 157	March, 1915, 671
Oct., 1914, 211	April, 1915, 765
Nov., 1914, 299	May, 1915, 884
Dec., 1914, 372	June, 1915, 982

TRUST COMPANY SECTION

Report on Income Tax, 4.
 Trust Company Membership, 86.
 Books for Trust Companies, 86, 152.
 Convention Program, 152.
 Trust Company Forms, 152.
 How Trust Companies Protect Fortunes, 206.
 Books for Trust Companies, 207.
 Annual Meeting, 294.
 "Model Trust Company Law" Impracticable, 366.
 Legislative Committee Report, 461.
 Trust Company Powers for National Banks, 550, 746.
 Annual Banquet—
 Announcement, 664, 760.
 Report of Banquet, 880.
 Address by President Cutler, 971.
 Individual Trusts and Their Characteristics, 754.
 Executive Committee Meeting, 759.
 Executive Committee Report, 880.
 To Test Constitutionality of Section 11, Par. K, 866.