

JOURNAL of the AMERICAN BANKERS ASSOCIATION

ISSUED THE TENTH OF THE MONTH BY
THE ASSOCIATION

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General Counsel American Bankers Association.

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AUGUST, 1913

No. 2

OFFICERS AMERICAN BANKERS ASSOCIATION, 1912-1913.

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CHARLES H. HUTTIG.

By A. Barton Hepburn, Chairman Currency
Commission, American Bankers Association.

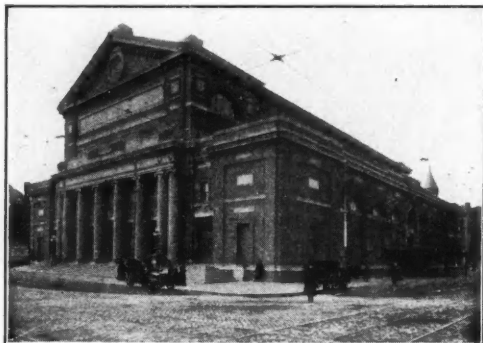
TO his immediate circle of friends and business associates, the wire announcing the death of Charles H. Huttig was no surprise, but to the larger public, to whom he was, by reason of his business ramifications and public positions so well known, it came as a surprise and a shock.

Few men in quasi public life were more highly esteemed, and his demise will be mourned far and wide. He was a typical American, a splendid example of the great possibilities which this country offers to aspiring youth and the high achievement which awaits honesty, industry and assiduity, when coupled with great ability, as in the case of Mr. Huttig.

A product of our public schools, where his education was obtained, his career speaks volumes for the educational system of our country. He began business as a bank clerk in Muscatine, Iowa; at the age of forty-nine

he died, being President of the Third National Bank of St. Louis, Mo., a \$40,000,000 institution, which had grown to that magnitude under his fostering care and direction, and was also President of the American Bankers Association. As his fortune grew, his industries and activities grew; he was President of one great manufacturing corporation and a director in many others, his judgment and advice contributing largely to their success.

He loved his fellow-men, and charities and benefactions commanded his time and his purse. He loved his neighbors and his family, and the devoted love he received in return sufficiently characterized the amiable qualities and sterling worth which he possessed. No better encomium can be pronounced than that he was President of the American Bankers Association of the United States, an association comprising a membership of more than 14,000 banks, including the largest and most consequential. Such a position is an honor coveted by many, achieved by few.



SYMPHONY HALL, SCENE OF RECEPTION, BALL AND SYMPHONY CONCERT



HORTICULTURAL HALL, IN WHICH SUPPER WILL BE SERVED DURING THE BALL

BOSTON ENTERTAINMENT WILL BE OF HIGHEST CLASS

AS at present arranged, the entertainment program for the Thirty-ninth Annual Convention of the American Bankers Association, in Boston, October 6th to 10th, will include a water carnival on Charles River Basin, Monday evening, October 6th; a reception and ball in Symphony Hall, with supper in Horticultural Hall, Tuesday evening, October 7th; historical meetings in Faneuil Hall and the oldest churches on Wednesday evening, October 8th; a concert by the Boston Symphony Orchestra in Symphony Hall, and visits to the leading theatres on Thursday evening, October 9th; and a trip around Boston Harbor, an excursion to Nantasket Beach, a New England clambake in Paragon Park—a full day of rest and recreation—after the business of the convention is over, on Friday, October 10th.

No convention ever planned a higher class of entertainment than that which will be enjoyed by the delegates to the Boston meeting. The carnival on the vast and beautiful Charles River Basin will surpass in grandeur all previous similar affairs ever held. This great basin is without a parallel in the world; and the welcome that the American Bankers Association will receive from their Boston hosts and from the boating citizenry of Boston and Cambridge will be one never to be forgotten. Arrangements are in the hands of a committee of which Mr. Clifton H. Dwinell, of the First National Bank, is chairman.

However delightful the other events of the week may be, it is not unlikely that the one most soul-satisfying to the ladies will come on Tuesday evening when the reception and ball will be held. As a guarantee of the success of this event, it might well be noted that there will be 150 ushers under the direction of Barrett Wendell, Jr., that the music will be by Kanrick's orchestra of 40 pieces—considered to be the best ballroom orchestra in Boston, and that there is ample accommodation for 800 couples on the floor of the majestic hall. It is indeed a tired mind that cannot imagine the elegance of this affair, when it is known that the following committees are all concerned in its development:

The Ball Committee: Chairman, Barrett Wendell, Jr., Lee, Higginson & Co.; W. A. Burnham, Jr., Na-

tional Shawmut Bank; Edgar C. Rust, Parkinson & Burr; Robert Winsor, Jr., Kidder, Peabody & Co.; Edwin R. Rooney, First National Bank; John Heyer, Federal Trust Co.; Henry Forbes, A. B. Leach & Co.; Leonard L. Titus, First National Bank; R. A. Gladwin, Old Colony Trust Co.; C. H. Johnson, Suffolk Savings Bank; Henry Skilton, National Bank of Commerce; George H. Corey, Peoples National Bank; E. M. Richards, 111 Devonshire St.; Llewellyn D. Seaver, Old Colony Trust Co.; Frederick C. Waite, Merchants National Bank. The Decoration Committee: Chairman, G. W. Hyde, First National Bank; C. A. Ruggles, Boston Clearing House; F. W. Rugg, National Rockland Bank; E. A. Church, Boylston National Bank; A. W. Small, Boston Five Cents Savings Bank. The Music Committee: Chairman, Arthur Adams, New England Trust Co.; W. H. Rand, Jr., Security Safe Deposit Co.; W. F. Glidden, American Trust Co. The Catering Committee: Chairman, Henry J. Nichols, Swift & Co.; Wm. F. Edlesfen, First National Bank; F. W. Bryant, Second National Bank.

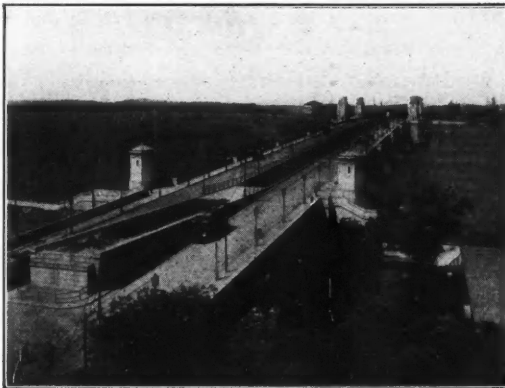
Some inkling of the unique and charming character of the historical meetings to be held on Wednesday evening in Faneuil Hall, Christ Church, the Old South Meetinghouse, and King's Chapel has already been given in these columns. To many, these meetings in the ancient buildings, within whose walls were held some of the most significant gatherings of pre-revolutionary days, will be as delightful as any features of the entertainment. Distinguished orators will make the addresses and there will be appropriate music. Transportation will be provided for visitors so that there shall be no difficulty in reaching the meeting places on time and in returning without getting lost in the crooked streets of Old Boston.

Because the Boston Symphony Orchestra has been the personal enterprise of Col. Henry L. Higginson, of Lee, Higginson & Co., as one of his contributions to social service throughout the thirty-two years of its existence, it has been possible to have this orchestra begin its season unusually early and with a private concert on Thursday evening, October 9th, for the entertainment of visitors to the A. B. A. Convention.

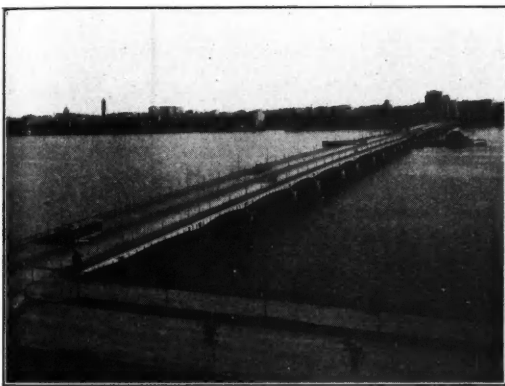
Never before in the history of this great national

institution has the Symphony been engaged by an organization for an exclusive recital. This orchestra has been maintained as nearly as is humanly possible for art's sake alone. Commercial considerations have never been permitted to interfere with or obstruct its progress steadfastly toward its ideal of the highest class of music. To-day it stands unequalled in America and without a superior in the world. For ordinary concerts it uses eighty-five instruments, including sixteen first violins, fourteen second violins, ten violas, ten cellos and eight double basses. It has one hundred musicians permanently on its payroll. Included in its membership are some of the greatest European artists; and the Boston Symphony Orchestra has fixed a standard of performance which has placed America in a most enviable position among musical people of all countries. Dr. Karl Muck, for many years conductor of the Royal Opera, Berlin, will direct the special concert for the visiting bankers. The selections will be from some of the best works of all schools and of all periods.

Symphony Hall, in which this concert and the reception and ball of Tuesday evening will take place, was built at a cost of \$750,000 especially to



LOOKING DOWN UPON THE BASIN OF THE WEST BOSTON BRIDGE



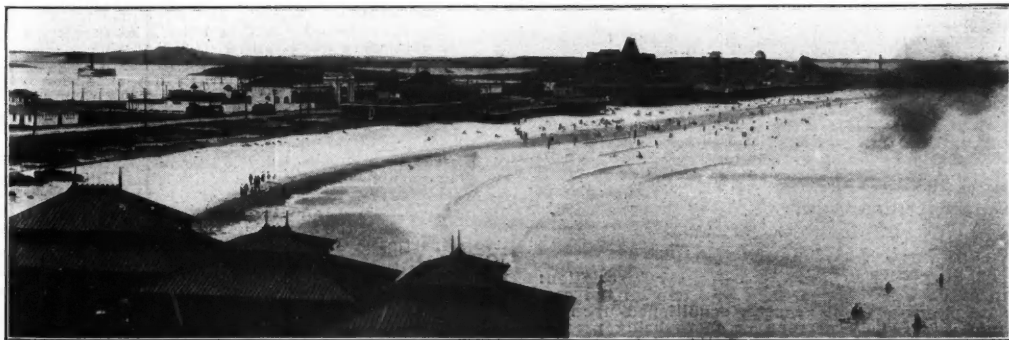
FAMOUS HARVARD BRIDGE ACROSS CHARLES RIVER BASIN

house the Symphony orchestra. Its beautiful auditorium will seat 2,620 persons.

If it is impossible to provide seats for all delegates who wish to attend the concert the overflow

will be organized into theatre parties as the guests of the Boston bankers. The committee in charge of the Thursday evening entertainment are The Hall Committee, F. H. Wright, Chairman, Second National Bank; and the Theatre Committee, Charles W. Cole, Chairman, Old Colony Trust Company; R. A. Gladwin, Old Colony Trust Company; and H. C. Johnson, Provident Institution for Savings.

At 10.30 Friday morning three large excursion steamers will take the convention visitors on a tour of Boston Harbor. Opportunity will be given for a glance at the port development that is going on here; and there will be a sail among the beautiful islands that are so rich in historic and legendary associations. At 1.30 in the afternoon the visitors will all sit down together in Paragon Park, an amusement enclosure at Nantasket Beach, and partake of a New England clambake. The return to Boston in the three steamers is scheduled for 5.30 P. M. In charge of this event are the following committees: Excursion Committee, Storer Ware, Chairman, Bond & Goodwin, R. W. Weeks, and E. N. Fenno, Jr., Bond & Goodwin; and Catering Committee, Henry J. Nichols, Chairman, Swift & Co.; Wm. F. Edlefsen, First National Bank; and F. W. Bryant, Second National Bank. No detail that will contribute to the success of this day is being neglected; and it is safe to predict that it will close the convention most happily.



PARAGON PARK AT NANTASKET BEACH WHERE THE DELEGATES WILL ENJOY A NEW ENGLAND CLAMBAKE

BOSTON CONVENTION.—BUSINESS PROGRAM.

A DEFINITE program as to details having not yet been arranged for the Boston Convention, full announcement cannot be made until the September issue of the JOURNAL-BULLETIN. The entertainment features have been practically settled by the local committees at Boston, and are published in this number.

The general plans for business have been outlined as follows:

Monday, October 6th, A.M.—Committee meetings. Executive Council, 2 P.M. All at the Copley-Plaza Hotel, which is headquarters.

Tuesday, October 7th.—At the Copley-Plaza, A.M. and P.M. sessions, Trust Company, Savings Bank, Clearing House, and State Secretaries Sections.

Wednesday, October 8th.—Sessions of the Association at Symphony Hall, 9.30 o'clock A.M. Addresses of welcome, President's address, and response to addresses of welcome. Annual Reports of the officers of the Association, and an address, 2 o'clock P.M.; Address, report of the Currency Commission, and report of the Committee on Constitutional Revision.

Thursday, October 9th.—Convention called to order at 9.30 o'clock A.M. Symposium of the Association's Committee on Agricultural and Financial Development and Education, presided over by Joseph Chapman, Chairman of the Committee. Addresses by James J. Hill, President Vincent of the University of Minnesota, and others. Debates and questions, and action on report.

Afternoon session, 2 o'clock: Addresses, reports of committees, new business and unfinished business, resolutions, report of the Committee on Nominations, installation of officers.

Meeting and organization of the new Executive Council at the Copley-Plaza Hotel, following the adjournment of the Convention.

The various committees scheduled to meet during the week, such as the Nominating Committee, etc., will be announced in the official program.

It will be noted that there are no entertainment features during the business sessions except for the ladies; entertainment has been arranged for every evening during the week and the entire day of October 10th.

The Administrative Committee, to whom were referred the details of the program, will announce later the prominent speakers who will address the Convention. F.

REDUCED RAILROAD RATES TO THE CONVENTION.

New England States—New England Passenger Association: Lines in this Association, excepting Bangor & Aroostook Railroad and Eastern Steamship Corporation, have individually authorized a fare and one-half for the round trip on the certificate plan—conditioned upon 1,000 or more persons being present at the meeting, who hold certificates of this or other passenger associations; going and returning via same route only. A fee of 25 cents will be charged for each certificate vised.

New York and the East—Trunk Line Association: A fare and one-half for the round trip has been authorized from this territory on the certificate plan—conditioned upon an attendance of 1,000 or more persons being present at the meeting. A fee of 25 cents is to be charged for each certificate vised. Going tickets and certificates will be issued from this territory from October 2d to October 8th, and certificates when vised will be honored for return tickets to October 14th, inclusive.

South-East—Southeastern Passenger Association: A fare and one-half for the round trip on the certificate plan has been granted, conditioned upon an attendance of 1,000 persons or more being present at the meeting. A fee of 25 cents will be charged for each certificate vised. Such certificates to be issued October 2 to 7, 1913, inclusive. Tickets reading

"Via Rail-Water Route" will be charged for at the rate of one and one-half fare plus \$2.

South-West—Southwestern Passenger Association: Summer tourists' fares will apply and tickets are on sale at practically 2 cents per mile in each direction up to and including September 30, 1913; limited for return up to and including October 31, 1913. The exact fare can be obtained upon application to the local agent.

Pacific Coast States—Trans-Continental Passenger Association: The Lines in this Association have individually announced special fares from California and North Pacific Coast points to their Eastern Termini and to certain destinations east of their Eastern Termini.

Tickets will be sold from North Pacific Coast points daily up to September 30, 1913, inclusive, and from California special dates have been selected. If, however, delegates are unable to avail themselves of the special fares authorized, they may take advantage of the Nine Months' Tourist fares in effect daily from California and North Pacific Coast points.

Tickets sold on special fare basis will not be honored for return trip unless validated at destination of ticket by the original purchaser. There are a few exceptions regarding the validation of these tickets, and information concerning same can be ascertained through your railroad agent.

FULL PARTICULARS CAN BE SECURED FROM LOCAL TICKET AGENTS OF THE VARIOUS SECTIONS OF THE COUNTRY ABOVE REFERRED TO CONCERNING RATES, ROUTES, LIMIT OF TICKETS, ETC.

FOR SECTIONS OF THE COUNTRY NOT COVERED ABOVE, IT IS ASSUMED THAT THE VARIOUS RAILROAD COMPANIES THEREIN WILL GRANT REDUCED RATES AND THEREFORE APPLICATION MAY BE MADE DIRECT TO YOUR LOCAL RAILROAD AGENT REGARDING THE SAME. A FEW OF THE PASSENGER ASSOCIATIONS HAVE NOT, UP TO THE PRESENT TIME, ARRIVED AT A CONCLUSION AS TO THE MATTER OF REDUCED RATES.

DELEGATES THAT MAY PURCHASE TICKETS ON THE CERTIFICATE PLAN SHOULD PRESENT THEIR CERTIFICATES AT THE REGISTRATION HEADQUARTERS IN THE COPLEY-PLAZA HOTEL IMMEDIATELY UPON REGISTERING, IN ORDER THAT THESE CERTIFICATES MAY BE DULY VISED. BEFORE DEPOSITING THESE CERTIFICATES DELEGATES SHOULD SIGN THEIR NAMES IN THE PROPER PLACE ON THE SAME, AS PROVIDED.

INCREASE IN MEMBERSHIP.

THE membership of the Association is steadily increasing. Since July 1st, 172 members have been added to the roll, and our total membership as of July 31, 1913, is 13,968. At this period last year there were enrolled 12,890 members, thus making a net gain of 1,078, which is the largest increase for any similar period with the exception of 1901, when there was a net gain of 1,113 members. At that time, however, there were only 5,504 members in the Association.

As the membership increases the available field for new members naturally is curtailed. These figures are positive evidence of the value placed on membership in this Association by the bankers of the United States, and it is also clearly manifested that the work of the Sections, Committees, the Protective Department, Legal Department, the Library, the JOURNAL-BULLETIN, and other prominent features is fully appreciated.

A further evidence that membership in the Association is valued, is the fact that, with a membership at the close of our last fiscal year of 13,323, there were only 181 delinquents, which is the smallest percentage of members lost by delinquency in the history of the Association.

BANKING AND CURRENCY LEGISLATION.

THE important meetings of the Currency Commission of the American Bankers Association, which officially represents the Association in matters of banking and currency legislation, were chronicled in the July number of the JOURNAL-BULLETIN. The visits of the Commission's committees to Washington, and the action taken by many members of the Association in writing to their representatives in Congress, have resulted in bringing about some modifications in the proposed Administration bill, which is now being considered by the Committee on Banking and Currency of the House.

There is every indication that the banking and business interests of the country are fully alive to the gravity of the proposed legislation and to the objectionable features of the proposed measure as outlined in the report of our Currency Commission, namely, Government Control, Note Issue by the Government, Refunding of two per cents, and Reserves. All bankers should study this question, become acquainted with the faults of the bill as it now stands, and communicate their views to their representatives in Congress. Now is the time!

It is apparent that every effort will be made to enact a law at this session. With the shortness of the time, the consideration of tariff legislation, and the desire of the Senate and House to leave Washington, it is possible that the result will be the bringing out of a law that has not received proper attention and that has not been fully digested, although the impression prevails in some quarters that decisive action will not be taken at the present session of Congress.

The members of the Currency Commission of the American Bankers Association realizing fully the importance of this subject, are keeping in close touch with affairs at Washington, and there will be no default on the part of the Association or its able representatives.

At the October Convention of the Association in Boston, the Currency Commission will make a full report of its action, and by that time, no doubt, the Commission will be able to report on either completed legislation at Washington or a bill which will be considered at the regular session of Congress next winter. The Administrative Committee is considering the advisability of "featuring" this most momentous question at the Boston Convention by giving over one of the sessions, after the report of the Currency Commission, to a discussion led by the members of the Currency Commission, and affording an opportunity for the members of the Association to ask questions and debate the whole subject before voting on the report of the Commission. If this plan be decided upon, the session would be one of the most interesting of the coming convention. F.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA
and
BANKING AND CURRENCY LEGISLATION.

THE Currency and Banking Committee of the Chamber of Commerce of the United States of America held a session in Washington, July 9th, 1913, for the purpose of considering the Owen-Glass bill. There were fourteen members present, coming from various sections of the United States and representing varied interests. After a careful study of the bill from various viewpoints, the committee issued the result of its deliberations to the press of the country. This action has been criticised for the reason that the conclusions reached were not first submitted to the Board of Directors of the Chamber for its approval.

The conclusions of the committee are, on the whole, favorable to the Owen-Glass bill, with the argument that, inasmuch as early action on the proposed measure is desirable, the position taken by the Administration should receive thoughtful attention. Many of the suggestions of the committee of

the Chamber of Commerce are along the lines of the recommendations made by the Currency Commission of the American Bankers Association. The criticism of the report of the committee, however, is that some of the fundamental features of the bill to which there are serious objections were not given proper consideration. This criticism comes from banks and bankers and business men who have studied the problem, and can be summed up in the four objectionable features—Government Control, Note Issue, Refunding 2's, and Reserves.

It is commendable that the Chamber of Commerce has taken prompt action on this question, but it is unfortunate that there is a divergence of opinion by the committee as to the important provisions of the bill, which will affect so seriously the banking and business interests of the country. F.

LIST OF MEMBERS COMPLETE TO JUNE 30, 1913—INCLUSIVE.

A LIST of members of the Association in pamphlet form complete to June 30, 1913, inclusive, has been mailed to all members of the Association.

This pamphlet is of special value in connection with the use of our telegraphic cipher code, and therefore our members are requested to keep it conveniently at hand for ready reference.

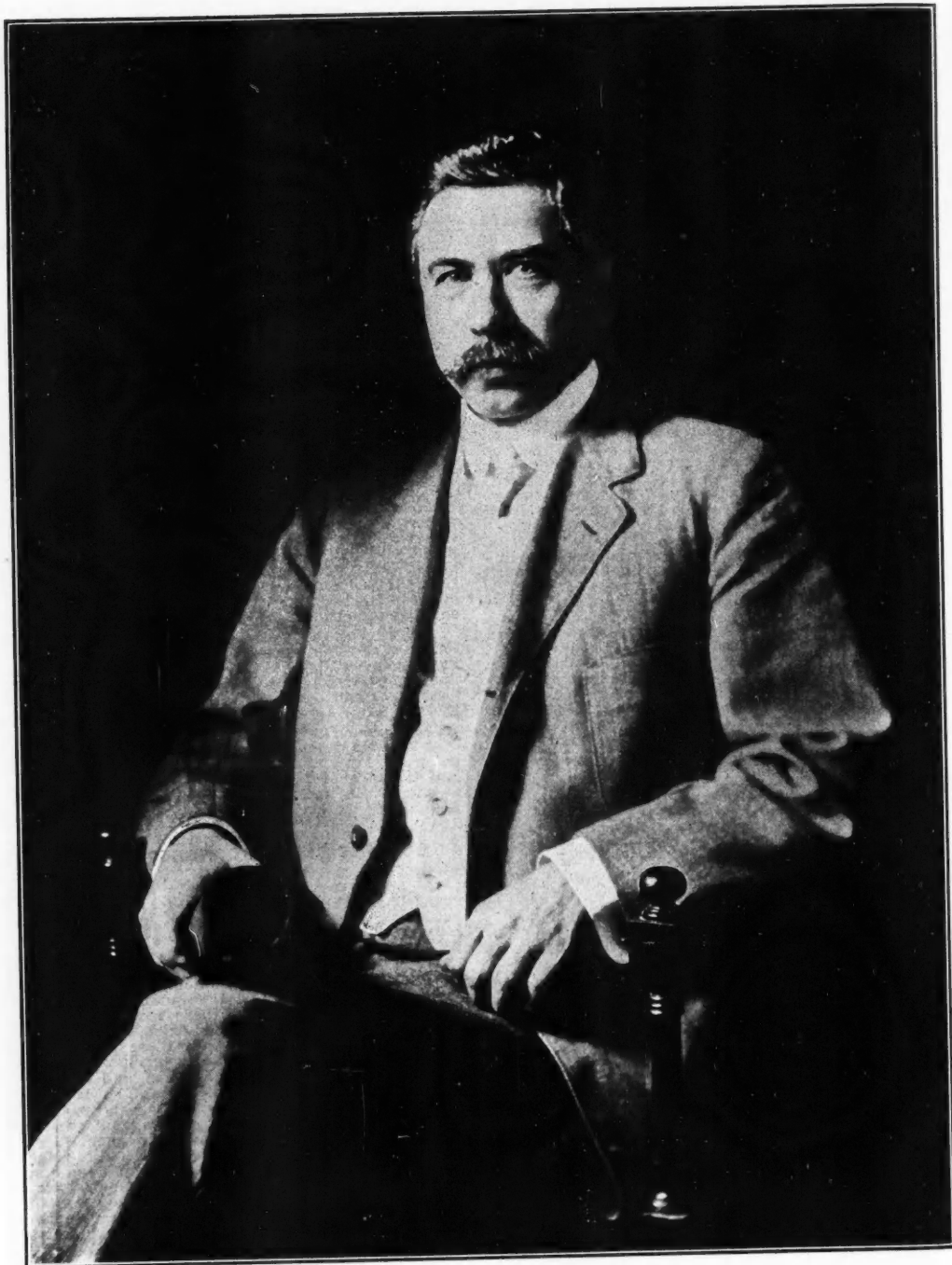
For additional members joining the Association between the date of pamphlet and the time of publication of our next book of proceedings of the Boston Convention, which will contain a complete list of members to that time, our members are referred to the monthly JOURNAL-BULLETIN. In the JOURNAL-BULLETIN, in addition to the new members being published, information is given regarding all changes affecting membership.

The office of the Association should be notified immediately of any merger or change of title affecting a member, as no change in record is made except upon direct information from members. Such notification should cover consolidations, failed banks, or those in liquidation or in the hands of a receiver.

Our cipher code is used very extensively by members, and its value is thoroughly appreciated. Those not using same will find the code a great convenience and the means of the saving of a considerable sum of money, by making use thereof.

A SUGGESTION TO CONGRESS AND STATE LEGISLATURES.

FROM the Fourth National Bank of the City of New York this Association has received several copies of the Federal Reserve Act, introduced in the Senate and House of Representatives on June 23, 1913. This pamphlet, printed at the expense of the bank, is commendable particularly because of the marginal catch notes and the index to the various provisions of the bill. In these respects Congress, as well as the various State Legislatures, might do well to make it compulsory for those charged with the official printing of legislative measures to prepare and print similar catch notes and indices to every bill introduced, in order that the legislators themselves may be able to analyze its provisions readily, to say nothing about the convenience, as a time-saver, to busy editors and to the general public interested in closely following projected legislation throughout the country. Especially would some such requirement guard against the insertion of "jokers" and other surreptitious provisions smuggled into lengthy bills, and overlooked in the pressure of work during the closing days of a session. It might add to the clerical force and involve some delay in the printing, but the obvious advantages and protection afforded would outweigh any considerations of that nature. At any rate the suggestion is worthy of thought.



CHARLES H. HUTTIG

CHARLES H. HUTTIG.**President The American Bankers Association.**

THE Presidency of the American Bankers Association came to Charles H. Huttig in recognition of those qualities which made his personality an expression of the true spirit of American banking.

In sincerity and simple dignity Mr. Huttig gave to the work of the Association the unselfish service which characterized a career of unusual success in many positions of responsibility. He devoted much time to the work of its Currency Commission, of which he was a member from its organization in 1906, and was known as an advocate of advanced currency legislation for years before public sentiment, under the leadership of men of his ability, was slowly shaped into present policies. At the Los Angeles convention of 1910 Mr. Huttig became the unanimous choice for Chairman of the Executive Council. He was made Vice-President in 1911 at the New Orleans convention. In May of the following year Mr. Huttig had recovered sufficiently from the first attack of his long illness to attend the meeting of the Executive Council at Briarcliff. The warmth of welcome and genuine affection which greeted his brief appearance at the banquet there fittingly expressed the high regard of his fellow bankers, which was emphasized by his election as President of the Association at the Detroit convention of 1912.

Mr. Huttig's natural aptitude for business was developed in his native town of Muscatine, Iowa, in the banking house of Cooke, Musser & Company, and in connection with family lumber interests. He went to St. Louis in the early eighties and established there the Huttig Sash and Door Company, now one of the largest concerns of its kind in the country.

Mr. Huttig's fitness for financial leadership was evidenced in his connection with the Third National Bank of St. Louis, which he helped to organize, and of which he was a director for several years. In 1897 he was made President of the bank, and became an acknowledged power in the banking world because of his unusual ability and good judgment. It was largely the force of his personality which raised the bank, in his fourteen years of active official connection with it, to its present rank of second largest in St. Louis. His unflinching courtesy and the spirit of friendly democracy in which he met the bank's customers made him known as one of the most approachable of bankers.

He adopted a broad policy of encouragement in the building up of St. Louis industries, and was a director in the American Central Insurance Company, the United Railways Company, the North American Company, the Laclède Gas Light Company, and the Equitable Surety Company. He was also active in the direction of the St. Louis Clearing House, and was recently its President. In his loyalty to St. Louis interests Mr. Huttig always took an active part in civic affairs, and helped to secure funds for the Louisiana Purchase Exposition, of which he was one of the Vice-Presidents, and for the Centennial Celebration of 1909. He served for several years as a member of the school board, and was interested in many charitable institutions. He was also Vice-President of the Business Men's League and the Civic League, while his club membership included the St. Louis, St. Louis Country, Glen Echo, Log Cabin, Racquet, Bellerive, Mercantile, Noonday and Commercial clubs.

Through his illness Mr. Huttig came to take a deep interest in the Barnard Skin and Cancer Hospital and its research work, to which he gave liberally of time and financial support. As his health permitted, Mr. Huttig continued his personal and public activities during the three years of his illness, but in April of this year, realizing that but a short time remained to him, he allowed business associates to relieve him and retired to his summer camp in the Adirondacks. Mr. Huttig was forty-nine years old at the time of his death on July 12th. His family consists of Mrs. Annie Musser Huttig and their young son and daughter.

Mr. Huttig is the first President who has died in office. The Association was represented at the funeral in St. Louis, July 16th, by the following special committee, appointed by First Vice-President Reynolds: Ex-Presidents Walker Hill, of St. Louis, Mo.; E. F. Swinney, of Kansas City, Mo.; George M. Reynolds, of Chicago, Ill.; F. O. Watts, of St. Louis, Mo., and William Livingstone, of Detroit, Mich. There were also present at the funeral, representing the Association officially, First Vice-President Arthur Reynolds, General Secretary Frederick E. Farnsworth, Treasurer J. Fletcher Farrell, and Ralph Van Vechten, President of the Clearing House Section.

The display of flowers and floral emblems was of an unusually elaborate nature, and among them was one sent in the name of the American Bankers Association—a large design with the letters "A. B. A." worked in flowers.

INVESTMENT BANKERS' ASSOCIATION.

SECRETARY FREDERICK R. FENTON, of the Investment Bankers' Association of America, has mailed to the membership a fifty-page bulletin, which contains information of value to investment bankers of this country. The bulletin supplements former issues and brings up to date many state legislative conditions affecting the purchase and sale of investment securities.

President George B. Caldwell has announced a general committee, composed of Chicago members of the Association, to take charge of the arrangements for the second annual convention, which will be held in Chicago this fall, the tentative dates selected being October 28th, 29th and 30th, and which it is expected will be finally decided upon.

MARYLAND BANKERS' ASSOCIATION.

THE following are the officers elected for the ensuing year at the recent convention: President, William C. Page, President of the Calvert Bank, Baltimore; Vice-Presidents, George R. Gehr, Cashier First National Bank, Westminster; Roberdeau Annan, President First National Bank, Frostburg; Frank W. Mish, President First National Bank, Hagerstown; William C. Buck, Jr., Cashier National Bank of Cockeysville; Richard H. Thompson, Vice-President Maryland Trust Company, Baltimore; Heyward E. Boyce, Colston, Boyce & Company, Baltimore; John W. Ennis, Cashier Pokomoke City National Bank; Henry W. Kuark, Secretary Salisbury Building & Loan Association; Wm. H. McKenney, President Centerville National Bank; Secretary, Charles Hann, Assistant Cashier Merchants'-Mechanics' National Bank, Baltimore (re-elected); Treasurer, William Marriott, Cashier Western National Bank, Baltimore (re-elected).

A. B. A. MORTUARY RECORD REPORTED DURING JULY.

- Bailey, Leonard—Trustee Farmers' & Mechanics' Savings Bank, Middletown, Conn.
 Blum, Isaac—President Bank of Commerce, Philadelphia, Pa.
 Brady, Anthony N.—Director National Commercial Bank, Albany, N. Y., and National Surety Company, New York City.
 Brayton, David A.—Director First National Bank, Fall River, Mass.
 Carruthers, Frederick W.—Vice-President Brevoort Savings Bank, Brooklyn, N. Y.
 De Forest, Thomas B.—President Bridgeport Savings Bank, Bridgeport, Conn.
 Downing, J. F.—President Erie Trust Company, Erie, Pa.
 Driggs, Frederick E.—Director Detroit Trust Company, Detroit, Mich.
 Eaton, George H.—President International Trust & Banking Company, Calais, Me.
 Friedman, Joseph L.—Vice-President City National Bank, Paducah, Ky.
 Gahagan, R. A.—Assistant Cashier American Exchange National Bank, Dallas, Texas.
 Hancock, J. G.—President First National Bank, Laton, Cal.
 Howard, Henry C.—Director Bank of Buffalo, Buffalo, N. Y.
 Hullings, Thomas M.—Vice-President Continental Trust Company, Baltimore, Md.
 Huttig, Charles H.—President Third National Bank, St. Louis, Mo., and President American Bankers' Association.
 Jackson, George W.—Director Union National Bank, Atlantic City, N. J.
 Kitchen, William K.—Vice-President National Exchange Bank, Augusta, Ga.
 Kirby, John B.—Director Bordentown Banking Company, Bordentown, N. J.
 McDaniel, J. B.—President First National Bank, Hubbard, Tex.
 McWald, J. F.—President Atlantic National Bank, Atlantic, Iowa.
 Miller, R. C.—Vice-President Citizens' State Bank, Puyallup, Wash.
 Mulcrone, Patrick—Director First National Bank, St. Ignace, Mich.
 Newberry, H. S.—Assistant Secretary Citizens' Savings & Trust Company, Cleveland, Ohio.
 Oates, Edward G.—President Mechanics' Bank & Trust Company, Knoxville, Tenn.
 Oram, John S.—Director Lake Shore Banking & Trust Company, Cleveland, Ohio.
 Osborn, Alanson—Assistant Cashier First National Bank, Eaton Rapids, Mich.
 Pullen, John T.—Director Citizens' National Bank, Raleigh, N. C.
 Robertshaw, James—President Citizens' Bank, Greenville, Miss.
 Rogers, Alpheus C.—Treasurer Maine Savings Bank, Portland, Me
 Sailor, John—Of Sailor & Stevenson, Philadelphia, Pa.
 Saunders, Edward—Director First National Bank, Merchants' National Bank, and Northwestern Trust Company, St. Paul, Minn.
 Smith, W. K.—Cashier Oconto National Bank, Oconto, Wis.
 Stevens, Charles Edward—Director Ware National Bank, Ware, Mass.
 Walker, Henry A.—Cashier National Valley Bank, Staunton, Va., and Vice-President American Bankers' Association for Virginia.
 Wells, P. C.—Vice-President Elgin National Bank, Elgin, Tex.
 Whaley, William H.—Vice-President Merchants' & Farmers' Bank, Jesup, Ga.
 Woodruff, Irvin—President Woodruff National Bank, Dunkirk, Ohio.
 Zearing, Joseph H.—Teller First National Bank, Champaign, Ill.



TRUST COMPANY SECTION



OFFICERS, 1912-1913.

PRESIDENT:
 WILLIAM C. POILLON, Vice-President Bankers' Trust Company, New York, N. Y.
FIRST VICE-PRESIDENT:
 F. H. GOFF, President Cleveland Trust Company, Cleveland, O.

CHAIRMAN EXECUTIVE COMMITTEE:
 RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

SECRETARY:
 PHILIP S. BABCOCK, 5 Nassau Street, New York City.

SINCE the Briarcliff meeting the executive officers of the Section, together with such members of the Executive Committee as were able to attend, have held a number of special meetings in the library of the Association. These meetings were called to consider various matters of moment affecting the Section raised by the tentative draft of the new constitution as submitted, at the meeting of the Executive Council at Briarcliff, by Mr. Robert E. James, Chairman of the Committee, appointed to revise the constitution of the Association. Mr. James accepted an invitation to attend one of these meetings. His presence was much appreciated, and it is felt that his explanation of the purposes and aims of his committee has done much to clarify the situation. It is expected that a report of these different meetings will be made at the coming convention in Boston.

Another topic touched on at these several meetings had to do with the program of the coming convention, a draft of which was outlined in the July JOURNAL-BULLETIN.

Attention of the members is again called to the letter sent them in April last and published at that time. This emphasizes the fact that one of the great advantages of these annual meetings lies in the discussions on the floor of topics pertaining to features of the trust company business in distinction from general banking.

Members are again invited to send to the Secretary not later than September 1, 1913, any subjects which they think might be of interest for consideration at the coming convention.

Membership in the Section now numbers 1,350 trust companies, practically ten per cent. of the total membership of the Association, which is a very gratifying percentage of the total membership, when it is remembered that the trust companies of the country number less than eight per cent. of the financial institutions of the country, numbering some twenty-seven thousand, of which fourteen thousand are members of the American Bankers Association. It is hoped that all members will make every effort to increase the Section's membership by pointing out to non-member trust companies of which they have knowledge the advantages gained by such membership. Pamphlets setting forth the advantages offered by membership in the Association and in the Section, and application blanks, will be furnished upon request.

At the several meetings of the Executive Committee above referred to gratifying reports were made of the renewed interest taken by our members in the educational publicity campaign, and attention is again called to the new set of articles prepared for use by our members, setting forth the different features of trust company work and educating the public to what a trust company is and can do. Several of these articles have already appeared in different numbers of the JOURNAL-BULLETIN, and another one is herewith published. Complete sets of these articles can be obtained upon application to the Secretary of the Section at the Association's office.

THE TRUST COMPANY AS A CUSTODIAN.

Almost Infinite Variety to the Responsibilities Reposed in the Modern Trust Company—Watchful of Others' Interests.

Variety gives zest to life. It also makes for life's responsibilities. Humanity's path from the cradle to the grave is strewn with hazards and it is the unexpected that usually happens. Men and women insure their homes, their personal property, themselves against sickness and accident and, above all, their lives. Then what becomes of the policies? Very often they are tucked away in some bureau drawer, or equally insecure place, only to be at the mercy of the blundering housemaid, a fire, or the owner's own gross carelessness. Infinitely more important are those documents which relate to the disposition of estates after death. How often has it been impossible for the prospective heirs, even the attorneys of the testator, to discover a will? It is not necessary to go beyond the experience of almost every individual to cite such instances. It may be well established that the deceased left written instructions for the disposition of his estate, and it may also be practically demonstrated what the instrument contained, but unless the will itself is forthcoming and is duly attested, its provisions, of course, are invalid and the wishes of the dead man cannot be carried into effect.

Coincident with the growing tendency of men of means to entrust their property to the trusteeship of the modern trust company is the frequency with which men and women are seeking advice of the trust company officials regarding the making of their wills and the care with which the wills, once made in accordance with law, are deposited in a secure way for being produced in the probate court at the proper time. Quite naturally the trust company's safe deposit departments are an important factor in instances of this sort. No safer disposition can be made of a will or, in fact, of any document of value. And, of course, the deposits are by no means restricted to valuable documents. Almost every conceivable article of value, either intrinsically or sentimentally, is finding its way to the safe deposit boxes which the modern trust company provides, combining a maximum of safety at a minimum of expense. How often some cherished heirloom, some keepsake, some possession, around which the memory of a beloved child has cast a sacred significance, is a constant source of worry lest it be lost or stolen! Some old-fashioned daguerreotype, some exquisitely painted miniature of a loved one, maybe a keepsake, the safety of which is a very dear concern. Jewelry, old silverware, bits of rare old lace, letters of a long-ago period of one's life, faded scraps of paper, now tied with lavender ribbons—souvenirs of a romance that will never fade so long as memory lasts—all these, not infrequently, are made to seek the safety of the deposit vaults. Turning to the more practical side of life, consider the protection that is afforded deeds, contracts, mortgages, leases, pension papers, partnership agreements, bank books, certificates of

stock and bonds, etc. The variety is almost incalculable. And the scope of the trust company care does not end here. How often do we find in wills the specific bequest of a few hundred or a few thousand dollars for the perpetual care of a cemetery lot. Very frequently the executors will set aside a bond or two, or a few shares of stock, for this purpose, and give the carrying out of the trust to a trust company. Instances are not infrequent where, in trusts of this sort, some of the longer term bonds—some extending almost into perpetuity—are given to trust companies for this most commendable purpose. To the Chinese the tombs of their ancestors are among the most sacred elements of life, and the Occidental is rapidly emulating the Oriental in his ancestral reverence.

To each of the trusts reposed in it the modern trust company assigns a separate compartment. The affairs of Brown have no connection with the interests of Smith. Each trust is a separate and distinct responsibility on the corporation. Each has its own special place and record among the matters which are to be conserved inviolate and intact. While the wisdom and the knowledge of the many are employed for the general advantage of all the many and varied trusts, the component parts of these varying interests are kept separate and distinct. No matter, therefore, how sacred the trust, no one, except the possessor during life and the executor after death, can obtain knowledge of the possession which the company has in custody.

It is not necessary to recall here the intimate nature of some of the trusts reposed in this connection, or to more than mention the confidence with which all commissions of a personal nature are accepted and maintained. The work of a trust company is practically infinite, so far as estates and personal possessions are concerned. From the woman who, in mortal dread of being buried alive, directed that an officer of a trust company drive a sharp instrument through her heart, to the man who, dying abroad, directed that the custody of his ashes and their final disposition be in charge of his executor, which was a trust company, these Argus-eyed and many-tentacled corporations each day discharge obligations with an accuracy and fidelity in keeping with the record of more than a century during which not a dollar of trust funds has been lost through the dishonesty of a trust official.

BANKING AND CURRENCY LEGISLATION.

IN view of the consideration of the Administration banking and currency bill by the Committee on Banking and Currency of the House of Representatives, the numerous suggestions and recommendations which have been made, their varied character, the fact that some of these propositions are receiving serious attention, and the fact that the proposed bill will be reported to a caucus of the Democratic members of the House on August 11th in order that the same may be made a party measure and command the united support of the majority party, and the further circumstance that there have been no hearings on this bill and that (according to the public prints) even the minority members of the Banking and Currency Committee were excluded from attendance, A. B. Hepburn, Chairman of the Currency Commission of the American Bankers Association, has issued a call for a conference, which will probably be held in the city of Chicago immediately after August 11th. The Currency Commission will invite to this conference the Presidents of the forty-seven State Bankers' Associations as well as the Presidents of the Clearing Houses of the country. An assembly of this kind will be very much desired, in order that it may be representative, that full consideration may be had and the view-point of the different sections of the country obtained.

WISCONSIN BANKERS' ASSOCIATION.

THE following are the officers elected for the ensuing year at the recent convention: President, H. A. Moehleppah, Cashier Citizens' Bank, Clinton; Vice-President, Earle Pease,

Cashier First National Bank, Grand Rapids; Secretary, George D. Bartlett, 502 Merrill Building, Milwaukee (re-elected); Treasurer, H. J. Maxwell, Cashier Princeton State Bank, Princeton.

ASSET CURRENCY.

THE report from Washington that Secretary of the Treasury McAdoo is about to deposit from \$25,000,000 to \$50,000,000 in Western and Southern banks, so as to afford ample money for the coming crop movement, is a recognition of the Asset Currency proposition which was the first step taken by the Currency Commission of the American Bankers Association toward advanced banking and currency legislation.

It is proposed by the Secretary of the Treasury, according to the press report, that national banks must have at least forty per cent. of their authorized circulation in order to receive the benefit of these loans, and that the Government deposits so to be made shall be secured by prime commercial paper at sixty-five per cent. of its face value.

Ten years ago speakers at the Convention of this Association who intimated any such idea as asset currency were hissed by members in attendance. This goes to show that with the present proposition, with the bills prepared by the Currency Commission of the American Bankers Association, with the so-called "Aldrich bill," which embodied all of the best features of banking in the world, and with the Administration measure now before Congress, bankers and business men generally have seen a new light and have been going through a period of financial and economic education.

DRAFTS FOR MEMBERSHIP DUES FOR THE FISCAL YEAR 1913, 1914.

IN accordance with the usual custom of drawing drafts on our members for dues which, under our constitution are payable in advance as of September 1st of each year, drafts will be forwarded to members by our treasurer, Mr. J. Fletcher Farrell, through the Fort Dearborn National Bank, Chicago, Ill. These drafts will cover the dues of members in full to the close of our fiscal year, ending September 1, 1914.

The membership of this Association is now 14,000, and it is necessary that we have a stated period of the year for collecting all dues. The system of drawing drafts is the most feasible method for collecting dues, as it avoids unnecessary delay and correspondence which otherwise ensues.

Our members are requested to promptly honor these drafts, and their attention to this matter will be greatly appreciated.

AS GOOD AS EVER.

THE book of Printed Forms issued by the Savings Bank Section has been of assistance to hundreds of savings banks and departments and will be of assistance to you; \$12 to members, \$18 to non-members. Orders receive prompt attention from the Secretary, 5 Nassau Street, New York.

WHAT ARE YOU DOING

to further the Campaign of Education in Thrift which the Savings Bank Section has instituted? Of course you believe in it. Then start something in your town—a school savings bank; a lecture course; get your paper to publish our "Thrift Talks" or use them in your advertising; but help a little. Write the Secretary about it at 5 Nassau Street, New York.

ENDORSEMENT STAMPS.

IF your bank is not conveniently located, we can secure endorsement stamps for you, bearing your transit number, for 45 cents each. Dated stamps—and all endorsements should be dated—are 85 cents. Patronize your local dealer, but if you are without facilities in this respect send us your order with New York funds in payment.



SAVINGS BANK SECTION



OFFICERS, 1912-1913.

PRESIDENT:
R. C. STEPHENSON, Vice-President St. Joseph County Savings Bank, South Bend, Ind.

FIRST VICE-PRESIDENT:
J. F. SARTORI, President Security Trust & Savings Bank, Los Angeles, Cal.

CHAIRMAN EXECUTIVE COMMITTEE:
W. E. KNOX, Comptroller Bowery Savings Bank, New York, N. Y.

SECRETARY:
E. G. McWILLIAM, 5 Nassau Street, New York, N. Y.

**ANNUAL MEETING, SAVINGS BANK SECTION,
COPLEY-PLAZA HOTEL, BOSTON,
OCTOBER 7, 1913.**

THE SCHOOL SAVINGS SYSTEM—THE PRACTICAL IN EDUCATION.

Extracts from an Address Delivered Before the North Dakota Bankers' Association in Convention at Grand Forks, June 17, 1913, by N. F. Hawley, Treasurer Farmers' & Mechanics' Savings Bank, Minneapolis, Minn., and Chairman of the School Savings Bank Committee.

IN education a new era is coming. We are tending more and more to the belief that it is a proper educational function for the schools to teach children how to earn a living. There is a growing inclination toward the idea that it is proper and necessary that children should be taught not only "book learning," but also the means of sustaining life. This modern tendency of education is evidenced in our trade, vocation, domestic science, agricultural and other schools of applied education.

Along with other practical arts the habit of saving is beginning more and more to be taught. Heretofore this function has not been undertaken by the schools. The example of France, which has made the teaching of thrift a part of its school curriculum with the resulting frugality and prosperity of its people, pointedly suggests to us that it would be profitable for schools of this country to inaugurate education in savings.

The tendency of American life is to spend rather than to economize. It can be overcome only by persistent instruction of the children while young. Unfortunately the family does not always afford instruction in thrift. We are turning to the schools for assistance. The teaching of thrift in order to overcome our thriftlessness, in saving in order to meet the tendency to waste, in accumulating slowly rather than in getting rich quickly is so necessary in America, means so much to the happiness of the individual and the family and the prosperity of the community that the schools will not be able to resist the demand for incorporating this instruction in their regular course.

The habit of saving has a cultural as well as a practical value. It trains the mind to forethought. It requires self-restraint. It inculcates present denials for future attainments. It develops moral character and self-respect. It tends to prudence, temperance, persistence of endeavor and conservatism—all qualities imperatively needed, not only to succeed in the business of life, but also to acquire the highest culture.

He who would put a true value on the habit of saving must not count the dollars alone. He should

rather look to the educational value of the habit and to the increased moral worth of the individual.

It is generally considered necessary that legislation should be first enacted authorizing the operation of the school savings system in the public schools. This may not always be necessary, although many boards of education feel reluctant about starting the system unless there is express legislative authority for doing so. They fear personal responsibility unless there is clear affirmative legislation empowering them to establish the system; consequently legislation is wise if not necessary.

In general there are two instrumentalities by which the system can be operated: first, by the school authorities or, second, by one or more banks.

It would be preferable if the schools would themselves establish and carry on the work as an educational function. But, unfortunately, they are often prevented from doing so either on account of lack of legislation or by the timidity or indifference of boards of education or the overworked condition of principals and teachers.

When the schools will not undertake it, it is quite feasible that one or more banks do so. In a small community it is preferable that one bank should operate the whole system. This assures simplicity of management and avoids confusion on the part of school children. It can be easily brought about under an arrangement with the board of education of the community upon application of some of the important civic and charitable organizations, with the co-operation of the clearing house association, if any, of the city, or with the co-operation of the other banks if there is no clearing house association.

It is, however, not absolutely necessary that there should be a general agreement among the banks; nor is it necessary that one bank only should carry it on. An arrangement can be made providing for collections by those banks which are most convenient to the schools and which are willing to undertake the operation. Or if the board of education itself, through its principals and teachers, will undertake the work, deposits can be made in those banks which the children or their parents may choose. As above suggested, however, boards of education usually prefer that responsibility in the matter should be undertaken by the banks rather than by themselves or their instructors.

It may be difficult for the bank to trace back to its coffers in dollars and cents the comparatively small amount which it spends on the system; but that in the end the bank itself as well as the community will profit by its operation there can, in my opinion, be no doubt.

The ultimate goal should be the operation of the school savings system by the school authorities themselves, after adopting it as an educational function, to the end that money may be saved, thriftlessness checked, wealth accumulated, the community made prosperous and that the children may acquire self-restraint, forethought, and habits of thrift, and that they may thereby attain to a higher character.

NEW YORK AGAIN CO-OPERATES.

THE Supervisor of Lectures of the Board of Education, City of New York, was so pleased with the Thrift Course arranged last winter in co-operation with this Section as a part of its Campaign of Education, that he has readily agreed to an elaboration of the subject next season, and will present a thrift course in each of the five boroughs of the City, said courses to be arranged and speakers provided by this Section.

This is very gratifying, vindicating as it does our judgment that this is an interesting and effective method of directing adult thought toward thrift. The fact that this important department of the greatest city in the world has deemed this subject of sufficient importance, after experiment, to give it five times the prominence of last season in its next season's lecture courses, would indicate that a similar course at least merits the consideration of other cities. In every city there must be men able to talk publicly of their business and not afraid to answer questions in relation thereto, and who are public spirited enough to give their services in such a cause. Is it then too much to expect that some other cities will take up this work next season? If our educational work is to avail in eventually improving the underlying economic conditions of our country (and such is our aim), mere sporadic effort here and there will not accomplish much—only united and continued effort all along the line will bring the desired result.

The first of New York's thrift courses next season will be given in the Commercial High School, Brooklyn, on Thursday evenings, beginning October 9th, and in arranging each course the lecturers selected will be men especially identified with the public and financial affairs of their respective boroughs. As a suggestion to other cities contemplating this work we publish the entire schedule and syllabi of this Brooklyn course, which is as follows:

October 9, 1913. Thrift and the Community. Edward M. Bassett, Member Public Service Commission, New York. What is thrift? Its importance to the city, State and country. Of greatest importance to the individual. Results of thrift apparent in all public improvements. A sure cure for extravagance private and public.

October 16th. The Savings Bank as an aid to Thrift. Arthur S. Somers, President Sumner Savings Bank, Brooklyn. Aids to thrift. Brief history of savings banks in this State. Savings banks are mutual banks. How organized. How managed. How deposits are invested. What is a bond? What is a bond and mortgage? What is a loan on collateral? Kinds of accounts one may have in a savings bank. The relation between bank and depositor in case of personal accounts, trust accounts and joint accounts. General procedure in accounts of deceased persons. Inheritance tax. The surplus—a mutual bank's protection. What it is. How accumulated. Notice required on withdrawals an added protection. Interest to depositors. How rate is determined. Expenses of bank—how regulated. Supervision and examination by State. Reports to department. Savings departments in State banks, national banks and trust companies. Stock institutions—capital subscribed by stockholders. Organization under State or national laws. Deposits placed in loans and discounts. What are loans and discounts. Dividends to stockholders as well as depositors. Under State or national supervision. Reports. The savings bank the people's bank. Officers should be willing to be consulted regarding investments. Savings account should not be regarded as investment. The thrifty not miserly. Reasons for saving and curtailment of extravagance.

October 23d. The Trust Company as an aid to Thrift. Nathan S. Jonas, President Citizens' Trust Company, Brooklyn. Its nature and functions. How it differs from other financial institutions. A perpetual and responsible trustee. Its investments. Its various departments—trust, bond, real estate, savings, foreign. The trust company best serves itself when it best serves the people.

October 30th. The Commercial Bank as an aid to Thrift. O. Howard Wolfe, Secretary Clearing House Section, American Bankers Association, New York. Money, what it is and how it is used—the distinction between money and wealth. Surplus wealth, how it arises, how it is used. Its relation to the progress of civilization. Credit, what it is, how it is bought and sold. Banks, origin of name—original functions; development; three main kinds of banks in this country. Commercial banks, capital, deposits, note issue, loans, investments and reserves. The use of checks, their convenience, the banking machinery in connection with their use. The Commercial bank as an indispensable adjunct to prosperity and progress; why panics are so ruinous; why the commercial bank is dependent upon thrift.

November 6th. The Savings and Loan Association as an aid to Thrift. Walter L. Durack, President Metropolitan League of Savings and Loan Associations, Brooklyn. Organization. Work accomplished and being accomplished. Opportunities for small and systematic saving. Examples. Advantages of home owning.

November 13th. The Postal Savings Bank as an aid to Thrift. Edmund W. Voorhies, Postmaster, Brooklyn. Organization. Relation to the banks and public. How funds are invested and secured. Its relation to the depositor. Its value to the country.

November 20th. The Insurance Company as an aid to Thrift. Charles Jerome Edwards, Equitable Life Insurance Co., Brooklyn. Its nature and functions. Mutual and stock companies. Its importance to people of moderate means. Its importance to the community and country at large. Meaning of the principal forms of policies issued. Compulsory thrift.

December 4th. Bonds as an aid to Thrift. W. H. Kniffin, Jr., Douglas Fenwick & Co., New York. What is a bond? Difference between stocks and bonds. Various classes of bonds. Government for various purposes. State for various purposes. County for various purposes. Municipal for various purposes. Railroad—1st, 2nd and general mortgage, equipment, collateral—trust, debenture. Security back of each class. Denominations generally issued. "Baby bonds." Saving to buy a bond.

December 11th. Home ownership as an aid to Thrift. Francis Jordan, Secretary, The Thrift, Brooklyn. Introduction. Thrift is an old virtue. Too restricted in popular thought to saving of money. Its practice would negative many modern complaints. Home ownership as a means of personal development. What does the home do for the owner? How may a home be secured? Conclusion.

December 18th. Co-operation as an aid to Thrift. Arthur H. Ham, Director, Division of Remedial Loans, Russell Sage Foundation, New York. The "loan shark" evil. Its extent and effects. History of unsuccessful attempts to eradicate it by publicity, legislation and enforcement. Its cause. The need for co-operative credit. The Credit Union.

PAMPHLETS FOR MEMBERS OF SAVINGS BANK SECTION.

A new edition of our pamphlet "How to Operate a School Savings Bank," containing five methods, together with laws of various States relating to school savings banks, has just been received; also a new edition of the pamphlet "Absolute Identification," treating of the finger-print method.

We have also a small number of the following pamphlets: "The Ethics of the Savings Bank," by Wm. E. Knox, Comptroller Bowery Savings Bank, New York, "European Land and Rural Credit Facilities," by Edwin Chamberlain, Vice-President San Antonio Loan & Trust Co., San Antonio, Texas. "Finger Prints Proven Practical."

Any or all of these pamphlets may be had upon application to E. G. McWilliam, Secretary Savings Bank Section, 5 Nassau Street, New York.



CLEARING HOUSE SECTION



OFFICERS, 1912-1913.

PRESIDENT:
RALPH VAN VECHTEN, Vice-President Continental and Commercial National Bank, Chicago, Ill.

VICE-PRESIDENT:
JOHN K. OTTLEY, Vice-President Fourth National Bank, Atlanta, Ga.

CHAIRMAN EXECUTIVE COMMITTEE:
A. O. WILSON, Vice-President State National Bank, St. Louis, Mo.

SECRETARY:
O. HOWARD WOLFE, 5 Nassau Street, New York.

FRESH AIR FORMULA.

WITH more than 50 per cent. of all checks in circulation now bearing the transit numbers the time has come when a greater use of the Numerical System is possible. "Show your number" has been our slogan, rather than "use the System." Once the numbers appear their value in making transit and other records become apparent at once. The impression seems to prevail that only the large city banks will benefit when the System is fully developed. Such is not the case.

The writer recently visited a small bank in a little country town handling probably a hundred out-of-town checks daily. It was about closing time, and the single clerk was entering his checks on a register. This book was about 10 inches wide, carrying four columns in which the clerk entered the name of the paying bank, the place payable, the indorser and the amount. About half the checks bore transit numbers. It was called to his attention that he might use these numbers, and by numbering the depositors of whom less than fifty deposited out-of-town checks, the entire record could be put in three narrow columns using less than half the space and saving about fifteen minutes at the time of day when a quarter of an hour means an extra game of tennis or another inning at the ball game.

Why not do your part—you who have not yet placed your numbers on your checks—toward helping the bank clerk get out a few minutes earlier?

Here is the formula:

Buy one or more small rubber stamps (we can supply them at 10 cents each), and have your present unnumbered stock numbered—one check book at a time.

Call your printer on the 'phone and tell him to print your next checks and drafts with numbers.

Get new indorsement stamps with your number.

You don't need to use the System yourself unless you want to, but if you do, you can get the Key through us for \$1.50.

CLEARING-HOUSE EXAMINATIONS EXTENDED.

THE establishment of a group or district plan of clearing-house examinations has for a long time seemed to be entirely practical, and it has been suggested and discussed at several State Conventions, but without any further action being taken. It has remained for Los Angeles Clearing House Association to put the plan in actual operation. Delegates who attended the New Orleans Meeting of the Clearing House Section in 1911, will recall the very able address on Clearing-House Examinations made by John W. Wilson, the Los Angeles Examiner, who now has enlarged the field of his activities.

We quote from a Los Angeles news item:

"The system of clearing-house examinations which have been operated with unqualified success for the last five years in Los Angeles, as in many other of the leading cities of the United States, was, on July 1st, extended to include the National and State Banks of Alhambra, Pasadena, Hollywood, Glendale, Tropic, Santa Monica, Ocean Park, Redondo, San Pedro, Wilmington and Long Beach. The ex-

tension of examination service has been arranged in compliance with the request of the banks in the above-named cities.

"The total assets of the Los Angeles banking institutions proper is \$220,000,000, and the addition of those of the outside banks interested will bring the grand total up to \$255,000,000.

"Over this aggregate of financial resources of Los Angeles and its tributary territory, John W. Wilson, as present clearing-house examiner of Los Angeles, will have supervision as chief examiner, with headquarters in the Los Angeles Trust and Savings Building, Los Angeles. He will direct the activities of a corps of assistants, whose qualifications for their respective positions are thorough training, expert knowledge and vigorous capacity for the tasks ahead of them.

"The examination field will be districted. The Los Angeles banks will constitute one district, with Ralph E. Dobbs examiner, and the outside banks will constitute a zone, with Leon V. Shaw in charge of the examinations. Each of these men will have an assistant.

"All the circumstances of the situation warrant the view that great benefits will result for all interests concerned."

FORMS FOR NATIONAL AND STATE BANKS.

PREPARED under the direction of a Committee appointed by the Executive Council, this valuable work is now available to all members of the Association. It outlines the principles of bank accounting and is illustrated with more than three hundred forms covering all departments of Commercial banking in both large and small institutions. Bound in flexible leather covers, it forms a handsome addition to any bank library. Issued at cost price, \$5, carriage prepaid. Send orders to the Clearing House Section.

CLEARING-HOUSE EXAMINATION PAMPHLETS.

THESE pamphlets containing a clear explanation of the purpose, plan and possibilities of the system of Clearing House examinations may be had upon request. If you are anxious to see this plan adopted in your city, send us the home addresses of all local bank officers and directors and we will gladly mail them each a copy. There has never been a bank failure in any of the cities employing clearing house examiners since the system was inaugurated. Write to the Secretary of the Clearing House Section.

PUT YOUR NUMBER ON BLANK CHECKS.

IT will hasten the day when the full benefit of the Numerical System may be realized if you will do your part. Don't wait till your old checks and drafts are used up. At the same time, you need not number all your blank stock at once. See that no check books are given out by your tellers that have not been numbered. We can supply small rubber, one-line stamps at 10 cents each. Send postage or currency to the Clearing House Section.

STATE SECRETARIES SECTION

OFFICERS, 1912-1913.

PRESIDENT:
W. C. MACFADDEN, Sec. N. Dak. Bankers' Assn., Fargo,
 N. D.
FIRST VICE-PRESIDENT:
W. W. BOWMAN, Secretary Kansas Bankers' Association,
 Topeka.

SECOND VICE-PRESIDENT:
P. W. HALL, Secretary Iowa Bankers' Association, Des
 Moines.
SECRETARY-TREASURER.
W. B. HARRISON, Oklahoma Bankers' Association, Enid.

CONVENTIONS TO BE HELD 1913.

Aug. 7-9	Washington	Bellingham
" 12-13	Wyoming	Sheridan
" 15-16	Montana	Helena
Sept. 11-12	Ohio	Cleveland
" 17-18	Kentucky	Louisville
" 17-19	Amer. Inst. of Banking	Richmond, Va.
" 23-24	Indiana	Indianapolis
" 25-26	Illinois	Chicago
" 25-26	Nebraska	Lincoln
Oct. 6-10	Amer. Bankers Asso.	Boston, Mass.
Oct. 31-Nov. 1	Arizona	Phoenix

CONVENTIONS HELD IN JULY.

NORTH CAROLINA:

THE seventeenth annual convention of the North Carolina Bankers' Association was held at Asheville, July 8th, 9th and 10th.

The first session was called to order Tuesday evening at nine o'clock, by President Leake S. Covington, Cashier of the Farmers Bank, Rockingham. Bishop Junius M. Horner, of Asheville, pronounced the invocation, and J. E. Rankin, Mayor of the city and Cashier of the Battery Park Bank, welcomed the visitors, Joseph B. Ramsey, President of the First National Bank of Rocky Mount, responding to same.

President Covington, in his annual address, stated that the country demands and must have a perfected banking and currency system—one that would make it possible for every section of the country to provide a sufficient amount of funds to meet agricultural, commercial and industrial emergencies. There should not prevail a stringency in one market and a plenty in another. Banks under an elastic currency system would possess ample facilities to furnish all reserve desired. There must be created and promulgated a healthy system of bank co-operation. Mr. Covington said that the tiller of the soil should be given every encouragement that other lines of commercial and industrial interests have received. He emphasized the fact that the bankers should join in this great wave that is sweeping the whole nation, and enlist in this practical agricultural educational work; the farmer should be assisted to produce more and better crops; he should be encouraged by prizes, clubs, and the furnishing of improved seed; in fact he should be helped to enrich himself in every way possible, and thereby enrich us as a nation. Mr. Covington commended the good work of the Agricultural Committee of the South Carolina Bankers' Association, under Robert I. Woodside, and others that are doing so much to develop great possibilities.

The report of Secretary-Treasurer William A. Hunt, Cashier of the Citizens Bank, Henderson, covered the work of the Association during the year, showing a satisfactory increase in membership and advancement in all matters pertaining to the banking and general welfare of the State. The reports of the standing and special committees were submitted and approved.

"A Better Agriculture, Helped by Better Business" was the subject of an address by Dr. Bradford Knapp of the United States Department of Agri-

culture, Washington, D. C. James J. Britt, of Asheville, discussed the feasibility and desirability of one-cent letter postage.

An interesting feature of the convention was an agricultural conference held for the purpose of considering plans for farm financing, several delegates from the southern State Bankers Associations being in attendance. Senator Duncan V. Fletcher, of Florida, President of the Southern Commercial Congress; B. F. Harris, of Illinois, member of the Agricultural Committee of the American Bankers Association; Charles Hall Davis, of Virginia, author of the plan for the organization of a rural banking system for the State of Virginia, and Joseph G. Brown, of Raleigh, were among the speakers.

A resolution introduced by J. Elwood Cox, of High Point, member of the Executive Council of the American Bankers Association, advocating the extension of the banking system of the country so as to afford more liberal credits to rural communities and especially to farmers, was unanimously adopted. The machinery for such action was not outlined, but the convention favored such a plan—one that would be economically feasible and at the same time effective; hence the adoption of the resolution.

Col. John F. Bruton, President of the First National Bank, Wilson, Chairman of the Bills of Lading and Legislative Committees respectively, made an address covering the status of the work of the two committees named, and urged united effort on the part of the Association to improve the banking laws of North Carolina, little having been done by the legislature during the past year affecting the banking interests of the State.

The entertainment features included a reception and dance on Tuesday evening, a drive over the Biltmore estate Wednesday afternoon, and a banquet tendered by the bankers of Asheville Thursday evening.

The following officers were elected for the ensuing year: President—George A. Holderness, President Farmers Banking & Trust Co., Tarboro; Vice-Presidents—Thomas E. Cooper, Cashier American National Bank, Wilmington; J. L. Armfield, President Bank of Thomasville. W. S. Blakeney, President Bank of Union, Monroe. Secretary and Treasurer—William A. Hunt, Cashier Citizens' Bank, Henderson (re-elected).

At a meeting of the North Carolina members of the American Bankers Association, J. C. Braswell, President of the Planters Bank, Rocky Mount, was nominated for vice-president from North Carolina, and Leake S. Covington the retiring President for member of the Nominating Committee.

SOUTH CAROLINA:

THE South Carolina Bankers' Association held its thirteenth annual convention at Lake Toxaway, N. C., July 10th, 11th and 12th. President Emslie Nicholson, President of the Nicholson Bank & Trust Co., Union, called the convention to order, and the proceedings were opened with an invocation by the Rev. E. Pendleton Jones, of Newberry.

President Nicholson in his annual address congratulated the Association on the rapid strides it had

made during the year, and the policy of the members in practicing as well as preaching progress. In speaking on the question of taxation Mr. Nicholson said that the inequalities of taxation were glaring, the banks being taxed heavier than any corporation or individual. He recommended the appointment of a committee on taxation, whose duty it shall be to make a thorough study of the subject and evoke a plan or suggest a law which would remedy such unjust discrimination. Mr. Nicholson also covered many other important subjects.

Robert I. Woodside, Chairman of the Committee on Agriculture, who is in Europe with the American Commission, cabled his best wishes for a successful session, and designated J. Skottowe Wannamaker, of St. Matthews, to act for him. Mr. Wannamaker explained the work of the agricultural committee and read a written report from Mr. Woodside. A resolution was adopted by the convention indorsing Senator E. D. Smith's bill providing for the extermination of the boll weevil.

John W. Simpson, of Spartanburg, reported for the committee on group system, the state having been divided into eight groups, which had perfected their organizations, elected officers, and were making preparations for active work.

W. S. Lee, of Charlotte, a former resident of South Carolina, made an address in which he told the bankers that they should not be backward in asking any legislative body for needed action, for their welfare means the welfare of the community as well. Senator Duncan V. Fletcher, of Florida, made a powerful plea for a square deal for the farmer. He said the agricultural class had striven without credit and even now the currency bill does not give the needed relief. The speaker gave some interesting history of the creation of the American Commission, and said the farmer is the man behind the gun. Charles Hall Davis, of Petersburg, talked on "Rural Banking and Currency Reform." W. F. Stevenson, of Cheraw, T. Frank Watkins, of Anderson, and McLane Tilton, Jr. and Haynes McFadden, Secretaries of the Alabama and Georgia Bankers' Associations, respectively, and many local bankers, also made addresses. The convention adopted a resolution favoring one-cent letter postage.

The reports of the various committees, and of B. F. Maulding, of Anderson, Chairman of the Executive Council, and Secretary-Treasurer Lee G. Holleman, President of the Peoples Bank, Anderson, showed that the Association had been very active in different lines of work, and was in a prosperous condition, financially and otherwise.

At a banquet on Tuesday evening Wilson G. Harvey, of Charleston, formerly of Columbia, acted as toastmaster, and responses were made to the following toasts: "The Bankers," Thomas F. McDow, Yorkville; "The Borrower," B. B. Gossett, Anderson; "Overdrafts," Richard I. Manning, Sumter; "Discount," the Rev. E. Pendleton Jones, Newberry.

A silver loving cup was presented to retiring President Nicholson, the presentation being made by B. Hart Moss, of Orangeburg.

The officers elected for the ensuing year are as follows: President—Bright Williamson, President Bank of Darlington, Darlington; Vice-President—C. J. Shannon, Jr., President First National Bank, Camden; Secretary and Treasurer—Lee G. Holleman, President Peoples Bank, Anderson (re-elected).

The South Carolina members of the American Bankers Association made the following nominations: For member Executive Council, J. Pope Matthews, Cashier Palmetto National Bank, Columbia; for Vice-President from South Carolina, J. W. Simpson, Vice-President Central National Bank, Spartanburg; for member Nominating Committee, Julien C. Rogers, Cashier First National Bank, Florence.

MINNESOTA:

THE Minnesota Bankers' Association held its twenty-fourth annual convention at Duluth, July 10th, 11th.

President D. C. Armstrong, President of the Albert Lea State Bank, called the convention to order at the Lyceum Theatre on Thursday morning, and the

Rev. Charles N. Thorp pronounced the Invocation. Mayor W. I. Prince, of Duluth, made an address of welcome, and when offering to the Association the hospitality of the city, two burly policemen carried on to the platform a beautifully made key over six feet in height, made of wood, handsomely carved, and inscribed as follows: "Duluth extends hospitality to the Minnesota Bankers' Association, July, 1913." This interesting souvenir will, in the future, ornament the walls of the offices of the Association.

J. S. Pomeroy, Cashier of the Security National Bank, Minneapolis, and Vice-President of the Association, responded.

Following the address of President Armstrong, reports of the Executive Council and Secretary G. H. Richards, covering the routine work during the year, were read, which showed that the Association had passed through a highly successful period. Treasurer A. G. Wedge, Jr., Vice-President of the First National Bank of Bemidji, submitted his report, showing the financial condition of the Association to be eminently satisfactory. The following committee reports were also submitted and approved: Agriculture, J. W. Wheeler, St. Paul, Chairman; "Blue Sky Law," W. D. Willard, Mankato, Chairman; Redistricting, W. F. McLane, Minneapolis, Chairman; Highways, M. T. Dunn, Brainerd, Chairman, and the reports of Group Officers.

"The Administration Currency Bill" was the title of an address by George M. Reynolds, President of the Continental and Commercial National Bank of Chicago, in which he discussed the provisions of the bill, and offered many valuable suggestions pertaining thereto, and submitted statistics in support of his argument for certain modifications of the bill. Mr. Reynolds stated that he was willing to waive all petty and technical objections to the plan in the hope that discussion and analysis of it might result in its modification to the extent that it would conform as nearly as possible to the legitimate and pressing needs of the business of the country, and at the same time be fair to the banks, and also assure a just and equitable treatment to the public when the new plan is put into operation. Mr. Reynolds cited four sections of the bill which he regarded as comprising its most important special features: (1) The one providing for the organization of the Federal reserve board; (2) That relating to the proposed treatment of the national bank United States bond secured notes; (3) The note issues; (4) The reserves.

Mr. Reynolds discussed briefly the four sections mentioned; and in concluding his address stated "I cannot feel that the administration has a full conception of the ramifications of the power the bill vests in the Federal reserve board, and I hope that in their desire to enact the best possible legislation they will clearly see the necessity of modifying the bill in two or three sections with a view of so harmonizing the situation that the banks not only will be willing to enter the system, but that they will do so enthusiastically, and on that co-operative basis so necessary for the success of the plan and the future welfare of our country."

Allen D. Albert, of the "Minneapolis Tribune," addressed the convention on "The Banker and the Sovereign Law of the Land," and Charles R. Fowler, an attorney of Minneapolis, talked on "The Negotiable Instruments Law."

The session on Thursday afternoon was devoted to the delivery of the following addresses: "The Banks and the Farmer," G. L. Russell, Dean of the College of Agriculture, University of Wisconsin; "The Relation of the Cow to Progressive Agriculture," W. F. Schilling, President Minnesota State Dairy-men's Association, Northfield; "An Uncontrollable Outburst," Warren E. Green, Attorney, Duluth; "Elements and Results in Minnesota's Agricultural Development," Frank W. Murphy, President West Central Development Association, Wheaton; "Co-operation the Key to Success in Road Improvement," W. G. Edens, Central Trust Company, Chicago.

At Friday morning's session, W. S. Hammond, Member of Congress from the Second Congressional District of Minnesota, made an address on "Currency Legislation"; following which routine business was transacted.

The officers elected for the current year are as follows: President—J. S. Pomeroy, Vice-President Security National Bank, Minneapolis; Vice-President—W. D. Willard, Cashier First National Bank, Mankato; Secretary—G. H. Richards, 611 Northwestern Bank Building, Minneapolis (re-elected); Treasurer—J. J. Ponsford, Cashier State Bank of Watertown.

The Minnesota members of the American Bankers Association in attendance at the convention made the following nominations: For member of the Executive Council—J. B. Galarneau, Cashier Aitkin County State Bank, Aitkin; for Vice-President for Minnesota—W. A. Shaw, President Clearwater State Bank, Clearwater; for member of the Nominating Committee—George F. Orde, Vice-President First National Bank, Minneapolis.

The entertainment features were of a varied character, including automobile rides over the boulevards about Duluth, boating and dancing at the Duluth Boat Club House, a trip by special train to the United States Steel Corporation plant, a visit to the Spirit Lake Branch of the Duluth Boat Club, where a buffet luncheon was served, followed by a boat trip down the river and about the harbor.

UTAH BANKERS' ASSOCIATION.

THE fifth annual convention of this Association, which occurred on June 27th and 28th at Heber City, and a short notice of which appeared in the last issue of the JOURNAL-BULLETIN, was a very enthusiastic and profitable one and a new era of activity in the Association was begun, every member present being heartily in favor of an aggressive policy and pledging themselves to use every influence in their power to increase the membership.

Among the resolutions adopted by the convention was the following:

WHEREAS, the Utah Bankers' Association is appreciative of the wide influence of the American Bankers Association in furthering the development of banking in this country and in protecting the interests of its members, and

WHEREAS, said Utah Bankers' Association recognizes the fact that it is a young member of the sisterhood of banking organizations, and consequently most in need of aid and instruction from the parent society,

NOW BE IT RESOLVED, that we extend to Col. Fred. E. Farnsworth, General Secretary of the American Bankers Association, our hearty invitation to attend the next annual convention of this Association and speak upon any topic which he may consider most appropriate for the occasion.

The following officers were elected for the ensuing year: President, Frank Knox, President of the National Bank of the Republic, Salt Lake City; First Vice-President, H. E. Hatch, President of Thatcher Brothers Banking Company, Logan; Second Vice-President, John D. Dixon, Cashier of the Farmers' & Merchants' Bank, Provo; Secretary-Treasurer, J. E. Shepard, Cashier of the Cache Valley Banking Company, Logan (re-elected); Executive Committee (for two years): Carl R. Marcusen, Cashier of the Price Commercial & Savings Bank, Price; Joel R. Parrish, Cashier of the Farmers' State Bank, Woods Cross; Ralph E. Hoag, President of the Utah National Bank, Ogden.

CONNECTICUT BANKERS' ASSOCIATION.

THE following are the officers elected for the ensuing year at the recent convention: President, O. H. Brothwell, Cashier First Bridgeport National Bank, Bridgeport; Vice-President, N. D. Prince, Cashier Windham County National Bank, Danielson; Secretary, Charles E. Hoyt, Cashier South Norwalk Trust Company, South Norwalk (re-elected); Treasurer, H. H. Larkum, Cashier First National Bank, Rockville.

The Connecticut members of the American Bankers Association made the following nominations: Member Executive Council—Martin H. Griffing, Cashier City National Bank, Danbury; Vice-President for Connecticut—O. H. Brothwell, Cashier First Bridge-

port National Bank, Bridgeport; Member Nominating Committee—Charles E. Hoyt, Treasurer South Norwalk Trust Co., South Norwalk.

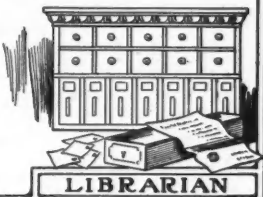
REGISTRATION AT OFFICES.

THE following visitors registered at the Association offices during the month of July:

- Barker, Joseph L., Manager United States Investor, New York.
- Behrens, Louis A., Redwood City, Cal.
- Behrens, L. P., President San Mateo County Savings Bank, Redwood City, Cal.
- Burdick, L. W., Cashier First National Bank, Gouverneur, N. Y.
- Case, D. L., Detroit, Mich.
- Cassel, George H., President People's State Bank, Detroit, Mich.
- Claribut, G. G., Cashier Farmers' National Bank, Rome, N. Y.
- Cutler, Ralph W., President Hartford Trust Co., Hartford, Conn.
- Donald, James M., Chairman Board of Directors Hanover National Bank, New York City.
- Dungan, Nelson Y., Director First National Bank, Somerville, N. J.
- Eldredge, H. W., Manager George Wyman & Co., South Bend, Ind.
- Gethoefer, L. H., Cashier Columbia National Bank, Buffalo, N. Y.
- Godchaux, Charles, President Whitney Central National Bank, New Orleans, La.
- Goldwater, Morris, President Commercial Trust & Savings Bank, Prescott, Ariz.
- Griffith, B. W., President First National Bank, Vicksburg, Miss.
- Griggs, J. L., Attorney First National Bank, Somerville, N. J.
- Harding, J. M., Citizens' Central National Bank, New York City.
- Harris, C. P., Cashier First National Bank, Westport, Conn.
- Hemphill, A. J., President Guaranty Trust Co., N. Y. C.
- Hill, E. J., Vice-President National Bank of Norwalk, Norwalk, Conn.
- Hooke, W. Howard, Editor "The Financial Age," New York City.
- James, Robert E., President Easton Trust Co., Easton, Pa.
- Johnston, Allen W., Treasurer Schenectady Savings Bank, Schenectady, N. Y.
- Jones, Gordon, President United States National Bank, Denver, Col.
- Knox, W. E., Comptroller Bowery Savings Bank, New York City.
- Lovett, Charles H., New York City.
- McFadden, Haynes, Secretary Georgia Bankers' Association, Atlanta, Ga.
- Newcomer, Waldo, President National Exchange Bank, Baltimore, Md.
- Pierce, Carroll, Vice-President Citizens' National Bank, Alexandria, Va.
- Platten, John W., President United States Mortgage & Trust Co., New York City.
- Poillon, Wm. C., Vice-President Bankers' Trust Co., New York City.
- Price, H. P., Cashier National Bank of Norwalk, Norwalk, Conn.
- Proctor, H. G., Cashier Commonwealth Bank, Richmond, Va.
- Rhoades, Herbert A., President Dorchester Trust Co., Boston, Mass.
- Scovil, E. Medley, "Wall Street Journal," New York City.
- Stone, J. N., General Manager N. B. Stark & Co., Montreal, Canada.
- Tittle, Charles O., Manager Franklin Trust Company, Navy Y. M. C. A. Branch, Brooklyn, N. Y.
- Whittemore, F. S., Treasurer Gardner Savings Bank, Gardner, Mass.
- Winant, Harrison, Partner N. B. Stark & Co., Montreal, Canada.
- Wolfe, E. S., Cashier District National Bank, Washington, D. C.



LIBRARY AND REFERENCE DEPARTMENT



NEW CURRENCY PAMPHLETS.

THE Library has for distribution the following pamphlets on the Federal Reserve Bill:

"Analysis of the Proposed Banking and Currency Bill," issued by the Corn Exchange National Bank, of Philadelphia.

"Federal Reserve Act," published in pamphlet form, with index and marginal notes, by the Fourth National Bank of New York.

"Review of Proposed Banking and Currency Bill," by James B. Forgan, President First National Bank, Chicago.

The opinions of bankers and business men, the comments of editors and economists on the proposed bill are being collected in the Library in the form of thousands of clippings and articles from papers in all parts of the country. These are so classified as to present a chronological history of the bill and discussions of its provisions. The collection now fills seven volumes, which will constitute a valuable part of the Association's reference records of currency legislation. A separate collection of criticism and analysis has been made from articles and addresses by bankers. This collection will be loaned to any Association member upon request.

Bankers who have not kept themselves informed of the frequent changes which have been made in the original form of the bill can secure details from the Library.

"Administration Currency Bill," by George M. Reynolds, President of the Continental and Commercial National Bank, Chicago.

THE INCOME TAX.

Continued criticism of the Income Tax from many quarters is making available much valuable information on that feature of the tariff bill, which Association members can secure from the Library.

The loan collection includes copies of the original bill, analyses, and the objections which have been made to some of its provisions by the Association's Federal Legislative Committee, the Trust Company Section, the Investment Bankers' Association, and the Allied Real Estate Interests, with various other comments from bankers and business men. There is also included a series of articles which recently appeared in the "Wall Street Journal," discussing the difficulties of collection, of enforcement and exemption, the inequalities of the tax, with its effect on corporate profits, real estate, trusteeships, and bond investments.

MINT REPORTS.

Through the courtesy of Mr. George H. Roberts, Director of the United States Mint, the Library has secured a set of the Mint Reports from 1834 to date, with the exception of those for the years of 1889, 1894, 1902 and 1904. Will readers of the JOURNAL-BULLETIN who have duplicate copies in their office files send them to the Library?

BANK TAXATION.

Members of newly appointed bank taxation committees can borrow from the Library numerous reports of investigations of that subject which other

State Bankers' Associations have made, with their convention discussions of assessment basis and rates.

WOMEN'S SAVINGS ACCOUNTS.

"How many women have savings accounts in the banks of the United States?" is a recent request for information for which no satisfactory statistics seem available. The percentage of women's accounts given in their interesting classification of deposits by the Citizens' Savings Bank, of New York, can scarcely be used as a general average, owing to varying conditions in different parts of the country. But if banks which have had occasion to determine the proportion of women's accounts on their books will send the figures to the Librarian, it may be possible to arrive at a reasonable estimate. In view of the growing economic interests of women, the subject of their savings is one which it would seem might well be investigated by banks with such deposits.

ADVERTISING.

Requests for material on Bank Advertising, listed in last month's JOURNAL-BULLETIN, have led to the purchase, for the Library's collection on that subject, of a new book by Frank Alvah Parsons, called "Principles of Bank Advertising Arrangement." It is a discussion of the fundamental principles of proportion in the arrangement of advertising copy, related shapes, movement, balance, emphasis and color, of decoration, ornament, and the use of different styles of type.

BIBLIOGRAPHY ON THE MONETARY COMMISSION.

"What became of the books in the Library of the National Monetary Commission?" is a frequent question partly answered by the "Select List of References on the Monetary Question," recently published for twenty-five cents by the Library of Congress. It was compiled by Chief Bibliographer H. H. B. Meyer and William Adams Slade, formerly Librarian of the Commission. It contains the titles of "the more serviceable part of the collection made by the Commission," and covers not only banking in this and other countries, but also includes references on Panics, Guaranty of Bank Deposits, Credit and Credit Instruments, Clearing Houses, and Foreign Exchanges.

AGRICULTURAL CREDIT.

The July 21st issue of the "New York Times Analyst" contains an article on "Trouble in the German Rural Bank Scheme," which will interest those members of the Association who are studying the agricultural credit problem. It discusses the disastrous results of real estate promotion and poorly managed investments which have resulted in the virtual failure of two of the central institutions which perform the function of "bank of banks" for the small rural associations, and points out the reasons for the inference that German co-operative banks have not been able to carry the principle of self-help to the point of maintaining an effective central organization as keystone of the entire system.

LEGAL NOTES AND OPINIONS

THOMAS B. PATON · GENERAL COUNSEL

NOTES PAYABLE AT BANK.

The Uniform Negotiable Instruments Act contains the following provision:

"Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon."

This provision was enacted to clear up the previous conflict in the law upon the subject in different states and make the rule uniform. For example, in New York and certain other states where a customer made his note payable at the bank the courts held the note was equivalent to an order to the bank to pay the same and imposed an obligation upon the bank to make payment when presented at maturity. In Indiana and other states, the courts held the legal effect of such a note was not to impose an obligation, but to confer an authority on the bank to pay; that is to say, the bank might pay and would be protected in so doing, but there was no obligation to do so without express instruction from the maker, so that its refusal to pay did not render it liable for injuring the credit of the maker. In Tennessee and other states the courts held that the note was neither an order nor an authority to the bank to pay; that the bank had no right to pay such a note without express instruction from the maker so to do and payment otherwise was at its peril.

It was to clear up this conflict, as said, that the provision was inserted in the Negotiable Instruments Act making a note payable at bank equivalent to an order on the bank to pay, the framers of the Act adopting the New York rule in this respect.

It appears that in many sections of the country—and this is based upon the statements of many bankers—makers of notes, especially in country districts, do not, as a rule, understand when they sign their name to a form of note with a printed clause making it payable at their bank, that in so doing they are giving an order on the bank to make payment at maturity, but rest under the belief that the note will not be paid unless they expressly instruct the bank to pay it. The provision of the Negotiable Instruments Act has, therefore, provided a rule in many places contrary to the former general custom and understanding, and in many instances the payment of such notes by banks in pursuance of the Act, but contrary to the understanding and expectation of their makers has caused surprise and dissatisfaction. It is not the present purpose to discuss the merits of the rule provided by the Negotiable Instruments Act—whether it would be better to have a uniform rule in accordance with the customary understanding in many places that such notes are not payable without express instruction, or whether the rule making payment obligatory on the bank is most in accord with the character of the contract and best suited to business needs and conditions, the thought being that as soon as makers learn the legal effect of such notes they will conform their transactions thereto—but it is simply to point to the fact that the rule of the Negotiable Instruments Act does not accord in many places with prior custom and to the further fact that in some states where the Act has been adopted, this particular provision has been omitted or changed. When the States of Nebraska and Illinois passed the Negotiable Instruments Act a few years ago, the section under consideration was omitted, and the Act as passed in South Dakota this year also omits this provision. In

Minnesota, where the Act recently took effect (July 1, 1913), the section relating to notes payable at bank is not omitted, but it is changed so that, instead of such note being equivalent to an order, the direct contrary effect is provided, as follows:

"Where the instrument is made payable at a bank it shall not be equivalent to an order to the bank to pay the same for the account of the principal debtor thereon."

In these four States, therefore, in which the Negotiable Instruments Act prevails in general, the rule as to notes payable at a bank differs from the rule provided by that Act.

FALSE STATEMENTS TO OBTAIN CREDIT.

The Act to punish the making or use of false statements to obtain property or credit, drafted jointly by Counsel for the National Association of Credit Men and General Counsel of the American Bankers Association and designed to throw greater safeguards around both bankers and merchants in the granting of credit based on financial statements of borrowers, has already been enacted in a number of States, and among others, New York, where it took effect on September 1st last.

It is interesting to note that the first case arising under the New York law has been recently tried and resulted in a conviction. The case was one of mercantile credit, but it is of interest to bankers as illustrating the effectiveness of the law. On September 30, 1912, just thirty days after the law took effect, one Morris Johnson of Brooklyn signed a statement which he gave to a mercantile concern and upon which he obtained credit. It appeared from the evidence that his liabilities were more than twice as large as appeared in the statement, and also that Johnson gave a chattel mortgage to his brother-in-law which was not indicated. The creditors of Johnson, who had sold him merchandise, had filed an involuntary petition in bankruptcy, and it was shown would not receive anything from the bankrupt estate. Several witnesses appeared against him, it being clearly proved that the statement was false. Johnson took the stand and stated that he did not know what he was signing at the time, pleading ignorance as to what the statement contained. He was found guilty and the court fined him \$100. Presiding Justice Salmon, in passing sentence, stated that it would be the policy of the Court of Special Sessions, whenever a case is brought there which justifies a conviction, to deal severely with debtors who deliberately make false statements with the sole purpose of obtaining credit. The court also indicated that it would be more severe hereafter in cases of this kind.

The penalty provided by the New York Act is "a misdemeanor punishable by imprisonment for not more than one year or by a fine of not more than \$1,000 or both fine and imprisonment." In some of the States in which the Act has been passed, the penalty is more severe; but, of course, it rests with the court to impose less than the maximum penalty.

CERTIFICATION OF POST-DATED CHECKS.

Previous opinions have been published in the JOURNAL to the effect that a post-dated check is not payable until the day of its date arrives and that a bank which pays or certifies a post-dated check before its date does so at its peril.

A case has recently been decided by the New York Supreme Court, Appellate Term, First Department (Schoen v. Security Bank, 142 N. Y. Supp. 309), which is worth noting, as it harmonizes with these opinions and contains an additional feature as to the effect of an agreement on a signature card designed to relieve the bank from responsibility in connection with the payment of post-dated checks. In that case a customer drew a check upon his account dated November 26th, 1912. The bank certified the check on November 25th. On the morning of the 26th, at 10 o'clock and before the check was paid, the customer stopped payment. Subsequently the check was paid by the bank. The customer demanded the amount from the bank and brought action. The bank had judgment, which was reversed. The court held the plaintiff was entitled to recover the amount of the check because of payment of his money without authority to a third person, subject, however, to a further question arising because of proof that the customer had signed a card when he opened his account, agreeing:

"That while the bank will exercise ordinary care in relation to post-dated checks or stop orders, it shall not be held responsible by the undersigned for such checks where paid."

The court said the question involved is whether the bank exercised "ordinary care" in certifying this check. On the assumption that the customer, when he signed this card, read the inscription preceding his signature, it became the right of the bank to submit to the jury the question whether certification, under the circumstances, on one day, of a check dated the following day, was the exercise of ordinary care. The judgment is therefore reversed and new trial ordered.

This case fortifies the view which has been heretofore expressed in different opinions in the JOURNAL, based on other decisions, that certification of a post-dated check before its date is irregular and puts a holder on inquiry, and if a bank either certifies for a holder or pays a post-dated check before its date, it is at the peril of the bank so far as the customer is concerned. The only additional feature presented in this case is whether the bank can relieve itself from responsibility by an agreement with its customer, absolving the bank from responsibility in case of payment of post-dated checks, provided the bank exercises ordinary care. The effectiveness of such an agreement, assuming it is held to be an agreement, is an uncertain matter depending upon the verdict of a jury.

OVERDRAFTS IN ARKANSAS.

The Legislature of Arkansas has passed a law relating to overdrafts and unauthorized checks which took effect June 11, 1913. It is as follows:

A bill for an Act to be entitled "An act to regulate the giving and making of Checks and Overdrafts."

Be it enacted by the People of the State of Arkansas:

Section 1. It shall hereafter be unlawful for any individual, corporation, or association of individuals, resident or doing business in this State to make or give any check or draft on any account in any bank

or trust company or on any person, firm or corporation, on which the said individual, corporation or association of individuals, shall not have full authority to check or draw such draft or check, or having such authority to make any check or draft upon an account in any bank, savings bank or trust company, when there shall not be sufficient funds therein to cover the same, unless they shall have made prior arrangements with said bank, savings bank or trust company, for said check or overdraft; provided, however, that if any individual, corporation, or association of individuals, shall, when notified of such drafts or checks, immediately make a deposit to cover same, they shall not be subject to the provisions of this act. Provided that checks or drafts given where said individual, corporation or association of individuals, who shall give any check or draft, and later withdraw the account or deposit on which said draft or check was given and made, and not state to the said bank or trust company, person, firm or corporation that checks are outstanding against said deposit or account, with the amount of said checks or drafts so outstanding, shall be considered as having violated the provisions of this act, but he may be excused or released in the manner provided in section 1 of this act.

Section 3. Any person, corporation, or association of individuals, who shall violate the provisions of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in any sum not less than \$25 nor more than \$500.

Section 4. All laws or parts of laws in conflict are hereby repealed, and this act shall take effect and be in force from and after its passage.

Analyzing this act it punishes

(1) The drawer who makes or gives a check on a bank without authority;

(2) The drawer who having authority to issue checks on the bank, makes or gives a check when the funds are not sufficient and no prior arrangement with the bank has been made;

(3) The drawer who withdraws an account or deposit without stating to the bank that checks are outstanding against it and their amount.

(4) It excuses or releases the drawer who, when notified of overdrafts or checks given without authority, immediately makes a deposit to cover same.

It will be noted that the making or giving a bad check as aforesaid is sufficient to constitute the crime, and it is not necessary to prove that money or anything of value was obtained thereon. The punishment is by a fine ranging from \$25 to \$500.

In the JOURNAL for July, at page 36, a case was stated where a person gave a check on an Arkansas bank which was returned marked "No Funds," and the statute of Arkansas was cited which provides that every person who with intent to defraud by false token or writing or false pretense, obtains money or value from another is guilty of larceny. It was stated that if the person who gave the worthless check in question obtained any money or thing of value therefor he could be prosecuted. The transaction in which this check was given took place before the new law went into effect, and was therefore governed by the statute cited. Under the new law it would not be necessary to conviction to prove that money or value had been obtained; simply that the check was made or given when there were no funds to meet it.

OPINIONS OF GENERAL COUNSEL.

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

FORGERY OF PAYEE'S INDORSEMENT ON CERTIFICATE OF DEPOSIT.

Bank bound to know indorsement of depositor as payee, similarly as in case of signature on check.

From Iowa.—Under the laws of Iowa, are banks bound to know signatures of the customers who hold certificates of deposit? In other words,

if a certificate of deposit with a forged indorsement comes through another bank and be paid in error, will we have recovery from the paying bank or are we "stuck" if we pay these certificates bearing forged indorsements when coming through the clearings?

From Ohio.—A is a customer of ours, and steals a certificate of deposit of B, one of our customers, who also has a checking account. A

takes this certificate to another town where he also does business, forges the name of B on the back and signs his name below, and deposits it with a bank there. The certificate is collected in the regular course, and is honored by us, we not detecting the forgery, as the theft was not noticed until the item had been paid. Who would suffer the above loss?

Originating with the English case of Price v. Neal, 3 Burr. 1355, followed with some exceptions and modifications by many American courts, the general doctrine has become established that a bank is bound to know the signatures of its depositors, and if it mistakes a signature and makes payment on a forgery thereof to a bona fide holder, it cannot charge the amount to its depositor nor recover the money back from the person to whom paid.

This doctrine has been generally applied in the case of forgeries of signatures of drawers of checks. The question now presented is whether the same doctrine applies to forgeries of signatures of depositors as payees of certificates of deposit.

So far as I know there have been only two cases in this country wherein this last stated question has been involved, and in both of these cases no attempt has been made to differentiate the case of forgery of payee's indorsement of a certificate of deposit from that of the forged signature of a drawer of a check, and the general doctrine that the bank is bound to know the signature has been recognized as applying equally in the case of the certificate as in that of the check.

I will refer briefly to these cases:

Stout v. Benoist, 39 Mo. 277, was a case of forgery of the name of the payee. A certificate of deposit was stolen from the payee and his indorsement forged. A stranger presented it at the office of a life insurance company, and representing himself to be the payee asked that it be cashed. The secretary of the company refused to cash it, as the stranger was unable to identify himself, but consented to receive it for collection. He accordingly indorsed it as secretary of the insurance company and forwarded it to a collecting agent, and after being indorsed by the latter it was presented at the bank and paid. Thereafter the insurance company paid the full amount to the person who left it for collection. The forgery was discovered ten days later, and the payor bank brought suit to recover the money. The court denied recovery and applied the rule that a bank is bound to know the signature of its customer.

The court said: "Considerations of convenience and public policy imperatively demand and require this rule. Bankers have the means in their own hands, by acquiring an intimate knowledge of the signatures of their customers, of protecting and securing themselves against impositions and forgeries. They alone possess the means of knowing, when paper is presented to them, whether the signatures or indorsements are genuine. And if these means are not employed, it is evidence of a neglect of duty which the public have a right to require of them for its safety."

The other case is State Nat. Bank v. Freedmen's Savings & Trust Co., 2 Dill. (U. S.) 11. A certificate of deposit was issued to D, who could not write. E brought it to a bank giving D's name and said he could not write. His mark was taken with all due solemnity and witnessing and the certificate forwarded to the issuing bank, which paid it, and E got the money. D soon after presented himself at the issuing bank and demanded his cash. The issuing bank paid D and then sued the bank which had cashed the certificate. It was held that the issuing bank could recover as it had a right to rely on the first bank's identification of the person to whom it paid the money.

In this case the same rule was recognized that the bank is bound to know the payee's indorsement on a certificate of deposit, but the case was differentiated and the rule held not to apply where the signature was by mark. The court said:

"The rule of law usually is, that where a certificate of deposit is issued by a bank, and it comes back to the bank issuing it with the indorsement of the depositor through the hands of bona fide inno-

cent parties, the indorsement being forged, the bank paying the deposit certificate must lose it; for they are presumed to know the signatures of their customers, and the bank issuing the certificate has the means of verifying the signature.

"This is a different case. Here was a person who could not write. The bank gave him the certificate and took his description. The ordinary mode, where a person signs by his mark, is to have him identified, so that a piece of paper coming back to the Keokuk bank, through respectable institutions, with the depositor's mark on the back of it witnessed by another party, the bank issuing the certificate would have the right to suppose that the bank sending the certificate had so identified the man making his mark. The witness's signature is proven. Mr. Brooks himself says he signed it. The simple fact, then, that the paper comes back to the bank at Keokuk, with a mark witnessed by Mr. Brooks, which meant that he knew Mr. Dunivan to be the person who made that mark, is sufficient to satisfy the Keokuk bank in paying the draft."

So far as the authorities have gone, therefore, the courts hold that banks are bound to know the signatures of customers who hold certificates of deposit and if they pay on a forged indorsement of the payee to a bona fide holder they cannot recover the money paid. This answers both the above inquiries.

BANK COLLECTION.

In Mississippi, bank undertaking collection is not responsible for defaults of correspondents, if duly selected, who are not its agents but sub-agents of owner of paper.

From Mississippi.—Will you kindly give us your opinion of our position in the following transaction, and whether or not we have a right to charge the amount back to the account of our customer?

Our customer deposited check on F— Bank of B—, Louisiana. We forwarded to our correspondent in Mobile same day. Mobile sent item to their correspondent A in New Orleans. Bank A, New Orleans, sent the item to C— Bank of B—. They presented item to F— Bank of B—, and it was paid. C— Bank of B— remitted to Bank A of New Orleans by draft on M— Bank of New Orleans. While this remittance was in transit the C— Bank of B— failed. When Bank A in New Orleans presented draft to M— Bank they refused to pay, saying the C— Bank of B— was in hands of authorities, and they could not pay it. Bank A charged the amount back to Mobile, Mobile charges the amount back to us and our customer declines to permit us to charge back to them.

Our customer's counsel takes position that since the check was paid and properly charged to drawer's account we have no recourse on him, and that we are responsible for the loss which occurred through our own agents.

The enclosed is the form of deposit slip used by our bank in all cases, excepting the one cited, they being a Railroad Company and having a special slip of their own for convenience of their different agents.

Notice.—Checks on local banks received after 12 o'clock noon are at depositor's risk. All other items not payable in Gulfport are deposited subject to payment and on the express condition that this bank is not responsible for items lost in the mails or for omissions, neglect or default of any bank or sub-agent employed in collecting same. This bank as agent for the owner is authorized to select the paying bank as its sub-agent and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its personal possession, and all items entered below are credited under these conditions. Should any sub-agent convert the proceeds of such items and remit in checks or drafts which are thereafter dishonored, the amounts for which credit has been given may be charged back to

the depositor's account, even though this bank is unable to return the original items through causes beyond its control. Checks on this bank are credited on condition that if not found good at close of business on day deposited they will be charged back to the depositor's account with due notice. In making this deposit the foregoing conditions are hereby agreed to by the undersigned.

Are we protected by this deposit ticket when deposit is made out on their own blank by depositor?

The provision in your deposit slip by which the depositor using it agrees that your bank will not be responsible for omissions, neglect or default of any bank or sub-agent employed in collecting the item would not, I think, protect you in this particular case because the Railroad Company which made the deposit did not use this slip, but a special one of its own upon which, presumably, no such agreement appears.

But nevertheless you are protected by the rule of law which prevails in Mississippi.

In the absence of an express or implied agreement creating a different responsibility, two conflicting rules of liability of a bank undertaking a collection are held by the courts of different states, as follows:

1. Where paper is deposited for collection, the undertaking of the bank is to collect the paper and it assumes the liability of an independent contractor with responsibility for the acts and defaults of its sub-agents.
2. The depository bank merely undertakes to use due care in selecting a sub-agent and in transmitting the paper, and if it exercises such care, it is not responsible for the sub-agent's acts and defaults.

The Supreme Court of Mississippi in *Third Nat. Bank of Louisville v. Vicksburg Bank*, 61 Miss. 112, has declared the last stated rule; therefore, as between your bank and your depositor, the Railroad Company, the subsequent banks are not your own agents and you are not responsible for their defaults, as asserted by the Counsel for the Railroad, but they are sub-agents of the Railroad, and having yourself exercised due care in selecting a suitable correspondent you are not responsible and have the right to charge the amount back to your customer. The Railroad Company must itself look to these sub-agents for redress. In this connection, referring to the rule of liability in the States of Alabama and Louisiana, corresponding banks in which handled this item, I am not aware that the Supreme Court of Alabama has as yet declared a rule upon this subject one way or the other, but the Supreme Court of Louisiana has followed the first stated rule and held in *Martin v. Hibernia Bank & Trust Co.*, 127 La. 301, that "a bank receiving a check for collection is liable, under the commercial law, to the depositor for any loss occasioned by the conduct of any sub-agent employed by it to assist in making the collection; but in such case there is no privity of contract between the depositor and the sub-agent." This would appear to place the responsibility for the loss upon the New Orleans bank, whose direct correspondent defaulted after collecting the proceeds, but that bank may have protected itself against such liability by agreement.

COLLECTING BANK'S LIEN.

A bank which receives a draft for collection from another bank which thereafter fails, there being nothing to indicate that the forwarding bank is not owner, has a lien upon the paper or its proceeds for a balance of account due by the failed bank, good against the real owner of the paper.

From West Virginia.—On or about the 3d of July we received from the First-Second National Bank of Pittsburgh a draft with bill of lading

attached, drawn by the C— Company on the M— Company for \$320, which item was sent to us to be remitted for when paid. On the morning of July 7th, before we had any knowledge of the closing of the First-Second National Bank of Pittsburgh the item was paid. That afternoon we received a telegram from another Pittsburgh bank advising us that the First-Second National Bank was closed that morning. We had an inactive balance of about \$1,100 with the First-Second National Bank of Pittsburgh, so we credited the amount of the M— Company \$320 item to their account, reducing the balance due us from them in that amount. On the 11th the receiver of the First-Second wired us to remit the C— Company for the item direct when paid. We advised him it was paid on the 7th and credited the First-Second National account. We have since received a letter from the Receiver saying that as this draft was a collection item belonging to one of the customers of the First-Second National Bank and nowise the property of that bank, and as the collection was made after the suspension of bank it should have been remitted. Also a letter from the C— Company asking that we remit them the proceeds of this draft as their property.

In your opinion can we hold this item or should we remit the C— Company as requested?

You do not state to whom the draft was made payable or whether there was anything about it to show that the First-Second National Bank of Pittsburgh was a mere collecting agent. If you had notice from the form of the draft or otherwise that the Pittsburgh bank simply received the paper for collection and was not the owner, you would be accountable for the proceeds to the C— Company upon the insolvency of the Pittsburgh bank.

But if the draft was made payable to the Pittsburgh bank or, if made payable to the order of the drawer, was indorsed to the Pittsburgh bank and there was nothing on the face of the check or in the indorsement to indicate that the Pittsburgh bank took it for collection, and you had no outside knowledge that the Pittsburgh bank was a mere collecting agent without title to the paper, the rule is that you have a lien upon the paper and upon its proceeds when collected, for any general balance against the Pittsburgh bank. The Bank of Metropolis v. New England Bank, 1 How. 234; *Sweeney v. Easter*, 1 Wall. (U. S.) 166; *Wyman v. Colorado National Bank*, 5 Colo. 30; *American Exchange National Bank v. Theummler*, 195 Ill. 90; *Garrison v. Union Trust Company*, 139 Mich. 392; *Continental National Bank v. First National Bank*, 84 Miss. 103; *Carroll v. Exchange Bank*, 30 W. Va. 518.

The Carroll case in your own State is directly in point. In that case Carroll sued the Exchange Bank to recover the amount of a draft drawn by Carroll, payable to the P— bank, indorsed by the cashier of the P— bank "for the account of the P— bank" and sent to the Exchange Bank for collection. The P— bank and the Exchange Bank had mutual dealings. The P— bank failed May 26th. On May 24th it sent the draft to the Exchange Bank for collection, and it was entered at once to the credit of the P— bank and collected on May 26th before the P— bank failed. In the afternoon the Exchange Bank received notice that the P— bank had failed. After credit of the draft there was a balance due from the P— bank to the Exchange Bank of \$200. Carroll, the drawer, was owner of the draft, but the Exchange Bank was ignorant of the fact. A judgment for Carroll was reversed and the court held: As the collecting bank had no notice that the bank sending the remittance was not the owner, and received it in the usual course of mutual dealings, by which balances were suffered to remain in the hands of the remitting bank, to be met by proceeds of such paper, the collecting bank was entitled to retain it against the real owner for the balances due from the bank transmitting it. This case is on all fours with your case except that you collected

the draft an hour or so after the P— bank failed, while in the Carroll case the collection was made an hour or so before the transmitting bank failed. But the fact that the collection of the proceeds was not made until after the forwarding bank failed makes no difference, as the collecting bank has a lien on the draft as well as on the proceeds.

Assuming, therefore, you had no knowledge from the form of the draft or otherwise that the C— Company was the owner of the draft, you are entitled to hold the proceeds and apply them in reduction of the indebtedness of the P— bank to you; but it would be otherwise if you had knowledge at the time you received the draft that the P— bank was merely a collecting agent for the drawer.

PURCHASE OF DIRECTOR'S NOTE.

Bank, purchasing note from one of its directors, is not chargeable with knowledge of infirmity possessed by such director.

From North Dakota.—Can a bank be an innocent purchaser of a note from one of the directors? We have a case of this kind and would be much obliged for your opinion.

The general rule is that an officer or director of a bank or other corporation, being its agent, knowledge acquired by such agent in the course of his official duties is binding upon the principal. But there is a well-recognized exception where an officer or director has acquired knowledge outside of his official duties which it is to his personal interest to conceal from the corporation. In such case such knowledge will not be chargeable to his corporation. The exception is especially applicable in the case of an officer or director of a bank who has a personal interest to be served in having paper discounted by it. Here, knowledge by the officer or director of an infirmity in the paper so discounted will not be attributable to the bank. See for example City Bank of Wheeling v. Bryan, 78 S. E. (W. Va.) 400, in which it was so held.

There are other decisions to the same effect, and there is nothing to the contrary of the above in North Dakota so far as I can find. In Citizens State Bank v. Garceau, 134 N. W. (N. D.) 882, a bank discounted a note for the payee which the maker had given for an insurance premium upon a policy which had never been delivered. The note had been given on condition that the maker should pass a satisfactory physical examination and the condition had not been fulfilled. The bank's cashier was present at the time of the transaction and knew that the note had been delivered conditionally; nevertheless on behalf of the bank he discounted the note for the payee. It was held in this case that the bank was chargeable with the knowledge of its cashier of the condition upon which the note was given and could not recover. The court said: "The general rule is that a bank is charged with notice of the facts of which its cashier has notice or knowledge. To this rule there are certain exceptions, as in case of an official dealing with the corporation in his own interest, which is adverse to that of the corporation which he represents, or where so long a time has elapsed since the agent acquired knowledge of the transaction that when the negotiation takes place his knowledge of the subject is not fresh in his mind. Neither of these exceptions has any application in the instant case."

This case of course differs from the one inquired of, and the North Dakota court, it is seen, recognizes the exception above stated that where a director owning a note sells it to his bank, the bank is not chargeable with knowledge of defenses to the instrument possessed by the director. Assuming, therefore, in the present case that the note is in negotiable form and has been acquired by the bank before maturity for value in good faith, the fact that the director transferring the note had knowledge of a defense thereto will not prevent the bank from enforcing the instrument without being chargeable with the knowledge possessed by its director.

GUARANTY BY BANK OF DRAFT OF A ON B.

In the absence of express authority conferred by statute, a bank has no power to guarantee to pay A's draft on B, it being a transaction in which it has no interest and from which it derives no substantial benefit.

From Kansas.—Is a bank's guaranty on a draft with a bill of lading attached, binding? We wish to relate the circumstances relative to this matter, to wit: A produce concern in Texas wires us as follows: "Will you pay draft on Blank Produce Co. for one car of lemons?" We wired answer: "We will guarantee payment of draft on Blank Produce Co. for car of lemons." What we wish to know is if the bank could be held by the Texas concern for payment of the lemons?

This is a wire by a State bank in Kansas guaranteeing to pay a draft by a drawer in Texas, upon the Blank Produce Co. in Kansas for a car of lemons.

In a number of cases involving similar guaranties by national banks, this identical transaction has been held beyond the power of the bank. See, for example, First National Bank of Moscow v. American National Bank of Kansas City, 173 Mo. 153. In this case the Kansas City Bank wired the First National Bank, Moscow, Idaho, that drafts of one L drawn on C and Co. would be paid, and upon receipt of telegram, the Moscow bank cashed the drafts, which were dishonored by C & Co., and payment likewise refused by the American National. The Supreme Court of Missouri declared that the rule adopted by the Federal Courts is that a national bank has no power to bind itself that a draft of A upon B will be paid; that such agreement is a mere guarantee and is not within the powers conferred upon such banks, and that when sued upon such a contract the bank can successfully interpose a defense of ultra vires. The court held itself bound on this point to defer to the Federal decisions.

The same underlying principle that a bank has no power to guarantee the debt or obligation of another in which it has no interest and from which it derives no substantial benefit, applies to a state bank unless the power is expressly conferred by statute. Mine & Smelter Supply Co. v. Stockgrowers Bank, 173 Fed. 859, 865. See also Ayer v. Hughes, 69 S. E. 57; Bacon v. Farmers Bank, 79 Mo. App. 406; Merchants Bank of Valdosta v. Baird, 160 Fed. 642, 645.

It follows, therefore, that the promise by the State bank in Kansas to pay a draft drawn on the Blank Produce Co. being a promise to pay the debt of another in which the bank has no interest and from which it derives no substantial benefit, is beyond its power and the bank cannot be held for the payment of the draft.

GIFT OF BANK DRAFT THROUGH MAIL.

Where a sister, intending to make a gift to her brother, purchases a bank draft payable to his order and mails same to him, but the brother dies before the mail is delivered, opinion that the gift was not completed for want of delivery and that the sister and not the brother's estate, is entitled to the money represented by the draft.

From Illinois.—We would like to have your opinion on the following: On January 3, 1912, a lady purchased of us a draft for \$30 payable to her brother who was sick in Iowa, and mailed same to him. Before the draft was received the brother died. His wife tried to have the draft cashed but payment was refused by the Iowa bank on which it was drawn. The purchaser wrote to the bank not to pay it. The purchaser of the draft wants us to refund the money to her. How can we do it safely?

A sister desiring to make a gift to her brother, purchases a bank draft payable to his order and

mails it to him, but he dies before it reaches him. Whether the sister or the estate of the brother, has a right to the draft or its proceeds will depend upon whether there was an irrevocable gift by sister to brother completed by delivery before his death, and this in its final analysis will depend upon whether the post office, in this case, is to be regarded as the agent of the sender so that the mail not delivered till after the addressee's death may be reclaimed as the property of the sender or whether delivery at the post office is to be deemed a delivery to the addressee, the post office being his agent or trustee in this regard, so that at the time of his death the gift has been completed by delivery.

The amount involved in this case is small and will hardly warrant taking it to court, but the question raised is interesting and important—whether a gift sent through the mails where the donee dies in course of transit is or is not completed by delivery and irrevocable—and I do not find that the precise point has ever been passed upon judicially. From my study of the question, however, I am inclined to the conclusion that the gift of the bank draft in question was not completed and irrevocable and that it remains the property of the sister who purchased the draft. If this conclusion is correct, the money can be refunded to her, taking such indemnity as may be satisfactory unless the legal representative of the estate of the brother can be induced to release all claim thereto.

The following legal presentation of the case leads up to the conclusion reached:

It is elementary law that to constitute a valid gift it must be completed by delivery; a mere intention to give, where not so completed, is not sufficient.

The general rule is that an indorsement and delivery of a check or certificate of deposit by the owner or payee thereof will constitute a valid gift of the fund represented by such check or certificate. *Wheeler v. Glasgow*, 97 Ala. 700; *Field v. Shorb*, 99 Cal. 661; *Burke v. Bishop*, 27 La. Ann. 465; *Taylor's Estate*, 154 Pa. St. 183; *Scott v. Lauman*, 104 Pa. St. 593, holding that to constitute a valid gift, there must be a delivery of the property to the donee, or to some person for his use.

Delivery to a third person as trustee or agent of the donee is as effectual to make the gift valid as delivery to the donee personally. *Jones v. Deyer*, 16 Ala. 221; *Seavey v. Seavey*, 30 Ill. App. 625.

In *People v. Benson*, 99 Ill. App. 325, the court said: "While delivery of possession of the article is essential to the validity of the gift, the delivery need not always be a manual delivery. The delivery may be symbolic, as the delivery of a key to a chest or a trunk. The term is not to be taken in such a narrow sense as to require that the thing given shall go, literally, into the hands of the donee and be carried away. An unequivocal declaration of gift accompanied by a delivery of the only means by which possession of the article given can be obtained, is sufficient. *Grover v. Grover*, 24 Pick. 261; *Coleman v. Parker*, 114 Mass. 30; *Hageman v. Hageman*, 90 Ill. App. 251."

But in *Bickford v. Mattocks*, 95 Me. 547, the court said: "Not every delivery to a third person is a delivery for the donee, or for the use of the donee, in the sense in which these phrases are used in the cases cited. There may be a delivery to a third person which constitutes him the agent of the donor, and there may be a delivery which constitutes him a trustee for the donee, and the distinction lies in the intention with which the delivery is made. If the donor deliver the property to the third person simply for the purpose of his delivering it to the donee as the agent of the donor, the gift is not complete until the property has actually been delivered to the donee. Such a delivery is not absolute, for the ordinary principle of agency applies, by which the donor can revoke the authority of the agent, and resume possession of the property at any time before the authority is executed. On the other hand, if the donee delivers the property to the third person, with the intent that the gift shall take effect immediately, and thus parts with all present and future dominion over it, the third person holds as trustee for the

donee, and the gift is in that respect complete. *Thornton on Gifts*, etc., 141, 144; *Sessions v. Moseley*, 4 Cush. 87; *Smith v. Ferguson*, 90 Ind. 229; *Devol v. Dye*, 123 Ind. 321; *Tomlinson v. Ellison*, 104 Mo. 105; *Telford v. Patton*, 144 Ill. 611; *Wells v. Collins*, 74 Wis. 341; 14 Am. & Eng. Encyc. of Law (2d Ed.), 1025."

This leads up to the crucial question in the case whether delivery to the post office is a delivery to the donee or whether the thing mailed, before delivery to the addressee, is still the property of the sender.

In the English cases it is always assumed that the letter on being posted is beyond the control of the sender—that it becomes the property of the addressee as soon as it is put into the mail. *Brogden v. Met. R. Co.*, 2 App. Cas. 666, 691; *Dunmore v. Alexander*, 9 Shaw D. & B. 190. But within a few years the regulations of the United States post office have been altered, and the writer or sender may apply for a letter he has put in the mail, and when properly identified the postmaster must return it to him or telegraph to the office of the addressee, whose postmaster must return it to the mailing postmaster, if it has not been delivered. U. S. Post Office Regulations, 487, 489.

It is generally held that money mailed by debtor to creditor is at the risk of the debtor where lost in the mail, and does not constitute payment, unless there is some express or implied authority from the creditor to so remit. See for example *Caar v. Taylor*, 128 Iowa, 636. Again, where notice is mailed to a person and never reaches him, he is not bound, unless it is in pursuance of some positive statute or legal order when it will constitute constructive notice. 29 Cyc. 1116. An illustration of the latter is the provision of the Negotiable Instruments Act that "where notice of dishonor is duly addressed and deposited in the post office, the sender is deemed to have given due notice, notwithstanding any miscarriage in the mails." But apart from statute or legal order, a notice sent through the mail is not binding on the addressee unless received.

Reasoning by analogy, if there is no delivery of money by debtor to creditor where it is mailed without authority and lost and no delivery of notice to the person notified, in case of miscarriage of mail, unless so provided by statute or legal order, it would seem to follow that the post office is not to be regarded as agent of the addressee so that delivery to the post office would be a delivery to the addressee; hence a gift, whether it be of a bank draft or of tangible property, forwarded through the mail, which does not reach the addressee until after his death, has not been delivered. This conclusion is fortified by the regulations of the Post Office Department, which authorize the sender to reclaim mail matter that has not been delivered. I think, therefore, in the present case, the sister who purchased the draft is entitled thereto, or to the money represented thereby on the ground that the attempted gift was not completed and irrevocable at the time of the brother's death, there having been no delivery to him at that time.

Supplementing the above, the case of *Buehler v. Galt*, 35 Ill. App. 225, which has come to my attention since the foregoing was written, directly supports the conclusion reached. In that case it was held that the title to a check deposited in the mail, remains in the sender during its transmission unless the payee has requested the sender to forward the money to him by mailing the check in which case the title vests in the payee as soon as the check is placed in the mail according to his directions. In that case the court said:

"In this case it is not to be assumed that Doering parted with dominion over the check by depositing it in the street letter box. We are bound to notice judicially the post-office regulations, as well as those which authorize the sender of the letter to stop its transmission at any point before it has reached the hands of the person to whom it is addressed, and get it back into his own hands, upon complying with certain conditions, as the rule which makes the deposit of a letter in a mail box on the street corner a mailing of the same. See Laws and Regulations of Post Office, Secs. 531 and 533. . . .

The principle already stated, that the title to a check not mailed at the request of the payee or drawee, remains in the sender during transmission, compels the assumption that the post office is to be regarded as the agent of the sender, and the effect of these regulations, giving as they do, the sender power to stop and recall a letter sent, goes far to support that assumption, and to establish that the delivery of a letter into the hands of the postal authorities is not in all cases to be regarded as a delivery to the one to whom it is addressed."

PAYMENT BY CHECK.

Where a check to take up a note due on the 6th is received as conditional payment and the note retained until payment of the check on the 7th, opinion that stamping the note "paid on the 7th" is correct as indicating the date of actual payment.

From Wisconsin.—I would appreciate your opinion as to when the note which I am about to describe should be stamped "paid" by the bank. A note due on the 6th instant is held by a certain bank to which was handed a check bearing the same date on another bank in the same city in payment of the note. The bank holding the note refused to cancel same for the reason that the check was not certified, stating that they would hold same until the check had been paid. As was the case this check was good on the 6th and also on the 7th. When note was returned by this bank to the maker it was stamped, "paid on the 7th." What is your opinion? I contend it should be stamped, "paid on the 6th," the date of maturity.

This note was conditionally paid on the 6th and absolutely paid on the 7th. As, therefore, final and absolute payment was not received until the 7th, I think probably the stamping of the note as paid on the 7th was more in accordance with the actual fact, although it may not be infrequent for banks to stamp a note as paid as of the date when the check is received. The general rule is that canceling a note or bill or stamping it paid does not necessarily constitute or show a payment. *Steinhart v. D. O. Mills, etc., Nat. Bank, 94 Cal. 362; Watervleit Bank v. White, 1 Den. (N. Y.) 608; Scott v. Betts, Lalor (N. Y.), 363.*

Sometimes a check is received as absolute payment and when this is the case it will operate to extinguish the note or other instrument for which it is given. But the rule is that the giving and receipt of a check is usually considered, prima facie, as conditional payment only, even when the original obligation is surrendered, that is, that it will become absolute when paid. See, for example, *Burkhalter v. Second Nat. Bank, 42 N. Y. 533*, where plaintiffs, as holders of a draft drawn by defendant upon C. P. & Co., presented same for payment the day they received it, March 26th. The drawees gave their check to plaintiffs, receiving the draft from them, and charged the amount to defendant. On the following day, 27th, the check was presented in the ordinary course of business through the clearing house, and was dishonored. Plaintiffs, thereupon, returned the check and reclaimed the draft, which they caused to be again presented, and, payment being refused, protested, notice of protest being mailed on the next day, 28th. The drawees, C. P. & Co., failed on 29th. It was held that defendant was liable on the draft; that presentation on 27th and notice of protest on 28th was all the law required to charge the drawer, the giving of a check on the 26th being neither payment nor refusal to pay.

In the present case the check was unquestionably received as conditional payment only, for the holder, of the note refused even to surrender it until the uncertified check tendered was paid. The holder of a note is not bound to give up a note before the check or draft tendered in payment thereof is paid. *Smith v. Harper, 5 Cal. 329.*

In the light of the above cases, it would seem that the bank was right in its contention and properly stamped the note paid on the 7th, the day of actual payment, by the honoring of the check.

PROTEST OF CHECK ON SAVINGS BANK.

Negotiable check issued by depositor on savings bank, payment of which is refused because of non-production of pass-book, is subject to protest.

From New York.—The question has recently arisen with us as to whether it was proper to protest a check for non-payment because the pass-book was not at the bank. We had a check of large amount against one of the savings banks here which withdrew the balance in the account. The pass-book was not at the bank and, therefore, the bank refused to pay the check. This check was not dated. We protested same in order to be on the safe side, but were a little doubtful as to the legality of this procedure. Will you kindly advise us if we acted correctly in this matter?

I think the protest was legal and the correct procedure. True, by contract with its depositor, a savings bank conditions its payment of his order upon the production of the pass-book and rightfully refuses to pay when the book is not produced; but when a depositor in a savings bank issues his check or order on that bank in negotiable form—and I assume the check in the present case was negotiable, otherwise it would not be protestable for a non-negotiable instrument is not properly subject to protest—the holder is not chargeable with knowledge of any condition of payment not existing on the face of the check itself, and where the drawee refuses to pay, protest of the check is legal and justifiable. The fact that a check is not dated does not affect its validity or negotiable character. The Negotiable Instruments Act expressly provides that "the validity and negotiable character of an instrument are not affected by the fact that (1) it is not dated . . .". (Section 25, N. Y. Act.)

THEFT OF CHECK SIGNED IN BLANK.

Drawer can stop payment and is not liable to innocent purchaser if check is filled out and negotiated.

From California.—Can payment be stopped on a check that has been stolen from a check book, and bears only the name of the drawer on the face of it? Is innocent holder the loser?

Payment can be stopped on a check that has been stolen from the drawer bearing only his name; and if filled out by the thief and negotiated to an innocent person, such innocent purchaser will be the loser. The authorities are to the effect that an incomplete instrument which has never been delivered by the maker cannot, where stolen and negotiated, become effective as an enforceable obligation even in the hands of a bona fide holder.

In *Baxendale v. Bennett, L. R. 3 Q. B. Div. 525*, a blank acceptance was stolen, filled out and negotiated. It was held the acceptor was not liable.

In *Burson v. Huntington, 21 Mich. 416*, a note was taken by the payee named therein from a table in the room of the maker, without his authority and consent, and transferred to an innocent purchaser for value. The court held as the note had never been delivered, it had no legal inception and the maker was not liable.

In *Salley v. Terrill, 95 Me. 553*, a negotiable order was stolen from the table of the maker by the payee and negotiated. The order was never delivered to the payee nor intended to be delivered. The court held there could be no recovery; until completed by delivery it was not in law an existing order, but mere blank paper.

In the two cases last cited it will be noticed, the instruments though not delivered, were completed when stolen, but the result of non-delivery is the same whether the instrument is or is not completed; it is not an enforceable obligation until delivered.

In *Linick v. Nutting*, 125 N. Y. Supp. 931, a check signed in blank was stolen from the maker, the blanks filled in, the check procured to be certified and then it was indorsed by the thief with the name of the payee, which had been inserted and negotiated to an innocent purchaser for value. The check was paid by the bank. The maker, having taken up the check from the bank, sued the purchaser and recovered. It was held the check had never been delivered and therefore had no valid inception as a contract.

The rule of the Negotiable Instruments Act (which, however, has not yet been enacted in California) is to the same effect. It provides:

"Where an incomplete instrument has not been delivered it will not, if completed and negotiated, without authority, be a valid contract in the hands of any holder, as against any person whose signature was placed thereon before delivery."

The rule, of course, is different where an incomplete instrument after delivery is completed and negotiated contrary to the authorization of the maker; here the innocent purchaser is protected. But in the case stated where a check signed in blank has never been delivered, but is stolen, the drawer or maker will not be held liable if the check is filled up and negotiated to an innocent purchaser.

Had the stolen check in question been filled out and paid by the bank before the stoppage of payment, the drawer would probably be held liable to the bank. As said by the court in *Linick v. Nutting*, supra: "In view of the contractual relation existing between the bank and its depositor, some duty of care may be owing to it," and there have been one or two decisions to the effect that in such case a bank will be protected; but the situation is different with reference to the liability of the drawer to an innocent purchaser. As further said by the court in the *Linick* case: "A third person is not obliged to honor the paper; he can take it or not as he pleases"; and, further, a party cannot be held liable for negligence, "because it is possible he may be deprived of the possession of an incomplete negotiable instrument by a crime. He is not bound to anticipate nor to guard against such an act. No case has been decided holding a maker liable under such circumstances."

SAVINGS ACCOUNT IN NATIONAL BANK.

Right of national bank to refuse payment on demand and require thirty days' notice before withdrawal of savings deposit where pass-book rules provide for such notice.

From Pennsylvania.—Is a national bank obliged to pay savings accounts on demand where the following wording appears in its pass-books: "On all amounts withdrawn over one hundred dollars, thirty days' notice is required"? Thanking you in advance for the courtesy of your opinion.

The rules of a savings bank, printed in its pass-book, have been held in numerous cases to be binding as contracts between bank and depositor, and presumably a clause relating to notice of withdrawal would have the same legal effect when printed in the pass-book of a savings depositor in a national bank. There is nothing in the National Bank Act which prevents a national bank from making a contract with its depositor entitling it to thirty days' notice before a deposit carried in a savings account can be withdrawn. In the case stated, therefore, I should say the national bank would not be obliged to pay its savings accounts in excess of \$100 upon demand in case it chose to require, and not waive, its contract right to the thirty days' notice.

CHECK PAYABLE IN KANSAS CITY EXCHANGE.

Where a check is payable "in Kansas City Exchange," question considered whether holder can refuse tender of exchange and protest if not paid in money.

From Kansas.—Would like to have your answer on the following: Can a check be protested if cash is refused where the check is stamped "Payable in exchange," and exchange is tendered.

The First National have for some time been demanding a cash exchange, and we have one customer whose business is such that he is liable to write a check for a larger amount than it would be policy or convenient for us to carry, and we have stamped his checks, "Payable in K. C. Exchange" for our convenience. A check came through the First National of this place the other day, and we offered them the exchange, which they at first refused to take, but later they did take exchange, after we told them that we would pay them the cash if they insisted on us doing so.

This customer has had as much as \$25,000 on deposit at once, and at one time last Spring he drew checks to the amount of \$10,000, which amount came through the other bank, and, through a mistake of his bookkeeper, his deposit in the morning of the day that the check came in was about \$2,000, but his bookkeeper had held about \$9,000 that was received on Saturday until the following Tuesday. Our checking deposits usually run about \$30,000 to \$40,000, and we usually keep about from \$7,000 to \$10,000 in currency.

By agreement with one of your customers you have stamped his checks, "Payable in Kansas City Exchange," and the question you desire answered is whether the holder can demand cash and protest if cash payment is refused and only Kansas City exchange tendered.

Before the enactment of the Negotiable Instruments Act it was held in several cases that a check payable in New York Exchange or "in Chicago Exchange" was not negotiable because not payable in money, but in a draft on New York or Chicago, and as a result of these decisions such a check was not protestable because protest can only properly be made of a negotiable instrument.

But the Negotiable Instruments Act contains a provision that an instrument is negotiable though payable "with exchange," and at least one court has held under this Act that "with exchange" and "in exchange" are synonymous, and that an instrument payable "in New York or Chicago exchange" is payable in money and negotiable. *Security Trust Company v. Des Moines County*, 198 Fed. 331. This leaves the question in a somewhat uncertain condition. If the check on you "payable in Kansas City Exchange" was to be held payable in money under the Negotiable Instruments Act, it would be protestable if you did not tender money; but, personally, I am inclined to the view that a check so payable means what it says, namely, that it is to be paid by a draft on Kansas City; that is certainly the intention or agreement between the drawer and your bank. If this view was upheld, you would have the right to satisfy the check by tender of a draft on Kansas City, and if the holder did not want to take it, he would have no legal right to protest.

The cases in which the effect of the provision "payable in exchange" have been considered have turned on the question of negotiability. In none of these cases, so far as I am now aware, has the question been as to the right of the payor to pay according to the terms of the instrument not in money, but by a draft on the city named. And it seems to me that if this question should come before the courts they would find it very hard to get away from the plain meaning of the order, namely, that it is to be paid by a draft on Kansas City and hold that, notwithstanding this, it must be paid in money.

While the question is not absolutely settled, I think you might take chances on refusing to pay

money and tendering exchange; or, in view of the Federal Court decision that "in exchange" and "with exchange" mean the same thing, namely, money, it might be wise to make another stamp reading, "Payable by the drawee's draft on Kansas City." Such a stamp would, it would seem, beyond question, give you the right to pay by draft and not in money.

TIME OF PROTEST.

Where there is a valid extension of time of payment of a promissory note, the date of expiration of the extension and not the date of original maturity is the proper time of protest.

From Arkansas.—Will you be kind enough to give us an opinion as to whether or not an extension of time of payment of a note is to be regarded as a waiver of protest at the expiration of the extension? In brief, the case in question is this: We received for collection a certain note from a bank in North Carolina; on the day the note fell due we received a wire from the sending bank to extend payment one week, which was done, but at the expiration of the week's extension the makers defaulted in payment and we promptly protested the paper and returned it to its owners with request that they remit to cover notary's fees. This they decline to do, claiming that there is only one time when a note can be protested, that time being the date it falls due. They further claim the extension of the time of payment, with or without authority, could not change the legal maturity date, and the latter determines the time it may be protested.

When an instrument is protested, protest must be made on the day of its dishonor unless delay is excused. This is the rule of the law merchant and also of the Negotiable Instruments Act. Where a note by its terms falls due on a certain day and there is a valid extension of time of payment to a later day, non-payment on the original due date is not a dishonor, and there can be no protest on that day, for the agreement of extension has fixed a new due date, and, in case of dishonor on the day to which time of payment has been extended, the note is then protestable.

I am unable to point to any decided case in which it has been so held, but, doubtless, the proposition is so elementary that the question has never been seriously raised by counsel in any reported case. But to fortify the conclusion by reference to the authorities, the following is presented:

It is a well-recognized rule that the renewal of a bill or note or extension of the time of payment by a valid agreement between the maker or acceptor and the holder postpones the right of action and the commencement of the running of the statute of limitations until expiration of the period for which the extension is granted. *Ferguson v. Hill*, 3 Stew. (Ala.) 485; *Rodgers v. Rosser*, 57 Ga. 319; *Morgan v. Butterfield*, 3 Mich. 615; *Pearl v. Wells*, 6 Wend. (N. Y.) 291.

Ergo, the date of maturity of paper is the date on which the parties bound thereon must pay it to prevent its being dishonored. The logic seems to be irresistible that a valid extension of time of payment of a note extends the date of maturity, which, indeed, is a synonymous term for the date of payment. Therefore, the proper date on which to protest such paper is the date of the expiration of the extension thereof, and not the date of original maturity. Indeed, the rule is well recognized that where a bill of exchange or note is protested prior to the date of its maturity and dishonor (see *Cruiger v. Lindheim*, Tex. 1890, 16 S. W. 420, holding that protest on the day of maturity, according to the terms of the bill or note, is premature, where, by the law merchant or by statute, grace is allowed), such protest cannot be regarded as valid to fix the liability of the indorser and is nugatory. *Craig v. Price*, 23 Ark. 633; *Hagerty v. Engle*, 43 N. J. L. 299.

From the above it would seem clear that the protest caused to be made by your bank at the end of the extended period was at the proper time, and that the sending bank should therefore remit the reasonable notarial fees.

NOTES EXECUTED ON SUNDAY.

At common law, Sunday contracts are lawful and except in those states where, by statute, the execution and delivery of a note on Sunday is prohibited, a note dated on Sunday is valid.

From Texas.—Kindly give us your opinion whether a note dated on a Sunday is valid in Texas. We are anxious to be sure on this point.

In some states, by virtue of statutory provisions, notes executed and delivered on Sunday are void but in the absence of such statutes, such contracts are valid, as, at common law, there was no inhibition of Sunday contracts.

It has been held in Texas in numerous cases that contracts made upon Sunday, when not made in the course of a business prohibited upon that day, by statutory law, are valid. *Behan v. Ghio*, 75 Tex. 87; *Schneider v. Sansom*, 62 Tex. 201; followed in *Terry v. French*, 5 Tex. Civ. App. 120. In *Markle v. Scott*, 2 Tex. Ct. App., Civ. Cas., sec. 674, the court said: "A contract made on Sunday in relation to the commencement of an attachment suit is not invalid because made on that day. The Sunday laws of this state prohibit certain labor on that day, and prohibit gaming, horse-racing, and the sale of goods, etc., on that day. (P. C., arts. 183, 185, 186.) They also require that public schools shall be closed on that day. (R. S., art. 3712.) And it is also provided that no suit shall be brought on that day, except an attachment suit. (R. S., art. 191.) These are the only statutory restrictions relating to Sunday. A contract made in violation of any of these statutes would be illegal and incapable of enforcement. But we know of no law which makes a contract illegal and void, or even voidable, merely because made on Sunday, when such contract is in regard to a matter not made unlawful by statute. At common law, as to contracts, no distinction is made between Sunday and any other day. (7 Wait's Act. & Def. 114; 2 Parsons on Con. (7th ed.), bottom p. 892, note 2.)"

There being nothing in the statutes of Texas to invalidate a note dated on Sunday, it follows that a note so dated is valid in your state.

NOTE PAYABLE AT BANK.

Where A and B have a joint account in bank payable on presentation of pass-book and A makes her individual note payable at bank, opinion that bank, holding note for collection at maturity, has no right to charge same to joint account, but should protest unless funds to pay note taken out of joint account by A on presentation of pass-book or are otherwise provided by A.

From California.—We would greatly appreciate your opinion on the following: We have for collection a note of \$1,133 made payable at this bank. One of the makers of this note has an account of \$2,000 with us, jointly in the names of herself and another party. The note is to be protested if not paid. Can the note be charged to this joint account or should it be protested to hold the endorsers? Should we credit the note with half of the joint account and hold endorsers for the balance? We are enclosing herewith a copy of our joint tenancy agreement, signature card and pass-book, and thank you in advance for any information you may be able to give us on this subject.

Prior to the passage of the Negotiable Instruments Act, where a depositor made his note payable at the bank, the rule was in conflict in different states whether this constituted (1) an order or (2) a mere authority or (3) neither an order nor an authority to the bank to pay and charge to the account of the maker, without his express instruction so to do. The Negotiable Instruments Act has settled the conflict in favor of the rule that the note is equivalent to an order to the bank to pay; but California has not passed the Negotiable Instruments Act, nor do I find that its courts have decided this question.

But assuming that the California courts would hold that the bank was either authorized or required to pay a note of its depositor made payable at the bank when its deposit at maturity was sufficient, I am of opinion that no such obligation or authority would exist in a case such as presented, and that the note should be protested to hold the indorsers unless the maker provides the funds by withdrawing same from the joint account in the manner authorized or obtains them from other sources.

Here A and B are savings depositors under a joint tenancy agreement giving the right to either to draw out the whole or any part at any time during the life of both, the survivor being entitled to the residue; and these depositors have signed an agreement to the by-laws, rules and regulations of the bank which provide, among other things:

"When money is to be withdrawn, the depositor writes an ordinary letter, enclosing the pass-book, stating the amount desired and how he wishes it sent . . .

"The pass-book shall be delivered to each depositor, in which shall be entered all sums deposited or withdrawn."

I am of opinion that the rule, wherever it prevails, which authorizes or obliges a bank to pay a depositor's note, made payable thereat, out of his account, would be held not to apply to an account of this kind, which is not the individual account of the depositor, subject to ordinary check or order, but is a joint savings account, in which two persons are interested, as to which the method of withdrawal provided contemplates presentation of the pass-book and not payment without the pass-book upon check or note of one depositor.

I think, in a case like the present, the note should not be considered as either an order or an authority to the bank to pay out of the joint account, but that it should be protested unless the maker presents the pass-book and makes a withdrawal in accordance with the method provided, for the purpose of meeting the note.

BANK SET-OFF.

Bank cannot set off firm's note against partner's individual account—But in action by partner, or his assignee, for deposit, bank can plead firm indebtedness by way of counter-claim, or can recover same in independent action against partner.

From North Carolina.—Smith buys out Doe, of the firm of Doe & Roe, and pays him \$1,500 for his (Doe's) interest. Doe deposits the money in this bank. The firm of Doe & Roe owes this bank \$165. Smith, through misstatements of Doe, goes to court and gets a restraining order from the judge against us from paying out money to anybody, saying he bought under certain statements from Doe, which are not correct, and wants his money back. Before this restraining order was served upon us, the Doe & Roe note became due by some four or five days. The case did not go to court, but was compromised by Doe paying Smith \$1,000; or, rather, giving Smith an order upon this bank to pay that amount; which we refused to do until the above note of \$165 was taken out. We did not pay the full \$1,000, and

Smith is suing us for the balance. Doe claims Smith knew of the note of \$165, and so accepted the order. Could Smith recover from us? Was it necessary for us to charge the note the day it was due, in order to hold it? We did not charge it. We claim a set-off against the deposit, and that if Smith settled with Doe, knowing there was a hitch about the note Doe & Roe was owing us, he could not hold us for it.

This is a case where the firm of Doe & Roe owes the bank \$165; Doe has sold out his interest to Smith and has deposited the purchase money in bank to his individual credit. Later, as the result of a dispute, Doe agrees to refund part of the purchase money and has given Smith an order on the bank for \$1,000. The bank has paid Smith all but \$165 thereof, which it refuses to pay because of the debt of Doe & Roe, and Smith has sued the bank therefor. Doe states and Smith denies (which is to be implied from his bringing suit) that the \$1,000 order was accepted by him subject to the bank's right of deduction of \$165.

The question is whether Smith has a right of recovery of this \$165 from the bank.

If this \$1,000 check or order given by Doe to Smith was not for the entire fund in the bank to Doe's credit, it would not, until accepted, constitute an assignment of the amount to Smith, who would have no right of action on the order against the bank, but would have to look to the drawer. See Negotiable Instruments Act, N. Car. Sec. 2338: "A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder unless and until it accepts or certifies the check." See also *Hawes v. Blackwell*, 107 N. C. 196. As there was no acceptance of the check with reference to the \$165 in dispute, there would be no right of action by Smith against the bank thereon, assuming the check was for part only of the fund to the drawer's credit.

But assuming the check was drawn for the entire amount on deposit to the drawer's credit which was put in specifically to meet it, so that it would constitute an assignment of the \$1,000 to Smith, or assuming that, apart from the check, Doe had done what was otherwise sufficient to constitute an assignment of this \$1,000 to Smith, then Smith would only succeed to Doe's rights against the bank, and the question would be whether, as against Doe or his assignee Smith, the bank had a right to retain the \$165.

It has been held by the Supreme Court of North Carolina in *Adams v. Bank*, 113 N. C. 332, that the right of set-off only exists between the same parties and in the same right, and that a bank has no lien on the deposit of a partner for a balance due from the partnership; therefore the bank cannot charge up an overdraft of the firm against the partner's individual account. But the court held at the same time that the bank might recover from the individual partner the indebtedness due it by the firm in an independent action or might plead it as a counterclaim in a suit by such partner to recover his individual deposit. In the *Adams* case there had been a dissolution of the partnership unknown to the bank and a withdrawal of the balance. Later there was a deposit by one of the partners in his own name. Afterwards the bank had paid a partnership check drawn by another partner, which was charged to the account of the individual partner. The partner sued for his balance and recovered. The court held the bank had no lien or right of set-off against the deposit of a partner for a balance due from the partnership; but had the bank pleaded the partnership indebtedness as a counterclaim, the plea would have been good.

In the light of the above case, your bank would seem to have the right to plead as a counterclaim in a suit by Smith, as assignee of Doe, the \$165 due it from the firm, and the same right would exist against Doe himself if he had not assigned the deposit to Smith; so that in either event it would seem that, under the facts of your case, you cannot be held liable for the \$165. The fact that there is not a strict right to set off the amount against Doe's account is immaterial in the present case. There might be a

case where a partner would have a right to check out his entire balance free from such claim of set-off and hold you for damages for dishonoring his check where you charged up his firm's note, without right, against his individual account; but in your case there is no such situation, as the depositor, according to his own statement, expected that you would deduct the \$165 before paying the order. Therefore you have the substantial right of pleading this indebtedness of the firm as a counterclaim to an action, either by the individual depositor, or by his assignee, for his deposit, although without the technical right of charging the amount against the depositor's account, and this is all-sufficient for your protection in the present case.

SET-OFF BY DEPOSITOR.

Depositor in insolvent bank has right to set off his deposit against his indebtedness to the bank, whether due or not.

From Arkansas.—Has a depositor in an insolvent bank a right to set off his deposit against a debt which he owes the bank?

It has been held by the Supreme Court of Arkansas that a depositor in an insolvent bank has a right to set off his deposit against his indebtedness to the bank, whether due or not. *Steelman v. Atchley*, 135 S. W. 902. Following is a summary of the points decided in that case:

1. Where money is deposited in a bank, the bank becomes the debtor of the depositor to the amount of his general deposit, and bound by implied contract to repay the same on his demand or order.
2. Under Kirby's Dig., Secs. 6098, 6101, providing that a set-off can only be pleaded in an action founded on contract, or must be a cause of action arising on contract, or ascertained by a decision of court, a depositor may set off his general deposit against a note given by him to the bank in an action by the bank thereon.
3. Assignees and receivers of insolvents are not regarded as purchasers for value without notice, but rather as personal representatives of the insolvents, and stand in their shoes, so far as their assets are concerned, and take same subject to set-offs, liens, and incumbrances as they existed at the time of their appointment, and therefore the appointment of a receiver of an insolvent bank did not deprive a depositor of the right to set off his general deposit against a note given by him to the bank.
4. Choses in action pass to a receiver subject to the equitable right of set-off then existing, so that a debtor of the insolvent who has such a right is not bound to pay what he owes and take his chances with the other creditors, but is bound to pay only the balance.
5. Mutual claims that are due bank and depositor may be set off against each other, and the bank's authority to do this is transmitted to the receiver, and the depositor's defenses are not impaired by the bank's insolvency.
6. That a depositor's note to a bank was not due at the time of its insolvency does not prevent his right to set off his general deposit against the note.

SET-OFF BY DEPOSITOR.

Upon failure of a bank a depositor has a right to set off his balance against his indebtedness to the bank whether due or not.

From Pennsylvania.—Brown conducts a private banking business and fails. "A" has a balance of \$500; he also is a borrower to the extent of \$500. Is it lawful to allow "A" to cancel the obligation with balance which is to his credit in the defunct bank? Or should "A" be compelled to pay his obligation and share alike with the balance of the depositors? In allowing "A"

to offset or cancel his obligation with balance due him, the question arose whether in so doing it was discriminating against "B" who carried a balance with the bank, but was not a borrower. I would thank you for any information you may be able to give me.

The courts of Pennsylvania recognize the right of a depositor, upon failure of bank, to set off his balance on deposit against his indebtedness to the bank; and this has been so held even where the depositor's debt to the bank is not due at the time the bank closes. See *Jack v. Klepser*, 196 Pa. 187. In that case the assignee of a bank sued the makers of a note. At the time of the bank's assignment the note had not matured. The court held that although the note was not due at the time of the insolvency, this was no bar to the makers' right to set off the amount of their deposit.

You ask whether where "A" owes the insolvent bank and "B" does not, both being depositors, it is not discriminating against "B" in favor of "A" by allowing the set-off of "A's" indebtedness. The courts do not generally so regard it. It is a case of mutual debts, each owing the other, and the balance either way is the true amount of the claim. In the case you state the balance, \$500, just equals the indebtedness.

CASHING CHECK BY FALSE PRETENSE.

One who without authority signs another's name to a check per his own and negotiates the check for value, is not guilty of forgery but of obtaining money by false pretense.

From Tennessee.—On the 24th of April a young lady employed in the High School at this place as music teacher, came into our bank just before leaving for her home in —, Tennessee, and drew a draft for \$20 on the X— County Bank of —, Tenn., signing her father's name by her, and which we cashed for her and sent in for collection in the regular way; but the draft was immediately returned with notation on return slip that no attention was given it. By this we suppose that the bank notified her father that she had drawn upon his account and that he paid no attention to it.

Upon the return of this draft unpaid, we, thinking that the young lady, who stood high in the community and was well liked by all who knew her, would arrange same all O. K. paid very little attention to it, but notified her at once of the return of the draft, to which she made no reply. After waiting a sufficient time she was written again, but still no reply, so we investigated as to whether or not she was at home, and found out from those in the community with whom she was corresponding that she was, and we are sure she received our notices. We then decided to take up the matter with her father, but could not hear from him, so the third communication has been sent her and we have had sufficient time in which to hear but cannot do so.

Possibly we have slept on our rights in being so slow to take steps to collect this item, but the young lady was of such high standing in the community that we would not but think that she would arrange the matter O. K. if given a sufficient time, so this is why there has been such a delay, and it now looks as if she is trying to defraud us out of the amount of the draft, so we ask your opinion as to what we can do in the matter toward the collection of same.

We will further state that this is the third draft that she has drawn in this way. The first was for \$10, which was paid O. K., but later she drew for \$35, which was returned as being refused by her father. At that time she was here with us, and upon being notified of the draft being returned unpaid, she at once took the matter up with her father, who sent us a cashier's check for same. It seemed he was trying to keep her from checking upon him so heavily, for we under-

stand that he is in good shape financially. Now we would like to know what steps, if any, we can take in the collection of this item.

In the absence of any authority from father to daughter to draw a check in his name, he could not be held liable thereon; but the daughter in such case would be solely responsible for the amount and might also be held criminally. One who executes an instrument purporting on its face to be executed by him as agent for a principal therein named, when in fact he has no authority from such principal to execute such instrument, is not guilty of forgery, as the instrument is nothing different from what it purports to be, the act being a false pretense. 19 Cyc. 1374; *People v. Bendit*, 111 Calif. 274; *State v. Taylor*, 46 Ia. Ann. 1332.

It is held by the courts that to constitute the crime of obtaining property by false pretense there must be a false pretense by the defendant or by some one instigated by him, knowledge of the defendant of its falsity, a reliance on the pretense by the person defrauded, an obtaining of property by defendant or some one in his behalf, an intent in defendant to defraud and an actual defrauding.

If in this case the daughter knew she had no authority to draw a check in her father's name and no right to negotiate it, I think all the elements of the crime of obtaining money by false pretense are present, and although she may have had a hope that her father would protect her against any future trouble, I do not think this hope would militate against the intent to defraud so as to relieve her from criminal responsibility.

Replying therefore to your request for information as to what steps you can take to collect the money, I would say that assuming this check was unauthorized, you have no recourse whatever against the father, but have a right of action against the daughter for recovery of the money and also an ability to have her prosecuted criminally, should you care to take that course. Two months' delay does not affect your rights.

OBTAINING BILL OF LADING UNDER FALSE PRETENSES.

Where consignee obtains bill of lading and goods upon tender of check, payment of which he stops asserting freight not prepaid, at the same time retaining goods, liability to conviction depends upon proof of fraudulent intent to stop payment at time of giving of check.

From Alabama.—We would appreciate your opinion in the following case: We received a draft, with bill of lading attached, for collection, on an out-of-town party. We notified him of same. He mailed us a check on a bank in another town and in his letter asked us to forward bill of lading at once, as he was anxious to get the goods out of depot. We sent him bill of lading as requested and also remitted for the goods at once, thinking, of course, that check was O. K. In a few days the party to whom we mailed bill of lading notified us that he had stopped payment on the check given us for same. He gave as his reason that the goods were to have been shipped freight prepaid, and they were not. He got the goods, though, and we have never been able to make him pay for same. We would like to know whether criminal action can be made against him; if so, if there is a certain period within which we must take action. If there is, what is the length of this period?

The Alabama Code provides that "Any person who, by any false pretense or token, and with the intent to injure or defraud, obtains from another any money or other personal property, must, on conviction, be punished as if he had stolen it." Ala. Crim. Code (1907), Chap. 222, Art. I, Sec. 6920.

The gravamen of the offense is the intent, and

it has been held under this statute that the use to which the chattels or goods are applied by defendant, after obtaining them by the alleged false pretense, showing a conversion, or attempted conversion, to his own use, is competent evidence against him, as tending to prove an intent to injure or defraud the owner. *Mack v. State*, 63 Ala. 138.

See also *Carlisle v. State*, 76 Ala. 75, where the court said: "Intent to injure or defraud is made an ingredient of the offense, of which the defendant was convicted. Without this intent, there is no guilt. Intent is rarely shown by direct proof, but is inferred from facts in evidence. Still, to authorize a conviction, the jury must be affirmatively convinced such intent existed; convinced by that measure of proof required in criminal cases." See, however, *O'Connor v. State*, 30 Ala. 9, where defendant was indicted for obtaining a horse by giving a note therefor and falsely representing that he had sufficient money in bank to pay the note at maturity, and it was held that if defendant intended at the time of purchase to pay the note at maturity and had grounds for a reasonable belief that he would be able to do so, he was not guilty.

The mere fact that the drawer had sufficient funds in bank to meet the check given for the goods would not seem to absolve him from the charge of obtaining goods under false pretenses, if such was his intent. The inducement for the surrender of the bill of lading by the bank was the implied representation, not only that the check was good, but that it would be paid upon due presentment. If the drawer of the check intended from the first to stop payment on his check as soon as he got possession of the goods, it is as much a fraud in law as if he had never had any funds in the bank drawn upon, and his excuse that he stopped payment because freight was not prepaid was a mere cloak for such fraud. Of course, this question of intent to defraud would be one of fact for the jury, and not one of law for the court. However, the fact that this person retained possession of the goods while refusing to pay for them would of necessity have weight with the jury, under a proper charge by the court, in passing on this question. See *Mack v. State*, supra, as bearing on this phase of the question.

From the above, if you can convince a jury that at the time this man gave his check in order to get the bill of lading and the goods, he intended to stop payment, and that the excuse that the freight was not prepaid was a mere subterfuge, he might be convicted; but, of course, this will depend upon whether a jury can be convinced that he gave the check and obtained the goods with intent to defraud. Whether successful or not, it would seem good policy to institute prosecution in such a case, as the attendant publicity would have a wholesome effect as a deterrent of like offenders.

In Alabama the offense of obtaining money or goods under false pretenses is a felony or a misdemeanor according to the value of the goods appropriated, and in the former case must be brought within three years next after the commission of the offense, and in the latter within one year thereafter. Ala. Crim. Code (1907), Chap. 247, Secs. 7345, 7346.

PLEDGE OF ASSETS BY BANK.

Right of bank to pledge assets to secure sureties on its bond given as security for deposit of public funds.

From Ohio.—We would be pleased to have a letter from you giving your opinion regarding the legality of this bank depositing with a trustee, a certain amount of the bank's assets, to secure members of the Board of Directors as security on the bank's bond to the City of D— for deposit of public funds.

To make the subject more plain: The City of D— deposited with this bank \$30,000, and by action of the Board of Directors the amount of \$36,000 was ordered deposited with a trustee for the security of members of the board, who signed

a bond to the City of D— for the carrying out of the contract with the city.

We are of the opinion this is entirely legal as securities are placed with the United States to secure deposits, etc., and this is the same, except the City of D— accepts the personal security of the signing directors, and they in turn are secured; but we would like to have our opinion confirmed.

The Ohio statutes provide that the State Treasurer, the county commissioners, and the municipal common council may respectively advertise for bids for state, county or municipal funds, and as security for such deposits they are required to take from the designated depository a bond with good and sufficient sureties, and these sureties may be individuals approved by the proper authorities, as well as surety companies. See Page & Adams, Ohio Gen. Code, Sec. 2715, et seq.; Sec. 4295, et seq.; Sec. 4515, et seq.; Sec. 324, et seq.

As to the question of banks pledging their own assets to secure the sureties (in this case its directors) on their bonds given as indemnity for the deposit of public funds with them, I can find nothing in the Ohio banking statutes bearing on the point one way or the other. However, in the absence of direct or implied prohibition, there would seem no reason of public policy, or otherwise, to prevent the banks from indemnifying their sureties under such circumstances. They are expressly allowed by the Ohio statute to put up certain specified securities (assets of the bank) in lieu of indemnity bonds; then why not allow them to pledge a portion of their assets (the same securities, if you please) to protect their directors from a possible loss, the risk of which was incurred solely for the bank's benefit?

NO LIEN ON NATIONAL BANK STOCK.

National bank has no lien on its stock for indebtedness of stockholder and cannot refuse to transfer stock of deceased stockholder indebted to bank, upon sale by executor.

From Maryland.—One of our stockholders died, and after his death several notes that he owed the bank matured. The executor of his will desires to sell the stock he held in this bank, and to use the money from the proceeds of sale to pay off part of his past due notes to us.

We would like to know if he can legally pay us before paying other claims, and if we would have the right to refuse to transfer the stock to another, until our claim was paid. We notice that you gave an opinion on a matter somewhat similar in regard to an overdraft, and thought that the same law would apply in this case.

Your institution being a national bank, Section 5201 U. S. Rev. St. provides:

"No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or, in default thereof, a receiver may be appointed to close up the business of the association, according to section fifty-two hundred and thirty-four."

It has been held under this section that a national bank can acquire no lien on its stock in the hands of its stockholders for an indebtedness to the bank and that any provision in its Articles of Association or By-laws prohibiting the transfer of stock until the liability of the stockholder is paid is void, Bank v. Lanier, 11 Wall. 369; Third Nat. Bank v. Buffalo German Ins. Co., 193 U. S. 581.

Under this section it seems a national bank may purchase or acquire its stock as security when necessary to prevent loss upon a debt previously con-

tracted in good faith, but whatever the method of purchasing or acquiring the stock contemplated by the statute as by pledge of the shares or attachment by the bank upon a previously contracted indebtedness, it seems clear the bank cannot lay any claim to the stock by mere right of lien, which does not exist when the loan is made, and would not spring up even though a previous loan should turn out badly.

It would seem to follow, therefore, that you would have no right to refuse to transfer the stock of your stockholder to another until your claim was paid, and this would be so whether the stock was transferred by the holder while alive or by his executors after his death. Nor would you have any right to preference in payment by the executor over other claims.

You state you notice I gave an opinion on a matter somewhat similar in regard to an overdraft and ask if the same law would not apply. The opinion referred to (March, 1913, JOURNAL, p. 597) was rendered under the statute of Arkansas, which gives State banks a lien on their stock for stockholders' indebtedness, and the bank asserting the lien was organized under the law of the State. The opinion would not apply to a national bank.

KANSAS BANKERS' ASSOCIATION.

THE Agricultural Committee of the Kansas Bankers' Association are carrying on a vigorous campaign for the purpose of more effectively promoting the interests of agriculture in Kansas, in connection with all other existing agencies. The Committee has sent out a general letter (supplementing one of recent date) requesting the bankers of each county seat town in each county to take the initiative and extend invitation to all the bankers of the county to attend a meeting at the country seat at some convenient date; introduce an appropriate program, and proceed to perfect a more permanent organization.

Every banker will recognize the vast good that can be accomplished for the community in general, and for the banking fraternity in particular, through such effective organization and concerted action; and it is contemplated the holding of frequent meetings for the study and discussion of the problems relating to this movement, with a view of obtaining practical results.

WEST VIRGINIA.

AT the recent convention of the West Virginia Bankers' Association, C. C. Woods, Cashier of the First National Bank, Elm Grove, was nominated for member of the Executive Council of the American Bankers Association, and W. Wylie Beall, President of the Commercial Bank, Wellsburg, for Vice-President for West Virginia.

NEBRASKA BANKERS' ASSOCIATION.

THE seventeenth annual convention of the Nebraska Bankers' Association will be held this year in Lincoln. The date has not yet been fixed, which matter has been left to the Lincoln Clearing House to decide.

NEW YORK STATE BANKERS' ASSOCIATION.

THE following are the officers elected for the ensuing year at the recent convention: President, Robert H. Treman, President Tompkins County National Bank, Ithaca; Vice-President, James H. Perkins, President Commercial Bank, Albany; Secretary, William J. Henry, 11 Pine Street, New York City (re-elected); Treasurer, Leslie W. Burdick, Cashier First National Bank, Gouverneur.



PROTECTIVE

DEPARTMENT



L.W. GAMMON

MANAGER

OFFICES OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

- CALIFORNIA, LOS ANGELES.—Walter P. Story Building.
- CALIFORNIA, SAN FRANCISCO.—First National Bank Building.
- COLORADO, DENVER.—First National Bank Building.
- GEORGIA, ATLANTA.—Empire Life Building.
- ILLINOIS, CHICAGO.—First National Bank Building.
- LOUISIANA, NEW ORLEANS.—Whitney Central Building.
- MARYLAND, BALTIMORE.—Munsey Building.
- MASSACHUSETTS, BOSTON.—201 Devonshire Street.
- MICHIGAN, DETROIT.—Dime Savings Bank Building.
- MINNESOTA, ST. PAUL.—New York Life Building.
- MISSOURI, KANSAS CITY.—Midland Building.
- MISSOURI, ST. LOUIS.—Frisco Building.

- NEW YORK, BUFFALO.—White Building.
- NEW YORK, NEW YORK CITY.—Woolworth Building.
- OHIO, CLEVELAND.—Rockefeller Building.
- OREGON, PORTLAND.—Yeon Building.
- PENNSYLVANIA, PHILADELPHIA.—New Stock Exchange Building.
- PENNSYLVANIA, PITTSBURGH.—Commonwealth Building.
- TEXAS, HOUSTON.—Union National Bank Building.
- WASHINGTON, SEATTLE.—Hinckley Block.

CORRESPONDENTS OF THE WILLIAM J. BURNS NATIONAL DETECTIVE AGENCY, INC.

- IOWA, DES MOINES.—The Gus. J. Patek Detective Agency, 515 Mulberry Street.
- ENGLAND, LONDON.—Arrow's Detective Agency, 89 Chancery Lane.
- FRANCE, PARIS.—Calchas & Debisschop, 15-17 Rue Auber.

THE following is a report for the month of July, 1913, pertaining to the work of the Protective Department:

WARNING.

Representing himself as being an agent selling queensware, a man, using the name of E. S. CANFIELD, has succeeded in defrauding a number of merchants by cashing bogus checks supposed to be issued by the "Harper Gerwig Supply Company," and signed R. C. Gerwig, secretary, and E. J. Barbour, salesman. These checks are drawn on "The People's Bank & Trust Company," New Marshfield, Ohio.

There is no such firm as the Harper Gerwig Supply Company, nor is there a People's Bank & Trust Company at New Marshfield, Ohio. This party is described as being about 40 years of age; 5 feet 7 inches tall; weighing 170 pounds. Has dark complexion, dark brown, slightly gray hair, and dark brown, short-cropped mustache and prominent stomach.

Members, particularly in Missouri and adjoining States, should be on the lookout for this criminal. A specimen of his handwriting is reproduced below.

*E. J. Barbour
Salesman*

On complaint of a bank member at Clanton, Alabama, our detective agents are endeavoring to cause the arrest of JOSEPH CONDE, an Italian, 27 years of age; 5 feet 7 inches tall; and weighing about 150 pounds. He is smooth shaven, has black eyes and hair, and swarthy complexion.

Conde worked for MacArthur Brothers Company, contractors, at Lock No. 12 on the Coosa River, near Clanton. He forged the name of Joseph Bardi to two checks, which were honored by the member.

R. EMMET LUCAS is wanted for passing a worthless check on a bank member of Los Angeles, California. His description is as follows: Age, 50 years; height, 5 feet 8 inches; weight, 165 pounds; build, medium; complexion, slightly reddish; eyes, grayish; hair, grizzled dark; sometimes wears a beard; has a large, cancerous sore on lip. Dress when last seen, grayish brown suit, black derby hat,

high stand-up collar with corners turned down. This matter is being investigated on behalf of this Association and the California Bankers' Association. A reproduction of this operator's handwriting is shown below.

Samuel E. Shankland

A party using the name of SAMUEL E. SHANKLAND passed a forged check on a Los Angeles, California, merchant. The check was sent to the bank upon which it was drawn and it was paid. Later it was discovered that the check was a forgery, and a bank member had been defrauded. Our detective agents are investigating this matter on behalf of this Association and the California Bankers' Association. A specimen of the forger's handwriting is reproduced below.

Samuel E. Shankland

H. M. WILLIAMS is wanted for a forgery committed on a bank member of Los Angeles, California. His description is as follows: Age, 27 years; height, 5 feet 5 inches; weight, 130 pounds; build, stocky; complexion, light; eyes, gray; hair, blonde; smooth shaven. When last seen he wore a blue Norfolk suit, straw sailor hat and tan shoes. He has the appearance of a business man. Williams is a morphine fiend and is very nervous from the use of same. This Association is co-operating with the California Bankers' Association in this matter. We reproduce below the handwriting of H. M. Williams.

H. M. Williams

GEORGE W. BISHOP is wanted for defrauding a bank member at Helena, Georgia. The member cashed a draft for him which was drawn on "Moorefield & Bishop, Candler Building, Atlanta, Ga." Bishop represented that he was selling stock of the "Dixie Drink Company," also of Atlanta, Georgia. Our detective agents advise that no such concerns exist. Bishop is described as being rather stout, about 5 feet 10 inches tall, and weighing 200 pounds. Has full face.



HUGH WHITNEY.

With a revolver in each hand, a highwayman entered a bank member at Rigby, Idaho, on July 8, 1913, held up the cashier and his assistant, secured a sum of money and made his escape from the town on a horse.

Our detective agents were called to make an investigation, and it is the opinion that the highwayman was HUGH WHITNEY, an outlaw who is wanted on a charge of murdering Conductor William Kidd, on the Oregon Short Line. Whitney is accused of holding up Train No. 4 of that railroad and shooting the conductor. A reward of \$1,500 has been offered for his arrest on the murder charge.

Whitney is described as follows: Age, about 25 years; height, 5 feet 8 inches; weight, 165 pounds; stocky build; very dark complexion; smooth shaven; dark, curly hair which comes down over the forehead. He is a sheep herder and cowboy and dresses as such. Always wears a handkerchief around his neck, is an expert marksman, smokes cigarettes. Wears high-heeled boots with nails in end of heels.

A bank member of Chicago, Illinois, reports the theft of fifty-eight certificates of deposit from the Citizens' Trust and Savings Bank, Nos. 2143 to 2200 consecutively.

These certificates of deposit disappeared from the bank on the afternoon or evening of July 8, 1913. Bank members are warned to be on the lookout for these certificates of deposit, and, should one be presented to their bank, immediately notify the nearest office of our detective agents.

A member bank of Chicago, Illinois, reported bogus checks purporting to be made by the Lewis Acton Company, automobile accessories, 38 LaSalle St. (a

fictitious firm), Chicago, Illinois, to various persons in sums of \$20 to \$30, drawn on the Fourth National Bank of Chicago (not in existence), and signed W. E. Acton, Secretary and Treasurer, countersigned G. D. Lewis. Banks should be on the lookout for checks of this character.

Recently a member bank of Chicago, Illinois, reported to our detective agents that a draft in the sum of £96,000 or \$480,000, drawn on their bank by the Banco De Londres Y Mexico, had been presented to them for payment. A representative of our agents called on the bank and at once determined this to be the old "Spanish Swindle." The person presenting this draft had been the innocent purchaser, having made a trip from British Columbia to New York, where he parted with \$3,000 in good money for a bogus draft.

This is the first actual transaction in the United States of which there is a record. Previously the victim was induced to make a journey to Madrid, Spain, where the beautiful daughter of a convict was to be given into his keeping and for which he was to receive a great reward.

Several months ago, a similar draft for \$80,000 had been drawn against another Chicago bank. However, the person in this case went to Madrid and paid \$2,500.



ROBERT DINKINS.

A member bank of Elwood, Indiana, reports a forgery by one ROBERT DINKINS, who forged the name of his wife, Gertrude E. Dinkins, to a check, which he succeeded in cashing. Dinkins is described as follows: Age, 30 years; height, 5 feet 8 inches; weight, 190 pounds; build, stocky; hair, black; eyes, blue black; complexion, dark; smooth face; occupation, laborer, amateur photographer and parachute jumper. He has a horse's head and C. C. F. tattooed on right forearm; parachute with man hanging to same on left arm. Is slightly stoop-shouldered and a cigarette fiend.

Using the name of FLOYD CLEMENS a party opened an account with a bank member at Lebanon, Indiana, recently, by depositing what purported to be a certified check drawn on a bank member at Rochester, Indiana.

Clemens represented that he had received the check in payment for a farm which he had sold.

Before it was discovered that the certified check was a forgery Clemens had drawn against his account and the member at Lebanon cashed his checks.

Clemens is described as follows: Age, 38 years; height, 5 feet 8 inches; weight, 195 pounds; complexion, fair; hair, dark and thin; eyes, gray or blue; forehead, prominent; short mustache; hands cal-

loused. A specimen of this forger's handwriting is reproduced below.

Floyd Clemons

A membership bank at Council Bluffs, Iowa, reports that a man named W. S. HAMILTON was given a mortgage by a depositor of the bank with the understanding that Hamilton would deposit the money in the bank to the credit of the party giving the mortgage. This he did not do, but used this mortgage as collateral to borrow money from the bank. An indictment was secured against him. It will be well for banks to be on their guard against this man.

Mr. P. W. Hall, Secretary of the Iowa Bankers' Association has notified us that a man using the name of W. C. BROOKS, and stating that he resided in Ottumwa, Iowa, had secured considerable money by means of a fraudulent and bogus check at Denison, Iowa.

This man advised the bank that he had amounts in banks at Oscaloosa and Brooklyn, Iowa, and requested the bank to draw on them for a certain amount as he had just purchased a farm. He next left an account for collection and tool a receipt. This receipt he later presented at a jewelry store, where he declared he had money in the bank, paying for a diamond ring with a check drawn on the latter institution. It developed that the check was no good, and later the stranger could not be found. No description is obtainable at the present time.

A young man using the name of ROBERT LOVE, who is described as follows: Age, 21 years; height, 5 feet 10 inches; smooth shaven; wearing overalls and soft shirt and no coat, light gray hat, succeeded in passing a check at Kent, Iowa. The name of a prominent farmer in that vicinity was forged to the check. He also stated that this same man undertook to cash a forged check at Creston, Iowa, drawn on the same party. No further description is obtainable at the present time. The bank defrauded is a non-member of the American Bankers Association, but is a member of the Iowa Bankers' Association.

A member bank of Rock Rapids, Iowa, reports a party using the name of THOMAS DURKIN, described as being 5 feet six inches; weight, 140 pounds; hair, light; sandy pompadour; nationality, Dane; occupation, sign painter, and claims to have been previously employed by the M. S. Cusick Advertising Sign Co., at Kansas City, Mo. This party succeeded in passing four forged checks to which he forged the name of his employer at Rock Rapids. The Iowa Bankers' Association is also interested in the apprehension of this criminal. Warrant has been issued, and is in the hands of the sheriff at Rock Rapids, Lyon County, Iowa.

On his return from Los Angeles, California, where he had been for a visit, a depositor of a membership bank at Eureka, Kansas, found a check against his account, which had been forged and passed at Azusa, California.

The depositor denied all knowledge of the check, although the handwriting is similar to his. The matter is being investigated by our detective agents at Azusa, California, where the check was cashed.

A Duluth, Minnesota, member bank reports a loss through forgery. A party using the names of J. H. HAMILTON and J. E. Glen, and answering the following description is believed to be the party who perpetrated the forgery: fifty years old; 5 feet 8 or 10 inches tall; dark complected; grayish hair and mustache.

Representing himself as P. B. BISCHOFF, Veterinary Surgeon, of No. 2306 Gilmore Av., St. Louis, Missouri, a party succeeded in defrauding a bank member at Cape Girardeau, Missouri, by means of a forged check. This man is described as being 30 to 35 years; florid complexion and stout build. Has very light chin whiskers.

Using the names of H. B. and H. S. SNELL, a party succeeded in passing several bogus checks in North Carolina recently. These checks were for amounts less than \$50, and were drawn on a bank member at Elizabeth, North Carolina. So far no member has lost by the transactions of this operator.

Members should be on the lookout for checks purporting to be issued by A. S. SHUH, Sales Manager of the Ambreu Company, of Cincinnati, Ohio, made payable to C. A. Dunlavey and drawn on a bank member of Cincinnati, Ohio. These checks are bogus and several have been cashed in North and South Carolina. The checks cashed were for amounts of \$25 to \$40.

Several butchers in Conneaut, Ohio, were recently swindled by a man who represented himself as HENRY BECKER. He appeared at the meat markets after banking hours, made a small purchase and extended a check for \$16.50, which he claimed represented his week's salary. He had forged the name of a local contractor to the checks. He collected the difference between the amount of his purchase and the amount of the check.

Later we received a report that the same party operated in Dunkirk, N. Y., using the name of Henry Miller.

A description of Miller as furnished by the Dunkirk police is as follows: Age, 36 to 38 years; height, 5 feet 6 inches; weight, 150 pounds; build, medium stout; complexion, light; hair, medium dark; mustache, black. Wore a dark suit, mixed goods, black soft hat and signet ring. Specimen of the handwriting that appeared on the check is reproduced below.

Henry Miller

Henry Miller

We are now in a position to give a more detailed description of H. P. DEW than appeared on page 41 of our July issue of the JOURNAL. Dew has recently been cashing bogus drafts drawn on a Mobile bank member, from points in South Carolina, and is described as being 33 years of age; 5 feet 8½ inches in height; weight, 145 pounds; is of somewhat square build; and smooth shaven; has a fair complexion; brown hair; gray eyes, and wears nose glasses, and has the appearance of being a professional man. Is a neat dresser making a good appearance, and generally stands close to any one with whom he is speaking; claims to be a promoter. He was arrested at Orangeburg, S. C., on June 5, 1913, for passing a worthless check at St. George, S. C., but escaped.

Recently a party representing himself to be HERBERT H. CLARK, of Kansas City, Kansas, presented to a Sioux Falls, South Dakota, membership bank a letter of recommendation from the Commercial National Bank of Kansas City on the strength of which the bank advanced a small sum of money on a hundred-dollar draft, same being signed by Herbert H. Clark.

It has since developed that some papers and personal effects were stolen from Herbert H. Clark,

of Kansas City, Kansas, among which was the letter of recommendation referred to above. No doubt this party will endeavor to use this letter again. He is described as being about 45 years of age; 5 feet 10 inches tall; weighs 150 pounds; dressed in blue suit, blue sailor tie, Italian soft hat; dissipated appearance; has poor teeth, and the right white pupil of eye has little yellow mark in it. A specimen of his handwriting appears below.

Herbert H. Clarke

A rather clever individual, using the name of F. W. DALE, made his appearance in Houston, Texas, on Saturday June 21, 1913, pretending to have recently fallen heir to considerable money. During his short sojourn in Houston, Dale visited the stock brokerage firm of T. F. Denman & Co. Learning that Messrs. Denman & Co. were offering for sale stock in a large mining enterprise, Dale, after making arrangements and signing a contract, purchased one hundred thousand shares of stock and tendered in payment for the shares so purchased two checks for \$50,000 each, drawn on bank members of New Orleans, Louisiana.

Checks in question were deposited by Denman & Co. for collection, with the understanding that when the money was transferred to Houston, same was to be held in escrow. Shortly before the closing hour of the bank, Dale stated to Mr. Denman that he had ordered \$500 sent to Houston from New Orleans, but same had not arrived yet, Dale evidently attempting to secure money from Mr. Denman. However, he was unsuccessful. A few days later the checks were returned by the banks in New Orleans, advising that no such party as F. W. Dale carried an account with them.

Dale, who promised to return within the course of a day or two has not been seen since. This individual is no doubt a clever swindler, and members would do well to bear him in mind. He is described as follows: Age, about 26 years; height, 5 feet 7 inches; dark brown hair; dark brown eyes; slender build; weighing about 130 to 135 pounds; wore light gray two-piece suit and white brim straw hat. A specimen of Dale's handwriting is reproduced below.

F. W. Dale

Upon complaint of a bank member at Memphis, Texas, our detective agents are searching for JAKE TROUT. He is accused of having passed a check to which he forged the name of a customer of the member. The check was paid by the member and later the forgery was discovered.

An individual using the name of J. M. BELL has been recently operating in the City of Waco, Texas, and vicinity, claiming to be a representative of the Hutt Construction Company, of Kansas City, Mo., with headquarters at Fort Worth, Texas.

Bell has succeeded in swindling several merchants out of both merchandise and cash. His scheme is to form the acquaintance of some local merchant in the town in which he operates and later calls and makes a purchase, tendering in payment a check for an amount much larger than the amount of his purchase. Bell always manages to receive the difference in cash and then disappears. The firm of Goldstein, Maizel & Co., of Waco, Texas, was the latest victim of Bell.

Bell is described as follows: About 30 years of age; of medium height; clean shaven; light hair; light complexion; fairly well dressed, and seems to be well educated.

ROBERT JENISH, on June 18, 1913, forged and cashed a check at a non-membership bank at Burlington, Washington. Jenish had been working as a farm laborer and a dairyman for a man by the name of J. F. Bradford. He secured possession of a number of his employer's blank checks, and cleverly forged the name of J. F. Bradford, and cashed the check without being detected.

Members are warned against cashing checks for Jenish, whose photograph is reproduced herewith.



ROBERT JENISH.

Jenish is described as follows: Age, 20 years, looks somewhat older; height, 5 feet 9 inches; weight, 145 pounds; build, slender; hair, brown; complexion, dark; nationality, Austrian; right arm tattooed in yellow and green sunburst and boy; had on a good suit of clothes, dark in color. He is a cigarette fiend, and speaks German, French, Austrian and English.

CHESTER CHARLES HOPPERTON, alias C. C. Morgan, whose photograph is reproduced on opposite page, was reported to our detective agents, as having committed a forgery against a membership bank at Seattle, Washington, about July 1, 1913.

Hopperton is a single man, and makes many friends among the ladies. He rented a room at the private residence of a cultured family, and by reason of his refined appearance was soon admitted into intimate acquaintanceship of the whole family, as well as their friends.

Hopperton wrote a note to a lady friend, who was in the habit of calling at the residence where he roomed, to which he received a reply with the full signature of the lady attached to the note. Hopperton knew before he wrote this note that this particular lady had a bank account in a near-by city, and it is obvious that he desired to obtain a specimen of her correct signature, so that he might use it for the forgery.

Hopperton shortly afterwards forged a check, signing the name of the lady whose signature he had secured. He then called upon one of his gentlemen friends and requested him to go with him to the nearest bank and identify him, which was done, his friend going along with him and identifying him to the cashier of the bank. The cashier suggested that Hopperton's friend indorse this check, but he was not willing to do that, but stated that he knew Hopperton and that he had been living in this neighborhood several months.



CHESTER CHARLES HOPPERTON.

Hopperton is described as follows: Age, 24 years; height, 5 feet 11½ inches; weight, 190 pounds; build, stout; eyes, gray; hair, dark brown; complexion, dark, smooth shaven; nationality, American; occupation, licensed fireman.

P. L. SAMSON, alias Clarence L. Thompson, alias C. L. Thompson, alias has been reported by the cashier of a membership bank of Seattle, Washington, for forging various drafts drawn against the bank of which he is the cashier. All these drafts have been returned to the point at which they originated. This party is operating from various points in the State of California. So far no bank has lost by this forger's operations.

FRANK KRAM forged a check drawn on a membership bank of Spokane, Washington, with a signature of one of the bank's depositors. The check was cashed in Seattle at the store of a merchant. The merchant having held the check in question until his banker had honored it and credited it to his account, before paying the money over to Frank Kram. A copy of his handwriting is published below.

JASON W. SHERMAN recently called upon the cashier of a membership bank in Vancouver, Washington, requesting that he be referred to a competent attorney to handle settlement of some realty holdings. Upon being referred to one of the leading attorneys in the city, Sherman instructed the attorney to communicate with a party in Wisconsin, representing that the party was a brother.

In due time a reply was received from the party in Wisconsin, stating that he would have nothing whatever to do with the brother, Jason W. Sherman. However, he stated that he was willing to settle for his share in the estate in question for the sum of \$3,000 in cash.

At this stage Jason W. Sherman presented to the bank upon which he had called previously a draft purporting to have been drawn by a Wisconsin bank, upon a New York bank. However, the cashier of the bank, before honoring the draft, communicated by

wire with each of the banks in question, whereupon the banks sent advice that the paper appeared to be a forgery.

Sherman also tried this same scheme on two or three other banks in the same city, but did not succeed in defrauding any of them by this method.

Sherman is described as follows: Age, about 50 years; height, 5 feet 9 inches; weight, 160 pounds; build, medium; eyes, not noted; hair, light or sandy, slightly gray; smooth shaven; complexion, florid or sandy; dresses like a business man, and makes a good impression as being a shrewd business man and well-informed in general.

A Sheridan, Wyoming, bank member reports that they have been victimized by C. V. BENHAM, who drew forged checks on them. The member had paid a number of these checks before it was discovered that the checks were forgeries. Several business men of Sheridan also suffered through the operations of this party.

Benham is described as being 40 years of age; 5 feet 6 inches tall; and weighing 140 pounds. Is of medium build; has light complexion; gray eyes; dark hair, thin on top; straight nose; uneven dirty teeth; smooth shaven. Occupation, stenographer and accountant. Benham's handwriting is reproduced below.

We are advised that a large number of forged pay checks, filled out on blanks of "The Toledo Railway and Terminal Company," have been cashed in Toledo and Chicago. The above-mentioned company are the predecessors of the Toledo Terminal Railroad. The first-named company is no longer doing any business and has no assets. The checks passed were for various amounts up to \$20. Members in the Middle West should be on the lookout for these checks.

GENERAL.

The following is a copy of the contents of a letter received by the Chicago office of our detective agents from Mr. Frank C. Welch, Cashier of the People's Savings Bank of Cedar Rapids, Iowa:

"At a meeting of our Board of Directors I was instructed to advise your agency of the bank's appreciation of the promptness and thoroughness displayed by your agency in locating Jim Dostal alias Jim Jilek. We feel that the service rendered by you in this case, on account of our holding a membership in the American Bankers Association, was something that could not have been obtained by us without the expenditure of a considerable amount of money. We also feel that of the many branches of the American Bankers Association, the Wm. J. Burns National Detective Agency is the most important. While we do not expect ever to be in the same position, we shall always continue our membership in the Association, and feel confident that the service rendered us in this case will be repeated at any future time."

Because the authorities of Stratford, Oklahoma, refused to extradite J. A. CRUNK, who was arrested at Purdy, Missouri, as reported on page 339 of the June, 1913, JOURNAL, he was released.

OTTO HACKER, alias Louis J. Roller, who was arrested at Mount Sterling, Kentucky, on June 10, 1913, has been returned to Crowley, Louisiana, to face charges of passing a bogus draft on an officer of a Crowley, Louisiana, member bank. Hacker represented himself at different times as being the representative of large automobile manufacturing concerns. JOURNAL, July 13, page 42.

ABRAHAM J. JOHNSON, whose arrest was reported on page 44 of the July, 1913, JOURNAL, on June 26, 1913; was arraigned at St. Mary's, Missouri, and held to await the action of the Grand Jury. In default of furnishing bail, he was committed to the St. Genevieve County jail.

WILLIAM WIRT JOHNSTON, who has been passing a number of worthless checks for small amounts on individuals in and about New Orleans, Louisiana, was arrested there July 15, 1913, for cashing a worthless check at Opelousas, Louisiana. The arrest was made at the request of the sheriff of St. Landry Parish, Louisiana, who immediately returned him to Opelousas, Louisiana. Johnston is about 6 feet in height; weighs 155 pounds; of slender build; with jet-black hair, eyes and mustache. He is extremely swarthy and has the appearance of being a Mexican.

A. KARSLAKE, alias Jimmy Lake, alias Johnny Bull, and Harry Robertson, who are under arrest for blowing the safe of a member bank at Bastrop, Louisiana, have been granted bail, their trial having been postponed until fall. JOURNAL, May, 1913, page 767.

CHARLES AUGUSTUS MORRIS, alias R. E. Moore, a worthless check operator and forger, who has operated quite extensively in the past throughout the State of Texas, after lying dormant for some time turned up in Fort Worth, Texas, on June 23, 1913, and, posing as being deaf and dumb, succeeded in having two worthless checks cashed on retail merchants in that city. Complaint was made to the Fort Worth police and Morris was locked up. This individual has been operating for several years past, but has never been known to be convicted, from the fact that he was at one time adjudged insane. A specimen of this operator's signature is reproduced below.



FRANK ROGERS, a young man employed by the Claim Adjustment Company of Waycross, Georgia, forged his employer's name to several of the company's checks, which he cashed in Waycross, June 15, 1913. Rogers was arrested in New Orleans, June 26, 1913, and returned to Waycross for trial. Rogers is described as 22 years of age; tall and slender; dark hair and eyes; clean shaven; is crippled in right foot, wearing a brace on same.

CHARLES H. VOORHIS, reported on page 766, May, 1913, JOURNAL, pleaded guilty to forgery, second degree, on May 9, 1913, and was sentenced to not less than two and one-half and not more than five years at the New York State Prison at Auburn, N. Y.

ARRESTED.

ROY BATES, who posed as a United States Navy seaman, was arrested at Chicago, Illinois, on July 3, 1913, as he stepped from a railroad train on which he had journeyed from San Francisco. Bates is accused of defrauding many persons throughout the United States by means of bogus checks, one of which was reproduced on page 762 of the May, 1913, JOURNAL.

Our detective agents have been advised that he passed a check on a bank member at Sausalito, California, before he started East. His arrest at Chicago was on a warrant from Fort Wayne, Ind.

EARL BISHOP, alias Harry Roberts, alias Harry Jackson, was arrested on April 12, 1913, at Des Moines, Iowa. He defrauded a bank member of that place by means of a forged check.

We were advised of the receipt on July 13, 1913, by a membership bank at Boston, Massachusetts, of check bearing forged endorsement of a depositor. On July 15, 1913, as a result of investigation on the part

of our detective agents, ARTHUR BROWN, of No. 40 Fifth St., Chelsea, Massachusetts, was taken into custody.

Our detective agents have learned that J. A. BUSH, wanted for defrauding a bank member at Wenatchee, Washington, by means of forged checks, is confined in the Pensacola, Florida, jail under the name of D. C. Jordan, on a charge of larceny. He was arrested at Pensacola, May 29, 1913. If he is not convicted in Florida he will be returned to Washington. JOURNAL, January, 1913, page 455.

A membership bank of Portland, Oregon, reported June 20, 1913, that their bank had been defrauded through the forged endorsements of a local railway company's pay checks. On July 8, 1913, VIRGIL CATCHINGS, alias V. Spencer, and DAN RILEY, alias Sailor Burke, were arrested in Vancouver, British Columbia. The two men have been returned to Portland, Oregon, where they are awaiting trial. The Oregon Bankers' Association is co-operating with this Association in the prosecution of this case.

Wanted on a charge of forgery and defrauding a bank member at Americus, Georgia, W. P. CHESTNUT was arrested at Jacksonville, Florida, on July 8, 1913.

Chestnut was secretary and treasurer of a lodge at Americus. He received a draft from the grand lodge for the widow of a deceased member. Instead of delivering the draft to the widow, it is alleged that he deposited it to the credit of the lodge. Later, as treasurer, he checked out all the money that was in the bank to the credit of the lodge. He then disappeared. After his disappearance his alleged defalcations were discovered.

A membership bank at Bartlesville, Oklahoma, reported a forger working in that vicinity, who forged the name of a woman visiting at that point, and also succeeded in passing a bad check at a local dry goods store.

E. O. CRABAUGH was suspected of these forgeries, and a warrant was sworn out for his arrest. Our detective agents obtained information that Crabaugh was at Talequah, Kansas, and the sheriff of that place was requested to arrest him, which he did on July 19, 1913.

RAY DIAMOND, who held up a bank member at Glendale, Oregon, as told on page 41 of the July, 1913, JOURNAL, was arrested at Gold Beach, Oregon, on July 26, 1913. The Oregon Bankers' Association co-operated with this Association in this investigation.

Claiming that he has \$1,500 on deposit with a bank at McKeesport, Pennsylvania, a party, representing himself as S. S. EBERMAN, called at a bank member at Green River, Wyoming, and asked the cashier to make out a check for him, against his account at the McKeesport bank. Eberman signed the check, but didn't receive any money on it. The member wired the McKeesport bank and learned that the check was bogus. The cashier then went out and, after a short search, placed the swindler under arrest and turned him over to the sheriff.

A bank member of Mayville, N. Y., on June 10, 1913, reported that a bogus check was cashed at their bank by a man giving the name of Edward L. McLaren. Later information was received that he operated at Steelton, Pennsylvania, and Halifax, Pennsylvania, using the name of Robert G. Fletcher. This swindler's checks were signed John E. McLaren, Sr., and John R. Fletcher, Sr.

On July 10, 1913, a man giving the name of Edward Clifford attempted to cash checks at banks in Hamburg, N. Y. He was arrested then by the local police. Our detective agents received word of the arrest of this party, and a representative of the Buffalo office of our detective agents went to Hamburg and identified the prisoner as the man wanted at Mayville, N. Y. He was committed to the county jail

at Buffalo, N. Y., to await the action of the Grand Jury. At the time of his arrest he gave the name of EDWARD T. EGAN.

Egan is described as follows: Age, 28 years; height, 5 feet 9 inches; weight, 155 pounds; build, medium; complexion, ruddy; hair, black, slightly curly; eyes, blue; smooth shaven; extra heavy eyebrows, meet in center; speaks with an English accent, dropping letter "H." Lowers head when talking, looks at you from corner of eye. He is a street card writer by occupation.

Wanted in Brooklyn, New York, for defrauding a bank member and several business concerns. GEORGE EINSFELD was found by our detective agents conducting a saloon in Buffalo, N. Y., under the name of George Lange.

Our detective agents, assisted by the Buffalo police, arrested Einsfeld on July 24, 1913. After his arrest Einsfeld made a confession. Later he was returned to Brooklyn and held to await the action of the Grand Jury on two charges of forgery. JOURNAL, March, 1913, page 601.

A bank member of Cattaraugus, New York, reported that they had been defrauded by means of cashing a stolen certificate deposit. Our detective agents were immediately notified, when, after investigating, they caused the arrest of MERRILL GERWITZ, of Cattaraugus, New York, on June 30, 1913. Gerwitz confessed to the theft of the certificate and the cashing of same. He has been held to await the action of the Grand Jury.

Accused of defrauding a bank member and several business men of New York City, JOHN HENRY HORNUNG was arrested in that city on July 17, 1913, by the local police. JOURNAL, July, 1913, page 40.

A letter, in which was enclosed a check intended for M. F. Rosencrans, a New York City salesman, was stolen from the New Washington Hotel, at Seattle, Washington, during the month of March, 1913. On June 16, 1913, the check in question was received by a firm of New York brokers through the mails and was accompanied by an order for a bond. The endorsement had been forged on the back of the check. The forgery being discovered, the New York office of our detective agents were notified. Investigation was begun and a representative of the Seattle office of our detective agents, working in conjunction with the Post Office authorities, on June 24, 1913, arrested WILLIAM JENNINGS, a former clerk in the New Washington Hotel, at Seattle, Washington. Jennings confessed having stolen the check from the hotel.

Jennings is described as follows: Age, 30 years; height, 5 feet 10 1/2 inches; weight, 180 pounds; complexion, dark; hair, black; eyes, black. Was born in Chicago, Illinois, and is an ex-ball player, having played with the Tacoma ball team, Northwestern League.

A. R. JOHNSEN, alias Alexander Nelson, alias J. L. Jackson, believed to be a professional check forger, was arrested on July 25, 1913, by Lieutenant Martin Regan, of the New York Police Department. He is charged with defrauding a bank member and a hotel of New York City by means of forged checks.

By using a favorable pretext, this operator secured a check for a small amount from a depositor of a bank member. Having the signature of the depositor and knowing the identity of his bank, Johnsen, it is alleged, forged a check for a larger amount and then had it certified by the bank upon which it was drawn.

Our detective agents are investigating in Chicago and Baltimore as it is thought that Johnsen succeeded in cashing checks in those two places.

Johnsen is described as follows: Age, 35 years; height, 5 feet 8 inches; weight, 160 pounds; build,

medium; complexion, light; eyes, gray; hair, blond bald in front; smooth shaven. A specimen of Johnsen's handwriting is reproduced below.

A membership bank of Pittsburgh, Pennsylvania, late in June reported to our detective agents that they had been defrauded by A. L. KERR, they having cashed a bogus check for him.

Kerr, who had been in Pittsburgh for some time, made arrangements several months ago with the Public Safety Department for the making of moving pictures of the Pittsburgh Fire Department in action. Shortly after having arranged for making these pictures he passed the bogus check on the membership bank in Pittsburgh.

An investigation was immediately started by our detective agents, and while the investigation was in progress Kerr was arrested by the police of Springfield, Ohio, for passing a bogus check for \$37.50 on the Bookwalter Hotel, and one for \$63.60 on the St. James Hotel, of Springfield, Ohio.

Kerr was in the habit of using checks purporting to be drawn by the Cooper-Hewitt Electric Co., of Hoboken, New Jersey. The authorities of Springfield, Ohio, have a good case against Kerr, and he will very likely be convicted in that city. Our detective agents will then make every effort to have Kerr stand trial on the charges against him at Pittsburgh, Pennsylvania.

Kerr is described as being 25 years of age, 5 feet 7 inches tall, and weighing 135 pounds. Has dark, wavy hair and sallow complexion.

A specimen of Kerr's handwriting is reproduced below.

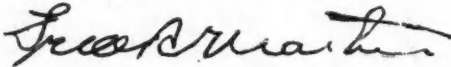
A bank member at Forrest Park, Illinois, reported a forgery by one GEORGE McALLEY, alias George McAuley, who secured a savings pass-book from a man with whom he was boarding, and impersonated this man, thereby obtaining a sum of money on said pass-book on June 13, 1913, after which he replaced the book in its accustomed place and disappeared.

This matter was referred to the Chicago office of our detective agents on July 11, 1913. McAlley was traced from Forrest Park to Detroit, Michigan, where, on July 20, 1913, he was arrested by the Police Department of Detroit, on information furnished by our detective agents. McAlley is described as being 35 years old; height, 5 feet 8 inches; weight, 175 pounds; build, medium heavy; hair, very dark brown; eyes, dark, slightly crossed and protruding; complexion, ruddy; smooth shaven. McAlley will be returned to the Forrest Park authorities for prosecution.

W. H. MANN, charged with forgery committed against a bank member at St. Joseph, Oregon, was arrested at Conconully, Washington.

FRED R. MATHER, who is said to be a wayward son of a well-to-do and highly respected citizen of Wellsville, Ohio, was arrested by our detective agents at Buffalo, New York, on July 26, 1913.

Mather is accused of having passed a bogus draft on a bank member at Cleveland, Ohio. We reproduce a specimen of his handwriting below.



Mather is described as being 30 to 35 years of age, 5 feet 10 inches tall, and weighing about 165 pounds. Has light brown hair and medium light complexion.

VIRGIL PERRINE, alias Thomas Reid, was arrested in Milwaukie, Oregon, July 5, 1913, shortly after holding up a membership bank at that place. The money he stole was recovered. He was immediately taken to Oregon City, Oregon, where he is now awaiting trial. The Oregon Bankers' Association is co-operating with this Association in the prosecution of this case.

HAROLD B. RAY deposited two bogus checks with a bank member at Los Angeles, California. Later he gave a worthless check which was drawn on the member to a merchant of Los Angeles. The check was not honored by the member. Ray was arrested by Constable Woodbury at Los Angeles on June 20, 1913.

Charged with defrauding a bank member at Longmont, Colorado, by means of forged checks, ROY SMITH, alias Lawrence Stanley, was arrested at Cheyenne, Wyoming, by our detective agents, assisted by the local police, on July 12, 1913.

Smith is described as being 19 years of age, but looks to be 23 years of age, 6 feet tall, and weighing 160 to 170 pounds. Has light complexion, blue eyes, light and slightly curly hair, dimple in chin. Is smooth shaven, a neat dresser, good talker and muscular build. We are advised that he served a term in the Colorado State Reformatory for forgery.

After a year's search OLE PETER SOLHEIM, who defrauded a bank member at Minneapolis, Minnesota, by forging a depositor's name and drawing a sum of money, was arrested July 17, 1913, at Christmas Lake, Minnesota, by our detective agents and detectives of the Minneapolis Police Department. JOURNAL, August, 1912, page 112.

JESS MABREY SPRAGUE, wanted at Portland, Oregon, on a charge of defrauding a bank member of this Association and the Oregon Bankers' Association, was arrested at St. Louis, Missouri, on June 20, 1913, by our detective agents and the local police.

Sprague is described as follows: Age, 19 years; height, 5 feet 9 inches; weight, 160 pounds; complexion, fair; eyes, brown; hair, light brown; smooth shaven; one upper tooth on right side protrudes.

R. E. STURGIS, who was badly wanted by a member bank of Jennings, Louisiana, for cashing a bogus draft drawn on his supposed employer, was arrested at the instance of the New Orleans office of our detective agents on July 3, 1913, at Glenmore, Louisiana. He is at present being held in the Alexandria, Louisiana, jail, and will later be returned to Jennings, Louisiana, for trial. JOURNAL, July, 1913, page 39.

REMOVED.

Referring to page 839, June, 1913, JOURNAL, W. H. ALLEN, alias R. B. Nolan, reported as awaiting trial in Duluth, Minnesota, for attempting to defraud a membership bank of that city, on June 28, 1913, was sentenced to the Minnesota State Prison to serve a term not to exceed five years.

J. A. BAKER, alias A. J. Baker, alias Mrs. Julia A. Baker, whose arrest was reported on page 840 of the June, 1913, JOURNAL on June 8, 1913, was sentenced to serve ten years in the San Quentin Califor-

nia State Penitentiary. This Association co-operated with the California Bankers' Association in the prosecution of this case.

EARL BISHOP, who is mentioned in the "Arrested" column of this issue, was sentenced to a term of fifteen years in the penitentiary at Anamosa, Iowa, for forgery committed against a bank member at Des Moines, Iowa. The Iowa Bankers' Association co-operated with this Association in the prosecution of this case. JOURNALS, May, 1913, page 765; July, 1913, page 42.

ARTHUR BROWN, whose arrest is reported in another column of this issue, on July 22, 1913, at Boston, Massachusetts, was adjudged guilty and was given a suspended sentence of six months.

The charge of swindle against T. J. DEBAKEY, whose arrest was reported on page 43 of the July, 1913, JOURNAL, has been dismissed.

RAY DIAMOND, whose arrest is reported elsewhere in this issue, on July 15, 1913, was convicted of holding up a bank member at Glendale, Oregon, and was sentenced to serve ten years in the Oregon State Penitentiary. The Oregon Bankers' Association co-operated with this Association in the prosecution of this case. JOURNAL, July, 1913, page 41.

PAUL GEHRKE, alias George Wagner, reported on page 45 of the July, 1913, JOURNAL as being under arrest and awaiting trial at DeSmet, South Dakota, for defrauding a membership bank, has been sentenced to a term of not more than two years in the South Dakota State Prison. Also see JOURNAL, June, 1913, page 838.

OLIVER HOAGLIN, whose arrest was reported on page 841 of the June, 1913, JOURNAL, at the June term of court at New Castle, Pa., was sentenced to the Huntingdon, Pa., reformatory for a period of not less than three years and not to exceed seven years.

CHARLES H. HUTCHINS, alias H. C. Hutchins, alias H. L. Gilbert, on June 24, 1913, was convicted of having passed bogus checks at Pasadena and Los Angeles, California, and was sentenced to serve eight years in the Folsom Prison. JOURNALS, April, 1913, page 678 and June, 1913, page 841.

WILLIAM JENNINGS, whose arrest is recorded in another column of this issue, was convicted of stealing a letter containing a check from the New Washington Hotel, Seattle, Washington, and was sentenced to serve six months in the Kings County Jail.

J. D. JOHNSON, whose arrest was reported on page 682 of the April, 1913, JOURNAL, has been discharged from custody.

ELWOOD A. MERCER, on July 14, 1913, was sentenced to serve five years in the Missouri State Penitentiary. The charge against his wife, KATHERYN BARBOUR MERCER, was nolle prossed. JOURNALS, January, 1913, page 457, February, 1913, page 535 and July, 1913, page 44.

LAWRENCE W. PUCKETT, alias Edward A. Page, alias Maurice C. Goldberg, alias C. Terry and other aliases, who was arrested at San Antonio, Texas, on March 1, 1913, and later returned to Peoria, Illinois, has been sent to the Illinois State Prison at Joliet for a period of from one to fourteen years. He is mentioned in JOURNALS, May, 1913, page 693; October, 1912, page 252; November, 1912, page 317, and April, 1913, page 682.

HAROLD B. RAY, whose arrest is reported elsewhere in this issue, on June 21, 1913, was sentenced to serve four years in San Quentin, California, Penitentiary. On May 23, 1913, he had pleaded guilty to passing a bogus check, and was placed on probation. Because he violated his probation by passing other checks, he was sentenced on the previous conviction.

JESS MABREY SPRAGUE, whose arrest is reported in another column of this issue, was released by the St. Louis, Missouri, authorities on July 11, 1913. He was accused of defrauding a druggist of that city and a membership bank at Portland, Oregon. The druggist refused to prosecute and the Portland authorities refused to extradite him because of lack of funds.

CLAUDE C. WAYMAN, forger and bogus check operator, whose operations were reported in various issues of the JOURNAL, on July 15, 1913, at Boston, Massachusetts, was sentenced to serve from four to five years in the Charleston, Massachusetts, State Penitentiary. JOURNALS, June, 1912, page 763; July, 1912, page 32; April, 1913, page 674 and July, 1913, page 45.

AWAITING TRIAL, EXTRADITION OR SENTENCE, AUGUST 1, 1913.

ALLEGED FORGERS, ETC.

Ayres, Thomas C. B., June 6, 1913, arrested; forgery Los Angeles, Cal.
 Bailey, Mrs. Ray, April 30, 1912, arrested; forgery Waterloo, Ia.
 Bates, Roy, July 3, 1913, arrested; swindle Sausalito, Cal.
 Beresford, O. J., July 9, 1912, arrested; swindle San Pedro, Cal.
 Booker, E. W., January, 1913, arrested; forgery Auxvasse, Mo.
 Brighthaupt, Charles, May 19, 1913, arrested; forgery Hazelton, Pa.
 Burtis, Otto, December, 1912, arrested; swindle Bluffton, Ind.
 Bush, J. A., May 29, 1913, arrested; forgery Wenatchee, Wash.
 Calistano, Tony, March 7, 1913, arrested; forgery Cleveland, Ohio.
 Campbell, James M., May 22, 1913, arrested; swindle Los Angeles, Cal.
 Carpenter, Frederick H., May 11, 1912, arrested; forgery Providence, R. I.
 Casper, Charles J., August 31, 1912, arrested; forgery Steger, Ill.
 Catchings, Virgil, July 8, 1913, arrested; forgery Portland, Ore.
 Cauble, A. S., October, 1911, arrested; forgery Cairo, Ill.
 Chestnut, W. P., July 8, 1913, arrested; forgery Americus, Ga.
 Chilton, Carl, May 1, 1913, arrested; theft Calvin, Okla.
 Cohen, Samuel, March 15, 1912, arrested; forgery Boston, Mass.
 Cole, C. E., January 15, 1912, arrested; swindle Atlanta, Ga.
 Collins, T. J., September 19, 1912, arrested; swindle Helena, Ark.
 Cooper, —, May, 1913, arrested; forgery N. Y. C.
 Coover, Van R., April 12, 1913, arrested; forgery Kern, Cal.
 Countryman, A. L., May 16, 1913, arrested; forgery Galveston, Texas.
 Crabaugh, E. O., July 19, 1913, arrested; forgery Bartlesville, Okla.
 Crow, Thomas, December 6, 1912, arrested; forgery Portland, Ore.
 Davenport, E. L., May 13, 1913, re-arrested; swindle Forest Grove, Ore.
 De Manganont, Albert, February 6, 1913, arrested; swindle Akron, Ohio.
 Donahue, Thomas, June 19, 1912, arrested; forgery Baltimore, Md.
 Dostal, James, May 7, 1913, arrested; forgery Cedar Rapids, Iowa.
 Douglass, George, April 10, 1913, arrested; forgery Rochester, N. H.
 Doyle, Martha, April 28, 1913, arrested; forgery Jackson, Mich.
 Eberman, S. S., June, 1913, arrested; attempted swindle Green River, Wyo.
 Edmonds, William E., March 11, 1913, arrested; forgery Marshfield, Ore.
 Egan, Edward T., July 10, 1913, arrested; swindle Mayville, N. Y.
 Einsfeld, George, July 24, 1913, arrested; forgery Brooklyn, N. Y.
 Ellars, William A., February 11, 1913, arrested; forgery Fort Worth, Texas.
 Estes, H. E., June 5, 1913, arrested; swindle White City, Kansas.

Fitzgerald, Thomas, March 15, 1913, arrested; attempted swindle Kansas City, Mo.
 Fowler, Frank W., April 30, 1912, arrested; swindle Chicago, Ill.
 Gassner, Joseph, December 19, 1912, arrested; forgery New York, N. Y.
 Gerwitz, Merrill, June 30, 1913, arrested; forgery Cattaraugus, N. Y.
 Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.
 Grout, J. E., May 20, 1913, arrested; forgery Kansas City, Mo.
 Haiken, Esther, May 28, 1912, arrested; forgery New York, N. Y.
 Hammond, Allie, June 3, 1913, arrested; swindle Clymer, Pa.
 Hank, Warren, May 13, 1911, arrested; attempted swindle Wapakoneta, Ohio.
 Harris, William, January 13, 1913, arrested; forgery St. Louis, Mo.
 Hawley, Willard, June, 1913, arrested; forgery Houston, Texas.
 Henifer, Charles, January 16, 1913, arrested; forgery Richmond, Va.
 Hill, M. C., June 12, 1913, arrested; forgery Atlanta, Ga.
 Hoel, C. J., May 29, 1913, arrested; forgery Pueblo, Col.
 Holtlander, Frank, Jr., June 12, 1913, arrested; forgery North Platte, Nebr.
 Hornung, John Henry, July 17, 1913, arrested; forgery New York, N. Y.
 Houston, J. L., April 24, 1912, arrested; swindle Chicago, Ill.
 Hudson, John E., November 19, 1912, arrested; swindle Beeville, Texas.
 Isaacs, Walter, April 25, 1913, arrested; swindle Kingsport, Tenn.
 Johnsen, A. R., July 25, 1913, arrested; forgery N. Y.
 Johnson, Abram J., June 19, 1913, arrested; swindle McLeansboro, Ill.
 Jones, Henry, March 24, 1913, arrested; forgery Lakeville, Conn.
 Jordan, J. A., April, 1913, arrested; swindle Redding, Cal.
 Keane, Florence, June 16, 1913, arrested; forgery Buffalo, N. Y.
 Keith, R. L., March 28, 1913, arrested; swindle Chattanooga, Tenn.
 Kerr, A. L., July 11, 1913, arrested; swindle Pittsburgh, Pa.
 Kirkpatrick, H. S., June 15, 1911, arrested; forgery West Point, Ga.
 Knapp, Fred S., December 9, 1912, arrested; forgery Portland, Ore.
 Knotts, Henry J., November 8, 1912, arrested; swindle Georgiana, Ala.
 Lacy, Frank, January 23, 1913, arrested; forgery Los Angeles, Cal.
 Laubenthal, George M., November, 1912, arrested; swindle Waterloo, Ill.
 League, S. A., October 31, 1912, arrested; forgery Chattanooga, Tenn.
 McAlley, George, July 20, 1913, arrested; forgery Forrest Park, Ill.
 McCartney, E. J., February 3, 1913, arrested; forgery Sallislaw, Okla.
 McClendin, Ella, June 3, 1913, arrested; attempted swindle Georgetown, Col.
 McReady, R., April 26, 1913, arrested; forgery Fort Lauderdale, Fla.
 McIlwain, Harry M., April 17, 1913, arrested; swindle Sharon, Pa.

Mackie, Albert, January 18, 1913, arrested; forgery St. Louis, Mo.
 Magoon, Byron G., August 17, 1912, arrested; swindle St. Helens, Ore.
 Mann, W. H., June, 1913, arrested; forgery St. Josephs, Ore.
 Mather, Fred R., July 26, 1913, arrested; swindle Cleveland, O.
 Mattingly, C. B., March, 1913, arrested; swindle Beebe, Ark.
 Merritt, G. C., May 21, 1913, arrested; swindle Des Moines, Ia.
 Meyers, Charles H., December 30, 1912, arrested; swindle Eastman, Ga.
 Mitchell, C. E., July 26, 1912, arrested; swindle Monroe, La.
 Morrill, Fred W., December 9, 1912, arrested; forgery Portland, Ore.
 Morton, Chas. S., January 6, 1912, arrested; swindle Baltimore, Md.
 Neiss, William F., April 2, 1913, arrested; forgery Los Angeles, Cal.
 Nelson, C. J., April 18, 1912, arrested; forgery Birmingham, Ala.
 Newman, Ira, May 17, 1912, arrested; forgery Cairo, Ill.
 Palmer, Frederick George, March 15, 1913, arrested; forgery Los Angeles, Cal.
 Panos, James, May, 1913, arrested; swindle Willits, Cal.
 Percival, James, January 24, 1913, arrested; swindle Clarksburg, W. Va.
 Perry, Chas. G., October 25, 1912, arrested; swindle Middletown, Pa.
 Plum, William H., December 24, 1912, arrested; forgery Kansas City, Mo.
 Posey, J. E., August 10, 1911, arrested; forgery Aiken, S. C.
 Richardson, M., January 1, 1913, arrested; swindle Kansas City, Mo.
 Riley, Dan, July 8, 1913, arrested; forgery Portland, Ore.
 Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.
 Romero, C. D., December 14, 1912, re-arrested; forgery Springfield, Utah.
 Schantz, Orin E., November 29, 1912, arrested; swindle Eldorado, Ill.
 Scherberg, C. W., February, 1913, arrested; swindle Grenada, Miss.
 Schreiber, Herbert E., August 2, 1912, arrested; swindle Denver, Col.
 Shatzkin, Nahum J., January 3, 1913, arrested; forgery New York City.
 Shaw, Herschel, June 6, 1913, arrested; theft Calvin, Okla.
 Shivers, Vernon F., December 21, 1911, arrested; forgery Lake Providence, La.
 Smith, Roy, July 12, 1913, arrested; forgery Longmont, Col.
 Solheim, Ole Peter, July 17, 1913, arrested; forgery Minneapolis, Minn.

Sonneberg, Leo, March 22, 1913, arrested; forgery New York, N. Y.
 Spencer, C. J., April, 1913, arrested; swindle Redding, Cal.
 Stone, Harry, November, 1912, arrested; forgery Bakersfield, Cal.
 Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.
 Taft, W. H., June 5, 1913, arrested; swindle Los Angeles, Cal.
 Thompson, L. C., February 22, 1913, arrested; forgery Newport, Ky.
 Thornton, Henry Martin, April 24, 1913, arrested; forgery Annapolis, Md.
 Van Leckwyck, Carl, October 2, 1912, arrested; forgery Plymouth, Mass.
 Veverka, Anna, December 14, 1912, arrested; forgery Pittsburgh, Pa.
 Vincent, H. S., January 29, 1913, arrested; swindle Memphis, Tenn.
 Walton, Harold, June 8, 1913, re-arrested; swindle New Orleans, La.
 Waters, Joseph, June 18, 1912, arrested; forgery Baltimore, Md.
 Weil, Maechel, February 17, 1912, arrested; swindle Chicago, Ill.
 West, Henry, May 19, 1911, arrested; forgery Yuma, Ariz.
 Wheeler, Charles E., February 14, 1913, arrested; swindle Tulsa, Okla.
 Woodruff, William R., May, 1913, arrested; forgery Detroit, Mich.
 Woolf, Belt, May, 1913, arrested; forgery N. Y. C.
 York, G. A., January, 1913, arrested; raised check Waterville, Wash.

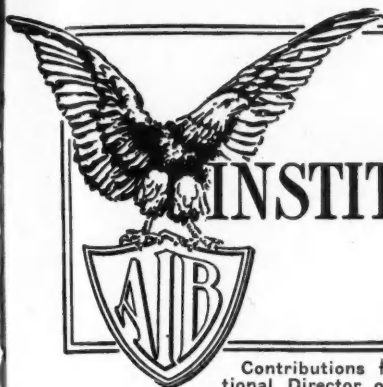
BURGLARS AND HOLD-UP ROBBERS.

Baggett, H. C., February 21, 1913, arrested; attempted burglary Talladega, Ala.
 Brown, J. K., November 21, 1912, arrested; burglary Portage, Ohio.
 Clark, William, April 14, 1913, arrested; burglary Mosier, Ore.
 Faulkner Leon, June 2, 1913, arrested; attempted burglary Yukon, Okla.
 Gagnier, Edward, April 14, 1913, arrested; burglary Mosier, Ore.
 Karslake, A., March 19, 1913, arrested; burglary Bastrop, La.
 Miley, William, December 28, 1912, arrested; burglary Portage, Ohio.
 Moorey, Vivian, June 2, 1913, arrested; attempted burglary Yukon, Okla.
 Morris, Frank, May 9, 1911, arrested; attempted burglary Layton, Utah.
 Perrine, Virgil, July 5, 1913, arrested; holdup Milwaukee, Ore.
 Robinson, Harry, March 19, 1913, arrested; burglary Bastrop, La.
 Robinson, Mrs. Harry, March 19, 1913, arrested; burglary Bastrop, La.
 Wilson, Charles, February, 1913, arrested; attempted burglary Vera, Okla.

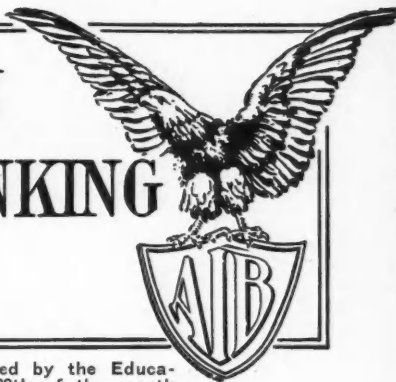
**STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.
 AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.
 From September 1, 1912, to July 31, 1913.**

Persons arrested, discharged, convicted, sentenced, awaiting trial, etc. New York, N. Y., August 1, 1913-

	Awaiting trial, etc. September 1, 1912.	Arrests from September 1, 1912, to June 30, 1913.	Arrests in July, 1913.	Total.	Convicted.	Discharged or Acquitted.	Escaped or Fugitives.	Insane, Suicide or Died.	Awaiting Trial.
Forgers.....	122	247	24	271	181	76	11	3	122
Burglars.....	1	24	..	24	9	2	12
Hold-up robbers.....	2	..	2	2	3	1
	125	271	26	297	193	78	13	3	135



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VINELAND, N. J.—Henry T. Wilcox. WASHINGTON—Francis G. Addison, Jr., W. R. Baum, A. H. Bedford, Raymond H. Berry, Charles D. Boyer, A. C. Chewing, A. B. Claxton, M. L. Dinwiddie, C. H. Doing, Dr. H. C. Duffy, Charles C. Eckloff, C. Lewis Eckloff, Joshua Evans, Jr., J. D. Faber, P. M. Garnett, Harry W. Gauss, C. J. Goekeler, Frank V. Grayson, H. V. Haynes, Ernest E. Herrell, W. F. Herron, J. B. Johnson, Lawrence H. Killman, Ernest T. Love, D. H. Manning, A. M. Nevius, Carroll Pierce, Maurice J. Pierce, James W. Roberts, Jr., Vincent B. Smith, W. W. Spaid, A. R. Varela, H. P. White, Maurice Wilkins, J. C. Williams, E. S. Wolfe.

WILKES BARRE—Randall Berg, S. Oscar Boughner, Charles E. Davies, Ross H. Lloyd, Richard H. Mitchell, Newell W. Rossman, Wm. J. Ruff, Arthur B. Schooley, Michael Yurkanin.

WILLIAMSPORT, PA.—Edward L. Taylor. WRIGHTSVILLE, PA.—Charles H. Moore.

ZEELAND, MICH.—Thomas Keppel.

money, consequently its patrons expect and are entitled to every consideration attendant upon the disposition of such funds.

As the progress of a bank depends almost entirely upon the confidence and good will of its depositors or prospective patrons, it is of paramount importance that the institution should endeavor at all times to conduct its affairs in such a manner as to inspire confidence and thereby deserve the good will of its customers.

It has been demonstrated time and again that banks who do not advertise in print very often expand and enlarge their field of usefulness to a greater extent than those who annually spend a large part of their earnings for advertising. It seems to me the reason for this can be, or is, traceable to the unsolicited kind words or "boosting" of a satisfied depositor. This is, I believe, the best kind of advertising an institution can get, and it is, without doubt, the least expensive.

As the greater part of a bank's business is in the nature of accommodation, its employees from President down to messenger must be ever mindful of the same, and their conduct must always be such as to reflect nothing but credit on the institution they serve.

In a well-managed bank the daily routine is carried on with the precision of clock work, and, as a rule, the work is subdivided into numerous departments which facilitates its speedy handling, as any delay might cause trouble and perhaps result in a dissatisfied customer.

I shall begin with the "man outside" or solicitor. He should have a pleasing personality and be neat in his appearance, as first impressions are usually lasting. He should have the faculty of studying the prospective customer, or in other words, "to size him up." This being done, his story should be a straightforward one, absolutely adhering to the truth, and he should never make statements which his establishment does not intend to carry out. No matter what success he may have, he should, under all circumstances, be a gentleman.

The other outside man is the messenger or "runner" as he is often called (perhaps a misnomer as they don't all run). He is usually a small boy or young man desirous of climbing the ladder of success. By reason of his years, he cannot be "all wise" on banking affairs, but he can at least be courteous and obliging and conduct himself in such a manner while on errands for the bank, as to be a credit to himself and his employers. He should never be guilty of smoking or chewing while on duty and should never use unbecoming language, as such habits invariably grow and ought to be discouraged in a growing youth. He should be neat in appearance and endeavor to be of service to the bank's customers whenever opportunity presents itself.

The two employees just mentioned are practically the only ones who come in contact with people who are not patrons of the bank, hence, it is of the utmost importance that they conduct themselves so that the bank they represent is justified in enlarging its field of activity by the acquisition of new depositors. It has been well said that "a bank is judged by the conduct of its employees," and I believe this to be so, particularly of the "outside men."

Next comes the Officer or "information bureau" as he is sometimes called. "At Your Service" should be his watchword. A great many people entering a bank, particularly foreigners, are lost, so to speak, so the Officer should endeavor to ascertain their wants and make them feel at home while attending to their business, whatever it may be.

The banks vary in size, therefore the various clerical positions differ somewhat in different banks, so that what I have to say will apply chiefly to those who come in direct contact with the customers of the bank. The tellers, paying and receiving, discount clerk, etc., come under this head. While I realize that they are constantly under a severe mental restraint owing to the nature of their work, still their conduct should at all times be the epitome of courtesy and submission. Being human, it is hard sometimes for the tellers to swallow the many insults and give into arguments contrary to their own conviction.

HOW A BANK MAN CAN BEST PROMOTE THE INTERESTS OF HIS INSTITUTION.

By Otto E. Kiene—Second Prize Paper in a Contest Conducted by Denver Chapter.

OWING to the ever-increasing competition among our financial institutions, I believe the above subject is a very timely one.

At first glance it might appear to be somewhat limited in its scope, yet it presents considerable latitude for discussion. I shall endeavor to be as brief as possible, however, so that all my remarks will have a direct bearing upon the topic under consideration.

According to Mr. Webster, a bank is an establishment for the custody, loan, exchange or issue of money. In all its functions it handles other people's

tions, but they should be mindful of the fact that arguments lead to disputes and result in ill-feeling and perhaps the loss of a good Account. They should be ever ready to meet a customer more than half way and should use tact and discretion in the delicate situations which sometimes arise, particularly in the handling of collections for strangers and the transferring of money by telegraph. Of course, the tellers should never smoke during banking hours, and should avoid as far as possible intoxicating beverages at any time, as these tend to irritate the nervous system, especially so when we consider their work is such a drain on the nerves.

The men "behind the bars" or the bookkeepers and minor clerks, of course, seldom meet the depositors, but when they do, their demeanor should be politeness personified. They should endeavor to satisfy the wishes of the inquirer, and above all things handle the depositor's Accounts in such a way that there should be no occasion for dissatisfaction. Many an Account has been lost due to the carelessness of a bookkeeper, so his motto should be "Accuracy," his conduct a synonym for courtesy.

The various other clerks should always be accommodating, no matter how trivial the occasion. While banking hours are from ten to three, it happens sometimes, that people cannot get around during those hours. Very often their wants can be satisfied through the effort of an accommodating clerk, which doubtless the satisfied one will reciprocate in some way or other.

There is considerable business done by a bank which is entirely accommodation, such as the changing of money for the passerby, the handling of small checking accounts of people who do not borrow, the issuing of exchange to strangers, and some other functions from which very little remuneration is received. In view of this fact, a banker is very apt to give more attention to the customer from whom compensation will be forthcoming. In consequence the wants of the farmer may suffer from inattention and dissatisfaction inevitably follows. This certainly should be avoided, and therefore, every patron, the small as well as the large depositor, should always receive courteous treatment in every kind of a transaction with the bank.

Now, a clerk's relation to his fellow employees and superior officers may be briefly considered. In the first place, a clerk who is lazy is certainly undesirable, and the one who watches the clock continually is also out of place. He serves his institution best who is punctual, energetic, ever ready to learn, and who familiarizes himself with the work ahead of him so that when the occasion arises he is ready to take the "job." There are some who fail to do this, and then they wonder why promotion does not come their way. There is a good saying which aptly fits such fellows, which is, "The man who never does any more than he gets paid for, never gets paid for any more than he does."

When outside of the bank, the clerks should refrain from gambling and avoid bad company generally, as a bank is no place for the dissipater, and a polluted mind and cloudy brain cannot accomplish anything worth while. A clerk should begin the day with a clear brain or a level head, and, by reason of a good night's rest, be in fit condition to handle the work before him in such a manner as to merit the commendation of his superiors. In fact, a bank clerk should be above criticism in all his actions, both in the bank and on the street, so that his institution can be proud of him, and the public will, therefore, be proud of the bank that employs him.

Now, we will consider the officers, whose number varies according to the size of the bank. The President, Vice-President, and Cashier are the principal ones who are responsible for the success of their institution. It is the combination of their integrity, ability, energy and influence that pays dividends to the stockholders. Of course, all employees should be absolutely honest, and, as character inspires confidence, the officer should be noted for his sterling character and congenial disposition.

The President should be a man of means, or at least have a substantial backing, as wealth has considerable influence with the timid customer. The officer should be straightforward and fearless, and

should never violate the confidence of his depositor or in any way injure his reputation, as such action may cause incalculable harm to the bank. Finally, in the management of the bank itself, if he acts on the principle, "he governs best who has learned how to serve," the daily routine of a bank will go on without a hitch and success is sure to follow.

The Directors, while not employees, should work for the best interests of their institution by being faithful in attendance at all meetings and try to secure new business whenever possible. To inquire into the condition of the bank by observation and personal examination, and in various other ways look after the same so that it can be conscientiously said of them, "they are Directors who direct."

In conclusion let me say that as the size of a bank depends upon the number of its depositors, and, to increase their number requires considerable effort, therefore it is well that all employees endeavor to be an advertisement for their bank by having their conduct always above reproach, and, whenever possible, secure new business by personal solicitation. If all co-operate to promote the best interests of their institution it is bound to grow, and they can content themselves with the old saying that "nothing succeeds like success."

COMMERCIAL PAPER AS SECONDARY RESERVE.

By C. B. Hazlewood, Assistant Secretary of the Union Trust Company of Chicago—Paper prepared for the Correspondence Chapter of the American Institute of Banking.

DURING the last ten years we have put afloat in this country a form of credit currency, as such it may well be called, which can be found in the assets of a great many banks, and which constitutes for them nothing more or less than a secondary reserve. I refer to commercial paper which is, in simplest terms, the bills payable of large corporations issued for four or six months and which are sold outright to banks for face value less the prevailing rate of interest. To bring the definition down to a concrete case let us suppose that there is a shoe manufacturer of, say, \$1,000,000 net worth who has occasion to borrow during a certain season of the year up to, perhaps, \$500,000. This shoe manufacturer has established lines of credit with banks at home and in other cities up to his total requirements. Instead of using the entire line of credit at his banks, however, he sells to a broker his corporation notes endorsed by the interested parties and pays the broker a certain commission for placing these notes with out-of-town banks. Thereupon the broker presents to the prospective purchaser of the paper the financial statement and other information about the shoe concern, and if the bank feels that the note is good and will be paid at maturity he receives it into his files and it becomes a part of the bank's assets. The purchasing bank as you see has no direct dealings with the shoe concern nor are they under any obligation to that concern to renew the paper at maturity. Right there is the difference between commercial paper and customers' paper; commercial paper is supposed to be paid at maturity without renewal. In the case of customers' paper, however, the banker feels his obligation to take care of his own borrowing depositor and to see him through his borrowing season.

You will readily see that the broker acting as the agent for the borrower, so to speak, is able to distribute this paper over a wide section of the country among banks that are entire strangers to the borrowers. This means that the brokers may be able to sell considerable paper originating from cities where money is in heavy demand to bankers in other sections of the country where the banks have a plenitude of funds. In this way there is an automatic adjustment between a heavy demand for money in certain sections and large loaning power in other sections. The commercial paper broker performs a service by leveling, so to speak, the credit demands of the country.

Suppose we take a country bank whose demand is not exactly the same all the year through and which may have occasion to extend its loans, say 10 per cent above the average during the late summer and fall months in order to take care of movements of grain or merchandise in their own community. It is certainly true that this condition would work a hardship on a bank if the management did not have the ability to take care of and anticipate this heavy demand. We all recognize the fact, of course, that a great many of our customers are borrowing from us most of the time. We cannot say to one customer that we want him to pay up his loan in order to take care of another. It sometimes happens also that a good many of our customers come in for their highest loans at about the same time and we have to take care of them if we recognize the bankers' responsibility.

Suppose we take a bank which has deposits of about \$750,000, for example, and loans of about the same amount. If they expect an extra call from their customers in the fall amounting to \$50,000, it would be a very fine thing to have in their files \$25,000 or \$50,000 of paper which they could count on being paid off and the proceeds credited to their accounts with reserve agents.

We have found in the South and West that the idea of investment in commercial paper by country banks has been growing in importance every year. As a matter of fact about ten years ago there were very few bankers in the agricultural section of our middle western States who believed in the policy of loaning any money outside of their own community. We have seen a gradual change in this respect, however. There is a growing belief that a banker can best serve his own community by keeping a certain part of his assets, over and above his cash reserve, in the form of short time paper maturing at the time of his heaviest demand.

The advantages of commercial paper as a secondary reserve over bonds are plain. A good bond is always salable, it is true, but during the fall and winter months when you want your money it is usually true that the prices of bonds are off, and if you sell you sell at a sacrifice. During times of heavy money demand the prices of bonds are likely to be less than during easy money periods. Commercial paper, on the other hand, does not fluctuate in price, and after you have bought it at a certain discount it is worth its face value at maturity.

Commercial paper is the best kind of paper to rediscount at your correspondent banks in times of stress and heavy demand. If you have Ten, Fifteen or Twenty-five Thousand Dollars of high-grade commercial paper in your files it is an easy matter to take it to your correspondents, ask them to rediscount it and place the proceeds to your credit. They are familiar with the credit responsibility of the borrowers through their own investigation, and on the other hand your home paper that you might offer them is totally unknown to them and they have to take your word for the credit responsibility of the makers.

Probably the reason why more country bankers have not more seriously considered this question is their thought, which is, perhaps, natural, that they do not care to venture into something they know little about, and that they would prefer to loan John Jones whom they have known all their lives than some concern a thousand miles away. This brings up the question of how this form of investment can be safely made and what safeguards are necessary to protect the bankers' interests.

A proper selection of commercial paper requires no more judgment and common sense than the proper extension of credit to your own customers. The only difference is, generally speaking, that the concerns that are borrowing in this way are likely to be larger than those with whom you are dealing. The best way to go about the proposition is probably by the process of elimination. There are so many names submitted that there is no use of buying paper of any concern about which there is the least criticism. You could ask your correspondents, if you prefer, to submit to you the names of substantial concerns whose paper they buy for their own in-

vestment, and no doubt their suggestions would be of great use to you.

Whether you go to or buy from the broker direct, you will find it very much worth while to conduct your own investigation and determine from the results of it, taken together with what your friends in the cities say, whether you will buy the paper or not. The broker will furnish you with a list of banks where the concern does business and also, if you request it, a list of the houses from which the concern buys their raw material and supplies. You can probably address inquiries to all these parties and also to banks, located in the same city as the borrower, who do not have any part of their account. You can also secure the usual report from one of the credit agencies, which is of value principally for the history of the concern.

With this mass of information before you, and with the financial statement furnished by the broker, you should be able to judge fairly as to the credit standing of the concern whose obligation you are offered. In considering how I might present to you in the most concise and clear way the proper procedure in the selection of commercial paper, I thought best to prepare a sort of catechism or series of questions which we can profitably ask ourselves in passing on any piece of paper presented. Taking them in logical order the first question would be:

Is the broker responsible, morally and financially? If a broker has a conscience and only takes on the obligations of concerns whom he has thoroughly investigated, and whom he is satisfied are safe credit risks, then the buyer of his wares can have a certain degree of confidence in the paper that is offered by him to start with. Your correspondents could advise you safely on this point and could suggest the names of three or four reliable brokers to you.

Is the business of the borrower a good substantial one? This is an important question from the standpoint of general business conditions. A manufacturer in a luxury line, for example, might have difficulty in times of depression.

Is the borrower's business a different line from that which you are loaning to locally? It is a good scheme to diversify your loans. If, for example, you have as your principal local industry tanning or dairying it would probably be good judgment not to buy paper of tanning or dairying concerns.

Has the borrower enough capital? Dun's figures show that 70 per cent. of the failures in any given year are due to lack of capital. Even the best concern may grow too fast, get sprawled out, invest too much in permanent assets and not be able to meet their bills or notes when they become due.

Is the management honest? This is, of course, a fundamental question. The very soundest concern in the country with ample capital could be put in a receiver's hands in rapid time if some new management comes in and is crooked with the stockholders and crooked with the creditors.

Is the management capable and energetic? Competition nowadays is pretty strong especially in any line of business where the margin of profit is small. You must know that those at the head of the business have long experience in it, have the brains and ability not only to manufacture the product, push the sales, but also to properly finance the business as a whole.

Does the financial statement show a good proportion of quick assets to current debt? A good live concern in almost any line of business should be able to exhibit enough quick assets to pay off the liabilities at least twice over. Some credit men absolutely insist upon a ratio of two for one of quick assets to debts, but probably like everything else it is not wise to make this rule hard and fast.

Are the quick assets really quick? You can count on it that the debts of a concern are equal to their face value, dollar for dollar. We should be sure that the quick assets are also clean and readily convertible. An account that has been running on the books for a year and is past due should not be called a quick asset, and neither should merchandise that is out of date or unsalable. Of course, without actual investigation in person the banker

can only surmise about these matters, but a shrewd loaner of money can pretty nearly tell from the appearance of the statement, taking into consideration the line of business, how this would be.

Are the accounts and bills receivable for a short time and being constantly turned over? When we buy a corporation's note, usually for four or six months' maturity, we ought to know that the corporation is likely to receive returns from sales of their merchandise in an equally short time so that they are not depending on re-borrowing to pay off maturing obligations. You would not take notes from your customer for discount that run two or three years as a general thing, and there is no reason why we should loan against this kind of assets shown by a corporation in its statement.

Do the accounts receivable bear the proper ratio to the merchandise on hand? In other words are they converting their merchandise into accounts receivable and not allowing it to accumulate on their floors? We can determine about this if we know their total volume of sales and terms of their sales. For instance, if they sell on 90-day terms and get their money on an average of four months, and their total sales are \$900,000 we would conclude that their amount of merchandise at any one time should be about \$300,000, or one-third of their total sales. In this case we assume they turn over their money three times a year.

Are they carrying enough cash balances to be on the safe side? Different concerns look at this proposition differently. For a concern that is borrowing from only one bank it is perhaps not so important that they carry large cash balances, providing the bank does not insist on it. If, however, they are seeking credit from banks all over the country by placing their paper through brokers they should be able to show that they will be able to take up any part of their obligations if presented without any difficulty. This means that they ought to have a good-sized cash balance.

Have they adequate bank facilities? This is a very important point, because if a borrower, especially in a country town, has his borrowing shut off through brokers by reasons of financial depression, he has to fall back on his own banks. It is important to see, therefore, that the borrower has enough banks and enough loaning power to take care of his total requirements. The cleanest proposition is for a concern to have one or more banks with lines of credit definitely established for its maximum requirements and then to put out its paper through the brokers for the advantage of lower money rates, leaving the bank lines open.

Is the physical property in good shape? Of course this is important. While a banker does not look at the items of plant and machinery as closely as those in the quick asset column, yet it is very important to know that the manufacturer, for instance, has a good plant, well adapted to his uses, well protected from fire loss and conveniently situated for transportation. This naturally brings up the next question.

Is depreciation on the permanent investment taken care of? The banker should insist that the borrower depreciate the book value of his plant and equipment each year corresponding to their actual loss in value through use. The conservative manufacturer will always do this as he does not want to fool himself let alone his creditors.

Does the borrower take care of his trade obligations promptly and satisfactorily? Generally speaking a concern that is large enough and in good credit enough to borrow through a commercial paper broker should be discounting all its bills in the trade, and should not be asking extension in any form. There should be no excuse for them to issue paper to trade creditors, and the presence of bills payable to trade creditors is a sign of weakness that would be recognized at once. You can obtain very valuable comment and criticism from people in the trade who have either sold the borrower or who, perhaps, are in direct competition with him.

Does the borrower conduct his relations with his bank or banks in a satisfactory manner? This is an important question to determine, as you may be

sure that if the borrower has an unsatisfactory banking record he would have great difficulty in securing accommodations as he needs them, which might cause his failure under certain conditions. Furthermore, the bank that has dealt directly with the concern can answer more intelligently the various questions about the ability and moral responsibility of the management. The bank's opinion, like the opinion of everybody else, of course, has to be weighed against the probable prejudice as well as the probable knowledge of the party making it.

POINTS FOR PAYING TELLERS.

By Henry Billman, Cashier of the North Side Bank of Brooklyn—Lecture Delivered in the Banking Course of Study of New York Chapter.

AFTER funds have come into the possession of a bank through the various sources, the principal source being the Receiving Teller's Department, the first question that the layman would ask would not be how are they invested, but rather how are they dispensed or paid out, and since we are trying to reach the student who is really a layman, and not the banker with a finished or even an ordinary experience, we must deal with him from a beginning or a level where he will understand and be enabled to grasp.

Upon the Paying Teller, therefore, devolves the duty of paying out money, cashing checks, and certifying or accepting checks, notes and drafts.

His position is one of the most important in the bank. A successful Paying Teller must be a man of high order of ability; he must be an expert in many matters relating to the practical end of a banking business; a man of sterling character, irrepachable, skillful; a man of strength of personality and will power; he must possess good judgment, be of good address, patient, good natured, and alert and quick to see a situation that may present itself in the demand or the request of the person whom he may be serving.

He is usually a man who has earned his position through long and faithful service in the various other departments in a bank. His name implies his position; he is the disbursing officer of the bank, and he must be skillful in the handling of money (bills and coin). His cash is conveniently arranged so that it may be quickly handled and paid out after the check which has been presented to him passes his scrutiny and after the following questions, which are arranged in his mind, intuitively, have been answered like a flash to his entire satisfaction, namely:

Is this check properly drawn?

Any alterations in this instrument?

Date—Filling correct—signature valid—account good—payment stopped, and has the person presenting it been properly identified?

What kind of denominations would you like in payment of this check—is the usual question addressed to the presenter for payment.

Identification is of the most extreme importance in this country. Be careful and not accept as identification letters addressed to holder of checks; cards, wallet with initials, etc., as a proper identification of a stranger—you are playing with fire if you do. What would have prevented the presenter from finding all these things, or stolen them together with the check in question, and unless he can procure a proper identification from one of your own customers, who is willing to indorse the check, if the check is not drawn upon your bank, you had better "pass him up."

Your bank is responsible for every irregularity that appears in the face of a check either cashed over window or paid through clearings, together with being responsible for indorsement on all checks cashed over the window. The bank's responsibility differs, however, so far as indorsements are concerned upon checks received through the clearings, except in the instance of the bank's own Cashier's check which has been sold; the indorsement of which latter check bearing the same relation as the signature of a cus-

corner on the face of his own check drawn upon the bank.

The Paying Teller's Department has in its custody the files containing the signatures of customers and those authorized to sign on behalf of persons, co-partnerships and corporations having accounts with the bank. These are filed in an orderly and readily accessible manner. The Certification Register, the Teller's Check List and the Teller's Proof Book complete his books of entry or record.

Signatures may be as follows:

Individual.

Joint—one or more persons interested in the same account.

Co-partnership—signatures of either one or more partners binding a firm.

Corporation—by officers—Authorization showing officers empowered to sign on behalf of corporations as shown by excerpt from By-Laws or Resolutions passed at meetings of Directors, and a copy of the minutes of the meeting at which these officers were elected. This extract or copy being signed by the Secretary of the meeting and impressed with the seal of the corporation, and kept in files at the bank where they may be readily referred to.

Banks' signature cards showing specimens of signatures to sign on behalf of such banks should be certified to over the signature of the Cashier of such drawer bank or banks and kept in signature card files.

Power of Attorney—Signature by Attorney is a signature of a person or persons appointed to sign in the name of another person, company or officer of a corporation, and these powers should also be kept in files where they are readily accessible. Some are executed to give a limited authority, and others are sufficiently general in their scope to permit the Attorney to do all of the things in connection with the bank account that the principal may be permitted to do.

Agent, Manager, Special, Etc.—When signing in this manner the principal need not necessarily be revealed.

Administrator, Executor, Trustee—must be accompanied by a proper authorization, and these very titles are sufficient in themselves to put the banker upon notice that proper authorization is required.

The Certification Register—The Teller's Check List, and the Teller's Proof Book admit of a range from which a selection may be made from a number of good forms to suit the requirements and needs of each bank according to the size of the bank, the arrangement of the department or the size of the community in which the bank is located.

A STORY OF THRIFT.

By James G. Thompson, of the Correspondence Chapter of the American Institute of Banking—A Lesson in Saving Augmented by Compound Interest.

THERE is nothing like specific instances to show the results of systematic saving augmented by compound interest. The New York "Nation" tells a pleasing, and evidently authentic, story from Baltimore about a family servant. She came from Germany twenty-seven years ago, has lived with one Baltimore family ever since, and now returns to Germany with the tidy sum of nearly \$10,000, accumulated by steady saving. Particulars as to wages are wanting, but it is evident that she has been having all these years a comfortable home and has been thoroughly appreciated in the household in which she lived. It is not improbable that her wages have been somewhat more liberal than usual, and that she has received presents that have helped her to economize in the matter of dress. But it is to be noted at once that there is nothing in the least marvelous about the tale. There are thousands of servants who, without sacrificing the requirements of

comfort or self-respect, and without failing to live up to a very good standard of appearance as to clothing, could put by a hundred dollars a year out of their wages. There are many who pay would permit the saving of two hundred dollars a year, with the same conditions satisfied. And two hundred dollars a year, regularly invested at four per cent., amounts in twenty-seven years to just about \$10,000. Furthermore, \$10,000 at the age of fifty means, for a single person, independence for the rest of her years—a comfortable and sure income for life without further labor; for it means an annuity of about \$650 a year in a perfectly safe insurance company.

The story carries more than one moral. For one thing, it may serve to draw attention to a phase of the servant question which is far too much neglected. It is idle to deny that the position of a domestic servant carries with it disadvantages which weigh tremendously, and justly, against its advantages in the minds of young women in our time. The pay, in the case of girls who do not live at home, is far better than can be commanded by most of them in factory work, and the labor is also in a large proportion of cases much less trying; but against this stands less personal independence and a less desirable social status. But if the thing we have in mind were duly insisted on, were properly pressed on the attention of those concerned, the bigger pay could be made to have a powerful bearing on both the other elements. If it were to become a general thing for the better type of servants to take advantage of their opportunities for the accumulation of a fund calculated ultimately to insure independence and leisure, the effect upon their immediate feelings in regard to independence, and inevitably before long upon their social status, would be very great. A girl of twenty, getting, as so many do here in New York, a wage of six dollars a week, can lay by \$200 a year without difficulty. If she marries, well and good; if she does not, then at the age of about forty-five she has something like \$9,000 in bank, and can purchase for it a life income of about \$45 a month. With this outcome of her labor in prospect, the status of a servant, first in her own mind and thence inevitably in the minds of others, would be very different from what it now usually is.

But there are others, far more fortunately placed in the economic scale, who might do worse than ponder the lesson of this German servant's achievement. No universal rule can be laid down to govern one's habits of expenditure. To be miserly throughout one's younger years, in order to be idle or luxurious as an old man, would be a poor management of the opportunities of life. Good sense and right feeling must be the final judge, and no arbitrary maxim can serve as their guide. But certain it is that, particularly in this country, there are myriads of persons who waste in ways that are unproductive of any real enjoyment resources which, if reasonably husbanded, would result in the most solid satisfactions of later life, physical and spiritual. And in part this is due to mere want of realization of the simple arithmetical elements of the case. Upon some it is difficult to impress the importance even of Mr. Micawber's sage deliverance as to the sixpence deficit or the sixpence surplus making the difference between misery and happiness; the great majority are above this line, indeed, but do not get so far as to realize, in youth, how great a blessing they could lay up for their later life by the exercise of even a very small amount of thrift, provided it was systematic and persistent. Conspicuous and general posting of a table showing what a dollar a week, or five dollars a week, at 4 per cent. or 5 per cent. compound interest, amounts to in twenty, thirty, and forty years would do more for the promotion of happiness, contentment, and even morality, than a great deal of sermonizing.

Among the many things of the Victorian age upon which we, "the latest seed of time," are in the habit of looking back with contempt, or at best with condescending patronage, is clearly to be included that kind of teaching which found its most popular expression in the works of Samuel Smiles. His very name is almost unknown to the younger generation; but men by no means old remember the time when his "Self Help" and "Thrift" were current.



INSTITUTE CHAPTERGRAMS

Chaptergrams must be received by the Educational Director of the Institute not later than the 28th of the month preceding publication.

CONVENTION PROSPECTS.

By Harry V. Haynes, of the Program Committee—An Educational Feast Seasoned, but Not Saturated, with Sociability—Some Big Guns Will Speak, but the Institute Will Mostly Utilize Personal Material of Its Own Development—Timely Topics Discussed in Practical Symposiums and an Inter-Chapter Debate—Transportation Facilities and Rates from Various Sections of the Country—Chicago and Washington Chapters as Hosts En Route—Some of the Sights of Historic Richmond.

THE 1913 Convention. It almost seems a reality. With the formal preparations molding themselves into fixed shape at a distance of only about a month with bank men throughout the length and breadth of the country abiding the time when they shall ostensibly start their vacations, but, in truth, entrain to the point of mobilization of the real, live, practical bankers whose pleasure it is to annually meet their fellow men in the atmosphere of increasing knowledge and general good fellowship (not the class known in politics) for which the Institute conventions are noted; and with the ladies making plans for a sojourn of four days within the greatest city of the Old Dominion, during which they shall be royally entertained by their Virginian sisters, the necessary elements are ripening beautifully.

It would be odd if the question were not asked, "What has the Program Committee provided for?" While the committee is not desirous of robbing the actual program, copies of which will be distributed just prior to the convention, of such interest as it may have for the delegates, it does wish them to know that there will be something doing from the time they arrive in Richmond, on Tuesday evening, September 16th, to the moment when they choose to depart. An advance summary of the expenditure of time might be stated as follows, although the post-mortem might reveal something not quite so accurate.

Tuesday evening, approximately 9 o'clock. Delegates who have spent the day in Washington will arrive on special train—number estimated at 400, including ladies. Informal reception will be held at the Jefferson Hotel.

Wednesday morning, 9.30 o'clock, convention will be convened. There will be short addresses by the Governor of Virginia, the Mayor of Richmond and the General Secretary of the American Bankers Association, after which the usual reports will be rendered.

Wednesday afternoon and Wednesday evening the delegates and the ladies will be entirely at the mercy of the Richmond Chapter, whose members, aided and abetted by their confederates under the leadership of the famous "Cream-fed Chicken" booster, will proceed to execute their plans.

Thursday morning, 9.30 o'clock. The second session of the convention will open with an address by a very prominent United States Senator, who will discuss the proposed currency measure. This will be followed by a symposium entitled "Bank Advertising and Business Building." The discussion of this question will be under the leadership of Fred W. Ellsworth, Publicity Manager of the Guaranty Trust Company of New York, and many of our own men who are well versed in such matters will take part.

Thursday afternoon, 2.30 o'clock. The session will be opened with an address by a gentleman much in the public eye, whose presence is certain to at-

tract great attention. This will be followed by a debate between teams representing Chicago Chapter and Pittsburgh Chapter. The question is: "Resolved, That so-called Blue Sky legislation would be for the best interests of the people of the United States." Pittsburgh Chapter will uphold the affirmative, while Chicago Chapter takes the negative.

Thursday evening will be devoted to the pursuit of pleasure under the guidance of the Richmond Committee.

Friday morning, 9.30 o'clock. The session will be opened with a symposium entitled "Clearing Houses and the Extension of their Functions." While this has been the subject for discussion at one or two previous conventions, assurance can be given that it will take on many new complexions and be viewed from some new angles. The symposium will be under the leadership of O. Howard Wolfe, and many of our



HOTEL RICHMOND

own men will be heard on the floor of the convention.

Friday afternoon, 2.30 o'clock. Business session, including election of officers, choice of convention city, etc.

Friday evening. A large evening under the auspices of the Richmond Chamber of Commerce.

Saturday morning. A continuation of the pleasures of the previous evening, on board the steamer plying down the James River.

A notable feature of the entire program of entertainment is that the ladies will participate in the pleasure provided for each evening, in addition to which much exclusive entertainment will be theirs during the sessions of the convention.

The ballroom of the Jefferson Hotel, which will be the scene of the business sessions, will also be used once or twice in the evening. It is a beautiful room, spacious and readily accessible from the mezzanine balcony. This balcony, by the way, is itself a beautiful thing and must be seen to be appreciated. The whole setting is so wonderfully well adapted to our purposes that the convention should go down in history as having been delightfully staged. To go back to the ballroom, it will be of interest to know that in addition to a roomy stage, it has a pitched

balcony in which visitors to the sessions of the convention will be comfortably and amply provided for.

There will be no formalities observed at the evening "performances," so that dress suits will be unnecessary. It was deemed proper to make this announcement, inasmuch as the question undoubtedly arises with the inevitable result that the dress suit is brought along anyhow.

Clearing Houses and the Extension of Their Functions.

Symposium Friday morning, September 19th, at 9.30 o'clock. Presiding Officer, Robt. H. Bean, of Boston Chapter. Symposium under the direction of O. Howard Wolfe, of N. Y. Chapter.

In order to get effective results in the time allotted for this symposium, but little time will be taken up in discussing the clearing house as a mechanism for the exchange of city checks. This is the popular conception of the clearing house, but the underlying purpose of the symposium is a study of the many influences for good both to the banks and to the community that may be exercised through bank association, which is the main feature of every clearing house.

Discussion and suggestion and expression of opinion will be brought out upon the adoption and extension of various clearing house functions which are at present undeveloped. To the delegates from the smaller towns it may be said that the clearing house is not an exclusively city proposition. The time is at hand, as shown by several provisions in the proposed Federal Reserve Act, when the country banks will all become members, to a certain extent, of the clearing house within their section or district just as the New England banks are to-day a part of the Boston Clearing House.

The problems nearest at hand and which seem to find their solution in concerted bank action can be summed up in the various activities of the Clearing House Section of the American Bankers Association, which are as follows:



CAPITOL BUILDING.

1. THE TRANSIT CHECK PROBLEM.

- (a) Collection of all checks through the clearing house.
- (b) Better methods of making transit records: The Universal Numerical System.
- (c) More uniformity in certain essential features of checks and drafts, size, shape and the position of the amount, number, place payable, date and signature.
- (d) Legislation needed that will determine more definitely the status of a bank as collecting agent and give us a modern rule of law as to

endorsements, liability in sending items direct, etc.

2. CLEARING HOUSE EXCHANGES.

- (a) Settlement of Balances.
- (b) Uniformity in reporting clearings for publication.
- (c) Reports showing Total Bank Transactions.

3. CLEARING HOUSE REGULATIONS AND MANAGEMENT.

- (a) Clearing House Examinations.
- (b) Handling and Registration of Commercial Paper.



CONFEDERATE MUSEUM.

- (c) Legislation affecting Clearing House Organization.

4. CLEARING HOUSE AS FACTORS FOR THE PUBLIC GOOD.

- (a) Vocational and Agricultural Education.
- (b) Community Advertising.
- (c) Local and general financial questions.

Some of these matters, such as (c) and (d) in division 1, will be taken up at the Boston Convention of the American Bankers Association, and for this reason and also for lack of time, they cannot be fully considered at this meeting. From the above list the following outline of subjects has been arranged:

45 min.: Collection of Country Checks—Settlement of Balances. Chas. A. Ruggles, Boston Chapter.

45 min.: Clearing House Examinations—Registration of Commercial Paper. J. A. Broderick, New York Chapter.

45 min.: Vocational and Agricultural Education—Community Advertising. Jerome Thralls, Kansas City Chapter.

Questions and discussions by delegates taking part in the symposium will be limited to three (3) minutes each, unless the time is extended by general consent.

If time permits, the symposium will close with a general discussion led by Mr. Wolfe on the Numerical System, and Total Bank Transaction Reports.

Every chapter should see to it that at least one delegate is prepared to take part in this symposium.

Bank Advertising and Business Building.

Symposium Thursday morning, September 18th, at 9.30, under the direction of Fred W. Ellsworth, Publicity Manager of the Guaranty Trust Company of New York.

1. ADDRESS—Bank Publicity. C. B. Hazlewood, Asst. Sec. of the Union Trust Co. of Chicago.
 - Development.
 - Need.
 - General Printing as an Aid.
 - Profit or Loss.
 - Charity Abuse.
- General Discussion.



WASHINGTON MONUMENT.

2. ADDRESS—Methods. LeRoy A. Merston, Advertising Mgr. of the United States Mortgage and Trust Company, New York City.
 - Newspapers and Magazines.
 - Programs.
 - Billboards.
 - Novelties and Souvenirs.
 - Trade Marks and Seals.
- General Discussion.
3. ADDRESS—Methods. Frank M. Polliard, Asst. Cashier of the Exchange Nat. Bank of Pittsburgh, Pa.
 - Traveling Representatives.
 - Convention Advantages.
 - Institute Influence.
 - Professional Advertising Agencies.
- General Discussion.

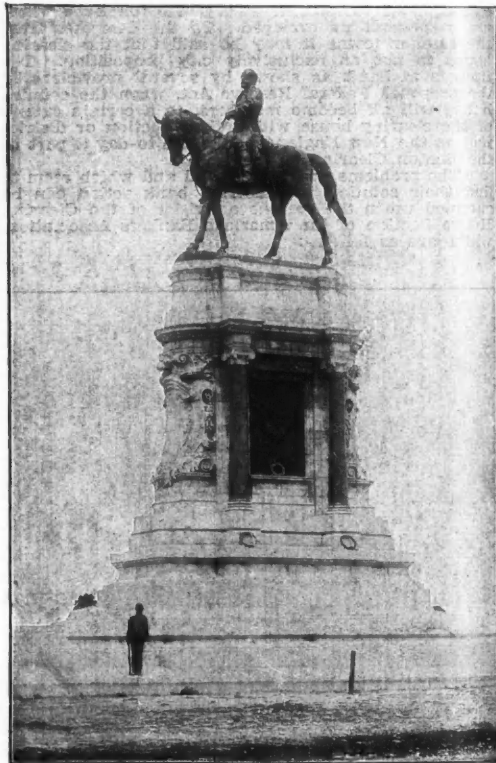
As indicated above, this symposium will take up for consideration and discussion by recognized experts practically all the various phases of Bank Advertising and Business Getting. Following each address there will be informal discussion, and all delegates interested in the questions will be invited to participate.

Transportation Arrangements.

The capital of the fair State of Virginia is an ideal for the convention. Besides its historic interest it has many other attractions for the visitor. The cities and country surrounding Richmond are added inducements to the delegates. Those coming from eastern chapters will pass through Washington, D. C. Arrangements have been made for the western and northwestern delegates traveling via Wash-

ington to spend the day before the opening of the convention there with the eastern delegates. Richmond is only 160 miles due south of Washington, so that the visitors will not risk any delay in reaching the convention city on time. Washington Chapter has extended a cordial invitation, and it is needless to dilate on the pleasures and advantages of spending even so brief a time as a day in the National Capitol.

The Transportation Committee has taken the matter up with the various passenger associations in the country, and special rates have been granted from many points. Delegates from chapters located in Pennsylvania and New York have been granted a rate of one and three-fifths fares on the certificate plan, that is, one-way tickets are purchased to Richmond, and purchaser should ask for a certificate at the time of purchasing the ticket. These certificates, when validated in Richmond, will be good for ticket at three-fifths rate from Richmond to their destination. Of course the validation of certificates is conditional upon our having a total of not less than two hundred delegates in attendance. Chapters located in the territory south of the Ohio and Potomac rivers and east of the Mississippi Rivers have been granted a rate of one and one-half fares plus fifty cents on the certificate plan, as outlined



LEE MONUMENT.

above. On account of the special low summer tourist and variable route tourist rates in effect on all railroads from the central and western states, no special rates for the meeting have been named by the railroads in those territories. These summer tourist and variable route tickets are on sale up to September 30th, and are good for thirty or sixty days according to the route, but are not good later than October 31st. Tickets may be purchased via Wash-

ington, thence steamer to Norfolk and return direct to destination through Richmond, or they may purchase tickets via Washington steamer to Norfolk, thence steamer to New York City, including meals and berth on the Atlantic steamer, and thence via direct lines to destination. In addition to the above rates there are others in effect returning via Boston, Montreal, etc., the rates varying according to the distance of the trip. On all tickets reading via Washington and steamer it will be necessary for the delegates to pay a slight side trip from Washington to Richmond and also from Richmond to Norfolk, as the tourist and variable route tickets do not include travel via rail between Washington and Norfolk.

Chicago Chapter has made arrangements with the Moon Route and the C. & O. Railroad for special train leaving Chicago at twelve o'clock noon, Sunday, September 14th, arriving at Washington the next afternoon at three o'clock. This train will be composed of Pullman latest electric lighted sleeping cars, dining car and library observation car. The route is through Cincinnati and the historic and scenic "Blue Ridge Mountains of Virginia." After spending the day in Washington we will leave by special train at 6 p. m., arriving in Richmond at 9.30 p. m. Tuesday, September 16th. Chicago Chapter extends a cordial invitation to all delegates from western and northwestern points to join them on the special train and to spend the time between trains in getting acquainted. Heretofore the special trains conducted by Chicago Chapter to the convention cities have been very successful, and they expect to make the trip to Richmond even more so. All those who expect to join the Chicago Special should kindly get in communication with Geo. A. Jackson, Chairman Transportation Committee, care of Continental and Commercial National Bank, Chicago, Ill., at as early a date as possible, so that all reservations may be properly and promptly made.

New York Chapter has made definite arrangements with the Pennsylvania Railroad for a special train to Washington. This train, which will have the best of equipment and will be composed of Pullman cars and a diner, leaves New York from the Pennsylvania Station at Thirty-second St. at 5 p. m., Monday, September 15th. An excellent table d'hôte dinner will be served on board for one dollar. A stop is made at West Philadelphia, and Washington is reached before ten o'clock, when the party will go to the Hotel Raleigh, where reduced rates have been secured. Tuesday morning, at 8.30, they will become guests of Washington Chapter on a trip to Arlington, Fort Meyer and Mount Vernon. Lunch will be served at 1 p. m. at the Raleigh, which will be followed by an automobile ride through Soldiers' Home, Rock Creek Park and Potomac Park. The special train for Richmond leaves at 6 p. m. It is expected that Boston, Hartford, Scranton, Philadelphia and most of the New England and New York Chapters will accompany the New York men. A rate of one and three-fifths has been secured, making the cost \$14.65, New York to Richmond and return. One-way party fare is \$7.10, which would make the cost even less, and would permit any return route desired. Delegates from New York and Pennsylvania Chapters should communicate with J. B. Birmingham, Citizens' National Bank of New York, regarding railroad arrangements from their territory. Delegates from chapters south of the Ohio and Potomac and east of the Mississippi should communicate with Irwin L. Bourgeois, care of Hibernia Bank & Trust Company, New Orleans, La.

Chicago Chapter will have open house for visiting delegates until train time, Sunday, September 14th, at their headquarters, the Hotel LaSalle.

Delegates from the Trunk Lines and the South-eastern Passenger Association territories should bear in mind that if they avail themselves of the reduced rates that are in effect for our convention they will be required to return the same way as the going trip.

J. B. Birmingham, Citizens' Central National Bank, N. Y. City.

F. M. Cerini, Oakland Bank of Savings, Oakland, Cal.

F. J. Mulcahy, Minnesota Loan and Trust Co., Minneapolis, Minn.

I. L. Bourgeois, Hibernia Bank and Trust Co., New Orleans, La.

Geo. A. Jackson, Chairman Transportation Committee (Continental and Commercial National Bank, Chicago, Ill.).

Overheard in a Chicago Bank.

John—"Henry, where are you getting ready to go?"

Henry—"Why, I expect to go to the Institute Convention, which will be held September 17th and 20th at Richmond."

John—"Are many of the boys going?"

Henry—"Are many going? Well I should say so. We are counting on having the largest crowd the Institute has ever had, and one of the Richmond boys told me about the middle of July that over 500 hotel reservations had already been made. That is one thing, though, in which Richmond is all right, for there are several hotels equally as good as headquarters, which will be at the Jefferson, and if you have not secured a reservation at the Jefferson write the Hotel Richmond and they will make you happy. Rueger and Murphy both expect to open up new ten-story hotels on September 1st."

John—"I had not contemplated on going, although elected a delegate, and don't know just what to do."

Henry—"I will be willing to bet that if you go you will not have a regret other than that you could not be with the boys for a longer time. I got a letter the other day from Harry Haynes, of Washington, and he tells me that the Program Committee are trying to give the convention the best line of papers and talks they have ever had. Most of the time will be given up to Institute men, and thereby show what is being accomplished by the different chapters. Then when it comes to the pleasure side I know that you will enjoy it."

John—"Will there be any chance for a game of golf?"

Henry—"I am going to take my sticks with me, and am looking forward to a game over their rolling course, which will keep you playing every stroke to avoid the many natural hazards. The whole crowd will go out to the Country Club on the first afternoon, but Colonel Bogey and Mr. Par will be glad to see you any afternoon and give you a try for laurels."

John—"But I wanted to go away with my wife, and what would I do with her while I was attending the sessions and running around to the different entertainments?"

Henry—"Just leave that to the bunch in Richmond. They will look after the ladies all right. The ladies will be taken to all of the entertainments given the men, and during the convention sessions special features will be introduced for them, such as trips to the museums, a card party and other little doings. They will not be lonely, and the chances are you will have to get out a search warrant when you really want her."

John—"Are you going to take your dress clothes with you?"

Henry—"Surely not. Everything is to be informal and on the summer party style. Possibly, though, your wife will need a light dress or two."

John—"Do you expect to remain over until the last day and take the trip down the river?"

Henry—"From what I have heard from others who have taken the trip I understand that it is most entertaining and pleasant. It is an all-day trip down past the homes of the early days—homes of those who were active in the first history of this Republic. An hour's stop will be made at Jamestown, where was established the first English settlement. From there the boat continues down the river to Newport News, passing the shipyards just before landing the crowd to catch the train back to Richmond. Those preferring to take the boats up to Washington, Baltimore, New York or Boston, will run over to Old Point or Norfolk, as it is planned to have these afternoon boats wait for our party. The others will proceed to Richmond by train, it being a run of only ninety minutes, and there they can rest one night for the joy of spending a Sunday in this Southern city. A most beautiful sight it is to see the crowds as they promenade famous Franklin Street in their

church parade, or the day can well be spent in sightseeing."

John—"With such a trip as that in view I think I will go. So tell Jackson to put me down for a reservation for certain."

ALBANY.

By H. J. Hotaling.

OUR chapter members are making the most of their summer vacations at present, though some of them are waiting for the Richmond Convention before taking a rest.

BALTIMORE.

By H. C. Jones.

THE chief topic in Baltimore Chapter at the present time is convention talk. We expect to go to Richmond—about 25 strong—or maybe we will be the "strong twenty-five." The following are the able bodied who will form the delegation from Baltimore: John A. Graham, National Marine Bank; Louis W. Jenkins, Farmers & Merchants National Bank; Carl E. Wagner, Western National Bank; Herbert H. Owens, Farmers & Merchants National Bank; Thomas F. Shriver, National Marine Bank; John Broening, Jr., German Bank; Robert S. Mooney, Equitable Mortgage & Trust Co.; J. Leonard Hoffman, First National Bank; Edwin C. Monmonier, First National Bank; James D. Garrett, Central Savings Bank; John L. Swope, Western National Bank; Theodore C. Thomas, National City Bank; Albert N. Smith, Merchants-Mechanics National Bank; Gwynn Crowther, Merchants-Mechanics National Bank; Hillary W. Lucke, Calvert Bank; Guy H. Reese, Townsend Scott & Son; Homer B. Shaffer, National Bank of Commerce; Benjamin H. Heath, National Bank of Baltimore; Charles H. Mueller, Munsey Trust Company; and H. Clarke Jones, of The Equitable Mortgage & Trust Co.

If the attendance will warrant, we expect to have a course in "Stocks and Bonds" next year, besides our regular course in Law. Channing Rudd, the head of the bond department of Alexander Brown & Sons, has consented to assist us in mapping out a suitable course if we can get a sufficient number of men interested.

The annual election of officers of Baltimore Chapter took place in June, and the following were elected: President, John A. Graham; Vice-President, Albert N. Smith; Secretary, H. Clarke Jones, and Treasurer, Benjamin H. Heath. With the co-operation of all the members of Baltimore Chapter, the administration is looking forward to a banner year.

BOSTON.

By Arthur O. Yeames.

BOSTON CHAPTER'S Richmond Convention party will be made up of about fifty persons—the full quota of twenty-five delegates to which the chapter is entitled, at least fourteen alternates and eleven ladies having already arranged to make the trip. The following are the official delegates elected at the July meeting of the Board of Governors: Robert H. Bean, National Union Bank; Frank W. Bryant, Second National Bank; P. P. Mason, American Trust Co.; Charles W. Stevens, Old Colony Trust Co.; Eliot F. Larned, National Shawmut Bank; George E. Fox, National Shawmut Bank; Gordon E. Musselman, Lee, Higginson & Co.; Herbert E. Stone, Second National Bank; Arthur O. Yeames, Suffolk Savings Bank; Robert B. Locke, Old Colony Trust Co.; Roger F. Nichols, Commonwealth Trust Co.; Fullerton C. Vose, Harvard Trust Co., Cambridge; E. Payson Upham, Boston Safe Deposit & Trust Co.; Lyman V. Banker, Mass. Hospital Life Insurance Co.; J. Wilton Marno, National Union Bank; Charles A. Rouillard, National Shawmut Bank; Herbert G. Horton, Safety Fund National Bank, Fitchburg; Leonard L. Titus, First National Bank; Francis L. Ewing, Beacon Trust Co.; Joseph Rowe, Old Colony Trust Co.; Herbert W. Toombs, South End National Bank; Horace S. Ford, Old Colony Trust Co.; Charles H. Marston, National

Shawmut Bank; H. E. Orendorff, Old Colony Trust Co.; Francis Freeman, Merchants National Bank. The alternates are: Frank A. Newell, National Shawmut Bank; Fred A. Young, Fitchburg National Bank; John C. Dexter, Safety Fund National, Fitchburg; C. Waite, Merchants National Bank; Harry S. Roe, National Shawmut Bank; Edwin H. Ford, America Trust Co.; William J. Keane, Old Colony Trust Co. Bryant C. Wiggin, National Shawmut Bank; Ralph Pales, Fitchburg National Bank; Frank Adams, Fitchburg National Bank; Frank A. Groves, Washington Savings Institution; Lowell; George E. Kohlrausch, National Shawmut Bank. The ladies will include Mrs. Bean, Mrs. Titus, Mrs. Bryant, Mrs. Stone, Mrs. Ewing, Mrs. Toombs, Mrs. Young, Mrs. Dexter, Mrs. Waite, Mrs. Musselman.

In accordance with a previous vote of the Board of Governors delegates were chosen in the following order: 1—Officers of the Chapter; 2—Members of the Board of Governors; 3—Members of Chapter Committees; 4—Institute graduates; 5—Oldest Chapter men in point of membership. It is interesting to note that, with one exception, every officer of Boston Chapter, nine other members of the Board of Governors, and four Committee Chairmen will be among the delegates. This insures to Boston Chapter the best possible results and the advantages gained by those who are privileged to attend an Institute convention will be passed on in some degree to every member; the men who have the leadership the coming year will bring back to the educational work renewed enthusiasm and new ideas which will be of great benefit. Boston men, while they intend to fully enjoy the social affairs of the convention and to take a healthy interest in the "politics" in so far as to endeavor to help elect the best men to office, are really going to Richmond with a determination both to contribute to and to receive from the splendid program that is outlined. Our own Mr. Charles A. Ruggles, member of our chapter and honored Chairman of our Advisory Educational Committee, is to be one of the speakers on The Clearing House and other of our men are to take part in various ways.

The Boston party leaves on Monday, September 15th, for New York, where they join the men of that chapter, and others, on a special train for Washington, and on Tuesday they will enjoy the hospitality of Washington Chapter, leaving for Richmond that evening. The return will be via Newport News by boat to Boston. All Institute men are invited to include a visit in Boston on their return trip, and a hearty welcome awaits all those who do so; let our President, Mr. Bean, know of your plans and you will be looked out for.

The chapter work of the year 1913-14 is being given much thought and planning during these summer months, and the officers and committees are busy making arrangements for the best year yet.

The convention of the American Bankers Association is to be held in Boston in October, and Institute men, as are all bank men, are much interested and will share in the work. Many of the chapter have been drafted for service on committees. President Bean is Chairman of the Committee on Information and Registration. The following have been appointed by the chapter as a Committee to pay especial attention to all Institute men who come to Boston as delegates or to attend the A. I. B. convention, and every member of the A. I. B. who plans to come is asked to send them his name and make himself known. It is planned to have some special feature in their honor. Leonard L. Titus, Chairman, First National Bank; E. Payson Upham, Boston Safe Deposit & Trust Co.; Joseph Belyea, American Trust Co.; J. Wilton Marno, National Union Bank; Randall A. Whittier, National Shawmut Bank; Gordon F. Keating, Boston Clearing House.

CINCINNATI.

By A. DeWitt Shockley.

CINCINNATI CHAPTER reports a vacation period over the hot summer months. Seldom has our summer been so hot and lasting as the weather this season. In the meantime, our Board of Governors have selected the following delegates to the

Richmond Convention: John P. H. Brewster, of the Sherman National Bank; William F. Kolb, of the Home Savings Bank; Samuel McFarlan and Gus G. Sampson, of the Fifth-Third National Bank; R. C. Smith, of the Citizens National Bank; and A. DeWitt Mockley, of Shockley & Herrmann. President Benedict is a strong believer in our national conventions, and will make strenuous efforts to attend, if at all possible. Henry J. Mergler, our able representative in the Executive Council, will attend the convention as a matter of course. It might be worth while to mention that one of our oldest men in Institute service, Herman J. Guckenberger, has seen fit to secure a mate for life, and with his wife is enjoying a pleasant tour of Europe. President Benedict expects to announce his various committees for the coming year's work very shortly so that we can get busy on real chapter work immediately after the Richmond Convention. Cincinnati Chapter reports increased membership and an awakening of interest in general chapter work, which is very gratifying to those interested in her progress. Watch Cincinnati and her delegates at the Richmond Convention. Something Doing.

CLEVELAND.

By P. J. Slach.

CLEVELAND CHAPTER has always taken great pride in its delegation, nevertheless, the delegation selected this year is one of the best. It is as follows: Chas. L. Corcoran, Assistant Cashier of the Central National Bank, and President of the Cleveland Chapter, Delegate at large; J. W. Baque, First National Bank; D. S. Boulton, National City Bank; B. S. Chamberlin, Citizens Savings & Trust Co.; Homer D. Cozad, Cashier, Garfield Savings Bank Co.; W. R. Green, Auditor, Guardian Savings & Trust Co.; L. C. Haas, Central National Bank; Clay Herrick, Statistician, Cleveland Trust Co.; H. W. Herrick, Cleveland Trust Co.; J. C. Hoffman, Asst. Treas., Society for Savings; L. J. Kaufman, Guardian Savings & Trust Co.; W. H. Kinsey, Asst. Sec., Citizens Savings & Trust Co.; Carl Lee, Bank of Commerce, N. A.; H. H. McKee, Cashier, Garfield Savings Bank Co.; R. P. Sears, Auditor, Cleveland National Bank; Guy W. Shanks, Citizens Savings & Trust Co.; C. W. Stansbury, Garfield Savings Bank Co.; P. J. Slach, Treas.; Broadway Savings & Trust Co. Alternates: W. R. Bowen, Guardian Savings & Trust Co.; Geo. A. Cherry, Guardian Savings & Trust Co.; I. F. Freiberger, Asst. Sec., Cleveland Trust Co.; C. A. Palmer, First National Bank; Chas. P. Piwonka, Asst. Sec., Broadway Savings & Tr. Co.; H. F. Straiter, Union National Bank; R. P. White, Cleveland Trust Co.

In addition the most important part of our delegation, however, is not scheduled, and will consist of many of the wives of the above delegates and alternates. We expect confidently that in the line of beauty and charm, that they will add additional luster to the Cleveland Chapter and prove worthy competitors to the fair contingent that will gather in our convention city.

The Board of Governors, under the leadership of their President, C. L. Corcoran, has already offered the services of the chapter, and the use of the club-rooms, to the members of the American Bankers Association, when they will gather in our city on September 11th and 12th for the Ohio State Convention.

We are especially pleased to announce that the following members have passed their examination in the first year's course of study, as maintained by our American Institute of Banking: George A. Church, Will T. Bissell, W. S. Parsons, E. P. Owen, W. H. Kinsey, W. R. Bowen, Wm. H. Steinkamp, John W. Baque, Berman Mellen, Jr., R. P. Sears, H. F. Strater, W. N. Hoppensack, George A. Cherry, Peter J. Lynch, John R. Walsh, George A. Everson, Thomas J. Eline, W. F. McWilliams.

In addition to the above, Messrs. Parsons, Owen, Kinsey, Walsh and Everson had been declared full-fledged certificate holders as they had passed previously a final examination in Law.

Our educational classes for the next year will

not only include the Institute courses, but will add special features which are now being developed to enable our members to become more proficient and therefore more efficient bankers.

CORRESPONDENCE.

By Warren Day.

IF the Congress of the United States, upon whom rests the final responsibility of providing a sound banking system, should undertake to demonstrate to its own satisfaction the collective knowledge of our bankers, upon the science of banking and finance, so that such knowledge might be utilized in the construction of an ideal banking system, Congress would perhaps submit a short series of examination questions to, say, 500 representative bankers in all sections of the country. Something of this sort has been done in the list of questions sent out asking for expressions of opinion on certain salient features of a bank act. These opinions have varied, which is quite natural, but it is not true that they vary with respect to the academic as well as the practical learning of those who have made reply?

Those who know anything about correspondence instruction have learned that answers to examination questions run in grooves. The experience of the Institute furnishes no exception to this rule. Of the twenty-five questions in the Exercises prescribed in connection with the first pamphlet, *Wealth and Banking*, there are three which seem to demonstrate more than all the rest, the mental capacity of the student and his grasp of the fundamentals in banking. These are the questions and the answers given by C. T. Benscoter of the Correspondence Chapter, who shows that he not only understands the subject, but he also knows how to use concise, expressive English:

Question 10. What are the kinds of money and what are the qualities of good money? Answer. "There are three kinds of money: standard, credit and token. The qualities of a good money are: stability of value, and physical characteristics, as durability, homogeneity, divisibility, portability and cognizability."

Question 12. Explain the principle known as Greshams Law and illustrate its application. Answer. "Greshams Law is a principle pertaining to the operation of money which states that where there are two kinds of legal money in circulation at the same time, the cheaper tends to drive out the better. That is, the cheaper money will serve as well in making exchanges, while the underrated money can be sold at a profit to the bullion dealers or used in foreign exchanges."

Question 17. Define bank notes and explain the difference between the banking principle and the currency principle. Answer. "Bank notes are the promises of a bank to pay on demand, without interest, a sum of money in coin. Bank notes issued under the banking principle have for security a prior lien on the bank's assets; such has been termed a pure credit issue. Under the currency principle notes are secured by deposits of sound bonds. Notes issued under the 'Suffolk System' of New England recognize the banking principle and the currency principle is illustrated in our present National Bank currency."

The relatively small proportion of our students who recognize the weight of these subjects may be said to be indicative of the knowledge of our banking fraternity. One student who omitted any work in answer to the exercise, "trace briefly the history of bank-note issue of early and modern banks abroad and in the United States," stated that he saw no importance whatever in a study of this question.

Another problem confronting city chapters as well as the Correspondence Chapter is the difficulty in making the student recognize that the principles of bank accounting are the same in all banks, large or small, city or country. Ask most any student "what are the duties and responsibilities of the receiving teller?" and he will very likely reply, "I don't know what they may be in another bank, but in my bank, etc., etc."

Who will say but that the American Institute of

Banking has within it the possibilities of raising up a race of bankers such as this country has never known? Failure to appreciate fundamental money truths seems to be characteristic of the present-day American banker, and perhaps explains the weaknesses of our present banking system. Banking is not a local but a national and an international problem, and we are to-day on trial before the eyes of the world.

DALLAS.

By Stewart D. Beckley.

FEW things do more to retard the natural progress of wholesome activity than the lack of co-operation; while with it, every good thing is possible. We naturally expected substantial co-operation from our chapter members, the local Clearing House and Chamber of Commerce, and of close-by sister chapters when we inaugurated our campaign for the 1914 convention, but we hardly expected to receive such co-operation, such zeal and undying support as has been accorded us in this campaign. The manner in which our members individually, the Dallas Clearing House and Chamber of Commerce, and the bank men of Texas in general have rallied to our support has exceeded our most sanguine expectations. Then, too, the cordial and interested manner in which the chapters in general have received our solicitations of support only stimulate us to greater endeavor. The fact that Dallas Chapter is not seeking the convention strictly upon seniority claims, our advantages as a convention city, or upon the royal welcome we can give each visitor, but upon a real live and vital issue—one of which the whole National organization must take cognizance—is bearing fruit. While we invite you to a city of only one hundred and twenty-four thousand hustling citizens, your welcome would be from an entire state and the whole Southwest. We invite you, not only for what we can do for you as individuals and what will be to your interest, but for the attendant benefits to the A. I. B. in the Southwest and as a National organization. It has been suggested that some will think this a "wild and woolly" country, a gathering place for "haysseeds" and desperadoes. We hardly expect that such ideas prevail among the A. I. B. men, but to those who might think so, we promise you a surprise. We have been receiving inspiration from our northern and eastern associates too long for such conditions to prevail here, even if we are on the border of Old Mexico.

Perhaps conditions locally can be best explained by the write-up of our annual banquet and the happenings thereat recently. This was undoubtedly the most successful annual banquet Dallas Chapter has ever given, and due credit should be given to the committee in charge, Messrs. A. B. Kendrick, John Crosthwait, Grady Burlew and Geo. L. Hern. We quote from the "Dallas News":

"With enthusiastic expressions of co-operation on the part of leading Dallas bankers and of the Dallas Clearing House and Chamber of Commerce, the Dallas Chapter of the American Institute of Banking fired its first gun in a campaign to secure the 1914 convention of the National organization, at a well-arranged dinner and celebration at the Oriental Hotel. M. B. Keith, President, was toastmaster for a number of rousing speeches, which outlined the gratifying progress of the Dallas Chapter along the line of educational classes in banking studies which have been conducted regularly, with instructive lectures and discussions. A delegation of bankers from Fort Worth were present to express their hearty co-operation in the plan to bring the convention to Dallas and Texas in 1914. W. M. Massie, Assistant Cashier of the Fort Worth National Bank, spoke along this line and said that the Fort Worth members of the Institute were glad to see the campaign being begun, believing, as he said that 'Dallas usually gets whatever she goes after.'

"J. Howard Ardrey, Cashier of the City National Bank of Dallas, spoke particularly of the support from the Dallas Clearing House. When he announced that the Clearing House had voted to allow a very liberal amount to help defray expenses of every Dal-

las Chapter member who will go to Richmond to secure the next convention, and further stated that the Dallas Clearing House had agreed to underwrite the expenses of the convention in any amount, his announcement was greeted with prolonged applause. Mr. Ardrey expressed the interest which the senior officers of the Dallas banks have in the young men who are studying in the classes of the American Institute of Banking. 'Such an occasion as this is worthy the presence of every bank officer in Dallas,' said Mr. Ardrey. A. V. Lane, Vice-President of the American Exchange National Bank; J. B. Adoue, President of the National Bank of Commerce; S. J. McFarland, Vice-President of the Guaranty State Bank & Trust Co.; William G. Breg, Vice-President of the Dallas Trust & Savings Bank; Ben B. Cain, Chairman of the Board of Merchants National Bank; and Forrest Mathis, Assistant Cashier of the Commonwealth National Bank, were among the speakers who indorsed the plans of securing the National meeting. Secretary J. R. Babcock, of the Dallas Chamber of Commerce, spoke of the advantage which the convention would be to Texas and to Dallas, and pledged the support of the Dallas Chamber of Commerce in making the affair a success.

"Dallas Chapter has begun the systematic groundwork of their campaign and have already at work a strong campaign committee under leadership of Stewart D. Beckley, a former president of the chapter. Mr. Beckley is planning to take a big delegation to Richmond, and said last night that he felt confident that the peculiar advantages of holding the next convention in Dallas could be made plain. 'We are starting the work of the Institute out here in a most satisfactory way,' said Mr. Beckley. 'The work is older in the East and comparatively new in the West. The inspiration to the work of the Institute and the increased interest in it which would result from a meeting of the National organization in Dallas at this time would be wonderful.'

"M. B. Keith, President of the Dallas Chapter, in calling the meeting to order, said: 'We have been organized about three years. During the past several months we have been holding regular night study classes. In these the progress has been highly satisfactory. When the first appropriation was made by the Dallas Clearing House to fit up the rooms for the Institute, I believe that those men made a great investment. I believe that they have more than been repaid in the increased efficiency of their employees. We want to fit the banking men of Dallas for higher and more responsible places in the future and to equip them to do more efficiently the work that is allotted to them each day.'

"All of the bank officials present expressed their interest and faith in the benefits of the institute classes, and urged the younger bankers to apply themselves to the lessons to be learned in the classes."

This is the last Bulletin before the convention and, consequently, the last opportunity for Dallas Chapter to present her claims for the convention through this medium, but our campaign committee will keep you busy reading of the wonders of Dallas and Texas in general; also the Chamber of Commerce is mailing out regularly descriptive literature telling you about our city. Watch our smoke in Richmond. Make your arrangements now for a visit in 1914 to the greatest, grandest, most glorious state that floats "Old Glory"—Texas.

DAYTON.

By E. F. Shively.

THE July business meeting of Dayton Chapter, A. I. B., was held Wednesday evening, July 9th, at the clubhouse in Fairview Park. It is a most delightful place for a summer meeting. Reports from the different committees were read and adopted. A report from the Chairman of the Finance Committee showed a net balance in the treasury of over \$40,000. The report of the Membership Committee contained one hundred and sixty-two members and fifty-seven associate members. Another report was read by Mr. Hecht, of the Educational Committee, which outlined the work as far as possible for

the course of instruction to be taken up in September and continued during the winter. This report was referred to the Board of Governors to make further arrangements for the best qualified instructors, etc., for the course.

Arrangements were also made for the annual outing or picnic to be held August 13th. The official members of the Clearing House having decided to close the different banks at noon on this day and give the boys a half holiday.

After the meeting a delightful evening was spent at the theatre adjoining the clubhouse, where the Manhattan Stock Co. is giving a very fine series of entertainments during the summer.

HARTFORD.

By Arthur H. Cooley.

DURING the past six months Hartford Chapter has aggressively sought to secure the 1914 convention. It has endeavored to bring before the members of the Institute, in a dignified way, some of the reasons why a successful convention could be held in Hartford. It has described briefly some of the interesting places and things that are to be seen within its vicinity. And it has also tried to make clear that it is so situated that the educational can be combined with the entertainment features in such a way as to make the convention one of exceptional value to all who attend. Hartford people have high ideals, that being the main reason why the city holds such a prominent position in the business world to-day. And Hartford Chapter gives assurance that a convention would be conducted in a manner consistent with the city's high standing.

No city has more to offer in the way of attractions and places of interest—educational, historic, civic, industrial and financial. No movement in recent years has attracted as much favorable comment on the part of the people of the city as our campaign for the convention. We want you and urge you to come, promising that no effort will be spared to make it a profitable and enjoyable affair.

As one of the oldest chapters we are entitled to honors. In point of size we are the eleventh chapter in the Institute, as shown by the latest figures available. By 1914 we shall be still nearer the top of the list. Every delegate who has a voice in the selection of the convention city should bear in mind that one requirement of that city stands out conspicuously over all others. It is, that the chapter acting as host must have a sufficiently large membership to draw upon for a committee to properly handle the entertaining. Things must be kept moving constantly without a hitch, and from the time the guests arrive until they depart, there must be a large number of men continually looking out for their comfort. Without this, no matter how well adapted the city is, no convention can be a success.

The many features which we have in mind for entertainment call for a well-organized force to carry out the details. On this point Hartford is perfectly equipped. With a membership of 250 (and which within six months should reach 300), we are in a position to provide a committee of more than 125 members who will give their entire time to the convention while it is in progress, in order to make it an assured success.

Reception Committee headquarters will be established in the Union Station, and every delegate will be met upon his arrival, and personally conducted to his hotel, thus obviating the possibility of any confusion. The tours to the parks, public buildings, historic points of interest, factories, etc., the trolley rides, boat trips, automobile rides, or any other entertainment decided upon will all be in charge of enough members to assure every one of personal attention. Wherever possible, special trolley cars will be provided. An unlimited number of automobiles will be at our disposal, and nothing will be left undone to give every one a good time. Arrangements will be made at the clubs, both city and country, so that the delegates may have every privilege. We will assure you of entertainment to fill in every moment

which the Program Committee will spare us, and the more time they allow us, the better pleased we shall be. For the visiting ladies, the wives and friends of Hartford Chapter members will provide entertainment while the business sessions are convening, and on all other tours and excursions, we shall expect to have the pleasure of their company.

Once more we ask that you give the points which we have brought out during the past six months full consideration in deciding how you will vote for the 1914 city. Make it Hartford. You will have no regrets afterwards. The following delegates will present our proposition at Richmond: E. R. Barlow, Fidelity Trust Co.; S. G. Pierce, National Exchange Bank; C. A. Lillie, State Bank & Trust Co.; H. T. Holt, Aetna National Bank; W. B. Bassett, Phoenix National Bank; F. L. Wilcox, Fidelity Trust Co.; C. C. Bolles, State Bank & Trust Co.; C. A. Hunter, The Hartford Trust Co.; C. T. Hubbard, Security Trust Co.; W. C. Goeben, W. S. Conning & Co.; A. H. Cooley, Security Trust Co.; H. H. Pease, The Hartford Trust Co. Alternates: A. G. Brainerd, Hartford National Bank; R. A. Wilcox, State Bank & Trust Co.; W. J. Reid, Charter Oak National Bank; N. W. Larkum, Conn. Trust & Safe Deposit Co.; M. W. Chapin, Phoenix National Bank; E. W. Outtrim, Hartford National Bank; A. H. Schumaker, Charter Oak National Bank; R. A. Boardman, First National Bank; H. C. Alvord, Manchester Tr. Co., So. Manchester, Ct.; A. D. Johnson, Phoenix National Bank; E. H. Deming, Jr., Farmington Savings Bank, Farmington, Ct.

JACKSONVILLE.

By J. E. Stephenson.

IN spite of the hot weather that has prevailed in this part of the world for the past several months Jacksonville Chapter has continued to make a thorough study of the Institute pamphlets, and during the months of June and July most of the time has been devoted to the subject of "Wealth and Money." In order to make this subject more interesting and instructive, G. R. DeSaussure, President of Jacksonville Chapter, suggested that a debate be arranged on the subject of "Political Economy"; and although this system of study is somewhat of an innovation with us we had the pleasure of listening to a very interesting discussion on this subject on July 17th. E. T. Schenck, of the Atlantic National Bank, handled the subject from the viewpoint of Adam Smith; while L. F. Bonnell, of the Barnett National Bank, based his arguments on the theories advanced by Mr. Innis, who is another eminent authority on economics. The matter was discussed ably and at considerable length by both parties, and finally George H. Ford, who acted as judge of the debate, decided in favor of Adam Smith's doctrines.

Ten members of Jacksonville Chapter entered their names for the examination on Banking, which was held here on July 24th, and they are now on "the anxious seat" awaiting returns from New York. This is Jacksonville's first attempt in this line, and it is hoped that at least one or two of the members will succeed in securing the Institute certificate.

MILWAUKEE.

By Herbert W. Roehr.

ALTHOUGH work has been suspended during the summer months, Milwaukee Chapter is preparing for a busy season, and the members are looking forward to the commencement of activities next fall. As the Chapter Rooms have been found inadequate for some time, new and roomier quarters have been provided for. Everything seems in readiness for a profitable and interesting season.

Milwaukee's experiment in Post-Graduate Study was highly successful. The attendance at the weekly Forum meeting showed the interest taken and the Forum has evidently come to stay. The members are enthusiastic and pronounce it the most significant step ever taken in Institute education.

With the closing of Dr. Scott's class in Banking and Finance, the names of Messrs. C. N. Reed and R. H. Reiberger were added to Milwaukee's list of Certificate Holders. The status of Milwaukee Chapter at present is: Organized, 1902; Present Membership, 332; Holders of the Institute Certificate, 25; Credits in Commercial Law, 10; Credits in Banking and Finance, 3.

Milwaukee will be represented at the Richmond Convention by J. L. Kennedy, Marine National Bank; J. G. Swift, First National Bank; A. G. Casper, First National Bank; Howard Young, National Exchange Bank; J. H. Daggett, Marshall & Ilsley Bank; H. J. Dreher, Marshall & Ilsley Bank; G. W. Klein, Wisconsin National Bank; August Kath, Germania National Bank; Paul Froelich, Germania National Bank; W. A. Tiepel, Merchants & Mfrs. Bank; A. J. Salentine, Wisconsin Trust Co.; A. B. Froelich, Jackson State Bank, Jackson, Wis.; A. H. Jensen, Tobacco Exchange Bank, Edgerton, Wis.; W. O. Schimpf, Merchants National Bank, Watertown, Wis.

Dreher of Milwaukee—The Man and His Record.

The best criterion of future service is past achievement. Progress is not alone of the present and future, but also of the past.



H. J. DREHER,
Marshall & Ilsley Bank, Milwaukee, Wis.

Platforms are valuable as indications of ideals to be realized. But they are not, and cannot be, assurances that those ideals will be brought to fruition in achievement.

The world of business is functioned by men. Personal leadership is the best assurance of progress, the character and record of leaders the safest platform. Organic principles are entirely essential. Upon their vitality depends the existence of organizations. The continued existence of an organization is the most forceful declaration of its purposes. It will continue to exist, to function with vitality, only so long as its membership believes its purposes are being advanced. Those purposes, however, may be retarded or made dormant. Whether advancement, retardation, or dormancy, depends upon leaders. Progress is therefore bound up in leadership, platforms rest upon the character and records of men.

We have presented to the Institute a candidate

for the Presidency. We hold that principles are more enduring than men, but that principles rest in large measure upon the character of men, upon their strength and vision, for fullest expression. We have previously stated it to be our belief that no man better qualified to lead and achieve for the Institute has been presented for office. Is there just basis for such an assertion?

In answer, we point to nine years of development and achievement. Dreher, of Milwaukee, has achieved in a large degree and won the confidence of those with whom he daily works, of his profession and of the community in which he lives.

A messenger at nineteen, Manager of the Bond Department of the oldest and one of the strongest banks in the Northwest at twenty-six, and Assistant Cashier of the same bank at twenty-eight, having been promoted to the last position in January of this year.

A simple, brief description of things transpired. Nine years of banking service. But much has been compressed into that brief period. Night study for three years and the passing of the examination of the Wisconsin Board of Law Examiners. Then a degree of L.L.B. from Marquette University and admission to practice in the Courts of Wisconsin. Then a relation established with Milwaukee Chapter, which continues to the present time. A service on Committees, the Board of Directors, and finally twice President of the chapter. The years of his presidency were marked by great educational advancement. Keen to discern the permanent good, he strove for efficiency and a vision of service. Those principles have become the permanent policy of the chapter. They were advanced by the Forum for Post-graduate work established under his leadership. Those ideals are also well known to the bankers of Wisconsin. Through correspondence and articles in financial magazines they have been widely disseminated. Through his service in the Program Committees of the conventions of Rochester and Salt Lake City, he has made them manifest to the Institute.

Dreher believed men should understand more of banking and that to be a good banker means to be a good citizen. And so appeared articles on legislation directly relating to banking, addresses at conventions and dinners. So has been a clean life, a service to church, to the education and development of the boy who hasn't had a chance, to the people in a congested working district. So has followed effort for the attainment of better city government. And to applied education, there has been an instructorship in Marquette University.

No state surpasses Wisconsin in real progressiveness, no university has done more for the people of a state than has the great university standing on the banks of Mendota. It has carried education to men. It has not waited for men to seek it out to find what it offers, it has sought men out and brought to them what they needed. It has made a science of correspondence education. It has set forever at rest the criticism of those who said that men could not learn save within the confines of a college campus.

When President Van Hise, of the University, first enunciated the new doctrine of extension education, Dreher was among the few who cared enough to hear and early grasped the significance of it all. At the first commencement exercises of the Extension Division held three years ago, in an address delivered to the students, Dreher said: "When Dr. Van Hise promulgated his new and highly significant doctrine of bringing the university to all the people, he inaugurated the most significant and far-reaching movement of modern education. He has declared that every forge, every factory, every office shall be a part of the university. The tremendousness of it all will only be grasped in the fullness of time. The bankers of the nation inaugurated a similar movement at Richmond in 1900 when they authorized the formation of the American Institute of Banking. They too realized the significance of modern life, the strength of trained men. They saw clearly that America is destined to be the commercial center of the world. They also saw that the banking power is the most tremendous single power in it, fraught

to a startling degree with the good or ill of mankind. They are developing a new generation of educated bankers. The time will come when through an adaptation of the great vision of Dr. Van Hise the banking fraternity will become as efficient and as highly patriotic a class as minister to the needs of men."

Above are briefly set forth the salient features of a man's life. By the acquirement of a large part of his education through night study, by a deep comprehension of the significance of the Extension work of the University of Wisconsin, which in its finality is scientific correspondence study, and by the experience gained through varied services to the Institute, the best guaranty of qualified leadership is given the Institute, the soundest platform is reared for the realization of its greatest good. We ask for endorsement. Our plea is in the hands of the membership for decision.

J. H. DAGGETT,
R. L. STONE,
ALEXANDER WALL,
H. H. VAN MALE,
Committee.

NEW YORK.

By Harold S. Schultz.

SINCE the founding of the chapter back in 1901 each succeeding administration has endeavored with the forces at its command to give to the young banking men of New York City and vicinity the best possible course of instruction along banking lines that could be acquired; and to encourage and foster a spirit of good fellowship and mutual assistance among them. Each year has witnessed changes in the curriculum and other innovations caused not only by the gradual increase in numbers and consequent prosperity, but also by the fact that each year has brought with it new conditions to face, and has taught new lessons to those in charge, and the complete harmony and freedom from faction, which has been so marked throughout, has allowed a free field for new ideas and given them an excellent opportunity to flourish.

Those who have followed the work at all closely will have noticed that, while always the chief end of our ambition has been education and advancement of banking ethics, for some years the methods employed to reach that end were somewhat loose and indefinite, and the real significance of having graduated from New York Chapter was not as apparent to some as it should have been. All that was when the chapter was young and inexperienced. It is to the credit of the men who planned the work then, to say that, despite the part of their own responsibilities that have grown and multiplied, those same men are still in charge of the work, and the present systematic and thorough method of planning the entire course a year in advance, with well-defined and certain rules to be followed by those who desire to gain the greatest benefits from the work, is due entirely to their own ideas and untiring zeal.

Our announcement, which was published on about August 1st, gives a complete synopsis of everything for which New York Chapter stands, and the proposed courses for the coming year. It is with pleasure that we present here a brief description of the material to be covered. In the September number of the JOURNAL-BULLETIN we hope to give in detail the whole plan for the year.

N. Y. Chapter Study Courses.

PRACTICAL BANKING.

Tuesday Evenings.

First Year Course for Candidates for the Institute Certificate.

This course aims to cover all the essential details of the banking profession without regard for the many divisions into which it is now separated. It is especially designed for the young banker, to inform him of the necessary steps to be taken to reach a high degree of efficiency and consequent success in his work. It is given by chapter men who

have become prominent in their various departments, and who are therefore well qualified to instruct others.

This year it will consist of Seven Lectures on Duties of Junior Clerks, Five Lectures on Duties of Senior Clerks, Six Lectures on the Executive and Administrative Departments, Four Lectures on Specialized Banking, Bank Audits, Bank Examination and Banking Laws.

COMMERCIAL LAW.

Thursday Evenings.

Second Year Course for Candidates for the Institute Certificate.

This subject will extend throughout the entire chapter year, and will consist of twenty-six lectures. The lectures will be conducted by a member of the chapter, Milton W. Harrison, of the Brooklyn Savings Bank. Mr. Harrison is a graduate of the Brooklyn Law School, and has had several years' experience in teaching Commercial Law to young business men. The lectures will be illustrated with live bank cases taken from every-day experience, and reference will be made to the opinions of Thomas B. Paton, General Counsel of the American Bankers Association. Bound copies of the Journal of the A. B. A. containing these expert opinions will be placed in the chapter library. In addition, each member of the class will be able to secure, for a nominal sum, the four Institute pamphlets on Law to be used as a text-book. These are the best text-books on law ever prepared for the exclusive use of bank men.

In brief, the subject matter to be covered consists of Contracts, Negotiable Instruments, Real Estate Law, Partnerships Bailments, Sales Corporations and Administrators and Executors. If followed closely the course will give to any man, whether he be clerk or officer, an excellent foundation for administrative and executive work in his institution.

TEN LECTURES ON BUSINESS CONDITIONS.

Wednesday Evenings.

A course of ten lectures on Fundamental Business Conditions will be given by Dr. John Franklin Crowell, of the "Wall Street Journal." Dr. Crowell is considered to be one of the ablest writers, and an authority on general business and economic subjects. His lectures comprise topics of vast importance to every bank man, since the whole business of banking rests upon the economic and commercial activity of the world.

The matter to be dealt with will cover the same ground as was covered last year by Dr. Crowell, but a great deal of additional material and more stereoscopic views will serve to make it even more interesting and complete.

ENGLISH AND PUBLIC SPEAKING.

Friday Evenings.

This course, which has become a fixed part of New York Chapter's curriculum, will be given again under the direction of Prof. Horatio N. Drury, whose popularity and excellent results are gaining for him an enviable but at the same time well-deserved reputation among bank men of the city.

Special attention will be given to letter composition and business conversation.

Following the twenty lectures in this course F. W. Ellsworth, of The Guaranty Trust Co., will give three lectures on Bank Circulars and "ad" writing.

Chapter Forum.

Alternate Friday Evenings.

Under the direction of J. A. Broderick, State Bank Examiner, an exposition and discussion of advanced banking theories, based upon historical facts, will be given. The work is planned particularly for graduates and others of the Institute familiar with the principles of Finance.

Chapter Notes.

Our members are looking forward to meeting the brothers from other chapters at the convention of Richmond, with a great deal of pleasurable anticipa-

tion. We expect to have a full delegation present. W. K. Cleverly is now cashier at the Seaboard National Bank, having advanced from the position of assistant cashier.

R. W. Taylor, of the National Bank of Commerce, has been appointed State Bank Examiner.

P. G. Delemater is now assistant secretary of the Bowery Savings Bank. G. W. Wright succeeds him as chief clerk.

OAKLAND.

By George W. Ludlow.

VACATION time has greatly lessened the activities of Oakland Chapter, especially along educational lines. Our year's work is being planned and speakers secured for future dates. The law course will probably be taken up this year,

PHILADELPHIA.

By Carl W. Fenninger.

PHILADELPHIA again takes this opportunity of presenting Mr. Eugene J. Morris, of the Manayunk National Bank of Philadelphia, as a candidate for the Executive Council. We feel that the qualifications of Mr. Morris warrant us in again repeating some of the things which he has done in Philadelphia Chapter.

Mr. Morris became a member in 1902 and in 1903 was elected to the Board of Governors. The following year, 1904, he served as vice-president and in 1905 as president. He has led the work of the chapter on the Educational, Speakers', Debate and Membership Committees and for the past five years has managed the Year Book and Banquet Committees. Mr. Morris has also attended the conventions of the



PHILADELPHIA DEBATING SOCIETY

and we hope to establish the post-graduates' forum. While the vacation feeling is still upon us we are arranging a tennis tournament, to be held in August or early September, with prizes for both doubles and singles. Our membership is growing, and we hope to reach the two hundred mark before the end of the year. We suggest that in the interest of the Numerical Transit System all chapters print the numbers after the names of the various banks noted on their letterheads.

Institute in Minneapolis, Atlantic City, Providence, Chattanooga and Rochester.

If Mr. Morris should be elected to the Council we feel that he will serve with the same fidelity, energy and interest which he has manifested in his local chapter, and there is probably no one man in Philadelphia who has given more of his time and been more successful in accomplishing the work of the chapter than Mr. Morris.

We would also call attention to the successful

ending of our educational work for the year. The course in Banking and Finance resulted in 66 men being credited with the course, of whom 21 qualified for the Institute certificate. The names of those who have qualified are as follows: Thos. Annesley, Ninth National Bank; J. R. Burhouse, Colonial Trust Co.; C. H. Chaffee, First National Bank; C. B. Conn, Ninth National Bank; A. W. Davis, First National Bank; B. E. Efling, Swarthmore National Bank, Swarthmore, Pa.; A. H. Eyles, Jr., Franklin National Bank; J. I. Farquhar, Corn Exchange National Bank; J. A. Felix, Farmers and Mechanics National Bank; C. C. Gamble, Corn Exchange National Bank; J. C. Hamer, Ninth National Bank; J. R. Hogeland, Franklin National Bank; H. C. Mack, Eighth National Bank; Wm. Rich, Franklin National Bank; J. R. Satterthwaite, Penna. Co. for Ins. on Lives, etc.; F. P. Stephens, Philadelphia National Bank; W. R. Towers, National Bank of Phoenixville, Pa.; C. R. Weil, Colonial Trust Co.; A. L. Afr, First National Bank; H. E. Coverdale, Franklin National Bank; A. W. Keeler, First National Bank.

In addition to this, by reason of work previously done, the following men are eligible to the Institute certificate: H. B. Shill, W. W. Allen, C. B. Callanan, J. F. Paynter.

The summer months have very naturally caused a slacking up in our work, but we are earnestly planning for the fall campaign. We look forward to starting off our work with an enthusiastic delegation to Richmond, whom we trust will come back with larger conceptions of the Institute work and better qualifications to serve the chapter.

Debate Section.

Wm. W. Allen, Jr., contributes the following in regard to the Debate Section:

"One of the interesting features of a very satisfactory year's work in the Philadelphia Chapter is the work done by the Debate Section. Under the efficient coaching of two prominent lawyers, Messrs. Roland S. Morris and David S. Walterstein, some thirty men were divided into three teams. During the fall and winter months the Red, White and Blue teams debated each other, and the men were thoroughly drilled. Speakers were selected for match debates, and on February 21st occurred the Tri-City debate between Washington, Baltimore and Philadelphia. Each chapter kept a team at home to debate the negative side of the question: 'Resolved, That National Banks be empowered to have branches.' Philadelphia sent an affirmative team to Washington, Washington to Baltimore and Baltimore to Philadelphia. Philadelphia won both of her debates; Washington won and lost; Baltimore lost both. The next inter-chapter debate was held in New York as a result of a challenge from that city. The question was: 'Resolved, That the issuance of notes by an incorporated Clearing House Association on the same basis as such Clearing House loan certificates as have been issued would be a better plan than notes issued by any proposed Reserve or Central Bank.' In a well-contested debate Philadelphia won the negative side.

"In the final series of debates there was a prize worth the winning—the silver cup presented by the Pennsylvania Bankers' Association. This had been won the first year by Pittsburgh from Philadelphia and the second year by Pittsburgh against Scranton. To have won it a third time in succession would have given Pittsburgh this valuable cup as a permanent trophy. In the preliminary debate with Scranton Chapter, Philadelphia Chapter won handily. The final debate with Pittsburgh before the State Bankers' Convention was the closest debate of the entire year. The question was: 'Resolved, That National Banks be given the powers of Trust Companies.' Philadelphia won an unanimous decision, but the contest was too close for comfort.

"The officers of the Debate Section were William W. Allen, Jr., president; E. H. Thurman, vice-president; H. E. Dely, secretary and treasurer. The members of the match debating teams shown herewith are, left to right, top row: P. B. Detwiler, Philadelphia National Bank; Thos. W. Smith, First National Bank; A. E. Elmer, Franklin National Bank; W. W.

Allen, Jr., Philadelphia National Bank; R. U. Frey, Pennsylvania Company, Bottom row, left to right: H. E. Dely, Tradesmen's National Bank; C. B. Engle, Pennsylvania Company, chairman Debate Committee; Edmund Williams, Tradesmen's National Bank."

PORTLAND, ORE.

By Cyrus A. Woodworth.

PORTLAND CHAPTER inaugurated its summer educational season by inspecting the packing plant of the Union Meat Co., at North Portland, on Saturday, July 19th. The financial side presented was of primary interest to bankers as the total investment in the district is in the neighborhood of \$10,000,000, of which the packing plant represents a large fraction, and the ground on which many large industries stand was reclaimed by dredging by the company, who have since disposed of considerable tracts to other concerns with whose affairs the members of Portland Chapter are in daily contact.

President C. C. Colt of the company welcomed the chapter, on arrival at the plant, while A. C. Black, in charge of the publicity department, conducted the party from the business district and saw that sufficient department heads were on hand to divide the expedition into small groups so that the inquiries of all could be given attention. Rousing cheers were given Mr. Colt and Mr. Black, who extended the courtesies of the company for a future and more extended visit.

Portland Chapter is maturing plans to add to the general public's knowledge of its activities, and during the coming year will doubtless become known as an organization whose benefits can be reaped by much of the business community not directly connected with the banking business. A lecture delivered before the Oregon State Bankers' Convention at Corvallis, Ore., last month, by R. M. MacMichael, a former president of the Institute, has brought the work before the executive heads of Oregon banks, and was augmented by a statewide distribution of printed matter relative to the educational courses, accompanied by a circular letter from Portland Chapter. The coming winter will doubtless see many of the employees in the inland districts taking advantage of the Correspondence Chapter.

ROCHESTER.

By Wm. H. Stackel.

OUR chapter has adopted new political methods which are outlined here because of the very favorable impression they have made on our own members. The chief aim is to subordinate if not to eliminate all so-called "politics," believing that education is to be given first place, and that while educational contests add incentive and interest to the work, political contests, even though they be friendly, are bound to detract from educational features and often create unpleasant rivalry. The plan in a nut shell is as follows: No member is either directly or indirectly permitted to put himself forward as a candidate for any office or as a delegate; a thoroughly representative nominating committee prepares two complete slates after going over the entire membership list; the nominees for delegates and alternates to the convention are not notified of their nomination in advance of the annual meeting, at which meeting they are voted upon (this rule would also be followed in the case of the nominees for the various offices and executive committee, were it not for the fact that it seems to be better form to first obtain their consent to serve if elected; such consent is not necessary in the case of delegates, as the election is held long before the vacation schedules are made up, which insures a sufficient representation from the delegates and alternates); the nominating committee is instructed neither directly nor indirectly to receive applications in making up its slate; this insures freer action than the candidate system, and what is more important often results in the selection of a man for some office or as a delegate who never would have thought of putting

himself forward as a candidate. The executive committee consists of the officers and six additional members elected for that purpose. A continuous policy is assured by having two of the six elected every year. The new plan has worked out admirably, and as a result of its adoption as a part of our constitution there are no "politics" in Rochester Chapter.

SEATTLE.

By Roy L. Jensen.

THE final examination of the educational class of the Seattle Chapter was held in the class rooms of the Y. M. C. A. on May 27th. The classes were a decided success this year, being regularly attended and keen interest in the work being manifested at all times. The success of the class was largely due to the untiring efforts of instructor George Hannan, and at the last regular class meeting he was presented with a beautiful Hamilton movement gold watch. The following students were successful in the examination: Harvey Barton, S. L. Cadwell, T. A. Colter, J. C. Glass, W. T. Burke, W. A. Owen, P. F. Llewellyn, Otto S. J. Pedersen, Wm. R. Bowe, I. C. Bogardus, R. P. Callahan, A. E. Peirson, Fred F. Jackson, G. E. Maine, A. T. Drew, D. L. Davis, Arthur C. Carlson, S. E. Stewart, R. H. Wilson, Geo. Crawford Morrill, Patrick McHugh, L. L. Wolf, John Muller, Geo. H. Walker, Roy S. Jensen, V. M. Miller.

The final examination in the first year's work was taken by P. F. Llewellyn, R. P. Callahan, Geo. Maine, Geo. Crawford, Harvey Barton.

L. H. Woolfolk, Assistant Cashier Scandinavian American Bank, will attend the A. I. B. Convention this September at Richmond.

ST. PAUL.

By Raymond A. Brandt.

ALTHOUGH the busy season is over the officers are active working on the new program for next year. The chapter rooms will be vacated and our monthly meetings will be held in connection with dinners. At these dinners we expect to have speakers talk on subjects bearing on banking especially. The educational work will be under the instruction of the University of Minnesota. Mr. Ebersole, a very able professor in commercial subjects, offers a fine course in banking practice. The elements of economics will be taken up the last part of the season.

St. Paul has but two delegates, E. O. Nordstrom and R. Henly, for the convention this year, on account of a very busy year among the clerks, resulting from the consolidations of four banks into two.

WASHINGTON.

By F. B. Devereux.

WASHINGTON CHAPTER cordially invites the delegates to the Richmond Convention to be its guests Tuesday, September 16th. Chapter headquarters will be the Raleigh Hotel. The Chairman of the Entertainment Committee, W. W. Spaid, of W. B. Hibbs & Co., will greatly appreciate an early acceptance from the delegates who will spend the day in Washington.

WHEELING.

By W. W. England.

THE general meeting of Wheeling Chapter for July was held at their room on July 15th in the form of a Business Meeting and Smoker. The following were elected to represent the Wheeling Chapter at the Richmond Convention: Delegates—William W. England, Robert Lee Boyd, H. E. Koehnlein, H. S. Martin. Alternates—Henry Beneke, W. C. Steber, H. H. Reithmiller, W. K. Kirkpatrick. The chapter will hold its regular Study Class on August 5th and General Meeting on August 19th.

WILKES BARRE.

By Ross H. Lloyd.

IT has been said of us that we are, as a community, thoroughly distinctive in our traits and characteristics. We are distinctive in that we do not advertise that which we are going to do until the work at hand is accomplished. Wilkes Barre's first chaptergram contains an advertisement of a graduating class of nine members composed of the following: William J. Ruff, Luzerne County National Bank; Ross H. Lloyd, Luzerne County National Bank; R. H. Mitchell, Miners Bank; Randall Berg, Miners Bank; Newell Rossmann, Second National Bank; Charles Davis, Deposit and Savings Bank, Kingston, Pa.; Arthur Schooley, Wyoming National Bank; Oscar Boughner, Miners Bank; Michael Yurkanin, Heights Deposit Bank.

Two years ago Educational Director, George E. Allen, explained to the bank clerks of Wilkes Barre and the Wyoming Valley Bank Clerks' Association, which takes in all the bank employees of Wyoming Valley, the benefits that were to be derived from the study of the American Institute of Banking Course. In his own inimitable manner, without any frills and, as we thought and expressed ourselves at the time, in as cold-blooded a manner as possible, he told of the benefits direct and indirect that could be placed at the door of men who were willing and also possessed that amount of stick-to-it-iveness to dig out the knowledge that the course of study contained. When I speak of benefits we derived from the work accomplished, most men will ask how much of a salary increase we received. The local chapter can point with pride to the results obtained if salary is to be a criterion, for out of its graduating members at least five can place good-sized salary increases as the result of the Institute or of Institute influence. From out of our number William J. Ruff, one of the youngest cashiers in the Wyoming Valley, has been taken and Wilkes Barre was always noted for the going out of town to obtain banking men to fill the executive positions.

Aside from the financial benefits, if a man studies and brings the course to a successful conclusion by receiving an American Institute of Banking Certificate, it is worth an amount that cannot be reckoned in dollars and cents for he himself to know that he had the capacity and the stuff in him to bring the course to that end. The graduating is just the beginning of a broader knowledge of banking and financial matters in general.

Our Banking Fraternity contained a great number of skeptics and cold-water throwers, for which reason it was a hard task to get a chapter going in this city. It started out with a membership of twenty-six, but the golden streaks and other causes too numerous to mention began to weed out the chaff, and at the close of last year's work eleven passed the first-year examinations. We have a good nucleus with the right spirit to start next year's work.

Educationally, the chapter has made great progress under the excellent tutorship of Clarence D. Coughlin, Esq., one of the youngest and brightest attorneys of the Luzerne County Bar Association. Not a little of the credit of the success of the Wilkes Barre Chapter can be given to Mr. Coughlin. Mr. Coughlin recently spoke to the members on History of Banking of the United States, and will finish the subject in a second lecture.

The educational end of the Wilkes Barre bank clerk's life being taken care of by the American Institute of Banking, its members not allowing the social side to mix with the educational, they turn to the Wyoming Valley Bank Clerks' Association for the social side. This Association has an active membership of sixty-five, with an honorary body of about one hundred and twenty-five composed of the Directors and Cashiers of local banks. They maintain an elegant apartment in the Allegheny Building, which is the envy of our Scranton neighbors. The Association gave a musicale recently to the Cashiers and Directors which was highly appreciated.

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