

JOURNAL of the AMERICAN BANKERS ASSOCIATION

ISSUED THE TENTH OF THE MONTH BY
THE ASSOCIATION

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No. 2

OFFICERS AMERICAN BANKERS ASSOCIATION, 1913-1914.

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L. W. GAMMON, 5 Nassau Street, New York City.

RICHMOND CONVENTION NOTES.

THE tentative plan for the entertainment of Richmond Convention of the American Bankers Association, October 12 to 17, 1914, includes every function that will tend to offer entertainment, sightseeing, recreation and social and educational interest.

There will be Banquets, Teas, Receptions and other functions by various local organizations; Automobile rides to points of interest; a great Ball, at which the Governor of Virginia will head the receiving line; Luncheons and other functions for the ladies of visiting delegates and guests; Musicales at the City Auditorium and theater parties, and a Boat trip down the historic James River.

The Hermitage and Country Club will be open to delegates and guests throughout the week, where Golf may be indulged in by devotees of the game.

Municipal authorities, Chamber of Commerce, Business Men's Club, Reserve City Bankers' Association, The Clearing House, Bankers' Institute, Shriners, Rotary Club, Advertisers' Club and Elks, have all joined with the General Committee in perfecting plans for a most hospitable reception of all who attend the convention.

Hearty co-operation by citizens who are especially efficient in the work of entertaining visitors has been offered to the local Committees, and every possible thing that can be done is being arranged for, so that every delegate and guest will receive that personal attention which distinguishes Richmond as a Convention City.

The full program in all its detail will be ready for publication at an early date, but in the meantime a short sketch of Richmond and its environs will doubtless be of interest and will tend to forecast some of the unique pleasures that may be looked to by those who contemplate attending the convention.

Richmond.

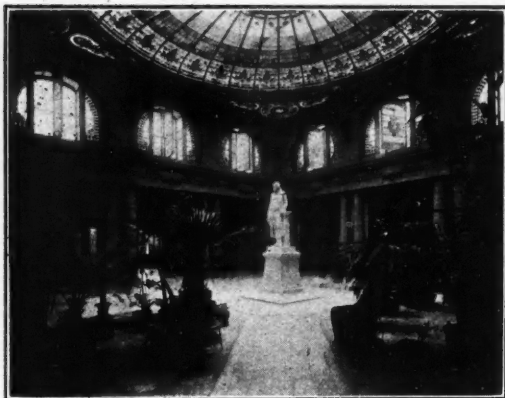
The visitor to Richmond cannot remain long without being impressed with the feeling that here is a city different from any other he has ever seen; a city with an individuality which marks it and sets it aside as something different in the municipal geography and history of the country.

He sees a modern community over which hangs the smoke of many and varied manufactories; he hears the roar of transportation as big locomotives crash about its streets in the heart of the city and skirt its limits; the very air palpitates with the spirit of modern progress, and yet over all hangs the flavor of the past. He has the feeling of one standing in the twilight zone which separates the past and the present, and through the shadows he catches a glimpse of the future, which every Richmonder believes holds in store bright success for his city.

The people, too, seem to be different from those in other cities, and yet there are people here from all parts of Virginia, the Carolinas and every section North, South and West. As large as is the immigration to Richmond yearly, the newcomers are not long in catching something of the spirit of the city of factories and monuments. Richmond has a history which these strangers knew before they came, and Richmond has a future which induced these strangers to come.

The people of Richmond do not forget the past, but they do not lose sight of the future. Their traditions do not cause them to turn their backs upon the present and contemplate dreamily the glories of the past, but stand at their backs urging them on to making of traditions for their children, albeit traditions of good government and industrial progress rather than those of success in war and statesmanship.

What is now a community of 160,000 souls had its beginning as a city in 1733, when the foundations

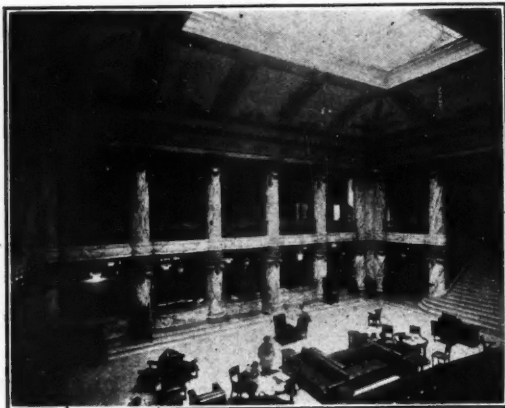


PALM ROOM—JEFFERSON HOTEL.
Convention Headquarters—Showing Statue of Thomas Jefferson.

for the future metropolis of the South was laid by Col. William Byrd. While this was the date of the founding of the city, history carries us back to the date of the landing of Capt. John Smith and his English fellow settlers in 1607.

In 1742 the House of Burgesses, at Williamsburg, established the town of Richmond, and in 1799 it became the capital of the State of Virginia, and in 1782 was incorporated as a city, having a population in 1790 of 3,761 people. From that time on the history of Richmond has been inextricably interwoven with the history of Virginia and at times with the history of the nation. It was in St. John's Church, Richmond—still standing—that Patrick Henry lighted the fires of patriotism and made inevitable, in one great speech, war with the mother country, which resulted in the establishment of the great Western republic.

As the capital of the Southern Confederacy, Richmond was the storm center of the greatest war of the Western Hemisphere, and when it was evacuated by General Lee's troops, April 3, 1865, it was laid in ruins by fire. The business section of the city was almost wiped out. Richmond's financial center is in the heart of the section laid waste by flames less than half a century ago, and in the place



JEFFERSON HOTEL—MAIN LOBBY.
From Mezzanine Floor. Convention Headquarters.

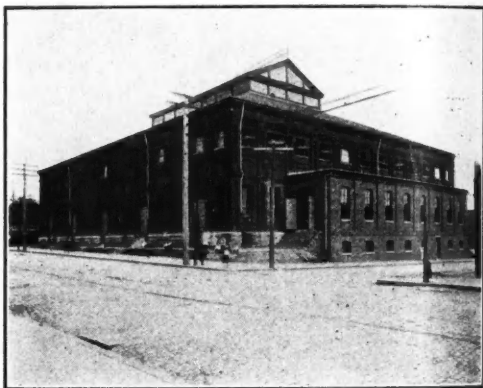
of blackened ruins are well-paved, municipally lighted streets and towering buildings.

In the neighborhood of Richmond are some of the most noted battlefields of the war between the States. Seven Pines, Malvern Hill, Yellow Tavern—where the great cavalry leader, Jeb Stuart, fell—Cold Harbor, Mechanicsville, Frazier's Farm, Savage's Station, and, twenty miles away, the famous battlefield of Petersburg and the Crater.

Richmond of the Present.

The history of Richmond of the past cannot fail to interest such a representative body of men as the American Bankers Association, gathered from all sections of the nation, many of whom are connected with the city and the State of which it is the capital by ties of blood and associations. Steadily, sturdily, with the strides of a giant, Richmond has gone forward, passing many of her rivals, overtaking others, and getting within striking distance of all. There has been no boom in Richmond in the memory of most of those working for her advancement to-day. The progress has been that founded upon natural advantages and those acquired by the will and determination of her commercial builders.

Going to the United States census we find that the population of Richmond increased more than 50



CITY AUDITORIUM.

Capacity 5,000—Where Opening Meeting will be Held and Where Musicals will be Given.

per cent. during the period covered by decennial census. Richmond had a population of 85,050 in 1900, and of 127,678 in 1910. With the annexation of contiguous territory, already a part of Richmond in fact, though not in name, which will be effected shortly, Richmond will boast of 160,000 people, not a far cry to the 200,000 mark set for 1920.

The operations of the financial institutions are perhaps the best indications of business prosperity and industrial growth. Richmond has the reputation, well deserved, of being the strongest financial center in the South. Financially it is like a rock.

The resources of Richmond have given the city prominence in many fields of industry. Chief among these are the tobacco factories, making plug and smoking tobacco, cigars, cheroots and cigarettes, which have a reputation the world over. Others are the Richmond branch of the American Locomotive Company, the Tredegar Company, the Old Dominion Iron & Nail Works, the numerous large plants of the chemical and guano companies, the cedar works, paper mills, baking powder plants, and numerous others.

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

Richmond has 1,979 manufacturing establishments, employing 33,000 hands, and the capital invested is \$36,214,033. Sales of manufactured products have passed over the hundred million mark.

Richmond was the first city to operate a "trolley car" successfully, and ever since that epoch-making experiment was tried in this city, more than a quarter of a century ago, the electric railways have been an important factor in the development of Richmond. Seven suburban and interurban lines enter the city, aiding in a great measure the progress and prosperity of the community.

Harking back to the industrial life of Richmond, in order to give a resume of the Richmond of the past and present, this city makes more than one-fourth of all the cigarettes manufactured in the United States; seventy-five per cent. of the blotting paper manufactured in the country is manufactured in Richmond; the largest locomotives in the world are made in Richmond; it has increased fifty per cent. in population in ten years; its location geographically is more favorable for the assembling of raw material from a wider extent of territory than any other city south of Philadelphia; its water transportation facilities are excellent; its city government is clean and efficient; its schools are second to none in the South and are rapidly approaching to the best in the country; its churches are numerous and accessible to all residence sections; its tax rate is lower than that of any city of its size; its streets are well paved and a large sum of money has just been appropriated for other improvements; it is a city of beautiful homes and shaded streets; its historical associations are inspiring and its social life pleasant.

The future of Richmond is bright. What she has done is but a suggestion of what she will do.

Her people are aggressive, active and confident. Richmond has superb confidence in her destiny and the people are possessed with the idea that nothing



HOTEL RICHMOND.

the city undertakes can fail. Present conditions are most helpful. Richmond enjoys freedom from financial delinquencies and commercial failures, and the confidence in which the new business, civic and social administration is held argues well for its continuation. Richmond is ready to go forward. The building of bridges across James River; the acquisition of more territory; the plans now being worked out by commercial organizations for better and more economical housing for wage earners; the enlargement of the terminal facilities of the railroads; the opening of the permanent Manufacturers' Exhibit—all conspire to give faith in the future that will scarcely be disappointing. Back of it all is co-operative spirit, evidenced by the various commercial organizations, the individual business men, the municipal government and other workers for Richmond; and while the cry of half a century ago was "on to Richmond," the cry of its citizens to-day is—to the American Bankers Association—"Come to Richmond."

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

HOTEL ACCOMMODATIONS FOR RICHMOND CONVENTION.

THE Fortieth Annual Convention of the American Bankers Association will be held in Richmond, Va., the week of October 12, 1914, and the hotel reservations are being handled by a local committee in that city.

Richmond is equipped with a number of first-class hotels, many other hotels that might not be called strictly first class, and numerous apartment houses.

It is the intention of the Hotel Committee to provide, and to provide well, for all those desiring to attend this convention.

As several months have lapsed since the Association decided to hold this convention in Richmond, all accommodations at the headquarters hotel—The Jefferson—have long since been assigned.

Bankers who intend to go to Richmond and who have not yet engaged accommodations should do so at once by communicating with Thomas B. McAdams, Chairman Hotel Committee, care Merchants' National Bank, Richmond, Va.

The Hotel Committee is splendidly organized and doing very efficient work, systematized and methodical, the correspondence and details being handled by F. Dickinson, Secretary to the Committee.

The annual meeting of Group Five of the Virginia Bankers' Association will be held at Bristol next month.



LEE MONUMENT.

RICHMOND ADMINISTRATIVE COMMITTEE.

RICHMOND bankers have appointed the following Administrative Committee: Henry E. Litchford, Vice-President Old Dominion Trust Company, Chairman; Col. Julien H. Hill, Cashier National State & City Bank; Waller Holladay, Vice-President American National Bank; George W. Rogers, Thomas B. McAdams, Vice-President and Cashier Merchants' National Bank, and W. T. Dabney, Secretary of the Richmond Chamber of Commerce, is Secretary to the Committee.

As other committees are formed, additions will be made to this Administrative Committee, as it is composed of the chairmen of committees already appointed.

It is the intention of the Administrative Committee to meet at least once a week for the purpose of considering details in connection with our Fortieth Annual Convention.

REDUCED RAILROAD RATES TO THE CONVENTION.

New York and the East—Trunk Line Association.

Fare—Two cents per mile in each direction to Washington plus \$4.25 tendered therefrom for the round-trip, going and returning via same route only.

Dates of Sale—October 9 to 11.

Final Limit to reach original starting point not later than October 21.

Extension of Final Limit—By deposit of ticket by original purchaser in person with Special Agent at Richmond not later than October 21, and payment of fee of \$1 at time of deposit, an extension of final limit may be obtained to reach original starting point not later than November 20.

Special Agency for Extension of Tickets—Details to be announced later.

Pacific Coast States—Trans-Continental Passenger Association.

The lines in the territory of 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, 1914, inclusive, and from California special dates from April to September, inclusive, have been selected. If, however, delegates are unable to avail themselves of the Special Fares authorized they may take advantage of the nine months' Tourists' fares, approximating two cents per mile in each direction, or about one fare and one-third for the round trip. These are in effect daily from California, Nevada, Oregon and Washington.

Tickets sold on Special Fare basis marked "Summer Tourist" will not be honored for return trip unless they are validated at destination of ticket by the original purchaser in person.

FULL PARTICULARS CAN BE SECURED FROM LOCAL TICKET AGENTS THROUGHOUT THE COUNTRY CONCERNING RATES, ROUTES, LIMIT OF TICKETS, ETC.

SOME OF THE PASSENGER ASSOCIATIONS HAVE NOT YET ANNOUNCED THEIR RATE FOR THE VARIOUS LINES INTERESTED THEREIN. WHEN THIS ADVICE IS RECEIVED A FURTHER NOTICE WILL BE PUBLISHED IN THE "JOURNAL-BULLETIN."

NEW TELEGRAPHIC CIPHER CODE.

THE new Code, which became effective May 15, 1914, was distributed to all members of the Association. Those desiring additional copies for their own use may secure the same at one dollar (\$1) each.

Members desiring to print on their letter-heads or their stationery "A. B. A. CODE USED" or "AMERICAN BANKERS ASSOCIATION CODE USED," may do so as per authority granted by the Executive Council meeting held at Hot Springs, Va.

CAMPAIGN FOR 15,000 MEMBERS.

THIS being the fortieth year of the American Bankers Association, it has been the desire of the Association's officers to bring the membership to 15,000, and a campaign has been carried on with that end in view.

The present membership is about 14,600, and eight new members from every State in the Union and the District of Columbia will give us the desired result.

If our members would interest themselves in this subject and examine our new List of Members (which is now being sent out) or any bankers' directory, they will readily see who are the non-members. And a little solicitation on their part would easily give us the desired membership.

Co-operation is to-day the keynote of success; much good can be brought about by co-operation through a large organization of the nature of the American Bankers Association, and every bank should be a member.

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

INCREASE IN MEMBERSHIP.

THE membership of the Association is steadily increasing. Since July 1st 161 members have joined, and our total membership as of July 31, 1914, is 14,584. At this period last year there were enrolled 13,969 members, thus making a net gain of 615, which is an excellent showing.

As the membership increases, the available field for new members naturally is curtailed. The figures given are positive evidence of the value placed on membership 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 the membership of this Association is valued is the fact that with a membership at the close of the last fiscal year of 14,100 there were only 222 delinquents.

STATE BANK SUPERVISORS.

THERE was an unusually large attendance at the thirteenth annual convention of the National Association of State Bank Supervisors, held at the Marlborough-Blenheim, Atlantic City, on July 6th, 7th and 8th. They were welcomed to the city by George M. La Monte, the New Jersey State Banking Commissioner, and E. H. Doyle, the Michigan Commissioner and President of the Association, made response.

Many important matters were discussed and expressions of opinion advanced on banking and supervisory subjects. President Doyle said that the psychological moment had arrived when systems in use for many years must be revised, chiefly because of the new currency bill, which, in his opinion, was one of the best laws ever enacted and would prevent money panics for all time.

"What Constitutes Efficient Bank Examination," was the subject of a talk by Superintendent A. H. Turriffin, of Minnesota, in which he outlined what the examiner should know at the conclusion of an efficient examination. Commissioner Thomas J. Smith, of Kentucky, made an address on the question of "Co-operation between State Superintendents and the Comptroller of the Currency." Commissioner J. L. Emerson, of Tennessee, gave a history of how supervision was inaugurated in that State. Superintendent of Banks E. L. Richards, of New York, talked on "Legislation," giving a synopsis of the new banking law of the Empire State. The other speakers on the program included banking commissioners, supervisors and superintendents from the various States.

The southern and southwestern bankers went for a two weeks' outing and fishing trip along the gulf waters last month, the trip being an annual event.

DRAFTS FOR MEMBERSHIP DUES FOR THE FISCAL YEAR 1914-1915.

IN connection with the usual custom of drawing drafts on our members for dues, which under our Constitution are payable in advance as of September 1st each year, drafts will be forwarded to members by our Treasurer, Mr. J. W. Hoopes, through the City National Bank of Galveston, Texas. These drafts will cover the dues of members in full to the close of our fiscal year, ending September 1, 1915.

The membership of this Association is now over 14,000 banks and trust companies, 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 would otherwise ensue.

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

MISUSE OF CIPHER CODE.

TAking into consideration the fact that our new Cipher Code has been issued to some 14,000 banks and that the Code would probably be used, on an average, by three times that number of people—the number of errors which have occurred in the use of our new Code is comparatively small.

We have yet to be advised of a single case of error except in the misuse of Code numbers for numerals and dollars and not properly using the numbers which represent numerals and dollars.

And in every case where errors have been reported to us, it has been apparent that the user of the Code has not read the instructions accompanying the Code, on page viii, and has not studied the instructions relating to Test Words.

Users of codes, and especially those who are not familiar with cipher codes, should first of all read the full instructions.

The Cipher Code of the American Bankers Association is coming now into general use, and without a doubt is used in some cases by bankers who have not been accustomed to using cipher codes; and by these persons great care should be given to a thorough study of the Code before it is put in use.

Many letters have been received at these offices showing that bankers do not always realize the importance of cipher codes, and in some instances they have been thrown in the furnace and are frequently mislaid.

Fully 500 requests have come to these offices for copies of the original circular sent out under separate cover when the Code was sent out, stating that same had never been received. No doubt these letters went into the hands of careless mail clerks and were not delivered to the bank officer—inasmuch as the said letter of instructions and circular with test words were sent out in two-cent envelope, addressed on an Addressograph, which in turn is an absolute protection against errors in addressing.

The Cipher Code, properly used, is a most beneficial adjunct to any bank; it insures secrecy and safety and should be carefully guarded and handled.

COUNTY BANKERS ORGANIZE.

A MEETING of the bankers of Waukesha County, Wis., was held recently at North Lake and an organization, to be known as the Bankers' Development Association, was perfected with the following officers: President—Burton M. Smith, North Lake; Vice-President—C. D. Probert, Oconomowoc; Secretary—John A. Rodgers, Waukesha; Treasurer—Oscar A. Olson, Dousman.

George D. Bartlett, Secretary of the Wisconsin Bankers' Association, called the meeting to order, and E. A. Dow gave an address on "County Organization Among Bankers."

LIST OF MEMBERS COMPLETE TO JUNE 30, 1914, INCLUSIVE.

A LIST of members of the Association in pamphlet form complete to June 30, 1914, 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 members are requested to keep it conveniently at hand for ready reference.

For additional members joining the Association between the date of the pamphlet and the time of publication of our next book of proceedings of the Richmond convention, which will also contain a complete list of members, our members are referred to the monthly "JOURNAL-BULLETIN."

In addition to the new members being published in the "JOURNAL-BULLETIN," information is also given relating to all changes affecting membership.

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

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

ONE-CENT LETTER POSTAGE.

THE campaign which is being waged by the National One-Cent Letter Postage Association, with headquarters in Cleveland Ohio, was endorsed unanimately by the American Bankers Association at its annual meeting in Detroit in 1912.

Every banker is interested in the outcome of this campaign. Two-cent letter postage now brings to the Government a net profit of about \$75,000,000 per year.

The Cleveland organization, located in the New England Building, will send to anyone applying for same a quantity of campaign stamps, which can be used on stationery (not envelopes) and which will aid its campaign. They will also present complimentary memberships to all banks whose postal account is under \$100 a year.

For a number of years the National One-Cent Letter Postage Association has been working in the earnest endeavor to bring about one-cent letter postage; and as this is a question that is of vital interest to every banker in the United States, a helping hand will be appreciated, while at the same time bankers will be helping themselves to bring into effect a much-needed reform.

MEETING OF BANK CREDIT MEN.

THERE will be held, during the convention period of the American Bankers Association at Richmond, a meeting of Bank Credit Men. This meeting will be in the Assembly Hall of the Chamber of Commerce, Corner of Sixth and Main Streets, on Tuesday, October 13th, at 10 o'clock A. M.

The object of this meeting is for the purpose of discussing of commercial paper; and for the better protection of banks and bankers who buy such paper from commercial paper brokers.

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

GOOD ROADS DAYS IN MISSOURI.

G OVERNOR MAJOR has issued a proclamation declaring Tuesday and Wednesday, August 18 and 19, 1914, as "Good Roads Days." A letter has been sent out by the Missouri Bankers' Association to its members, urging upon them the importance of their active co-operation in the success of this movement.

REGISTRATION AT OFFICES.

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

- Atha, Henry G., Vice-President Security Savings Bank, Newark, N. J.
- Bonyne, Robert W., New York City.
- Burns, W. J., President The W. J. Burns International Detective Agency, Inc., New York City.
- Calfee, J. S., Cashier Mechanics-American National Bank, St. Louis, Mo.
- Chaffee, Eugene W., Treasurer Moodus Savings Bank, Moodus, Conn.
- Cornwell, William C., Editor "Bache Review," J. S. Bache and Company, New York City.
- Crampton, R. L., Secretary Illinois Bankers' Association, Chicago, Ill.
- Dimse, Henry, Jersey City, N. J.
- Farnsworth, E. D., Assistant Cashier Union National Bank, Newark, N. J.
- Fayant, Frank H., New York City.
- Flesh, J. W. S., Cashier Madison and Kedzie State Bank, Chicago, Ill.
- Ford, Franklin, New York City.
- Fries, Col. F. H., President Wachovia Bank and Trust Company, Winston-Salem, N. C.
- Gatling, N. P., Assistant Cashier Chatham and Phenix National Bank, New York City.
- George, Charles E., Editor and Publisher "Lawyer and Banker," New Orleans, La.
- Gesner, Francis B., Journalist, Washington, D. C.
- Gregory, George C., American National Bank, Richmond, Va.
- Griffith, B. W., President First National Bank, Vicksburg, Miss.
- Hart, James M., Oswego, N. Y.
- Kauffman, P. Barton, Treasurer Henry Pratt and Company, Tacoma, Wash.
- Kiddoo, S. T., Cashier Sioux Falls National Bank, Sioux Falls, S. D.
- Law, William A., Vice-President First National Bank, Philadelphia, Pa., and Vice-President American Bankers Association.
- Linder, Fred E., Secretary National Retail D. G. Association, New York City.
- Livingstone, William, President Dime Savings Bank, Detroit, Mich.
- Lusk, F. S., President First National Bank, Missoula, Mont.
- Mooney, Clarence B., Rochester, N. Y.
- Pierce, C. C., Nashville Clearing House, Nashville, Tenn.
- Quint, A. M., Manager Burglary Department, Casualty Company of America, New York City.
- Rinehart, C. R., Ithaca, N. Y.
- Ruffin, E. A., Secretary Insurance Committee A. B. A., Richmond, Va.
- Sherwood, L. C., Assistant Cashier Dime Savings Bank, Detroit, Mich.
- Stewart, Charles L., Treasurer Benjamin Franklin Savings Bank, Franklin, Mass.
- Stumpf, Anthony, President "Daily Banker," New York City.
- Taylor, Orla B., Vice-President Wayne County and Home Savings Bank, Detroit, Mich.
- Tryon, Winthrop Pitt, Journalist, Cambridge, Mass.
- Vena, Joseph, Trustee Benjamin Franklin Savings Bank, Franklin, Mass.
- Welton, A. D., Chicago, Ill.
- Williams, Clinton L., Cashier Richmond Bank and Trust Company, Richmond, Va.
- Yetter, A. J., Cashier First National Bank, Rockaway, N. J.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

The annual convention of the Nebraska Bankers' Association will be held in Omaha late in September or early in October.

TEST-WORD FOR NEW CODE.

EVERY member of the Association has been furnished with the special letter referring to the Code, which contained an envelope enclosed in which was the information regarding the Key to the Test-Word.

If this letter and Key have not been received, the General Secretary should be notified. Before doing so, however, a careful investigation should be made, for the envelopes containing these enclosures were addressed from our Addressograph.

BANK PUBLICITY ASSOCIATION.

THE following officers have been elected by the Bank Publicity Association of New York City: President—E. B. Wilson, Manager Advertising Department, Bankers' Trust Company; Vice-President—Fred W. Ellsworth, Publicity Manager, Guaranty Trust Company; Treasurer—Horace Anderson, Assistant Secretary, Title Guarantee & Trust Company; Secretary—W. A. Allen.

The directors are: Elbert A. Bennett, American Exchange National Bank; Harris A. Dunn, Columbia Trust Company; N. P. Gatling, Chatham & Phenix National Bank; W. M. Haines, Citizens' Central National Bank; W. E. Purdy, Chase National Bank; William J. Wason, Jr., Kings County Trust Company, and the executive officers.

FARM MORTGAGE BANKERS' CONVENTION.

THE Farm Mortgage Bankers' Association, which organization was perfected in New York in May last, will hold its first annual convention in Chicago, October 7th and 8th.

BRANCH BANKS.

IT does not seem to be generally understood by our members that branch banks are eligible to membership in the Association. Branch banks do not and cannot receive membership benefits unless a regular membership is taken out. It is not practicable nor could the Association afford to give to branch banks without charge the full advantages of the protective feature and other facilities of the Association.

There are now over three hundred branch banks members of the Association. The dues for a branch bank are ten dollars where the branch does not have separate capital. Branches with separate capital are charged on the same basis as parent banks, based on the amount of capital and surplus.

Branches joining the Association are given all the privileges of the Association. They are carried on the membership list as regular members, are furnished with the A. B. A. sign, which is a warning to criminals, and receive the full benefits of the protective department.

CIPHER CODE OF 1914.

MEMBERS who have not made a study of the Code and the information sent under separate cover, relating to the Key to the Test-Word therein, are requested to do so.

Under "NUMERALS OR DOLLARS" there are three (3) columns of figures and only two (2) columns of words. The paragraph in italics on Page VIII, under "DIRECTIONS FOR USING CODE," clearly shows that each and every Code Word has a number, and these numbers have no meaning or significance in connection with the actual use of the words, but are to be used only as indicated in the Test-Word instructions sent under separate cover.

The center column of figures, which are in heavy-faced type, is to be used for numerals or dollars, as the case may be, and therefore the figures appearing directly to the left of each and every Code Word CANNOT be used for the purpose of conveying figures representing numerals or dollars.

A Test-Word should be used, but it is not to be translated. (See Page II and phrase matter for Code Word 4,012.)

STUDIES IN ENGLISH.

MEND your speech," says Shakespeare, "lest it mar your fortune." Investigate "Studies in English," a series of lessons in simplified grammar, correspondence, speech-making and writing for publication. Correspondence instruction of practical character. Combination class and correspondence instruction for those who want to cooperate and economize. Send for specimen lessons and working methods. Correspondence Chapter, American Institute of Banking, 5 Nassau Street, New York City.

RECEIPTS FOR THE 1914 CODE.

A FEW of our members have not signed the card which was placed under the front cover of the Code.

Those who have not signed this card acknowledging the receipt of the Code are requested to do so promptly and forward the same to the office of this Association.

CIPHER CODE OF 1908.

MEMBERS are reminded that the Code bound in blue cloth, issued by the Association in 1908, is now obsolete, and that the new Code of 1914 became operative May 15th.

Those who have not returned the Code of 1908 should do so promptly, as it is our wish to have these Codes returned for cancellation.

EDUCATIONAL METHODS.

SELF-EDUCATION without guidance is an interesting thing to read about in the biographies of Benjamin Franklin and Abraham Lincoln, but average persons are not equal to it. As Ben Johnson put it, "Very few men are wise of their own counsel or learned by their own teaching, for he that is only taught by himself has a fool for a master." What most students need is a teacher to direct and encourage them. Few get much benefit from textbooks or lectures without collateral examinations. Text-literature and lectures are educational food. Examinations are the process of digestion.

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

- Baird, James J.—Vice-President Capital National Bank, Lansing, Mich.
- Batsell, Frank—Assistant Cashier Merchants & Planters National Bank, Sherman, Texas.
- Bensen, Albert V.—Member Board of Trustees Albany County Savings Bank, Albany, N. Y.
- Blakiston, George—President Union Trust Company of Maryland, Baltimore, Md.
- Bonnell, Elias H.—President Second National Bank, Orange, N. J. Died at his home in Great Hill Road, Millburn Township, Sunday, July 19, 1914.
- Cockrell, B. F.—Vice-President and Director Mount Sterling National Bank, Mt. Sterling, Ky.
- Dolph, Cyrus A.—Director Security Savings & Trust Company, Portland, Ore.
- Foster, John S.—President Bowery Bank, New York City, and Chairman Board of Directors Babylon National Bank. Died at his summer home in Babylon, July 21, 1914.
- Johnson, Luther S.—Vice-President Security Trust Co., Lynn, Mass.
- Harris, H. H.—President First National Bank, Champaign, Ill., and actively associated with the bank for forty-four years; elected President of the Illinois Bankers' Association in 1899.
- Kinsman, Carroll—Treasurer West Rutland Trust Co., West Rutland, Vt.
- Lazarus, M. H.—Director Commercial National Bank, Charleston, S. C.
- Magness, Edgar—President State Trust Company, Nashville, Tenn. Died at Livingston, Mont., July 21, 1914.
- Mills, Edward—Vice-President First National Bank, Carbondale, Pa.
- Nichols, James E.—Vice-President Irving National Bank; Director Broadway Trust Company, and Fidelity Trust Company, New York City. Died at Marienbad, Austria, July 21, 1914.
- Nickerson, Samuel W.—Vice-President First National Bank, Chicago, at its organization, and President for twenty-seven years; also President Union Stockyards Bank, Chicago, which he organized.
- Noble, F. Arthur—Director First National Bank, Westfield, Mass.
- Philler, George S.—Director Fidelity Trust Company, Philadelphia, Pa.
- Rath, John—President Rath State Exchange Bank, Ackley, Iowa.
- Renshaw, Lewis A.—Vice-President and Treasurer Real Estate Title Insurance and Trust Company, Philadelphia, Pa.
- Rhea, James T.—President Somerville Bank & Trust Company, Somerville, Tenn.
- Rice, Edward C.—Vice-President Importers & Traders National Bank, New York City.
- Shaw, Frank W.—Assistant Cashier and Director The Commercial National Bank, Sturgis, S. D.
- Turner, Job Tubbs—Director First National Bank, Iowa City, Iowa.
- Ullman, Adam—Vice-President Farmers Bank, Loudonville, Ohio.
- Van Nuis, Lyle—Cashier National Bank of New Jersey, New Brunswick, N. J.
- Vawter, Edwin J.—Vice-President and Founder First National Bank of Ocean Park, Ocean Park, Cal.
- Wardwell, John S.—Vice-President The Farmers National Bank, Rome, N. Y.
- Warner, William R.—Director Metacomet National Bank, Fall River, Mass.
- Webb, R. C.—Director Commercial Bank, Rayne, La.
- Wilson, Albert—Director German National Bank, Ripon, Wis.



TRUST COMPANY SECTION



OFFICERS, 1912-1914.

PRESIDENT:
F. H. GOFF, President Cleveland Trust Co., Cleveland, Ohio.
FIRST VICE-PRESIDENT:
RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

CHAIRMAN EXECUTIVE COMMITTEE:
JOHN H. MASON, Vice-Pres. Commercial Trust Co., Philadelphia, Pa.

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

TRUST COMPANY SECTION.

ATENTION has been frequently called in the pages of the *JOURNAL-BULLETIN* to the earnest desire of the Executive Officers and Council of the Association to have at the time of the Richmond Convention an enrolled membership of at least fifteen thousand. The aid of the Trust Company Section membership has been frequently asked in this connection and it is gratifying to report that the Section's membership shows a gradual and satisfactory increase. In some States a very small increase in the membership would entitle such States to an additional member on the Executive Council of the Association and it is hoped that trust company members will bear this in mind and will lend their efforts to increasing the membership in what is undoubtedly the largest and most influential Association of the present day.

That the work of the Association and of its Sections is more and more appreciated was shown some months ago when the Inspector of Trust Companies for the Dominion of Canada communicated with the Secretary's office regarding certain changes and new regulations governing trust companies then pending in the Parliament of the Dominion. The Secretary of the Section, with the approval of the Executive Officers, extended an invitation to the Inspector, Mr. W. U. Runnalls, to attend the Richmond Convention and it is hoped and expected that he will be present at that time. A number of the larger banks and trust companies of Canada are already members of the American Bankers Association and in this connection the following from "*Trust Companies Magazine*" should be of interest:

In view of the marked growth of trust companies in Canada and the fact that their interests and aims are identical in many respects with the trust companies of the United States, the publisher of *Trust Companies* recently corresponded with the officers of a number of Canadian institutions suggesting the advantage of closer co-operation. The replies received indicate that such a movement is warmly endorsed by the most important trust company officers of Canada, where no organization exists among trust company interests. It was pointed out that the American Bankers Association, as its name implies, admits to membership not only banks and trust companies of the United States, but of Canada as well. By joining the American Bankers Association the trust companies of Canada would be in a position to fraternize and exchange views with the members of the Trust Company Section at annual meetings. The advantages which accrue to members of the Trust Company Section in this country, by reason of improvement in methods, better laws and publicity campaigns, would also be extended to trust companies in Canada.

An officer of one of the leading trust companies of Canada writes: "I agree with you that Canada would seem to be ripe for an Association; but there are always a number of difficulties about starting a thing of this kind; and it seems to me that your suggestion would get over a number of those difficulties. I appreciate that there is a good deal of difference between the American trust companies and Canadian ones; inasmuch as those in Canada are not permitted to do banking; but there are so many other points of which their interests and aims are

identical that your plan, if carried out, could not but be of considerable benefit to the Canadian companies."

Following up the suggestion made by Trust Companies, the Secretary of the Trust Company Section, Mr. Philip S. Babcock, is forwarding invitations to Canadian trust companies to become members of the American Bankers Association and become actively identified with the Trust Company Section work. A number of the important banks of Canada are already on the membership list and it is hoped that Canadian trust company officers will embrace the opportunity to establish closer relations with their fellow workers in trust companies of this country.

WHILE it is yet too early to announce any definite program for the annual convention of the Section to be held at Richmond, Virginia, on Tuesday, October 13th, it can safely be said that the meeting will be up to the usual high standard of the Section's meetings. It is expected that there will be more time at this meeting to have the State Vice-Presidents' reports read. This feature of the meeting has always been of much interest and it is desirable that every State be represented by its Vice-President, either in person or in a written report setting forth general conditions in their States, more especially as they concern trust companies.

BOOKS FOR TRUST COMPANIES.

Two Volumes of Exceptional Interest.

THE Trust Company Section has on hand a number of handsomely bound copies of Proceedings of the Section. Volume I contains the proceedings from 1896 to 1903, inclusive, and Volume II the proceedings from 1904 to 1908, inclusive. These two volumes contain many important reports, addresses, and discussions on matters of great interest to trust company officers and their employees. It is confidently believed that in no other books could so wide a range of trust company information be obtained.

In the pages of these books will be found addresses and discussions covering such topics, among many others, as:

- Advertising for Trust Companies.
- Educational Publicity for Trust Companies.
- Bond Certification by Trust Companies.
- Charges and Fees.
- Defalcations—What Can be Done to Decrease Them.
- Employees—Practices in Interest of.
- Fiduciary Capacities—Superiority of the Trust Company in.
- Management of Real Estate by Trust Companies.
- Registrars and Transfer Agents.
- Safe Deposit Companies.
- Trustees of Corporate Mortgages.
- The Trust Company—a Necessity.
- Utility of the Country Trust Company.

A great many copies have been sold, but in order to make room for other matter, the remaining volumes, as long as they last, will be sold at seventy cents each, including postage. Orders should be sent to the Secretary, who will forward the books promptly.

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.



SAVINGS BANK SECTION



OFFICERS, 1915-1914.

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

CHAIRMAN EXECUTIVE COMMITTEE:
N. F. HAWLEY, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn.

FIRST VICE-PRESIDENT:
W. E. KNOX, Comptroller Bowery Savings Bank, New York City.

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

GET IN LINE FOR THE REWARD OF THRIFT.

JUDGING by the increase in the volume of mail coming into the office of the Secretary of the Savings Bank Section since the last issue of the JOURNAL-BULLETIN, a great many bank officials must have read the pages of the Savings Bank Section in that number for the first time, and undoubtedly the officials of the General Film Company, already harrassed by demands from all parts of the country for "The Reward of Thrift" have been driven to desperation by the added requests for bookings of this film from those who have just become aware of its existence by reading the JOURNAL-BULLETIN.

There are but about one hundred copies of this film in existence, therefore the fact will be readily recognized that it is a physical impossibility for the General Film Company to supply all applicants for bookings at the same time. As a matter of fact it would not be good business for any concerned to do so, for if everybody got the film at once, the public, considering the country as a whole, would soon lose interest in it and the impression made would soon wear off, whereas if the interest of one community is sustained so as to overlap that of another, someone somewhere will be talking thrift so long as this film continues to be shown.

So we trust that our members will not become impatient if their local exhibitor is unable to secure an immediate booking of the "Reward of Thrift" but will be willing to take their turn and use the interim for opportune publicity.

For the benefit of those still seeking bookings of this film we publish the following list of branches of the General Film Company and suggest that exhibitors communicate with the nearest branch.

If you are unfamiliar with the plan of adapting motion pictures to teaching Thrift, send for circular to the Secretary of the Savings Bank Section.

GENERAL FILM COMPANY.

Main Office, 200 Fifth Avenue, New York City.

LIST OF BRANCHES.

- Albany, N. Y. 737 Broadway.
- Atlanta, Ga. Rhodes Building.
- Baltimore, Md. 36 South Eutaw Street.
- Bangor, Me. 123 Franklin Street.
- Boston, Mass. 218 Commercial Street.
- Buffalo, N. Y. 122 Pearl Street.
- Butte, Mont. 50 East Broadway.
- Calgary, Alta., Canada. 85 McDougall Block.
- Chicago, Ill. 429 South Wabash Avenue.
- Chicago, Ill. 139 North Clark Street.
- Chicago, Ill. 19 South Wabash Avenue.
- Cincinnati, Ohio S.E. cor 7th & Walnut Streets.
- Cleveland, Ohio 1022 Superior Avenue, N.E.
- Columbus, Ohio 26 W. Naghten Street.
- Dallas, Texas 2017 Commerce Street.
- Denver, Colo. 1448 Champa Street.
- Detroit, Mich. 71 Griswold Street.
- Indianapolis, Ind. 24 W. Washington Street.
- Kansas City, Mo. 921 Walnut Street.
- Los Angeles, Cal. 822 So. Broadway.
- Memphis, Tenn. 302 Mulberry Street.
- Milwaukee, Wis. 220 W. Water Street.

- Minneapolis, Minn. 909 Hennepin Avenue.
- Montreal, Canada. 243 Bleury Street.
- New Orleans, La. 840 Union Street.
- New York City, N. Y. 440 Fourth Avenue.
- New York City, N. Y. 71 West 23d Street.
- New York City, N. Y. 260 West 42d Street.
- Oklahoma City, Okla. 211 West 2d Street.
- Omaha, Neb. 208 South 13th Street.
- Philadelphia, Pa. 1308 Vine Street.
- Pittsburgh, Pa. 119 Fourth Avenue.
- Pittsburgh, Pa. 436 Fourth Avenue.
- Portland, Ore. 393-5 Oak Street.
- Rochester, N. Y. 501 Central Building.
- St. John, N. B., Can. 122 Germain Street.
- St. Louis, Mo. 3610 Olive Street.
- Salt Lake City, Utah. 260 Floral Avenue.
- San Francisco, Cal. 138 Eddy Street.
- Seattle, Wash. 819 Third Avenue.
- Spokane, Wash. 120 Wall Street.
- Syracuse, N. Y. Hippodrome Building.
- Toronto, Canada 172 King Street, West.
- Vancouver, B. C., Can. 440 Pender Street, West.
- Washington, D. C. 7th & E Streets, N. W.
- Wheeling, W. Va. 1141 East Side Chaplin Street.
- Wilkes-Barre, Pa. 47 S. Pennsylvania Avenue.
- Winnipeg, Man., Can. 220 Phoenix Block.

A NEW BOOK OF PRINTED FORMS FOR SAVINGS BANKS AND SAVINGS DEPARTMENTS OF COMMERCIAL BANKS AND TRUST COMPANIES.

At the Boston convention the Secretary of the Savings Bank Section was directed to revise the book of Printed Forms which was issued some eight years ago. This was speedily found to be impracticable and it was decided to publish an entirely new book which would take up each department of a savings bank separately and in a practical manner.

This book is published under direction of the Methods and Systems Committee of the Savings Bank Section, which is composed of V. A. Lersner, J. C. Griswold and W. R. Meakle, and it is the aim of this committee to present forms typical of those necessary in the operation of every department of a savings institution rather than to exhibit a great number of forms.

These forms have been selected from hundreds, not because they may be best for every bank but because of their simplicity and the fact that they embody those essentials which make them typical and from which bankers will be enabled to construct forms suited to the especial local and legal conditions under which they operate.

It is aimed to make this book typical of the savings business throughout the country, rather than confine it to the methods of any one section or class of institution, and in this effort the committee has been materially assisted by the Security Trust & Savings Bank of Los Angeles, the Old National Bank of Spokane, the Society for Savings of Cleveland, the Guaranty Trust Company and Broadway Trust Com-

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

pany of New York, the Bowery, Williamsburgh and Brooklyn Savings Banks of New York and many other financial institutions located in various sections of the United States.

Probably ere this a circular has been received by every member of the American Bankers Association in regard to this book, and as upon the demand for it depends the price, which, however, in any event will not exceed \$5, it is hoped there will be a generous response in order that all may receive this book at the lowest possible figure.

A glance at the following table of contents gives a comprehensive idea of the scope of this book which it is earnestly hoped will meet with the approval of our members.

TABLE OF CONTENTS.

INTRODUCTION.

RULES GOVERNING SAVINGS DEPOSITS:

In commercial banks.

In mutual savings banks.

RECEIVING TELLERS' DEPARTMENT:

Deposit slips.

For use over counter.

By mail.

Transfers.

Certificates of deposit.

Signature cards.

Individual accounts.

Trust accounts.

Joint accounts.

Society accounts.

Giving authority to another.

Receipt for home bank.

Pass-books.

Day book.

Proof of cash.

PAYING TELLERS' DEPARTMENT:

Receipts.

For use over counter.

Orders to pay.

Checks.

Notarial.

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To undertakers.

Without administration.

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Identification without liability.

Authority to another to draw.

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Assignment.

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Daily balance book.

Statements.

Daily.

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Annual.

Mortgage loans.

Register.

Insurance.

Personal loans.

With collateral.

Without collateral.

Ledger.

Collateral sheet.

Liability ledger.

Securities owned.

Loose-leaf record and amortization ledger.

Card records, principal, interest, amortization and general information.

Accrued interest.

Coupon register and income tax record.

INDIVIDUAL BOOKKEEPERS DEPARTMENT:

Depositors ledgers (card and loose-leaf).

Transcripts.

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Interest sheets and methods of figuring.

EXECUTIVE DEPARTMENT:

Mortgage loans.

Application.

All classes of property.

City property.

Report of appraiser.

Re-examination.

Notices of interest due.

Notices of interest past due.

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Receipts for interest.

Record of arrears of taxes, etc.

Notices of arrears of taxes, etc.

Personal loans.

On pass-books of own bank.

On pass-books of other banks.

Notes.

Unsecured.

Sureties.

Collateral.

Notices of principal and interest due.

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Substitution of collateral.

Receipts for collateral and coupons.

Trustees, directors and committees.

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SAFE DEPOSIT DEPARTMENT:

Rental and identification card.

Appointment of deputy and revocation.

Safe records.

Cash records.

INCOME TAX DEPARTMENT:

Forms used in transactions with depositors.

ORGANIZATION AND ADMINISTRATION CHART.

REPORT ON CHICAGO SCHOOL SAVINGS BANKS.

Made by Joseph R. Noel, President North West State Bank, Chicago, and Vice-President Savings Bank Section for Illinois, June 26, 1914.

MARCH 23, 1914, the Chicago Board of Education authorized principals of Chicago public schools to install School Savings Banks of the so-called "Brooklyn" type in their respective schools. Although so little of the present school year remained, twenty-one such banks have been put into operation this spring, beginning with April 8, 1914. The total and the net results of each of these school banks is shown in the subjoined table. The figures are as of the close of business on the last day each bank was open during the spring of 1914. Most of the withdrawals were made on the last two bank days, and generally by eighth grade pupils who soon were to graduate. "Transfers" represent money originally saved by pupils in school banks, but afterwards (usually when \$5.00 had been saved) transferred to individual accounts opened by them with the neighboring regular banks which act as depositories for the School Savings Banks. These sums, of course, are in addition to those which are still held to the credit of the School Banks as shown in the column headed "Net Deposits." At this date there are applications to install fourteen School Savings Banks early this fall.

School	Date Installed 1914	Total Acc'ts Opened	Total Acc'ts Closed	Net Open Acc'ts	Total Deposits Received	Total With-drawals	Total Trans-fers	Net Deposits
Wicker Park	April 8	381	58	323	\$457.75	\$44.35	\$125.00	\$288.40
Sumner	April 9	154	39	115	139.60	30.95	30.00	78.65
Englewood High	April 14	121	63	58	107.30	57.40	25.00	24.90
Jenner	May 6	49	1	48	28.65	8.20	0.00	20.45
Cornell	April 20	131	24	107	106.55	29.75	5.00	71.80
Hancock	April 22	135	9	126	44.20	8.45	0.00	35.75
South Deering	April 24	133	23	115	119.30	16.35	25.00	77.95
Knickerbocker	April 16	104	29	75	173.35	69.20	5.00	99.15
Doolittle	May 5	59	15	44	28.50	14.10	0.00	14.40

School	Date Installed 1914	Total Acc'ts Opened	Total Acc'ts Closed	Net Open Acc'ts	Total Deposits Received	Total With-drawals	Total Trans-fers	Net Deposits
Tilton	May 5	207	14	193	158.75	16.15	25.00	117.60
Hamline	April 23	165	60	105	163.55	55.55	35.00	73.00
Burley	May 11	49	16	33	44.05	17.65	5.00	21.40
Goodrich	April 22	198	11	187	117.50	3.50	21.00	93.00
Seward	May 5	54	11	43	51.90	11.25	15.00	25.65
Hedges	May 7	173	25	148	176.30	22.25	25.00	129.05
Colman	May 12	33	11	22	25.05	13.35	0.00	11.70
Lewis-Champlin	May 12	210	45	165	126.00	27.55	14.00	84.45
New Carter	May 6	133	32	101	225.85	33.85	75.00	117.00
Oglesby	May 5	75	37	38	90.05	44.85	5.00	40.20
Raster	May 5	180	43	137	99.00	38.85	9.00	51.15
Byford	June 2	74	0	74	53.85	.50	0.00	53.35
		2823	566	2257	\$2537.05	\$564.05	\$444.00	\$1529.00

PROPOSED CONSTITUTIONAL AMENDMENTS.

MR. ROSENDALE, Chairman of the Institute Executive Council, proposes that Articles VII, VIII, IX and X of the Institute constitution be amended so as to read as follows:

ARTICLE VII—A President and a Vice-President of the Institute shall be elected annually by the Institute in convention from chapter members, and no incumbent of any of such office shall be eligible to consecutive re-election to the same office. Officers of the Institute thus elected shall serve for respective terms of one year or until their successors are elected and qualified.

ARTICLE VIII—The government of the Institute shall be vested in an Executive Council of fifteen members consisting of (1) the ex-President, the President and the Vice-President of the Institute, ex-officio; (2) six members of the Executive Council elected by the Institute in convention from chapter members so arranged that two may be elected annually for three years; (3) six members of the Executive Council elected by the Convention from Fellows, so arranged that two may be elected annually for three years, Members of the Executive Council shall be ineligible to consecutive re-election.

ARTICLE IX—The Executive Council shall meet in annual session on the day before the annual convention of the Institute. The Executive Council shall also meet immediately upon adjournment of the annual convention of the Institute. At other times the Executive Council may transact business by mail.

ARTICLE X—The Executive Council shall appoint an Educational Director, a Secretary and a Treasurer of the Institute, to serve during its pleasure. Under the administration of the Executive Council, the Educational Director shall (1) direct the educational work of the Institute; (2) conduct the official publication, and (3) perform such other services as the Executive Council may prescribe. The Secretary and Treasurer shall perform the usual duties of such positions as construed by the Executive Council.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

THE J. B. AND THE A. I. B.

By William A. Nickert, Past-President of Philadelphia Chapter of the American Institute of Banking.

In the July issue of the "JOURNAL-BULLETIN" there appeared a suggestion from a gentleman in Boston, which was, in effect, a complaint that too much space is devoted to setting forth the advantages of the education work of the A. I. B. and not enough space to articles on "Banking Subjects."

It is evident that the gentleman making the suggestion misunderstands the purpose of the "JOURNAL-BULLETIN," which is, as its title indicates—

a record of events of general interest to members of the two associations, keeping them informed of the various activities of the different Sections and Chapters. It does not purport to be a Bankers' magazine.

The fact that the gentleman making the suggestion subscribes independently for the "JOURNAL" indicates that he is not a member of the American Institute of Banking, although located in a city having one of the most progressive Chapters of the Institute.

No just complaint can be made on the score of lack of Banking articles, as a perusal of the index to the last volume will disclose. In addition to these are the valuable legal opinions of the General Counsel, which alone are worth many times the price of the subscription to the JOURNAL.

There are a number of good Banking Magazines such as the Boston gentleman desires, which may be had at from three to five dollars a year and which should fill his needs. If, however, he is a bank man, and desires a broad banking education and acquaintanceship, there is nothing better that he can do than join the Boston Chapter, A. I. B.

WHOLESOME CO-OPERATION.

STUART G. GIBBONY of Council for the Reserve Bank Organization Committee and member of the law firm of Barber, Watson & Gibbony, in an article in Trust Companies Magazine, says: "That the feeling of hostility by many of the banks toward the new system is gradually disappearing was clearly indicated by the action of the National City Bank of the City of New York a few days since, in announcing the intention to establish branches of that bank in several cities of South America. That a new system should be viewed with some distrust, was natural, for bankers are by necessity conservative, being trustees of the money of others, and they must in the nature of things adopt conservative methods and take as few risks as possible. That the carping criticism which marked the debating of the Reserve Act in Congress has been succeeded by a spirit of co-operation by the banks and the public, speaks well for our American belief in fair play. It is unquestionably the earnest desire of the whole country that the new system shall be given a fair trial on its merits, and wall partisan feeling has been buried in the belief that under the Reserve Act, wisely administered by such a capable board as the President has chosen, we are in truth at the dawn of a new financial freedom."

HE KNOWS.

By William J. Burns.

THE American Institute of Banking has a strong influence in preserving the best moral standards among bank employees. It is a most powerful educational agency. There are only three cases on record of where Institute men have been guilty of wrongdoing.

CLEARING HOUSE SECTION

OFFICERS, 1913-1914.

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

VICE-PRESIDENT:
A. O. WILSON, Vice-President State National Bank, St.
Louis, Mo.

CHAIRMAN EXECUTIVE COMMITTEE:
J. D. AYRES, Vice-President The Bank of Pittsburgh, N. A.,
Pittsburgh, Pa.

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

UNIFORMITY IN CHECKS.

STEP into a commercial bank employing fifty men and analyze the work that each clerk, bookkeeper, or teller, is engaged in. You may be surprised to find that forty of the fifty spend ninety per cent. of their time either handling checks, or the records that are incidental to their use. Multiply this fact by the number of banks in the country; millions of checks are being handled by clerks or recorded by bookkeepers every day. We wish it were possible to determine the vast amount of unnecessary work that is done, by way of precautionary measures, search for differences, or correcting errors of routing or listing.

Bankers are beginning to wake up to the fact that there should be some common sense applied to the printing of checks and drafts. Uniformity should apply to all the essential features, such as the position of the date, place payable, transit number and the amount in figures. A maximum and minimum as to size should also be insisted upon.

The Federal Reserve Banks are going to specify a uniform draft that members are to use in checking upon them. The Clearing House Section intends to follow this announcement with an organized and systematic campaign to have all checks and drafts printed as they should be. We believe that State Associations will join with us and the printers and lithographers have wanted to co-operate for a long time.

NEW CLEARING HOUSE EXAMINERS.

SPOKANE, Washington, Clearing House Association has elected Charles A. McLean to the office of Clearing House Examiner beginning July 1st. Spokane is to be congratulated on having taken this step which places it among the score of associations that have adopted this plan to insure bank solvency.

With guaranty-of-deposits legislation impending in several States, the question of clearing house examinations is more pressing than ever. Bankers should know even if legislators do not, that the correct principle to apply toward insuring bank deposits is to adopt measures that will guarantee the soundness of bank assets. In all kinds of insurance of whatever nature, there are two theories involved: the prevention of loss and the distribution of loss. The chief weakness in the guaranty-of-deposits plan is that it does not give consideration to the first and more important of these two principles.

Clearing house examinations are not an experiment; their efficiency has been proven not only as preventing loss, but in preventing the development of conditions that lead up to disaster. Such objections as are sometimes raised are usually insincere, or are based on a misunderstanding. More recently, the possible effect of Reserve Bank examinations is delaying the installation of a clearing house examiner. We may say here that the examinations prescribed under the new Act are not supplementary to the regular national bank examinations; they are the same examinations on a new and better basis. They

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

will affect member banks only and they will be made for the Federal Reserve Banks. Clearing House examinations include all banks and they are made for the banks themselves.

The Clearing House Section will give full information and assistance to any member having the subject under consideration.

CONFERENCE OF CLEARING HOUSES.

THE Clearing House Section owes its origin to a conference of clearing house delegates who met in Cleveland, in 1899, "to consider the unsatisfactory and confused condition of collection and exchange charges." It is not our present purpose to comment on the unfortunate combination of circumstances that have prevented the Clearing House Section from solving the problem without the aid of the police power of legislation. What the precise effect of fifteen years of effort on the part of broad-minded and far-seeing bankers has been we shall never be able to compute accurately. At least, we are sure that the exposition of sound doctrine during all that time has paved the way toward a better understanding of the difficulties involved and will help toward their ultimate solution.

We are now confronted with a new situation. In Section 16 of the Federal Reserve Act it is written: "Nothing herein contained shall be construed as prohibiting a member bank from charging actual expenses incurred in collecting and remitting funds, or for exchange sold to its patrons." The significant words in this sentence are "actual expenses incurred." Two things are going to happen under the operation of the Federal Reserve Act that will materially alter both the way expenses may be incurred and the extent of actual costs. First, there will be twelve exchange centres, so to speak, where balances may be created at par, against which drafts may be drawn that will have a par value in any district. Second, all duplicated and other unnecessary work will be eliminated from the process of collecting checks and labor-saving systems will be introduced that will be the last word in economy and efficiency.

On the basis of these facts, then, member banks may estimate and impose their charges for service rendered. It isn't going to take very long for public opinion to become educated and well informed on the subject. Exchange charges have always been a sore spot and we may expect organized trade bodies to bring test suits on the strength of the Reserve Act if clearing house rates are not amended.

Therefore, it seems to us that another "conference of clearing houses" will soon be in order. The Organization Committee, in their individual capacity have intimated that it will be the policy of the Reserve Banks to work in harmony with the clearing houses, and the Clearing House Section. In fact, we believe that as soon as the system is in complete operation, present clearing house methods will be materially affected and many associations will need to alter their rules and regulations as far as they apply to collections and remittances. As soon as the details of organization and the regulations covering the operation of the Reserve Banks are announced, the advisability of calling a general clearing house meeting will be considered.

BOOK OF FORMS FOR NATIONAL AND STATE BANKS.

ALL banks are on the lookout for new ideas in bank accounting; sometimes a clerk thinks of a new wrinkle that will save time and money, or perhaps an officer picks up an idea while on a visit; perhaps it may be a bank stationer or adding machine agent who suggests something different. Another good way to learn of the best in bank forms is to secure a copy of the Book of Forms for National and State Banks, prepared by the American Bankers Association. This book does not pretend to be an exhibit of every form needed by every bank, but it does contain typical forms that experience has shown to be the best. There is also some descriptive matter and a preliminary discussion of what constitutes good accounting principles. There are over 300 forms shown. Send your draft for \$5 (the price

to members) to the Clearing House Section. You may get a single idea that will more than pay for the book.

SHOW YOUR NUMBER!

IF you reside in a city, or even a good-sized village, you put the number of your house over the door. Why? You don't use it, you know where you live—most of the time, anyway. That number is there for the use of other people. It is the same with the Numerical System. Show your transit number on your checks so that other banks can save time, even if you don't care to. More than 15,000 banks are now showing their numbers, but the rear guard is still larger than it ought to be. Get up with the procession.

If you are using the system in your own bank, you can get the latest edition of the Key through the Clearing House Section for \$1.50 a copy.

INSPIRATION—INFORMATION—PREPARATION.

By William S. Evans, of Henry & West, of Philadelphia—A Forceful Presentation of the Institute Triumvirate of Objects—Reproduced from the Bankers' Home Magazine.

THE American Institute of Banking is an institution standing for efficiency and thoroughness. It aims to make intelligent bankers of bank men.

First through the inspiration that comes from personal association among men. Men whose duties are so exacting from day to day that there is no opportunity to do more than the particular work assigned to them and do that work well. Personal association among men who without the opportunities afforded them by the Institute are destined to lead lives so narrow that their business vision is shriveled. The inspiration that is cultivated by getting into personal touch with others and discussing subjects pertaining to one's daily work. The inspiration that the natural desire to excel gives birth to when the test of open discussion is applied and sound knowledge wins. There is perhaps nothing more deadening to ambition than constant application to detail work that rarely varies in its nature. And from the very nature of clerical work in a bank it becomes necessary for a man so employed to find some other means of broadening his knowledge, giving scope to his imagination and prepare himself for larger responsibilities. The Institute provides this means. But inspiration is only a small part of the battle. Following that must come information.

The means to obtain this information is also provided by the various chapters, and the way is made as easy as it is possible to make any work worth while. The earnest man will welcome the guidance and assistance the Institute courses offer and busy himself in research for definite information about the economic and business forces that directly relate to his profession. He will fortify himself with knowledge of the laws that govern customary banking transactions and will obtain accurate information concerning special rules and regulations which must be observed in this own State and community, as well as the reasons for such rules and regulations. And he will become thoroughly posted on the principal requirements for the conduct of banking in other commercial centers. Never before has it been possible to acquire this information so fully and freely as to-day, and the man who fails to so equip himself fails in his duty to himself, fails in loyalty to his institution and permits an insuperable obstacle to his usefulness and advancement to grow before him.

The complexity of modern banking business and the necessity for some systematic course for the pursuit of knowledge brought the American Institute of

Banking into the educational world. That it is fulfilling its mission is demonstrated by the higher degree of efficiency on the part of its members who avail themselves of its courses of instruction and then busy themselves in applying their knowledge to their work.

Let me then claim for the Institute that it cultivates a desire for more knowledge; it submits and recommends courses of study through which that knowledge may be acquired; it offers broad opportunities to members to introduce helpful ideas in banking practice, and through that triumvirate—Inspiration, Information, and Preparation—it lays before all bank men an opportunity to rise in their profession to positions of the highest rank.

SODOM SAVED.

AN incident happened last month in the library of the Association which was not included in the builders' contract of the new Equitable Building now being erected across the street from the Association offices. One of the red-hot bolts used in riveting the steel work of the Equitable Building was missed by the man with the tin can when it was thrown to him, and the bolt crashed through a window of the office of Miss Glenn, the librarian of the Association, setting fire to the woodwork. Fortunately, Miss Glenn was at that time in another part of the offices.

The following is from the pen of a friend who read of the incident in "The New York Times":

As from Olympus Jupiter once hurled
His wrathful thunderbolts at an offending world,
So from the Equitable across the way
Fresh Jovian bolts descend upon the A. B. A.
What wickedness must dwell within those walls,
Since from the sky a fiery missile falls.
It strikes, ignites, the fierce flames growing hotter,
When Fitz, the hero, grabs a cup of Croton water.
He rushes in, while all stand 'round and wonder,
And beats the New York Fire Department all to
thunder.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

SPEAKING FROM EXPERIENCE.

H. C. MEYER, of the First National Bank of Libertyville, Ill., writes: "I consider the knowledge obtained from the Institute study course a great asset, and will recommend the course at all appointments."

STATE SECRETARIES SECTION

OFFICERS, 1913-1914.

PRESIDENT:
WILLIAM J. HENRY, Secretary New York State Bankers' Association, New York City.

SECOND VICE-PRESIDENT:
T. H. DICKSON, Secretary Mississippi Bankers' Association, Jackson.

FIRST VICE-PRESIDENT:
W. W. BOWMAN, Secretary Kansas Bankers' Association, Topeka.

SECRETARY-TREASURER:
P. W. HALL, Secretary Iowa Bankers' Association, Des Moines.

CONVENTIONS TO BE HELD IN 1914.

- Aug. 12, 13. WyomingThermopolis
- " 20-22. MontanaButte
- Sept. 1. IllinoisChicago
- " 22-24. Am. Inst. of Banking.....Dallas, Texas
- " 23, 24. KentuckyLexington
- " 29-30. IndianaIndianapolis
- Oct. 7, 8. Farm Mortgage Bankers Assn...Chicago
- " 12-16. Amer. Bankers Assn.....Richmond, Va.
- Nov. 6, 7. ArizonaCastle Hot Springs

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

CONVENTIONS HELD IN JULY.

NORTH DAKOTA:

THE North Dakota Bankers' Association held its twelfth annual convention at Williston on July 1st and 2d. Lewis Crawford, Cashier of the Interstate Bank of Billings County, Sentinel Butte, called the convention to order; and an address of welcome by Thomas F. Craven, President of the Williston City Commission, was responded to by J. J. Nierling, President of the Citizens' National Bank, Jamestown, and Vice-President of the Association. President Crawford's annual address was a remarkably clear and concise statement to the bankers of the State as to their duties and obligations, with a strong appeal for the teaching of systematic and persistent habits of saving and thrift to the children of the public schools. The annual reports of Secretary W. C. Macfadden, of Fargo, Treasurer J. R. Carley, Cashier of the First National Bank, Grand Forks, and Chairman of the Executive Council R. S. Adams, President of the First National Bank, Lisbon, were submitted.

As shown by Secretary Macfadden's report, there are now 768 banking institutions in the State, of which 707 are members of the Association, as against a membership of 688 last year. Mr. Macfadden impressed upon the members the fact that bank burglary insurance rates in North Dakota had been lowered 20 per cent. by the burglary insurance companies, which reduction means an annual saving of about \$3,000 to the members of the Association. He asked those members who had not already done so to obtain their burglary insurance and bonds through the Association. The results attained by the work of the Association in its campaign to establish the school savings bank in the schools of North Dakota had received the hearty support and co-operation of the Department of Public Instruction of the State and a very large number of school savings banks had been established or were in course of organization. The report also covered other features of work during the year.

The reports of the different committees of the Association were also received with unanimous approval.

The addresses at the convention were as follows: "Stock Raising and Farm Accounting," by Frank Sanford, Proprietor of the Fairview Stock Farm, Rogers, N. Dak.; "Good Roads," by William G. Edens, Assistant Secretary Central Trust Company, Chicago; "The Guarantee of Bank Deposits," by L. E. Phillips, Cashier of the Bartlesville National Bank, Bartlesville, Okla.; "Agriculture on the Isle of Guernsey," by Charles L. Hill, ex-President of the Guernsey Breeders' Association of the United States, Rosendale, Wis.; "The Banker as an Advertiser," by Fred W. Ellsworth, of the Guaranty Trust Company, New York City.

Discussions were held on the "Federal Reserve System" and on "Rural Credits Legislation," the former subject being opened by Senator W. C. McDowell, of Marion, and the latter by E. G. Quamme, of Finlay.

The entertainment features included automobile rides, visits to the State Experimental Farm, government irrigating plant, government coal mine, and nearby dairy farms. The bankers, in conjunction with the Commercial Club of Williston, tendered a banquet on Wednesday evening.

Bismarck was the city selected for the 1915 convention.

On the adjournment of the convention on Thursday the members of the Association, accompanied by their friends, left for a trip to the Glacier National Park.

The new officers of the Association are as follows: President—J. J. Nierling, President Citizens' National Bank, Jamestown; Vice-President—W. D. McClintock, President Merchants' Bank, Rugby; Secretary—W. C. Macfadden, Fargo (re-elected); Treasurer—J. J. Earley, President Bank of Valley City, Valley City.

The members of the American Bankers Association in North Dakota elected F. W. Cathro, Cashier First National Bank, Bottineau, and W. C. Macfadden, Secretary of the State Association, as members of the Executive Council; George H. Hollister, President Northern Trust Company, Fargo, as Vice-President for North Dakota, and J. J. Nierling, President of the State Association, as member of the Nominating Committee.

WISCONSIN:

THE twentieth annual convention of the Wisconsin Bankers' Association was held at Milwaukee, Wednesday and Thursday, July 15th and 16th.

President H. A. Moehlenpah, Cashier of the Citizens' Bank of Clinton, called the convention to order on Wednesday morning, and in his annual address stated that Wisconsin had maintained its high standard as an agricultural and dairy State, and that the crop prospects were never better. He said three-fifths of the population of the State live on farms or in towns in the rural district, eighty-five per cent. of the farms being operated by the owners.

Dairy products in 1913 yielded over ninety million dollars and Wisconsin leads all States in the production of butter and produce. The development of the natural resources of the State would equalize the tax burden, lower the cost of living, and increase business.

Secretary George D. Bartlett, of Milwaukee, submitted his annual report, showing a membership of 830, as compared with 792 a year ago, being a net gain of 38.

Arthur Reynolds, President of the Des Moines National Bank and President of the American Bankers Association, made an address. He said in regard to the Federal Reserve Act that bankers generally realized that the fundamental principles of the measure, if properly administered, will assist the business of banking and, through that channel, all business; and that in the awakening of public opinion from its former apathy regarding financial reform a great step forward has been taken. Congressman Carter Glass was upon the program to talk on this subject, but was unable to be present on account of illness.

The afternoon was devoted to an agricultural symposium, at which J. R. Wheeler, of Columbus, Chairman of the Agricultural Committee of the Association, presided. The following gentlemen took part in a general discussion: H. C. Baker, Secretary of the Chamber of Commerce of Marinette; W. A. Von Berg, Mosinee; J. M. Smith, Shell Lake, and C. E. Babcock, of Necedah. Burt Williams, manager of "The Wisconsin Municipality," Ashland, gave a talk on "Community Development."

Professor F. R. Fairchild, of Yale University, gave an address at Thursday morning's session, taking for his subject the uniform methods of taxation of bank stock.

The following addresses were delivered at the afternoon session: "Bank Advertising: Its Profit and Loss," by M. I. Stevens, editor of the "Wisconsin Banker"; "The Thrift Movement," by J. H. Fuellecher, Cashier of the Marshall & Ilsley Bank, Milwaukee, and Vice-President of the Savings Bank Section of the American Bankers Association for Wisconsin; "Real Estate Mortgages as Investments," by H. P. Pearsons, of Chicago.

The entertainment provided by the local bankers was of a diversified character and included a luncheon at the Deutscher Club, a theatre party at the Davidson, an inspection of the Gridley Dairy Company's plant, visits to the Public Museum and the Layton Art Gallery, and a banquet at the Auditorium, followed by a concert and dance.

The officers elected by the Association for the current year are as follows: President—Earle Pease, Vice-President First National Bank, Grand Rapids; Vice-President—S. M. Smith, Cashier Merchants' & Savings Bank, Janesville; Secretary—George D. Bartlett, Milwaukee (re-elected); Treasurer—J. J. Jamieson, Cashier First National Bank, Shullsburg.

On the adjournment of the convention, the Wisconsin members of the American Bankers Association held a meeting and elected George N. Fratt, Cashier of the First National Bank, Racine, as a member of the Executive Council; Earle Pease, the new State President, as Vice-President of the National Association for Wisconsin, and H. A. Moehlenpah, the retiring President, as a member of the General Nominating Committee.

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

SOUTH CAROLINA BANKERS' ASSOCIATION.

THE officers elected at the recent convention of this Association are as follows: President—C. J. Shannon, Jr., President First National Bank, Camden; Vice-President—J. W. Simpson, Vice-President Central National Bank, Spartanburg; Secretary-Treasurer—Lee G. Holleman, President People's Bank, Anderson (re-elected).

MASSACHUSETTS BANKERS' ASSOCIATION.

THE following are the officers elected for the current year: President—Ralph P. Alden, Cashier Springfield National Bank, Springfield; Vice-President—Ashton L. Carr, Vice-President and Treasurer State Street Trust Company, Boston; Secretary—George W. Hyde, Assistant Cashier First National Bank, Boston (re-elected); Treasurer—Josiah H. Gifford, Cashier Merchants' National Bank, Salem (re-elected).

President Alden was elected Vice-President for Massachusetts by the members of the American Bankers Association in that State, and Secretary Hyde as a member of the Nominating Committee.

NEW OFFICERS GROUP TWO.

GROUP TWO of the Wisconsin Bankers' Association, elected at their recent annual meeting, at Madison, E. B. Steensland, of Madison, President; Marcus C. Bergh, of Richland Center, Vice-President; O. E. Gray, of Platteville, Secretary-Treasurer.

NEW HAMPSHIRE BANKERS' ASSOCIATION.

THE following officers were elected at the recent convention of this Association: President—Lester F. Thurber, President City Guaranty Savings Bank, Nashua; Vice-President—Charles F. Shillaber, Cashier National Mechanics' & Traders' Bank, Portsmouth; Secretary—H. L. Additon, Cashier Merchants' National Bank, Manchester; Treasurer—Wallace L. Mason, Cashier Keene National Bank, Keene.

MAINE BANKERS' ASSOCIATION.

AT the recent convention of this Association, held at New Castle, N. H., the following officers were elected for the current year: President—Sewall D. Maddocks, Cashier First National Bank, Boothbay Harbor; Vice-President—Sumner C. Parcher, President Saco & Biddeford Savings Institution, Saco; Secretary—Hascal S. Hall, Treasurer Kennebec Trust Company, Waterville (re-elected); Treasurer—George A. Safford, Treasurer Kenduskeag Trust Company, Bangor (re-elected).

THE COUNTRY BANKER.

OUR May reference to the country banker brings out the statement—not verified by us—that of the some 14,300 member banks of the American Bankers Association, 55 per cent. have a capital stock of \$25,000, or less, while 75 per cent. have capital stock of \$100,000 or less. This clearly brings out the fact that the average banker in the United States is in every respect one of "the people," that he is in the class with millions of other business men from the size of investment point of view, as well as in his natural traits, aims, hopes and desires. The politician and demagogue—too often synonymous—have attempted to picture all bankers as men of great wealth, handling enormous capital with objects and purposes diametrically opposed to those of their respective communities.

As less than half of the banks in the United States are members of the American Bankers Association, and as practically the largest and leading banks in all sections are members, it is evident—and is a fact that as an average the very smallest banks are not members, feeling that they cannot afford to pay the \$10 yearly dues. It must be taken therefore that probably 75 per cent. of all banks have \$25,000 and 90 per cent. have \$100,000, or considerably less capital. The exact figures would be very interesting—would clearly show the bankers' relationship as well as his real kinship to all his fellows.

From the Banker-Farmer, May 1914

LEGAL DEPARTMENT

THOMAS B. PATON • GENERAL COUNSEL

INTERLOCKING BANK DIRECTORS.

MANY members of the American Bankers Association will be pleased to learn that the Senate Judiciary Committee, on July 22d, reported the Clayton bill (H. R. 15657) to the Senate with Section 9, as it passed the House, so amended as to eliminate entirely all provisions as to interlocking bank directors. In its report the Committee said:

"A Senate amendment to this section strikes out the entire paragraph which relates to interlocking directorates of banks and trust companies. In proposing this amendment a majority of the Committee believed that such legislation as this more properly belongs to the domain of banking rather than of commerce and such additional regulation of bank directorates as may be wise and just should be made by amendments to the national bank acts, and the enforcement of it given to the Comptroller of the Currency and the Federal Reserve Board."

This action is in line with that portion of the brief filed on behalf of the Association with the Judiciary Committee in which it is said:

"The general tenor of this proposed legislation, furthermore, is in regulation of the eligibility or qualifications of officers or directors of National banks, and if any further provisions are necessary it would seem that their most appropriate form would be by way of amendment of the National Bank Act. The new Federal Reserve System, participated in by all the National banks, has been inaugurated and will soon be in operation. If in the progress of this system it should hereafter develop that certain officers or directors of National banks were abusing their position in any way in the undue control and concentration of credit, this fact would at once become apparent through the supervisory and investigating powers of the Federal Reserve Board and the Comptroller of the Currency. Then, if a situation developed which called for remedy, the facts could be presented to Congress and such a law passed as would fit the case. It would seem that all the interests of the public could thus be effectively protected and that regulation at such future time and in such manner would be far preferable than by the enactment in advance of provisions such as contained in Section 9 which apply to situations where no evil exists."

H. R. 15657 is now before the Senate and will be considered in due course following the discussion of the Federal Trade Commission bill, which at this writing (July 28) is still being debated.

ANALYSIS OF TRUST BILLS.

FOLLOWING is a synopsis or analysis of the three anti-trust bills as they came from the Senate Committees and were presented to the Senate. It was prepared by Senator Works of California, who undertook to analyze the three bills and resolve them into tabulated and brief form for his own convenience in trying to arrive at the object and scope of their provisions and their probable effect if enacted, and were submitted to the Senate on July 23d in the hope that it might help other Senators to grasp the meaning and effect of the bills more readily and conveniently. The analysis is printed in the belief that it will prove useful to members of the Association. It, of course, does not include amendments proposed in the Senate itself. At this writing (July

28) none of the bills, or proposed amendments thereto, have come to a vote.

MEMORANDA OF PROVISIONS OF TRUST BILLS.

INTERSTATE TRADE COMMISSION BILL.

- a. Federal trade commission of five members created.
- b. Appointed by the President, by and with the advice of the Senate.
- c. Term of office seven years.
- d. Salaries, \$10,000 a year each; secretary, \$5,000; assistant secretary, \$4,000; total, \$59,000 a year.
- e. Commission authorized to appoint attorneys, special agents, accountants, experts, examiners, and other employees, as many as Congress will appropriate money to pay.
- f. Commission given power:
 1. To investigate any corporation or association doing an interstate-trade business whenever and as often as it pleases.
 2. To require any corporation to furnish any information it calls for at any time without limitation.
 3. To prescribe forms of annual reports from such corporations, and to compel the making of annual reports and special reports without limit and at any time.
 4. To make public the information it obtains.
 5. To prepare decrees in suits brought by the Attorney General.
 6. To investigate and determine whether decrees procured by the Attorney General are being carried out or are being violated and what, if any, other or additional decree is advisable.
 7. If it finds that anyone has violated the anti-trust law, to report its findings and the evidence to the Attorney General with its recommendations.
 8. Have access to all books and papers of such business.
 9. To investigate trade conditions in other countries.
 10. To prevent unfair methods of competition.
 11. To hold hearings affecting any concern whenever it pleases, to determine whether its methods are unfair or not.
 12. If it finds they are unfair, to issue an order restraining and prohibiting the use of the same.
 13. If the order is not complied with, to bring an action to enforce compliance.
 14. To issue subpoenas, compel the attendance and testimony of witnesses, and production of evidence, and to administer oaths.

The bill imposes severe penalties for failure or neglect to comply with any of the orders of the commission.

THE CLAYTON BILL.

- a. Forbids any person engaged in commerce to discriminate between different purchasers of commodities with the purpose or intent to thereby destroy or wrongfully injure the business of a competitor of either such purchaser or seller.
- b. Forbids any person to lease or sell a commodity on condition or understanding that the lessor or purchaser shall not deal in the commodities of a competitor.
- c. Makes decree or judgment in action by the United States under anti-trust law prima facie evi-

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

- dence against defendants in action brought by other parties.
- d. Authorizes suit in the Federal courts by any person injured by the violation of the anti-trust laws without regard to the amount involved.
- e. Fixes the time in which suits may be brought or indictments found for violations of the anti-trust laws at six years, and the running of the statute is suspended during the pendency of an injunction suit by the United States.
- f. Exempts labor, agricultural, and horticultural organizations instituted for the purpose of mutual help and lawfully carrying out the legitimate purposes of their organization, not only from the provisions of this act but of existing anti-trust laws.
- g. Forbids any corporation engaged in commerce to hold stock of another corporation so engaged, the effect of which is to eliminate or substantially lessen competition or create a monopoly.
- h. Forbids a corporation to hold the stock of two or more corporations where such effect will result. This not to apply—
 (1) To corporations purchasing stock for investment or
 (2) To common carriers aiding in the construction of branch railroads feeders to its line.
- i. Forbids any common carrier to purchase supplies or make contracts for construction or maintenance to the amount of \$50,000 or more for any one year, where the two have interlocking directors, except upon competitive bidding.
- j. Makes it unlawful to prevent or attempt to prevent anyone from bidding.
- k. Makes it the duty of the carrier to report the transaction of the purchase with all particulars to the Interstate Commerce Commission.
- l. If the commission finds transaction to be in violation of the law, shall report the same to the Attorney General.
- m. Every director and other officer of the carrier taking part in any transaction in violation of this section made personally liable.
- n. Forbids any person to be a director in two or more corporations any one of which shall have capital, surplus, and undivided profits aggregating more than \$1,000,000, where such corporations are or have been competitors in business.
- o. Gives the person holding position of director in two or more corporations one year within which to sever his connection with all but one without liability.
- p. Makes it a felony on the part of any director or officer of a common carrier to embezzle, steal, abstract, or misapply any of its moneys, funds, credits, securities, property, or assets.
- q. Interstate Commerce Commission and Federal trade commission authorized to enforce the law.
- r. Provides the procedure of the commissions in enforcing the act, and for the making of an order to cease such violation.
- s. May, through district attorney, apply to district court to enforce the order.
- t. Disobedience punished by fine or imprisonment, or both.
- u. Appeal from the order allowed.
- v. Suits under anti-trust laws may be brought either in the district in which the corporation is an inhabitant or where it transacts business.
- w. Subpoenas for witnesses in either civil or criminal actions may run into other districts.
- x. Makes officer of corporation liable personally for any violation of the anti-trust laws.
- y. Suits in equity may be maintained in district courts to prevent violations of the law.
- z. Gives private individuals the right to sue and have injunctive relief in the Federal courts.
- aa. Requires notice and bond before issuing restraining order or injunction, and that such order shall set forth the reason for issuing it.
- bb. That no restraining order or injunction shall be granted in action between employers and employees unless necessary to prevent irreparable injury to property or property rights.
- cc. No such restraining order or injunction shall issue either—
 (1) To prohibit any persons, whether singly or in concert, from quitting work, or peaceably recommending, advising, or persuading others by peaceful means to do so.
 (2) Or from peacefully persuading any person to work or abstain from working.
 (3) Or from withholding their patronage from any party to such dispute, or from recommending or advising or persuading others by peaceful means so to do.
 (4) Or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value.
 (5) Or from peacefully assembling in a lawful manner and for lawful purposes.
 (6) Or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto.
- dd. Nor shall any of the acts above mentioned be considered or held to be in violation of the anti-trust laws.
- ee. Provides that proceedings for contempt not committed in the presence of the court coming within the purview of the act may, upon demand of the accused, be tried by jury.
- ff. Provides for appeal in contempt proceedings.
- gg. Proceedings for contempt shall not be commenced after one year.
- hh. Proceedings in contempt shall not be a bar to criminal prosecution.

BILL TO PREVENT OVER-ISSUES OF SECURITIES.

- a. Authorizes the Interstate Commerce Commission to compel annual reports, under oath, by common carriers showing all the facts about its stock and securities, cost and value of its properties, franchises, and equipments, number of employees, their salaries, amounts expended for improvements each year, and how earnings and receipts, operating and other expenses, balance of profit and loss, and a complete exhibit of the carrier's financial operations each year, including an annual balance sheet, information in relation to rates or regulations concerning fares or freight, or agreements, arrangements, or contracts affecting the same, and the keeping of a uniform system of accounts and making of monthly and special reports on any subject the commission may require, including a balanced statement of its receipts on capital account and of the surplus of the income account accruing during the period covered, and all other financial transactions that may be called for.
- b. The commission is given the power to investigate all financial transactions of the carriers and examine into the actual cost and value of property acquired by or services rendered to them.
- c. The carrier may be required to disclose every interest, direct or indirect, of the directors, stockholders, officers, agents or attorneys, employees, receivers, or operating trustees of such carrier in any transaction under investigation.
- d. In addition the commission may require the carrier to furnish any further statements of fact or evidence it pleases.
- e. The commission may prescribe the forms of accounts and books to be kept by the carrier, and to keep any other is unlawful.
- f. The commission is given the right of access to all books and papers in the hands of the carrier, its officers, stockholders, agents, attorneys, employees, receivers, or operating trustee, or anybody else that has had business transactions with the carrier, provided that all communications between attorney and client giving or seeking professional advice shall be deemed privileged.

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

- g. Authorizes the appointment of special agents or inspectors, who are given the right to inspect, examine, and take copies of everything they can find. Forbids examiners to disclose what they discover.
- h. Makes it a penal offense to refuse access of these special agents or inspectors to anything, punished by heavy forfeitures.
- i. Makes it a penal offense to make any false entries or accounts, or any accounts other than those prescribed by the commission, or to fail to make any entry, or to make them full, true, or correct, or to destroy any account or entry, etc., under penalty of fine and imprisonment.
- j. Courts authorized to issue writs of mandamus to compel compliance with requirements of the commission.
- k. Special agents and examiners are authorized to administer oaths, examine witnesses, and receive evidence.
- l. Requires issuance of receipt or bill of lading for goods shipped, but the same shall not relieve the carrier from any liability under the act. Makes carrier liable for full value of goods, notwithstanding limitation of value in receipt or bill of lading, except where goods are concealed from view.

Interstate Commerce Commission may establish rates dependent on value as stated in writing by shipper.

Preserves right of action of shipper under existing law.

Makes it unlawful for carrier to shorten period of giving notice of loss to less than 90 days or for filing claims to less than 4 months or for bringing suit to less than 2 years.

Carrier issuing receipt may recover amount it is compelled to pay from carrier on whose road loss occurred.

- m. Makes it unlawful for any carrier to issue any certificates of stocks, bonds, or other evidence of indebtedness, or to assume any obligation or liability unless:

First. (a) It be for some purpose within its corporate powers and for the construction, extension, enlargement, betterment, or equipment of its railroad or use thereof, or the payment or refunding of valid indebtedness or the lawful acquisition of the property of another common carrier for the protection or improvement of its property heretofore acquired not connected with its business as a common carrier if such last-named expenditure will not injuriously affect the public interest nor impair its ability to perform its public duty as a common carrier.

(b) And then only when such issue is approved by the commission. None of the securities shall be used for any purposes other than those allowed by the commission. The commission may fix a minimum price at which the securities may be sold.

- (c) The application for leave to issue shall be in the form prescribed by the commission, and includes:

1. The total amount of the issue and how authorized on behalf of the carrier.
2. The number and amount of all its securities outstanding.
3. The amount to be issued and whether to be sold, pledged, or held in the treasury, and the terms upon which they are to be disposed of and the consideration, etc.
4. The number and amount of its securities so authorized and not then to be issued.
5. If the issue is of shares of stock, the number, face value, whether common or preferred, and number already outstanding.

Second. The preferences or privileges granted to holders of any such securities, date of maturity, whether cumulative or not, etc.

Third. The purpose to which the proceeds are to be applied.

Fourth. If it is proposed to assume the obligation of any other person, natural or artificial, the financial condition of such other person, and the object of such assumption.

- n. The application must be made under oath.
- o. When securities pledged or held unincumbered shall subsequently be sold or otherwise disposed of, must file a certificate to that effect and give again all the information called for by subdivision c above, and anything else the commission requires.
- p. On application for leave to issue securities the commission is required to give notice to the proper authority of the State in which the carrier operates, and such State representative is authorized to be heard.
- q. The action of approval shall not be construed as a guaranty or any obligation on the part of the Government.
- r. Notes maturing not more than two years after their date excepted from the provisions of the bill, but notice of their issuance must be given to the commission.
- s. Commissioners must require periodical or special reports from all carriers issuing securities, including such notes.
- t. The issue of securities not authorized as above may be enjoined.
- u. And the issuance of them is made a penal offense on the part of the officers, agents, and attorneys of the carrier.
- v. Being a director of two or more carriers without the consent of the commission prohibited under penalty.
- w. Officer or director of the carrier prohibited from receiving any money or thing of value for or on account of the issuance of securities by the carrier.

OPINIONS OF GENERAL COUNSEL.

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

CHECK RAISED AFTER CERTIFICATION.

Where after certification of a check the amount is raised and the increased amount paid, the certifying bank has a right of recovery under the rule that money paid under mistake of fact is recoverable, provided the position of the holder receiving payment will not be changed for the worse as a result of such mistake.

From California.—Will you kindly give us your opinion as to where the loss should fall on a

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

certified check which has been raised after certification and paid by the bank? There is a wide divergence of opinion in this city which we would be glad to have cleared up. Some of our banking men take the position that it is a question of due diligence on the part of the paying teller, and if a check after certification is raised so expertly that ordinary care and scrutiny on the part of a paying teller will not reveal such raising, that the loss falls on the maker of the check and not on the certifying bank. Others maintain that inasmuch as a register of certified checks is kept, it is the bank's duty to compare against such register before paying, and that all losses caused by raising after certification should fall on the bank. As the keeping of a register

seems to be a matter of custom and convenience, and not of law, it is an open question as to whether or not the failure to compare with such register before payment would enter into the case at all or not. We would be glad to have your opinion supported by such cases as you may be able to cite, with special reference to California.

Where a bank pays a certified check which has been raised after certification, the loss does not in any event fall on the maker of the check who is not a party to the alteration; but such a payment presents the question whether the payor bank is bound thereby to a bona fide holder and must lose the amount or whether, notwithstanding such mistaken payment, it has a right of recovery from a bona fide holder to whom the money has been paid.

What little authority there is on the subject is to the effect that, despite the bank's mistake, it has a right of recovery; but this is qualified by the ruling that if in consequence of the bank's mistake the holder has suffered loss, recovery will be defeated. See *National Bank of Commerce v. National Mechanics Banking Association*, 55 N. Y. 211. In that case a check was raised after certification, deposited with the defendant bank and the credit checked against. The following day the check was paid by plaintiff, the certifying bank, through the clearing house. The forgery was discovered two weeks later. A judgment for plaintiff was affirmed, it being held that money paid under a mistake of fact may be recovered, however negligent the party paying was in making the mistake, unless the payment has caused a change in the position of the other party. There was no such change in the case before the court for the defendant had paid the depositor his balance before it received payment of the certified check. The court held that plaintiff was legally concluded as to the genuineness of its certification and of the drawer's signature, but not as to the body of the check. Concerning the qualification of non-recovery where the holder receiving payment is injured by the mistake of the certifying bank, the court said: "If the defendant had shown that it had suffered loss in consequence of the mistake committed by plaintiff, as for instance if in consequence of the recognition by the plaintiff of the check in question the defendant had paid out money to its fraudulent depositor, then, clearly, to the extent of the loss thus sustained, the plaintiff should be responsible."

Another case is *Clews v. Bank of New York*, 114 N. Y. 70. In that case defendant bank certified a draft and afterwards was notified by the drawer that it had been lost and not to pay it. Subsequently it was altered as to the payee and the amount raised and tendered to a banking house as payment for certain Government bonds. Before accepting the check and delivering the bonds, the banking house sent a messenger to the certifying bank to ascertain if the certification was good and the teller, without referring to the register of certified checks wherein was entered a memorandum of the original check with notation of the stop payment, answered to the effect that the certification was good. Thereupon the bonds were delivered by the banking house and the check received in payment. In this case the certifying bank was held liable to the banking house upon its certified check as raised on the ground that it was culpable negligence for the teller to have made such answer without referring to the information which it possessed. In this case the check raised after certification was not paid. Had it actually been paid and the bonds afterwards delivered on faith of such payment, the certifying bank would of course equally have been held the loser and without right of recovery under the rule in the case first cited, for on the faith of such payment the position of a bona fide holder receiving payment would have been changed.

Another case is *Continental Nat. Bank v. Tradesmen's Nat. Bank*, 173 N. Y. 272. In that case the check was certified after it had been raised. Ordinarily in such a case the certifying bank is not responsible; it cannot be held on its certification and if, after certifying a raised check, it pays the money, it can recover it. The drawee bank is not responsible for the correctness of the amount and where it pays

a raised check either without certifying it or after certifying it, has a right of recovery under the general rule that money paid under mistake of fact may be recovered. This has been held in a number of cases. But in the *Continental National Bank* case the check so certified was a draft drawn by another bank which had been raised from \$76 to \$7,660 and at the time of certifying, the drawee bank had in its possession a regular letter of advice from the drawer showing the number, date, amount and name of payee. Notwithstanding and overlooking this, it certified the raised check. After certification the holder deposited the check in the defendant bank and the latter collected it and thereafter the depositor withdrew his balance. The court held that while, ordinarily, the contract of certification extends only to the genuineness of signature and sufficiency of amount on deposit, yet where the certifying bank possesses information that the amount of the check is a forgery it will not be permitted to recover the money paid on the certified check from the bank to whom it has been paid where the latter must, in such case, sustain the entire loss because it, in turn, has parted in good faith with the money on the credit of such check. The court said the facts brought the case within the exceptions to the rule permitting recovery of money paid upon a mistake of fact.

The above are all New York decisions but I am unable to cite any from California on the point involved.

The result seems to be that where a check is certified and afterwards raised and paid by the certifying bank at the raised amount, the latter has a right of recovery from the holder receiving payment under the rule that money paid under mistake of fact may be recovered, provided the position of such holder, by reason of receiving such payment, will not be changed for the worse. And it would seem that mere negligence in failing to consult the certified check register or to avail of other information in possession of the certifying bank before mistakenly paying the increased amount would not bind the bank unless as a result thereof the person receiving payment has been injured. This so appears from the decision in the *National Bank of Commerce* case first cited; and in both the other cases above cited in which the certifying bank was held responsible for the loss by reason of its negligence it also appeared that the good faith purchaser dealing with the bank was injured as a result of such negligence.

BANK'S RIGHT OF SET OFF.

Opinion that, in the absence of statute to the contrary, a bank which carries the deposit of a city has a right to apply such deposit to payment of the city's indebtedness to it, the same as in case of an individual depositor.

From Indiana.—A city in Indiana in September, 1913, borrows \$5,000 from a National bank in the same State on 60 days' time and renews from time to time till April 5, 1914, when it neglects to give the matter further attention, although due notice of maturity of the note had been sent to the city clerk by mail and personal notice given to the mayor and councilmen. In July, 1914, the city's balance being sufficiently large to permit, the cashier of the bank cancels the note and charges it with accrued interest to the city's balance in the bank and notifies the city treasurer and city attorney accordingly. Has the bank a legal right so to do, the bank being a public depository and the funds being public funds? Will the law as applied to individual accounts and individual indebtedness hold here?

Unless there is something to the contrary in the State Depository Law of Indiana, I think the general rule of law under which a bank has the right to set off the deposit of an individual against his debt to the bank, would equally apply where the depositor is a municipal corporation. There are very few cases

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

which have any bearing on the subject, but such as there are would seem to support this conclusion.

I do not think, in the absence of an express statute which would make public deposits trust funds and restrict their payment to certain specified uses, that the fact that the bank is a public depository and the funds public funds would require the application of a different rule and deprive the bank of its right of set-off which would exist in the case of an individual depositor. For example, it has been held that "when the United States, by its authorized officer, becomes a party to negotiable paper, they have all the rights and incur all the responsibilities of individuals who are parties to such instruments." U. S. v. Bank of Metropolis, 15 Pet. 377. When the State enters into a contract it incurs the same obligations as an individual who is a party to a like contract; the same principles of law apply as to the contracts of individuals. State v. Cobb, 64 Ala. 156.

In *Town of Manitou v. First Nat. Bank*, 37 Colo. 344, 86 Pac. 75, where a bank carried an account for a town and owned a town warrant which had been refused payment, it was held the bank had a right to apply deposits belonging to the town to the payment of the warrant. In *Citizens Bank v. Alexander*, 120 Pa. 476; 14 Atl. 402, A deposited money in bank in his name as "Deputy Treasurer." In an action to recover the balance, the bank offered to show that one M was County Treasurer and kept his account in the bank; that M overdraw said account during the time of A's deposit and that A's deposit had been applied to extinguish the overdraft. This testimony was excluded and the court held that although the money belonged to the county, yet the fact that it was deposited in A's name as "Deputy Treasurer" did not earmark it as county funds, and the bank therefore had no right to apply it on the county overdraft. The plain inference from this case is that the bank's right to set off the deposit of a county against an indebtedness owing by the county, would be upheld where the deposit was sufficiently identified or "earmarked" as belonging to the county.

Of course, public funds deposited by an officer in his official capacity cannot be applied to the private debts of the depositing officer (*McDowell v. Bank*, 2 Del. Ch. 1; U. S. v. Nat. Bank, 73 Fed. 379; even where the indebtedness has been incurred to make good a public shortage, *Boyd v. Bell*, 69 Tex. 735; *State v. Corning State Savings Bank*, 128 Iowa, 597; *Wagner v. Citizens Bank*, 122 Tenn. 164). But such is not this case.

I think, therefore, the bank had a right to apply the deposit of the city in payment of the latter's overdue note and interest. There does not seem to be anything in the State Depository Law which would restrict this right of application. Under Section 24 city funds must be deposited in the name of the city by the officer having control thereof, and such officer is prohibited, under penalty, from checking against such funds for any purpose except for payment of a warrant or order drawn by the proper officer; but this relates to the duty of the city officer, and I do not see anything in the law which prevents the depository from applying the funds in virtue of its legal right of set off to the payment of any legally created debt due by the city to it.

UNDATED CHECK.

A check, though not dated, is a valid and negotiable order on the bank to pay on demand, but the absence of date may (although the point has not been decided) afford justification for drawee's refusal to pay until reasonable time for inquiry as to age of check, for if check has been outstanding an unreasonable length of time, payment is at bank's peril.

From Georgia.—We will thank you very much for your opinion, or rather for a statement of the law on the question, when is a common customer's check payable that has no date? We

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

very often have checks of this nature returned to us by our correspondent banks refusing payment because not dated. We are of the opinion that such papers are payable when presented.

The Negotiable Instruments Act provides, and the provision is applicable to a check, that "the validity and negotiable character of an instrument are not affected by the fact that it is not dated." The Negotiable Instruments Act is in force in every State of the Union except Maine, Georgia, Mississippi, Texas and California. As this inquiry comes from Georgia, the above provision does not apply, but it is equally the rule of the law merchant that an instrument is valid though not dated. *Bank of Houston v. Day*, 122 S. W. (Mo.) 756, in which it is held that an undated note is valid either under the law merchant or under the Negotiable Instruments Act.

An undated check being a valid order on the bank to pay, it would seem to follow the check would be payable whenever presented in due season.

But the question arises, how is the bank to know, in the absence of a date, how long the check has been outstanding, and herein may lie the justification of those banks which refuse payment and return the checks to you because they are not dated. When a check has been outstanding so long as to become what is technically called "stale," the bank would pay it at its peril. Just when a check is sufficiently aged so as to become stale is unfortunately not clearly defined by the authorities. In an early case in Pennsylvania, *Lancaster Bank v. Woodward*, 18 Pa. 357, the drawer of a check had no funds in bank to meet it at the time of its delivery or afterwards. A year after its date the bank paid the check, though in the meantime the drawer had discharged the original debt. The bank sued the drawer for the amount and the court held the check was sufficiently old to put the bank on inquiry and it could not recover.

Assume in any case an undated check has been so long outstanding as to become "stale" before presentment. Owing to the absence of date there would be nothing on the face of the check to indicate how long it had been outstanding. If the bank paid such a check and the drawer had a good defense against the payee, the question would arise whether payment by the bank without inquiry as to the age of the check was at its peril. These considerations suggest the question whether there is not some justification for a bank in refusing to pay an undated check, at all events until it has had reasonable time to ascertain how old the check is and whether such refusal to immediately pay on presentation without due inquiry would be regarded as a dishonor of the check which would make the bank liable to its customer in damages. Unfortunately, there are no decided cases which will serve as precedents upon the precise question whether or not a bank is justified in refusing to pay an undated check upon presentment until it has had reasonable time to make inquiry as to the age of the check. True, the check is a valid order on the bank to pay, but where there is doubt whether the instrument has been outstanding a considerable length of time before presentment, there would seem some reasonable justification for the bank's refusal of immediate payment. I can make no more definite statement of the law on the precise question submitted, for it has never come before the courts in any specific case that I know of involving protest of an undated check.

TRUST COMPANY AS EXECUTOR, GUARDIAN OR DEPOSITORY.

Deposits held by trust company in that relation are not preferred in event of failure unless segregated and earmarked or unless preference created by statute.

From Arkansas.—When a trust company acts as executor, administrator, guardian or depository in escrow agreements, is the relation between the trust company and the beneficiary one of trustee and cestui-qui trust, or debtor or creditor? In other words, if the trust company closes its doors would the beneficiaries in such

relation, above mentioned, be paid in full or would they come in for only their pro rata share along with the other depositors? Would it change the result if the funds belonging to the beneficiary were kept in a separate account from the general books and marked "Trust funds"?

I think as to funds held on deposit by a trust company which acts as executor, guardian or depositary, the tendency of the courts in the event of failure is to class such deposits as general indebtedness and not give the claimant a preference unless (1) such funds are kept separate and specially marked as trust funds or (2) where the organic law provides that funds so held shall be preferred to commercial deposits or general creditors.

Upon the proposition that such funds are not classed as trust funds where not specially earmarked and segregated, the following authorities are pertinent. In *Vail v. Newark Sav. Inst.*, 32 N. J. Eq. 627, the charter of a savings bank authorized it to accept and execute any trusts committed to such bank, by any person, by will or otherwise, or by order of any court. Under a family agreement, \$25,000 were deposited in the bank, to pay \$1,460 per annum to the widow for life, and the surplus of the income from such deposit, if any, to her children. The bank was subsequently taken under the control of the court, on a deficiency of assets to pay its depositors in full. It was held that it was not established by proof that such deposit was taken by the bank as a special trust, or as a deposit differing materially from the other ordinary deposits of the bank. Held, further, that such deposit was not entitled to preference in payment over others. And, further, that even if the trust claimed had been shown, nothing in the charter of the bank gave the fund the priority claimed, and it would not be entitled to it.

In the late case of *Groff v. City Sav. Fund, etc.*, Co., 46 Pa. Super. Ct. 423, the Court, in the course of its opinion, said:

"A trust creditor is not entitled to preference over general creditors of the insolvent merely on the ground of the nature of his claim. To authorize such a preference, some specific recognized equity founded on the relation of the debt to the assets, in the hands of the assignee or receiver, and which entitles the claimant, according to equitable principles, to a preference in payment out of those assets, must be established by evidence. The person claiming to be a trust creditor must, in order to establish his right to a preference, trace the trust money into some specific property, fund, security, or account of the insolvent, which has passed into the hands of the receiver or assignee, and the proceeds of which are to be distributed. He must identify the fund out of which he demands to be preferred in distribution either as the original trust property or as the product of it: *Miller's Appeal*, 218 Pa. 50; *Com. ex rel. v. Union Surety & Guaranty Co.*, 37 Pa. Superior Ct. 179, and cases there cited. The right to pursue the fund fails when the means of identifying and ascertaining it fail. "This is always the case when the subject-matter is turned into money and mixed and confounded in a general mass of property of the same description": *Thompson's Appeal*, 22 Pa. 16. These principles must be applied in those cases in which the trustee has wrongfully converted securities into money, as well as in cases in which, under the terms of the trust, he is authorized to change the character of the investment: *Hopkins' Appeal*, 7 Sadler, 143."

In *Miller's Appeal*, 218 Pa. St. 50, it was held that where a receiver deposits the moneys of his estate in a trust company, which is the surety on his bond, and it is arranged that the moneys should bear interest and be subject to check with the counter-signature of the officers of the trust company, and such moneys were mingled with the general funds of the company, the receiver could not, after the insolvency of the trust company, claim that he was entitled to have returned to him out of the assets of the company the whole of the balance of his account, under a rule of court which provides "That all corporations approved as security shall keep any and all moneys and securities which may have been re-

ceived by them from persons for whom they may become sureties separate from all other funds or securities, and in a separate and earmarked account."

The rule is generally recognized that special and specific deposits, if actually kept separate so that they can be identified, may be reclaimed; this on the theory that the bank had no title thereto, and therefore its creditors can have none. *Capital Nat. Bank v. Coldwater Nat. Bank* [Neb., 1896], 69 N. W. 115, where it was held that a fund which comes into the possession of a bank, with respect to which the bank has but a single duty to perform, and that is to deliver it to the party entitled thereto, is a trust fund, and is therefore incapable of being commingled with the general assets of such bank subsequently transferred to its receiver. That under the circumstances above indicated the receiver of the bank is merely substituted as trustee, and its funds in his hands should be devoted to discharging such trust before distribution thereof is made to the general creditors of the bank.

It was held in *Smith v. Fuller*, 86 Ohio St. 57, that where a trustee deposits trust money in a bank, taking as evidence thereof a certificate of deposit certifying that he as trustee has deposited the fund payable to self on return of the certificate properly endorsed, the same not being subject to check, and no stipulation for interest made, a presumption will be indulged, in the absence of proof to the contrary, that the trustee intended to perform and not violate his duty, and that the deposit was intended as a special, and not a general, deposit. And where, in such case, the bank fails and makes an assignment for the benefit of creditors before such fund is withdrawn, and it appears that the bank, upon receiving such deposit, had mingled the trust money with its own funds, money paid out from such fund for its own purposes will be presumed to have been paid from its own money, and not from the trust fund. And if it be shown that at all times from the making of the deposit to the time of the assignment by the bank there was in its vaults money of amount and value equal to the amount so deposited, a court of equity may engraft a trust upon such money, and the trustee will become a preferred creditor.

In some States, funds held on deposit by a trust company which acts as executor, guardian or depositary are preferred by statute. Thus by Sec. 188 (8) of the N. Y. Banking Law, relating to trust companies, it is provided: "If dissolved by the legislature or the court, or otherwise, or liquidated by the superintendent of banks or otherwise, the debts from such corporation as guardian, trustee, executor, administrator, committee or depositary, shall be entitled to priority of payment from the assets of such corporation on an equality with any other priority given by this chapter."

In the recent case of *Morris v. Carnegie*, 139 N. Y. Supp. 969, the question arose under this section whether the preference above provided as to deposits due by the corporation as depositary extended to funds deposited in a trust company by a receiver in bankruptcy under order of a Federal court. A majority of the court held in the affirmative, but *Ingraham, P. J.*, dissented and gave it as his opinion that the preference intended to be given was in cases where the trust company had itself been appointed trustee, depositary, etc., and stated there was no provision of law which gave a preference to the deposits of a receiver appointed by a State or a Federal court. This, however, was simply a matter of interpretation of this particular statute taken in connection with other legislation authorizing deposits of funds by order of court.

The State of Arkansas has recently passed a new banking act (Acts Ark., 1913, Act 113), but neither this act nor the Trust Company Act touches upon the question of priorities where trust funds are on deposit in an insolvent bank. The only part of the act which deals with priorities provides that funds collected by the State Bank Commissioner belonging to an insol-

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

vent bank may be deposited in one or more State banks of deposit, savings banks, or trust companies, "and in case of the suspension or insolvency of the depository, such deposit shall be preferred before all other depositors."

In conclusion, therefore, it would seem that where a trust company in Arkansas acts as executor, administrator, guardian or depository and closes its doors, the funds held by it on deposit in such relations would not be payable in full to the beneficiary as trust funds unless they were kept separate and marked as such, and the beneficiary would only come in for pro rata share with the other depositors.

TAXATION OF SAVINGS DEPOSITS.

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

From New York.—Kindly give your opinion whether deposits in an interest department of a National bank are subject to taxation as personal property of the depositor.

The Tax Law of New York exempts from taxation "the deposits in any bank for savings which are due depositors * * *." Under this it has been held that both depositors and savings banks are exempt (*People v. Peck*, 157 N. Y. 51; *People v. Dederick*, 158 N. Y. 414), but the law does not apply to savings deposits in the interest department of a National bank unless the courts should hold that, so far as its savings deposits are concerned, a National bank is a "bank for savings" within the meaning of the act. The question has never come up for decision that I can find, and I do not believe the law will be so construed.

Exemptions from taxation are not favored and are to be strictly construed. They will not be sustained unless such clearly appears to have been the intent of the legislature. An exemption from taxation must be expressed in clear and unambiguous language, and appear to be indisputably within the intention of the legislature. *People v. Cameron*, 140 N. Y. App. Div. 76. To same effect, *Yazoo*, etc., *R. Co. v. Adams*, 180 U. S. 1. I think it would be held that when the provision exempting deposits in any bank for savings was enacted, the legislature had in mind deposits in the mutual savings banks of the State, and did not contemplate a situation where savings deposits were received by National banks in their interest department. True, it might be urged that the same reason and public policy which underlies the exemption of savings deposits from taxation would apply whether the savings depositor kept his money in a mutual savings bank organized under the law of the State or in a National bank; although, on the other hand, it might be contended that the public policy would be different in the two classes of cases, for in the one the State has provided a system of savings banks with carefully safeguarded investments, and the State will only recognize as savings depositors entitled to exemption those who avail of this system. But however this may be, I am inclined to the conclusion, in any event, the courts would hold that the legislation, exempting deposits in any bank for savings from taxation, does not apply to or exempt deposits in the interest department of a National bank.

ASSIGNMENT OF DEBT.

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

From Arizona.—One of our customers bought a bill of goods of a firm in New York City and at the time of purchase nothing was said to indicate that he was dealing with anyone but the

firm. On receiving the goods and invoice, he brought the invoice to the bank and asked for draft. The draft was made out to the firm, the name being printed in bold type. In due time he received a letter from a private banking firm in New York City saying the draft should have been sent to it, and calling attention to a notation printed in red ink upon the invoice, and reading, "This bill is assigned and payable to our bankers, A. B. & Co. Make checks payable to them and mail direct." Our teller in making the draft, and our customer in mailing it both overlooked this notation. Query: If the firm of whom goods were bought had kept the proceeds of the draft, would our customer or this bank have been liable to the assignee, and obliged to pay the bill a second time?

Of course, payment by a debtor to a creditor after notice of an assignment of the debt does not relieve the debtor from paying again to the assignee. The rule is well recognized that until the debtor receives notice of an assignment of the debt, or until he has knowledge of such facts concerning the same as are sufficient to put him on inquiry (*Campbell v. Sneed*, 9 Ark. 118; *Turner v. McCarty*, 22 Mich. 265), he may deal with the assignor as if no assignment had been made. (*Hogan v. Black*, 66 Cal. 41; *Pulliam v. Cantrell*, 77 Ga. 563; *Deach v. Perry*, 25 N. Y. St. Rep. 891; *Com. v. Sides*, 176 Pa. St. 616.) But after notice of the assignment, the debtor deals with the assignor at his peril, and discharge or modification of the obligation by the assignor, after that time, will not avail him. (*State v. Jennings*, 10 Ark. 428; *McCloskey v. San Francisco*, 66 Cal. 104; *Ferguson v. Davidson*, 147 Mo. 664; *Graham Paper Co. v. Pembroke*, 124 Cal. 117; *St. Lawrence Boom, etc., Co. v. Price* [W. Va., 1901], 38 S. E. 527, *Met. Life Ins. Co. v. Morrow* [Ga., 1912], 73 S. E. 607.)

The question then arises whether the red ink notice printed on the invoice would be held a sufficient notice of assignment to bind the debtor. It evidently in this case did not operate as actual notice either to the debtor or to the bank which was asked for a draft, as both overlooked it.

The rule seems to be well recognized that the notice of the assignment, required to be given by the assignee to the debtor, need not be in any particular form (*Manning v. Mathews*, 70 Iowa, 503; *Jewett v. Dockray*, 34 Me. 45); nor is it necessary to exhibit to the debtor either the original or a copy of a written assignment, notice that such assignment is claimed to exist being sufficient. (*National Fertilizer Co. v. Thomason*, 109 Ala. 173; *Tuora v. Cushing*, 1 Mart. N. S. [La.] 425; *Davenport v. Woodbridge*, 9 Me. 17.)

What constitutes a sufficient notice is, usually, a question of fact, but when it depends merely on the construction of writings it becomes a question of law. (*Reuton v. Monnier*, 77 Cal. 449; *Whitman v. Winchester Repeating Arms Co.*, 55 Conn. 247; *Crouch v. Mullen*, 141 N. Y. 495; *Heermans v. Ellsworth*, 64 N. Y. 159; see also *City Bank v. Thorp*, 79 Conn. 194.)

In the present case, the language of the notice is plain enough and no question of law involving its construction arises; simply the question of fact whether the notice in the form and manner given was sufficient to bind the debtor and make him liable to the assignee? What conclusion would a jury reach upon this question? A bill for goods is mailed a debtor, the name of the creditor being printed thereon in bold type and also printed thereon is a notation in red ink given by the creditor and not by the assignee that the bill has been assigned to "Our bankers, A. B. & Co." with a direction to make checks payable to them and mail direct. True, the notation is not signed and is not contained in any separate written letter, but is simply printed on the bill; nevertheless it is printed in red ink and therefore given some degree of prominence. However, actually, it was overlooked and did not as a matter of fact convey notice to the debtor. On the whole I think probably a jury

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

would be apt to decide that the words printed in red ink were a sufficient notice of assignment to the debtor, although some minds might reach a contrary conclusion on the theory that such printed notation was not sufficient to attract attention.

Assuming the notice sufficient and that as a consequence the debtor would have to pay over again to the assignee in a case where the assignor did not turn over the money paid him to the assignee, the further question is asked whether the debtor or the bank which made out the draft would be the one ultimately liable. If there was any liability upon the part of the bank, it would, of course, be to its customer and not to the assignee.

According to the facts stated, the customer took the invoice to the bank and asked for a draft, the teller made the draft payable to the firm named as creditor in the bill, and the customer mailed it to such firm, both overlooking the notice of assignment. I think under these facts the bank would not be liable.

In *Stoner v. Zachary*, 122 Iowa, 287, a bank was employed by a shipper to draw and collect a draft with b/l attached for a shipment of onions from Prairie City, Iowa, to Bloomington, Ill., consigned to shipper's order "notify J. & Co." The draft was mistakenly drawn upon and sent to J. & Co. at Peoria, instead of to J. & Co. at Bloomington, Ill., and as a consequence, before the mistake was corrected and the documents reached Bloomington, the onions had sprouted and spoiled. The shipper sued the bank for damages because of negligence and testified he instructed the cashier to send the draft to Bloomington and relied upon him to draw it as directed, as he did not have his spectacles and could not himself see to read the instrument before signing it. The cashier testified that the draft was drawn precisely as plaintiff ordered. A verdict was directed for the bank, but this was reversed by the Supreme Court of Iowa, which said: "Assuming the truth of plaintiff's testimony and giving it the most favorable interpretation of which it is fairly susceptible in his behalf, we think a verdict in his favor would have to be sustained; and if this be true, it follows that the issue should have been submitted to the jury." The court further held that it was not contributory negligence for the plaintiff to have signed the draft without reading it, and said: "In this transaction with the bank and its cashier, he was not dealing with one who was hostile in interest. He applied to a bank presumably experienced in making collections of this kind; and, having given the data required, and being himself unable to read, it is not for the court to say that he was negligent in relying upon the accuracy and skill of the cashier in a matter so peculiarly within the line of his business, or in signing the draft under such circumstances without procuring some one to read it for him. * * * In the present case plaintiff was taking upon himself no contractual obligation, save the implied obligation to pay the defendants for their services in making the collection. He had orally employed them to make this collection, and trusted them to prepare the instrument by which it was to be made; and it would be going very far indeed to say that, as a matter of law, he was negligent in not fencing against a possible mistake on their part in preparing the draft for his signature. They were his agents, employed to perform a service in which they, as bankers, were presumably skilled, and he, as a farmer, was presumably less familiar; and, to say the very least, if, under such circumstances, he did not exact a reading of the draft before signing it, his negligence is not so glaring or patent as to justify the court in withdrawing the case from the jury."

According to this case, where a bank is employed to draw and collect a draft for a customer who instructs it as to the place upon which the draft is to be drawn and a mistake is made and the draft is addressed elsewhere, the bank will be liable for negligence and the customer will not be guilty of contributory negligence if he signs it without reading it or having it read to him.

But the case we are now considering is somewhat different. The relation between bank and customer here would seem more in the nature of vendor and vendee than of principal and agent, and

if there is any agency relation upon the part of the bank it would be confined to following instructions as to making out the draft before selling it. The customer wants to buy New York exchange and the bank sells it to him. The customer indicates the payee by turning over the invoice to the bank and both overlook the notice on the invoice and regard the name of the firm at the head as being the payee. If the customer had expressly instructed the bank to make the draft payable to A. B. & Co., bankers, and the bank had made the mistake of making it payable to the firm, while this would be negligence yet even here there would be the question whether it was not the customer's duty to examine the draft before mailing it to see if it was correct as to amount, party, etc., and reject it if not correct. But in this case the bank was not expressly instructed to make the draft payable to A. B. & Co., bankers—the invoice was simply handed over and both bank and customer assume that the firm was the payee. If it was neglected to observe the notation, the neglect was mutual, and in such a case, assuming the notice of assignment would be held sufficient notice to make the debtor liable to the assignee, I do not think he could hold the bank liable, because in supplying him with the draft it made the same mistake that he himself made.

REBATE OF INTEREST ON PREPAID LOAN.

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

From Illinois.—This bank made a real estate loan of six thousand dollars to a gentleman, in which loan there was no option. Time elapsed, regular interest payments being made, until about four months before time of maturity. He then sent to us three thousand dollars, with the request that it be applied on his note. The mortgage was of record, of course. He had full knowledge that he had no rights of option. We applied this amount on his note. When he came to make final payment promptly at the maturity of the note, he demanded reduction of interest upon coupon, on the theory that we had no right to accept the money under the terms of the loan, and he had no right to pay it; that it was our duty to either return him the money or, if we accepted the money, then there was a certain moral and (as he claimed) legal obligation on our part to see that equity and justice (as he remarked) were done, so far as the interest was concerned, by having accepted and used the money contrary to the agreement. In other words, that by accepting the money, either the contract was changed or a new one created so far as that item was concerned, and that we would be due him at least the legal rate of interest (in our State five per cent.) for the amount. We settled this matter amicably as a practical proposition, but as we very frequently have to meet this case, and sometimes when the parties are distant and explanation is difficult, we write to ask whether in your opinion we have the right to accept partial payments on a note, where no option is given for partial payment, without any liability on our part for rebate in the matter of interest. We admit, of course, that it is courtesy to notify the party of this fact, but nevertheless if credit is made, are we legally protected from liability on account of rebate of interest on final payment at maturity of loan?

Your inquiry raises the question whether, where partial payment of the principal of an interest-bearing loan is made prior to maturity, of course by con-

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

sent of both parties, the result of acceptance by the lender will be a forfeiture of his right to the interest upon the amount of the principal so paid for the period between the time of payment and of maturity, assuming there is no agreement for rebate of such interest at the time the partial payment is made.

I have heretofore given an opinion (see JOURNAL-BULLETIN, April, 1914, page 681) that it is not usury to receive payment before maturity of the full amount due at maturity upon a note discounted at the highest legal rate of interest. But the question of usury involves a different proposition, for while it might not be usury to receive prepayment of principal and full legal interest which the debtor is willing to pay, it would not necessarily follow that where the debtor makes a partial prepayment of principal without express agreement as to rebate of interest, the creditor has a right to require payment of the full interest at maturity, as if such partial payment had not been made.

The question then is as to the right of the creditor to collect interest upon so much of the principal as has been paid by agreement before maturity, for the time intervening between payment and maturity. To state a concrete case: A promises to pay B \$6,000 one year after date with interest at five per cent; in other words, a total of \$6,300. Six months before maturity A pays B \$3,000 by consent of both parties, nothing being said as to rebate of interest, and at maturity in final settlement B demands the balance and full interest, \$3,300, while A claims there should be deducted six months' unearned interest on \$3,000, or \$75, and all that he owes is \$3,225. Is A right or is B right?

I have been unable to find a direct precedent upon this proposition.

A's contract being to pay \$6,300 one year from date, \$6,000 of principal and \$300 for interest, if by agreement A makes part payment of the principal before maturity, does this constitute a modification of the old agreement to the extent that the unearned interest on the prematurely paid portion of the principal is removed from the terms of the original agreement to pay? It would be natural for the parties to make some express agreement for rebate of interest at the time of premature partial payment of principal, but where they do not, does the agreement to pay and receive part payment of principal before maturity, which to this extent is an agreement in modification of the old contract, carry with it the further implied modification that the unearned interest on the portion prematurely paid for the unexpired period will be rebated?

In one view it might be contended that, where there was no express agreement for rebate of interest, the creditor would be entitled to the full interest without rebate. He has loaned the money for the full period and is entitled to interest thereon for the full period. If it is for the convenience of the debtor to make part payment of principal before maturity, cannot this be accepted by the creditor without the implied forfeiture of his right to full interest thereon? Perchance he may have no use for and cannot reinvest the money during the unexpired period.

But, on the other hand, it may be urged that, upon principles of equity, the lender would not be entitled to charge unearned interest where he voluntarily accepts part payment before maturity and that a court of equity would prevent recovery thereof. There is a decision of a court of equity in New Jersey which would seem to support this conclusion. In the old Chancery Practice Act of New Jersey is a provision intended to cover a case where a mortgage becomes due at once upon failure of the mortgagor to pay any installment of interest when it falls due, relating to rebate of interest in that connection. It provides, " * * * Provided, when the residue of the debt or demand intended to be secured by the mortgage is payable at a future day without interest, and the mortgagee is willing to receive the same, the court shall deduct a rebate of legal interest for

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

what the mortgagee shall receive on the said debt or demand, to be computed from the time of the actual payment thereof to the time such residue of the debt or demand would have become due and payable." (N. J. P. L. 1902, § 56, p. 530.) In construing this statute, it was held in *Greenville Build., etc., Assn. v. Wholey* (N. J., 1904), 59 Atl. 341, that, where a mortgage is foreclosed for failure to pay an installment, the master, in computing the amount due, must make a rebate of the interest on such payments not bearing interest as are not yet due, calculated at the same rate used by the parties in fixing the amount of the mortgage.

In the course of the opinion in this case, *Hitney, V. C.*, said: "Now, I have always supposed that it was thoroughly settled, as well by the rules of equity as by the time-honored statute—section 11 of Chancery Practice (Rev. St. 1846, p. 919), section 74 of Chancery Practice (Rev. 1877, p. 118), and section 56 of the Revision of 1902 (P. L. 1902, p. 530)—that where a mortgage is foreclosed, for failure to pay an installment, the master, in computing the amount due, must make a rebate of the interest on such payments, not bearing interest, as are not yet due." If, therefore, the rule of equity is well settled that where a mortgage is foreclosed because of default in interest before the original due date, the master in computing the amount due, will rebate the unearned interest—which rule has been put into statutory form—a court of equity should also recognize that where prepayment of a debt is made by agreement of the parties—equally as in the case where prepayment is received by exercise of an option of the mortgagee—that the debtor has a right to a rebate of interest.

While the question is not clearly or positively settled by the authorities, I am inclined to the view that in the case you state, the courts would probably hold that by accepting the money before due, your bank impliedly waived the right to the interest thereon for the unexpired period. You say you very frequently have to meet the case where a distant party sends on an advance payment with a request that it be applied on his note and you ask whether you can accept such advance partial payments, where no option is given therefor, without liability for rebate in the matter of interest. The question, as said, does not appear to have been positively settled by the courts one way or the other, but I am inclined to the view that if you accept a partial payment in advance, you impliedly forfeit your right to future interest.

SUFFICIENCY OF ACKNOWLEDGMENT.

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

From California.—I would like to have your opinion on the following matter: A notary public in making out an acknowledgment to a deed used the words: "and has duly acknowledged to me," etc., instead of "and he duly acknowledged to me," etc.; in other words, he used the word "has" instead of the word "he." In your opinion, do you think this little mistake will be enough to create a flaw in the title, and do you think that a title insurance company would insure this title, and if they would consider this mistake a flaw in the title?

The California statute in regard to the general form of certificate of acknowledgment is as follows:

"The certificate of acknowledgment, unless it is otherwise in this article provided, must be substantially in the following form: 'State of county of ss. On this day of in the year before me (here insert name and quality of the officer) personally appeared known to me (or proved to me on the oath of) to be the person whose name is subscribed to the within instrument, and acknowledged that he (she or they) executed the same.'" (Civ. Code Cal. [1909], Art. III, § 1189.)

LIABILITY OF SURETY MAKER.

Under this it would appear that the statute simply provides that the certificate shall state, "and acknowledged that he executed the same," and does not require that it should read, "and he duly acknowledged to me."

But even if it did so require, the use of the word "has" instead of "he" would not affect the validity of the certificate. The following authorities are cited for your information:

The general rule is that to be valid, the certificate of acknowledgment must recite that the grantor acknowledged executing the instrument (People v. Harrison, 8 Barb. [N. Y.] 560), but the exact language of the statute need not be used, and any recital is sufficient which clearly shows an acknowledgment of execution. (Davar v. Cardwell, 27 Ind. 478.)

The omission of the personal pronoun in reciting the fact of execution will not ordinarily vitiate the certificate if it appears from the context that it was the grantor who acknowledged such execution. (Mugrove v. Bouser, 5 Oreg. 313; Tew v. Henderson, 116 Ala. 545.)

In the Oregon case the court said: "The first point made by counsel for appellant is, that the certificate of acknowledgment appended to the Bouser deed is fatally defective and is not evidence of its execution without further proof. It will be noticed that the notary, instead of certifying that Armstrong and wife were known to him to be the makers of the deed, certifies that they were known to him to be the persons named in the written deed, and that 'they acknowledged to him that signed and executed the within deed.' The omission of the pronoun they before the word 'signed' was evidently a clerical mistake; and while the certificate is somewhat defective, yet we think it substantially contains all the requisites of the statute then and there (Washington Territory) in force. We think it may be inferred from this certificate that Armstrong and wife were the makers of the deed; that they were known to the notary personally, and that they acknowledged to him its execution."

Though in a certificate of acknowledgment by the grantor of land the word "the" was used where it should appear that "he" executed the same, yet where, from the certificate as a whole, it appeared that the officer intended to write "he" and that the omission was a clerical mistake, the certificate was held to be admissible in evidence. (Durst v. Daugherty, 81 Tex. 650. To the same effect, see Montgomery v. Hornberger, 16 Tex. Civ. App. 28, where "the" was written by mistake for "they.")

In Bowles v. Lowery (Ala., 1913), 62 So. 107, the court said, inter alia: "Now as to the acknowledgment. Literal compliance with the form provided for that purpose is not exacted. Substantial compliance is required. The intent in the construction of acknowledgments is to the liberal, not the rigid, though in so doing the courts will not disregard the substantial requirements of the statutes. And in construing an acknowledgment, it will be read in connection with the deed and the deed in connection with it. * * * If, without resort to mere inference or conjecture, what was intended to be expressed can be clearly seen, errors of a purely clerical or grammatical nature will not avoid the certificate."

In Canandarqua Academy v. McKechnie, 19 Hun (N. Y.) 62, the rule was said to be established that a certificate of proof or acknowledgment need not be in the precise language of the statute, but is to be liberally construed, and is enough if it shows a substantial compliance with the statute. (Cited, with approval, in Smith v. Boyd, 101 N. Y. 472.)

In Holland v. Hotchkiss (Cal., 1912), 123 Pac. 258, it was held that an officer's certificate that a grantor "acknowledged to me" the execution of the deed is not bad on account of the words "to me," though they were not contained in the statutory form then in force; the effect being the same, and such variation immaterial.

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

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

From Tennessee.—Enclosed you will find copy of note given to John Smith by John Doe and Richard Roe:

Louisville, Ky., March 10, 1909.

One year after date I promise to pay to John Smith or order One Hundred fifty..... Dollars, interest 6 per cent. from date.

John Doe.

Richard Roe.

Credit on above note of \$75 paid October 20, 1910.

Same was given for horse sold by Smith to Doe, Richard Roe receiving no benefit whatever. On October 10, 1910, nothing having been paid on the note, John Smith wrote to John Doe that if he would pay \$75 on the note he would give him till January 15, 1911, to pay the remainder. The \$75 was accordingly paid on October 20th. Richard Roe knew nothing of that arrangement. Nothing has been paid on the note since. John Doe is now insolvent, and we wish to know if we can collect from Richard Roe. You will notice that the note was made in Kentucky. When does the Statute of Limitations begin to run against Richard Roe?

I see nothing to prevent your bank from recovering from Richard Roe on the note referred to, provided he has no defense thereto which would be available against the payee. There is nothing in your letter which indicates any such defense.

This is a joint and several note. The Negotiable Instruments Act provides that "where an instrument containing the words 'I promise to pay' is signed by two or more persons, they are deemed to be jointly and severally liable thereon." Your bank took no greater rights to this note than the payee, for it was evidently not assigned until after maturity, but there is nothing so far as disclosed which would prevent your bank as assignee from holding Richard Roe, the surety, for the balance due. If Roe should contend that the payee extended the time of payment to the principal maker without his knowledge or consent and that therefore he was released from liability, there would be a twofold answer to this contention: (1) there was no valid consideration for the extension, as part payment of the whole amount due does not constitute a valid or binding consideration for extension of time to pay the balance (Lening v. Gould, 13 Cal. 598; Halliday v. Hart, 30 N. Y. 474; Sully v. Childress, 106 Tenn. 109); therefore, even if a binding agreement to extend without the consent of the surety would discharge him, he would not be released in this case, as there was no such binding agreement. But, furthermore, (2) according to the cases which have arisen under the Negotiable Instruments Act, the maker of a joint and several promissory note, although known by the payee to be a surety, is not discharged by granting an extension of time to the principal debtor. (Vanderford v. Farmers', etc., Bank, 66 Atl. (Md.) 47; Cellers v. Lyons, 89 Pac. (Ore.) 426. This is because, under the Negotiable Instruments Act, one who signs as an accommodation or surety maker is primarily and not secondarily liable and is absolutely required to pay the note irrespective of any binding extension of time given the principal maker.

Therefore it would seem that Richard Roe, surety maker on this note, would be liable to you as assignee of the payee unless he has some defense against the payee not disclosed in your letter. If he has such

defense it would be available against your bank, for, as said, not having acquired the note until after maturity, you took no greater rights of enforcement than were possessed by the payee.

You further ask when does the statute of limitations bar your right of recovery. This note was made in Kentucky and in that State "an action upon a bill of exchange, check, draft or order, or any endorsement thereof, or upon a promissory note, placed upon the footing of a bill of exchange" must be commenced within five years next after the cause of action accrued. (Ky. Stat. [1909], Chap. 80, § 2515.) The cause of action accrues immediately upon the maturity of the note; for the true test to determine when a cause of action has accrued is to ascertain the time when plaintiff could first have maintained his action to a successful result. (Walden v. Crafts, 2 Abb. Pr. [N. Y.] 301; Horner v. Speed, 2 Patt. & H. [Va.] 616; Cooper v. Cooper, 61 Miss. 676.)

The extension of time in this case, not being binding on the payee, did not postpone the accruing of the cause of action, but as five years have not yet elapsed from the time the cause of action accrued, your right of enforcement against Richard Roe is not yet barred.

COMPETENCY OF NOTARY.

By statute in Indiana a notary public who is an officer or employee of a bank or trust company cannot act as notary in the business of the bank.

From Indiana.—May a bank employee or departmental manager of a bank or trust company (for instance, a National Bank), who owns therein no shares of stock and not acting in a truly official capacity, act as a notary public and protest with immunity the negotiable instruments of the institution employing him? Is he empowered to act in full notarial capacity for his institution? This question is asked under the assumption that the negotiable instruments law is statutory in Indiana.

The statute of Indiana (Burns Rev. Stat. 1908) provides:

"Sec. 9539. No person being an officer in any corporation or association, or in any bank possessed of any banking powers, shall act as notary public in the business of such bank, corporation or association. No person holding any lucrative office shall be a notary public and his acceptance of any such office shall vacate his appointment as notary."

"Sec. 2932. Whoever, while holding any lucrative office acts as a notary public; or whoever, being an officer or employee in any bank, corporation or association possessed of banking powers, or of any trust company or building and loan association, acts as a notary public in the business of such bank, corporation, association, trust company, or building and loan association, shall on conviction be fined not less than \$10 nor more than \$1,000, to which may be added imprisonment in the county jail not less than ten days nor more than six months."

Under this it would be unlawful for an employee of a bank or trust company to act as notary public and protest the negotiable instruments of the bank which employs him. By Chapter 248 Acts of Indiana, 1911, certain notarial acts which would otherwise be invalid by reason of the fact that the notary was a stockholder, officer or employee of a bank interested in the instrument, were legalized; but this statute of 1911 does not attempt to amend or repeal the former law so as to render valid future attempts of persons to act as notaries where their institutions are parties to the instruments in question.

You say, however, your question is asked "under the assumption that the Negotiable Instruments Law is statutory in Indiana." The Negotiable Instruments Act was passed by your legislature in 1913 and I pre-

sumer your question is based on the theory that there is something in the Negotiable Instruments Act which would change the prohibitory law above quoted. But the Negotiable Instruments Act has nothing to do with the qualification of notaries in the matter of protest. The only provision which might be thought to have any bearing is the one that "protest may be made by a notary public***." But I do not believe this provision would be construed as impliedly repealing the statute which disqualifies notaries employed by banks and trust companies from acting as such in the business of such institutions. The former statute is a specific prohibition of notaries who are employed by banks from acting as notary in the business of the bank; the latter is a general provision, made as a codification of the general law formerly existing, that protest may be made by a notary public. I do not think this would be construed as repealing the specific provision. Where two legislative acts are repugnant to or in conflict with each other, it is the general rule that the one last passed, being the latest expression of the legislative will, must govern, although it contains no repealing clause, but to have this effect there must be plain, unavoidable and irreconcilable repugnancy and if both acts can by any reasonable construction be construed together, both will be sustained. It is a further rule that a general affirmative act, without express words of repeal, will not repeal a previous special act on the same subject unless such is clearly the legislative intent. I think, therefore, under the present law of Indiana the employee of a bank or trust company cannot act as notary in the business of the bank by protesting paper held by the institution.

NOTE MADE AND PAYABLE IN CANADA.

Provision that it is given for principal and seven per cent. interest does not invalidate it.

From New Jersey.—A customer of ours presents to us for collection, a note written as given, below and asks if it is invalid on account of the notation made on same as to the 7 per cent.

Montreal, May 1, 1914.

\$106 84/100

Three months after date I promise to pay to the order of John Doe, One Hundred and Six 84/100 Dollars at the Banque d'Hochelega, Montreal. Value received. (Being \$105.00 + 7% per annum.)

Signed,
John Beacon.

Will you kindly give me your opinion on same?

The note is not invalid by reason of the statement of consideration for which it is given. I presume the thought in the mind of your customer is that 7 per cent. may be a usurious rate of interest and invalidate the note and that the note carries notice of usury on its face. But under the law of Canada, a contract such as this for 7 per cent. interest is lawful. Briefly stated, the legal rate of interest is 5 per cent., banks may stipulate for and take not exceeding 7 per cent. and persons may stipulate for any rate of interest which may be agreed upon by contract. There is nothing in the note therefore which would invalidate it in any way.

NOTES MADE OR ENDORSED BY EXECUTOR.

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

From Pennsylvania.—Can an executor, under the laws of the State of Pennsylvania, bind the estate of the testator in renewing testator's note by signing the note as executor of the testator's estate, and further, has he the right to renew endorsements on notes in the same manner?

In the absence of statute (and there is none such in Pennsylvania) or of express authority in the will,

an executor would have no power to bind the estate of the testator, by making, as executor, a new note in renewal of one made by the testator or by renewing endorsements on notes originally endorsed by the testator. The executor may bind himself personally but would not bind his estate. Following is a reference to the authorities:

The rule is well recognized that an executor or administrator has no inherent authority to bind the estate directly by giving a note or accepting a bill, nor is such authority deducible from an express power to sell and reinvest the assets. (Lynch v. Kirby, 65 Ga. 279; Carroll v. Davidson, 23 La. Ann. 428; Yerger v. Foote, 48 Miss. 62; Stirling v. Winter, 80 Mo. 141; Helliell v. Lord, 55 N. J. L. 357; Whitten v. Fincastle Bank, 100 Va. 546; Montreal Bank v. Buchanan, 32 Wash. 480; Boggs v. Wann, 58 Fed. 681.) Even where he signs as "executor" or "administrator," the rule remains that the obligation is his own, and that assets of the estate are only bound for the debts contracted by the decedent during life. (Higgins v. Driggs, 21 Fla. 103; Harrison v. McClelland, 57 Ga. 531; Studebaker v. Montgomery, 74 Mo. 101; White Sulphur Springs v. Collins, 17 Mont. 433; Schmittler v. Simon, 101 N. Y. 554; Darling v. Powell, 20 Misc. [N. Y.] 240.)

Parsons in his work on Bills and Notes (Vol. 1, p. 161) lays down the rule that "an administrator or executor can only bind himself by his contracts, he cannot bind the assets of the deceased. Therefore, if he make, endorse or accept negotiable paper, he will be held personally liable, even if he adds to his own name the name of his office. Signing a note, for example, 'A as executor of B,' for this will be deemed only a part of his description or will be rejected as surplusage." To same effect are *Pumpelly v. Phelps*, 40 N. Y. 59; *Taft v. Brewster*, 9 Johns [N. Y.] 334; *Forster v. Fuller*, 6 Mass. 58; *Hills v. Banister*, 8 Cow. [N. Y.] 31; *Cornthwaite v. First Nat. Bank*, 57 Ind. 268.

In some jurisdictions the statute authorizes a personal representative to execute a promissory note, under authority granted by an order of the Probate Court, for the purpose of settling or extending a debt of the estate, and such note imposes no personal liability upon him; but, if the proceedings are substantially defective, and, by reason thereof, the note is not binding on the estate, the general rule applies which governs the contracts of trustees and agents, and the note imposes a personal liability on such personal representative. (*McCalley v. Wilburn*, 77 Ala. 549; *Brightwell v. Jordan*, 74 Ga. 486.)

While it is true that the usual rights of guaranty or suretyship are protected and enforced in the case of a decedent's assets (*Stewart v. Davis*, 18 Ind. 74; *Kingman v. Soule*, 132 Mass. 285), yet a personal representative cannot bind the estate by his own new promise by way of guaranty or suretyship, although the transaction be one affecting the decedent's own promise and liability, but charges himself primarily and personally by his undertaking. (*Shiff v. Shiff*, 26 La. Ann. 269; *Johnston v. Union Bank*, 37 Miss. 526.)

In *Farmers Nat. Bank v. Griel*, 12 Lanc. Law Rev. (Pa.) 28, it was held that an executor cannot bind the estate by endorsing and discounting promissory notes. In the course of the opinion, the court said: "The principle of the rule is obvious; because the rights of all parties concerned in the distribution of an estate, whether creditors or heirs, are fixed at the time of the death of the decedent, and no action by the representative of that estate can change that relation. A judgment recovered upon the promissory notes in suit could be only *de bonis propriis*, and not *de bonis testatoris*, for the reason that the notes were contracts of the executor, and not the contract of the decedent. *Williamson's Appeal*, 94 Pa. St. 231; *Fehlinger vs. Wood*, 134 Pa. St. 522*** *Fluck v. Hager*, 51 Pa. St. 459."

Where the executrix of the estate of the maker of a note executes a new note to a bank, as such executrix, in consideration of its taking up and paying the old note, she is individually liable thereon. (*Morehead Banking Co. v. Morehead*, 122 N. C. 318.)

An executor in his representative capacity cannot bind the estate by giving notes for the price of

property purchased by testator in his lifetime, in absence of authority delegated to him in the will. (*Browne v. Fairchild*, 100 N. E. [Mass.] 556.)

An executor has no power, *ex officio*, to bind the estate which he represents by the execution of a promissory note. In order for him to have such power it must be conferred on him by the will. (*Harris v. Woodard* [Ga.] 65 S. E. 250.)

PAYMENT OF FORGED CHECK.

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

From Pennsylvania.—On June 17th we received from one of our customers a check on a certain bank in Scranton signed A. B., Jr., payable to the order of "cash," and endorsed A. B., Jr., the endorsement exactly corresponding with the signature on the face of the check, and the endorsement of our customer following. This check was forwarded direct to the bank in Scranton on which it was payable and was paid by them in due course, charged to the account of A. B., Jr., and cancelled in the regular way. On July 1st the Scranton Bank returned the check to us, together with an affidavit made by A. B., Jr., setting forth that the signature on the check and the endorsement both purporting to be that of A. B., Jr., were forgeries. The Scranton bank make claim on us for a refund of the money, which as it happens has been withdrawn out of our customer's account, basing their claim on the fact that our endorsement on the check carries with it the guarantee of all prior endorsers, and that inasmuch as the endorsement purporting to be that of A. B., Jr., is a forgery we are liable for the amount of the check. We contend that inasmuch as the check was paid by the Scranton Bank, they being obligated to verify the signature, they are liable for the amount, and that there is no recovery from us or our customer.

The general rule is recognized by the courts that a bank which mistakes a customer's signature to his check and pays upon a forgery thereof is bound by its mistake and cannot recover from a bona fide holder who has received payment. Where the payee's endorsement equally with the drawer's signature is forged, two conflicting views have been taken by courts in different states (1) that while the bank is bound to know its customer's signature, it is not responsible for the genuineness of the payee's endorsement and though estopped to deny the signature, the estoppel ends there and it can recover the payment the same as if the drawer's signature was genuine and the endorsement forged; (2) to the contrary, the forgery of the endorsement is not the primary cause of loss and notwithstanding the endorsement as well as the drawer's signature is a forgery, the bank is bound and cannot recover. In the present case the check was payable to "cash," that is to bearer, and did not require endorsement, and furthermore the endorsement was of the drawer's name, which the drawee might in any event be held bound to know; so that even if the rule of the first class of cases was to be applied, these facts might lead to a different result therefrom. But so far as this particular case is concerned, it is unnecessary to discuss which of these two conflicting theories would be applicable, for the case is governed by the law of Pennsylvania, and in that state peculiar and exceptional rules apply to the transaction in question.

By act of April 5, 1849, the legislature of Pennsylvania sought to modify the old rule of the common law that a drawee is bound to know the drawer's signature and cannot recover money paid upon a forgery thereof. That act provided (I quote merely the portions essential to this inquiry) that "whenever value or amount shall be received*** in payment of any bill of exchange, draft, check*** by the holder

thereof***from the payer or payers of the same and the signature or signatures of any person or persons represented to be parties thereto, whether as drawer, acceptor or endorser shall have been forged thereon and such value or amount by reason thereof erroneously given or paid***such payer or payers respectively shall be legally entitled to recover back from the person or persons previously holding or negotiating the same, the value or amount so as aforesaid given or paid***."

This statute was construed in *Iron City Nat. Bank v. Fort Pitt National Bank*, 159 Pa. 46. The court, after referring to the old rule that a drawee is bound to know the handwriting of the drawer, and to the strictness with which this rule had been applied in *Levy v. Bank*, 1 Binney 27, where the bank was held responsible although the forgery was discovered and the depositor notified the same day, and there was no proof that the depositor had, in the meantime, lost anything, or been prejudiced in any way by the bank's action and where "the act of paying was held to be a conclusive estoppel without reference to any questions of negligence or delay, or consequent loss to the other party," said:

"This was the hardship which the act of 1849 was intended to remedy and this is the extent of its operation in regard to a bank or other drawee, paying on a forged signature of the drawer. The mere fact of payment is no longer, eo instanti and of itself, a bar to recovery of the money; but the principles of the commercial law are still applicable and there is still the same necessity as before for care, diligence and proper notice, under the settled rules of the law of negotiable paper * * * The result of the act of 1849, and the cases upon this subject, is that the mere acceptance or payment of forged paper is no longer, of itself, a bar to the recovery of the money by the party paying, even though it be a bank or other drawee. Nor is such party absolutely bound, as at common law, to discover and give notice of the forgery on the very day of payment. All that he need do, in any case, is to give notice promptly according to the circumstances and the usage of the business and, unless the position of the party receiving the money has been altered for the worse in the meantime, it would seem that the date of notice is not material. But, on the other hand, the statute does not dispense with the necessity of care and diligence on the part of the payor, nor exempt him from the consequences of his own negligence, if thereby loss would accrue to the other party."

The above indicates the law of Pennsylvania on this subject. In a recent case before the Superior Court of Pennsylvania, *Colonial Trust Co. v. National Bank of Western Pennsylvania*, decided July 17, 1912, where a bank sought to recover money paid upon a forgery of its depositor's signature, it was contended that the provision of the Negotiable Instruments Act passed by the legislature of Pennsylvania in 1901, which provides that the acceptor admits the existence of the drawer and the genuineness of his signature, impliedly repealed the act of 1849, the argument being that the plaintiff bank having paid the check, accepted it, and thus conclusively admitted the genuineness of the signature of the drawer and that being thus barred by the later statute from maintaining the action that would be authorized by the act of 1849, if still in force, the conclusion must follow that the two acts are inconsistent and repugnant in this respect and therefore the earlier one must be held to be repealed by necessary implication. The court, however, held the act of 1849 still in force and as the case stated for the opinion of the court declared that within a reasonable time after the payment, plaintiff was informed by its depositor that the signature was a forgery and thereupon plaintiff gave prompt and reasonable notice thereof to defendant, the court held that plaintiff was entitled to recover the money paid on forgery of its depositor's signature.

Applying the Pennsylvania law to the facts of the case you submit, the forged check in question was cashed by you on June 17th and paid by the drawee in due course thereafter, and in less than two weeks from that time, namely on July 1st, the drawee returned the check to you with an affidavit showing the

forgery and made claim for refund of the money. Under such a state of facts, it occurs to me that the less than two weeks' delay in discovering the forgery, assuming you were promptly notified upon its discovery, was not unreasonable and the probability is the drawee bank would be held entitled to recover the money from your bank. You in turn would have recourse upon your customer who, by his endorsement, warranted to you the genuineness of the check. Of course if the delay of a little less than two weeks before discovery and notification should be held unreasonable, the result would be different, but I think in a case of this kind, the probability is such a short delay before discovery and notification would not be held unreasonable.

STOP PAYMENT OF CHECK.

Drawer has right to stop payment of a check payable to bearer equally as in case of a check payable to order.

From Massachusetts.—What is your opinion on the following question? Can payment be stopped on a check payable to bearer?

The drawer has a right to stop payment of a check issued payable to bearer equally as in the case of one issued payable to order of a specified person. The Negotiable Instruments Act provides that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check." This rule applies to all checks, as well those payable to bearer as to order; consequently a bearer check not being an assignment but merely an order and authority to the bank to pay, the drawer of the check has a right to revoke the bank's authority to pay, equally as if the check was drawn to a specified payee.

LIABILITY OF ENDORSER.

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

From Tennessee.—A bank at F called us by telephone and requested that we cash a check for S. Drawn on that bank by B, stating that S did not care to carry the money across country, and we agreed to do so, upon the assurance that the check would be paid, and the proper endorsement of said check. We cashed said check and sent it to our correspondent, who presented the check to the F bank for payment. Before the check was paid to our correspondent, the F bank failed and the check was returned to us. S, the endorser, refuses to take the check up on the ground that we cashed the check for the benefit of the failed F bank and not for him. Please give us your opinion as to our chance of recovery on this check and from whom.

You can hold both the drawer B and the endorser S on this check, provided, of course, presentment was made with due diligence and the necessary steps taken to charge such parties with liability. I see nothing in the contention of S, the endorsing payee, that when cashing the check for him it was not for his benefit but for the benefit of the drawee bank. He endorsed the check and obtained the cash from you thereon and by his act of endorsement he engaged, in the language of the Negotiable Instruments Act, "that if it is dishonored and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder or to any subsequent endorser who may be compelled to pay it." S is liable to you upon such endorsement irrespective of whether he was accommodated or benefited by such cashing, as your bank understood, or whether the drawee bank was benefited as he claims. The liability provided by the written contract of endorsement is not changed or affected by parol considerations of this nature.



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

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

ALABAMA, BIRMINGHAM.—Brown-Marx Building.
 CALIFORNIA, LOS ANGELES.—Walter P. Story Building.
 CALIFORNIA, SAN FRANCISCO.—First National Bank Building.
 COLORADO, DENVER.—First National Bank Building.
 ILLINOIS, CHICAGO.—Transportation Building.
 LOUISIANA, NEW ORLEANS.—Whitney Central Building.
 MARYLAND, BALTIMORE.—Munsey Building.
 MASSACHUSETTS, BOSTON.—201 Devonshire Street.
 MICHIGAN, DETROIT.—Dime Savings Bank Building.
 MINNESOTA, MINNEAPOLIS.—McKnight Building.
 MINNESOTA, ST. PAUL.—New York Life Building.
 MISSOURI, KANSAS CITY.—Midland Building.
 MISSOURI, ST. LOUIS.—704 Title Guaranty Building.
 NEW YORK, BUFFALO.—White Building.
 NEW YORK, NEW YORK CITY.—Woolworth Building.

OHIO, CLEVELAND.—Sweetland 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.

FOREIGN OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

CANADA, MONTREAL.—501 Transportation Building.
 ENGLAND, LONDON, W.—Crown Chambers, 5 Regent St.
 FRANCE, PARIS.—16-17 Rue Auber.
 BELGIUM, BRUSSELS.—4 Passage des Postes, No. 6 Boulevard Anspach.
 CORRESPONDENT OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.
 IOWA, DES MOINES.—The Gua. J. Patek Detective Agency, 515 Mulberry Street.

REMOVAL OF OFFICE.

THE Cleveland Office of our detective agents, The William J. Burns International Detective Agency, Inc., have removed their offices from the Rockefeller Building to the Sweetland Building.

THE following is a report for the month of July, 1914, pertaining to the work of the Protective Department:

WARNING.

It is desired to again call attention of member banks to the operations of one J. D. ANDERSON, alias W. D. Anderson, alias Lee McAllister, alias Harry R. Munn, alias J. D. Allen, alias P. J. Collins, alias Harry Anderson, alias Percival E. King, alias Albert Newsalt, alias J. A. Atherton, whose operations are shown through the columns of the JOURNAL-BULLETIN for June, 1914, pages 328, 329 and 330, and July, 1914, pages 17 and 44.

This criminal, of whom mention has been made so many times, giving the mode of his operations, description, specimens of handwriting, etc., has, since the issue of the last JOURNAL-BULLETIN, operated at Denver, Colo., where he succeeded in defrauding several banks, and later at Kansas City, Mo., where he used the name of J. A. Atherton. On July 18th, under the names Herbert Kelfer and Herbert Koehler, he defrauded member banks at St. Louis out of \$98.50 each.

Member banks should be particularly on the lookout for this criminal, and if possible detain him until an officer can arrive, as there are warrants for his arrest in a great many cities in the United States.

It is again desired to call to the attention of member banks and readers of the American Bankers Association JOURNAL-BULLETIN the recent operations of a check swindler using the name of C. Woods, C. Ware, C. Harris, C. West, C. Wave, C. Weston, and various other alias names, whose criminal operations have been repeatedly shown through the columns of the JOURNAL-BULLETIN, together with his mode of operation, description and specimen of his handwriting. He has been shown through a great many of the BULLETINS, last being the July, 1914, number, page 44, which contains a list of his alias names, the number of times shown through the JOURNAL-BULLETIN, and the page numbers on which he is shown. Since that time he has operated at Milwaukee, Wis., where he succeeded in defrauding a bank in the sum of \$100. This criminal works almost entirely with checks stolen from printing offices which he succeeds in having cashed.



G. GUST.

G. GUST, a Greek, whose photograph is shown above and who was formerly a waiter in a restaurant in Decatur, Ala., stole several checks from the book of his employer, and forging his employer's signature to one of these checks, succeeded, with the aid of another Greek named CHARLIE MELLIS, in having it cashed by the bank member in Decatur upon whom it was drawn. Mellis has since been apprehended by our detective agents, a record of his arrest appearing elsewhere in this issue. Gust, who is being sought by our detective agents, is described as follows: Age, about 26; height, 5 feet 10 inches; weight, 165 pounds; eyes, dark; hair, dark; clean shaven.

During April, 1914, BESS BROWN, of Billings, Mont., sent a necktie to a great number of banks in Colorado, California and other Western States. She represented that she was an orphan with a crippled

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

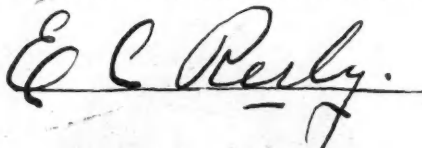
brother to support, and asked the recipient of the tie to send her fifty cents.

A Colorado banker reported the matter to the Postmaster General and Bess Brown was lodged in jail pending a grand jury investigation in the United States District Court at Helena, Mont. For some reason or other no true bill was found against her for fraud or obtaining money under false pretenses. She was ordered discharged.

Bankers receiving circulars from parties purporting to be cripples, orphans or other unfortunates, in which cash is solicited for some trifling novelty, should report full information to the Post Office Department at Washington.

In the early part of June, 1914, a man using the name E. C. REILY moved to Fort Smith, Ark., and after contracting to buy a paint shop, began passing worthless checks on business men in that city, securing a considerable amount of money in this way. No banks have as yet lost through his operations to our knowledge, but members should be on their guard against him.

Reily is described as follows: Age, about 40 years; height, 5 feet 6 or 7 inches; weighing 120 to 140 pounds; light complexion; delicate looking and has a small light mustache; is an ordinary dresser. Specimen of his handwriting is reproduced below.



E. M. ALLISON, a worthless check operator, has recently defrauded numerous merchants through the State of California by means of checks drawn on a bank member of Los Angeles, Cal., at which institution he at one time carried a small account.

Allison's method is to enter a pool room, saloon or business house, and after making a small purchase requests the proprietor to cash his check, which he fills out in his presence, being in possession of a pocket check book of the Los Angeles member bank. He recently defrauded a pool room keeper at Gilroy, Cal., out of \$20 in this manner.

The California Bankers' Association is interested with this Association in this matter.

When the depositor of a bank member at Los Angeles, Cal., had his pass book balanced, he discovered eleven checks which bore his forged signature and which had been cashed by merchants and paid by the bank.

The forgeries appear to be the work of one man, who has used the following names: R. E. FULLER, H. T. Thomas, J. L. Thomas, P. L. Sutton, H. L. Perry, J. H. Maple, L. E. Mason, F. L. Myers and J. H. Mapes. He is described as follows: Age, 25 to 30 years; height, 5 feet 6 or 7 inches; weight, 175 to 180 pounds; eyes, gray or blue; hair, blonde, parted near center and combed down flat; has the appearance of an ordinary working man; heavy cigarette smoker. Fuller was formerly an employee of the man whose name was forged. The California Bankers' Association is interested with this Association in this case.

F. H. HATCH, Jr., claiming to be the son of a New York broker, was introduced to the assistant cashier of a bank member at Los Angeles, Cal., on July 7, 1914, by one of the bank's depositors, who stated that Hatch had purchased her home, paying for same about \$25,000. He presented a check for \$8,000 with the understanding that he was not to draw against same until the bank was advised it had been paid.

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

The next day Hatch rented a safe deposit box and later in the day presented a check, bearing what purported to be the endorsement of the depositor. As the depositor was in good standing at the bank, the check was cashed.

The bank received word that Hatch had no account at the New York bank on which the \$8,000 check was drawn, and upon investigating learned that he had not completed the purchase of the property of the depositor and that the endorsement on the check paid by them was a forgery.

Our detective agents are endeavoring to locate and apprehend Hatch, who is described as follows: Age, 26 years; height, 5 feet 3½ inches; weight, 132 pounds; hair, dark; eyes, brown; claims England as his birthplace. The California Bankers' Association is co-operating with this Association in this matter. We reproduce below specimen of Hatch's handwriting.



JOSEPH F. MUSIEL presented a check at a bank member at Los Gatos, Cal., and received part cash and the balance placed to his account. The check was drawn on another bank member at Los Gatos and bore the signature of his employer's wife. The check was later returned, being a forgery. Several of these checks were later presented by merchants and dishonored.

Musiel is described as being 35 years of age; 5 feet 7 inches tall; weighing 185 pounds; heavy build; complexion, sandy; hair, sandy; eyes, blue. He wore a tan colored Norfolk suit.

The California Bankers' Association is co-operating with this Association in this matter.

A man known as FRANK, alias "Slim," is being sought by our detective agents, it being alleged that he stole a check belonging to an employee of the depositor of a bank member at San Francisco, Cal., forged his endorsement thereto and cashed same at the bank member.

Frank is described as follows: Age, 31 to 32 years; height, 6 feet; weight, 175 pounds; hair, dark; eyes, watery and glassy; build, slim; smooth shaven; nativity, Germany. The California Bankers' Association is co-operating with this Association in this matter.

A bank member at San Francisco, Cal., suffered a loss through having paid two checks which bore the forged signature of one of their depositors, one of the checks being cashed at a saloon and the other at a hotel in that city.

The checks were made payable to J. M. VAN RYZIN, a former employee of the bank's depositor, who had been discharged for intemperance and who had been paid by check, which he evidently used as a model.

Van Ryzin, who is commonly known as "Van," is described as follows: Age, 30 years; height, 5 feet 10 inches; weight, 150 pounds; hair, bright red; eyes, blue; stern, set jaws; military appearance; smooth shaven; freckled and ruddy complexion; bad teeth; first finger on right hand missing. The California Bankers' Association is co-operating with this Association in this matter.

J. J. DARLING is being sought by our detective agents, it being alleged that he stole a duplicate deposit slip from the purse of his roommate and forging his name to a check which he cashed at a bank member of Ness City, Kan.

Darling is described as follows: Age, 20 years; height, about 5 feet 6 inches; dark complexion; brown eyes; light brown hair; heavy set; jolly fellow. When last seen he wore a blue serge suit, blue cap with bow in the back, and old black shoes.



OREN PARMETER.

OREN PARMETER, alias Jack Palmer, whose photograph is reproduced above, is being sought by our detective agents for having defrauded a bank member at Tehachapi, Cal., and a bank member at Spokane, Wash., by means of worthless checks.

Parmeter was recently arrested at Albion, Ind., on a charge of defrauding a bank member at that place, but upon reimbursing the bank was released. He is described as follows: Age, 30 years; height, 5 feet 8 $\frac{1}{2}$ inches; weight, 138 pounds; hair, light chestnut; eyes, azure blue; nativity, Wisconsin; occupation, salesman.

Parmeter has been arrested a number of times and has served a term in the Ohio State Penitentiary for bigamy.

The California Bankers' Association is co-operating with this Association in this matter.

JAMES or CHARLES MARTIN, alias George H. Sohmers, on July 6, 1914, called at a bank member at Denver, Colo., and attempted to have a check cashed, supposedly signed by the Order of Railway Conductors, and signed by Frank Hayes, Secretary and Treasurer. The same day he also called at another bank member at Denver and attempted to cash a similar check. Both banks refused to cash the checks in question. JOURNAL-BULLETIN, July, 1914, pages 45 and 46.

On July 15, 1914, a regular lithographed check of a bank member at Denver, Colo., in the sum of \$24.75, cashed by the Sarnoff Hat Co., Denver, Colo., made payable to J. A. WILSON, signed by C. W. Savings and bearing the forged certification of C. C. Hendrie, assistant cashier of the above-named bank, was reported to our detective agents as a forgery. Two checks similar to the one in question were also passed on merchants in Denver.

On February 19, 1914, FREDERICK HITCHCOCK presented a note to the cashier of a bank member in Danbury, Conn., bearing the endorsement of Ferdinand Dexter. He gave the cashier a telephone number to call, which the cashier did. The man answering the call said he was Ferdinand Dexter and that the endorsement on the note was O.K., whereupon the note was discounted.

On March 23, 1914, Hitchcock presented another check bearing the endorsements of Byron Brooks and James Brown. This time, the cashier asserts, the man was accompanied by Brown, and the money called for in the note was turned over to Hitchcock. Later the endorsements on both notes were claimed to be forgeries and the matter was turned over to our detective agents, who are making an effort to apprehend Hitchcock.

Hitchcock is described as follows: Age, 30 to 32 years; height, 5 feet 8 inches; weight, 135 pounds; build, stocky; complexion, dark; eyes, blue; hair, black, inclined to be curly; two upper front teeth cracked, badly decayed and slant to left, one eye-tooth black; large projecting ears; mouth usually

open. At the bank he claimed to be about to open a moving picture house. Below is reproduced a specimen of his handwriting.

Fred Hitchcock

A bank member at Chicago, Ill., on May 5, 1914, paid an order purporting to be signed by a depositor and which was accompanied by the depositor's pass book. On May 22, 1914, they received a letter, also supposed to be from the depositor, in which a draft was enclosed, with the request that the amount of the draft be forwarded to New York.

On May 25, 1914, the bank received a letter from the depositor dated at Edmonton, Alberta, stating that his brother, HENRY PATRICK LYNCH, had secured his pass book, and asking if any money had



HENRY PATRICK LYNCH.

been drawn. Upon his return to Chicago, the depositor made affidavit to the effect that the signatures on the drafts were forgeries, and our detective agents are endeavoring to locate and cause the apprehension of the forger.

Henry Patrick Lynch, whose photograph is reproduced above, is described as follows: Age, 24 years; height, 5 feet 11 inches; weight, 175 pounds; build, stocky; hair, light; smooth shaven.

A man using the name JOSEPH MILLER presented a check for \$167.50 to a bank member at El Paso, Ill., on July 20, 1914, for which he was given a certificate of deposit with the understanding that he was to present it himself and under no circumstances until the bank had heard from the check.

The check has been returned to the El Paso bank marked "Forgery," and the bank will refuse payment on the certificate; therefore members are warned to be on the lookout for this party. He is described as follows: about 30 years of age; 5 feet

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

8 inches in height; weight, about 150 pounds; dark complexion.

This man, using the name FRED MILLER, also presented a check for \$87.50 at a non-member bank, nine miles south of El Paso, Ill., endeavoring to secure part cash and a certificate of deposit for the balance. Upon being refused he told the bank to send the check through and he would return for the money. The check was returned as a forgery and the man has not since been seen at the bank.

Member banks are warned to be on their guard against CARL GILLUM and PERRY PREMER, who are issuing forged checks drawn on a bank member at Milford, Ill. Gillum has also used the names D. C. Steadman, Douglass C. Steadman, D. Calvin Steadman, Calvin Steadman, Douglass Steadman, D. Steadman and C. Steadman, and is described as follows: Age, 21 years; height, 5 feet 3 inches; weight, 145 pounds; complexion, light; hair, very light; smooth shaven; peaked face; two upper front teeth colored. Wore blue pencil-striped two-piece suit, light checked coat and tan oxford, ring on left little finger.

Premer is described as being 21 years of age; height, 5 feet 10 inches; weight, 180 pounds; complexion, dark; hair, dark. Wore a two-piece blue suit, with pencil stripe, size 40, and a light checked cap.

Specimens of the handwriting of these two operators reproduced below.

Carl Gillum
Perry Premer

EARNEST GOSS, alias Ernest Goff, alias J. H. White, defrauded a bank member at Cedar Rapids, Ia., by means of two checks to which he had forged the name of a depositor of the bank for whom he had been doing some work. He also defrauded several merchants by the same means.

Goss left Cedar Rapids with a woman supposed to be his wife and a boy six or seven years old. They were located at a hotel in Denver, Colo., but Goss made his escape by jumping out of a window.

Goss is described as being 27 years of age; 140 pounds in weight; tall and slender; reddish brown hair; blue eyes; freckled neck. The Iowa Bankers' Association is co-operating with this Association in this case.

A man using the name of G. A. FRY recently defrauded a bank member at Clarion, Ia., and individuals in Omaha, Neb., and Winona, Minn., by means of a forged check. Fry is described as being very tanned or red-faced, about 5 feet 8 inches tall, and weighing 180 pounds. The Iowa Bankers' Association is co-operating with this Association in this matter and our detective agents are endeavoring to locate and apprehend this party.

A bank member of this Association and the Iowa Bankers' Association was recently defrauded by a party giving the name of H. A. WILSON. He claimed to represent Cook & Alexander of Omaha, Neb., and was selling the Peerless Check Writer. This same man stole a blank draft at Creston, Ia., while exhibiting his machine, filled same in and cashed it at a bank member at Omaha, Neb.

Wilson has also used the names W. G. Alexander, O. I. Sickles and Guirl. The Iowa Bankers' Association is co-operating with this Association in this matter.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

tion is co-operating with this Association in this matter.

A bank member of Strawberry Point, Ia., reports a forgery of \$18 by a party using the name of J. L. GRAY. The Iowa Bankers' Association is interested with this Association in undertaking to locate this criminal.

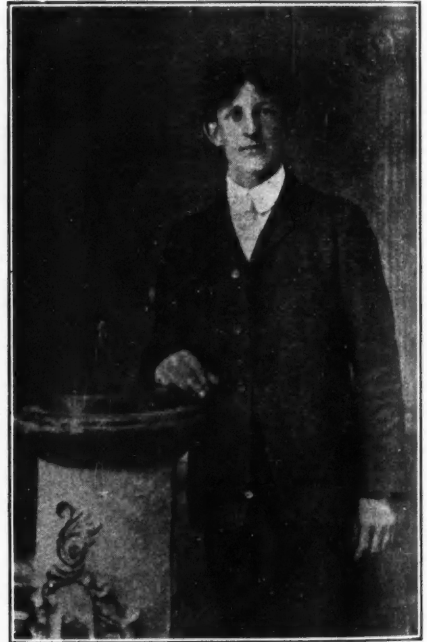
Members are warned to be on the lookout for B. J. GIFFORD, alias D. J. Gifford, alias Charles P. Robinson, alias Thomas McCoy, who is mentioned in the JOURNAL-BULLETIN for January, 1910, page 306; August, 1910, pages 97 and 99; September, 1910, page 157; November, 1910, page 266; December, 1910, page 347; October, 1913, page 284, and January, 1914, page 526.

This swindler recently escaped from the Kansas State Prison at Lansing, where he was serving a five-year sentence, and no doubt will resume his criminal operations.

A member bank at Preston, Kan., held a mortgage on some livestock owned by a man named J. JOHNSON. Johnson left the vicinity of Preston about the first of February for parts unknown, taking with him this stock upon which the mortgage was still due.

Johnson is described as being about 60 years old; 5 feet 11 inches tall; weight, 170 pounds; build, good; hair, almost white; wore gray mustache.

Should the location of this man be learned, same should be communicated to our detective agents immediately.



FRED W. REED, JR.

Two member banks at Portland, Me., were recently defrauded through the operations of one FRED W. REED, JR., whose photograph is reproduced above and who has been cashing checks throughout the New England States drawn on the paper of a Boston, Mass., bank member, to which the name of his father, FRED W. REED, SR., has been forged.

Reed, Jr., is described as follows: Age, 30 years; height, 5 feet 9 inches; weight, 125 pounds; build,

very slight; smooth shaven; complexion, medium; hair, dark, curly; eyes, gray. Wore dark gray suit and cap.

Members are warned to be on their guard against a party purporting to be G. A. BROOKS, alias G. A. Wilson, whose scheme is to appear at railroad ticket offices, purchasing tickets aggregating a considerable amount, and tendering in payment a bogus certified check. Brooks is accompanied by another party whose identity has not been established.

Brooks, alias Wilson, is described as follows: Age, 25 to 26 years; height, 5 feet 8 or 9 inches; weight, 140 pounds; complexion, dark; smooth shaven; hair, dark. Wore blue serge suit, silk shirt, straw sailor hat; smokes cigarettes incessantly.

Brooks' companion is described as being 28 to 30 years of age; 5 feet 6 or 7 inches tall; weighing 150 to 155 pounds; very dark complexion; very dark hair; small mustache; foreign appearance. Wore dark pencil-striped suit, brown soft hat.

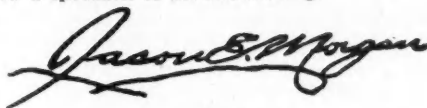
On July 6, 1914, a bank member at Wellesley, Mass., cashed a check for the daughter of a depositor, check being made payable to cash, signed John T. Butler and bearing what purported to be the endorsement of the depositor. As the girl had previously cashed check for her father, the teller paid the check without question.

The check, which was drawn on a bank member at Milwaukee, Wis., was returned as bogus and the endorsement declared to be a forgery.

The young girl for whom the check was cashed said the check was given to her by a woman she met on the street and whom she had never seen before. The woman stated she had some errands to do and wanted to catch a train and asked the girl to run over to the bank and have the check cashed. She described the woman as follows: Age, 30 years; height, 5 feet 6 inches; medium build; light complexion; wore blue suit, black picture hat with black ostrich feather, black gloves and carried a black handbag.

A bank member at Detroit, Mich., reports a swindler operating through the South and issuing worthless customers' drafts amounting to \$7 and \$8 on various banks. He is using the names JAMES BROWN, George E. Parker, Louis E. Morgan, John E. Boodie, Louis E. Morrow and Jason E. Morgan, and is described as follows: Age, about 27 years; height, 5 feet, 7 inches; weight, 135 pounds; hair, dark brown; eyes, brown; good dresser.

He claims to be a surveyor and that he has received word to be at a certain point, and he generally lacks the necessary funds. He also claims he is a student of the University of Michigan. We reproduce below a specimen of his handwriting.



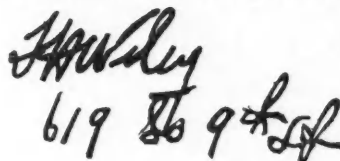
Non-member banks at Holland and Steele, Mo., were recently defrauded by cashing checks or sight drafts for a man claiming to represent the National Lumber Co. of St. Louis. The checks or drafts used were drawn on forms of a membership bank at St. Louis, "The National Lumber Co., St. Louis, Mo.," being stamped in the lower left-hand corner, and they were signed "G. E. Gause, Mgr.," payable to J. B. DAVIS.

In presenting the check Davis claimed that it was for expense money and stated he was endeavoring to dispose of a carload of lumber that had been shipped at Memphis and which the consignee refused to accept. Davis is described as being about 5 feet 6 inches tall; rather dark complexion; weight, about 145 pounds; short, stubby mustache; thin Roman nose; appears to be a foreigner.

A Minneapolis, Minn., bank member was recently defrauded through having paid two checks which had

been cashed by local merchants and which bore the forged signature of one of their depositors.

The man who cashed these checks used the names F. H. WILEY and Walter Barry, and is described as being 23 years of age; 5 feet 6 inches tall; weighing 145 pounds; medium complexion; dark eyes; dark, curly hair; Jewish profile; very well dressed. In one instance he was accompanied by a good-looking woman about 22 years of age; 5 feet 5 inches tall; weighing 140 pounds; dark complexion. We reproduce below specimen of Wiley's handwriting.



On May 28, 1914, a young man giving the name J. A. JACKSON appeared at a bank member in Kansas City, Mo., and presented a check for payment which bore what purported to be the signature of one of the bank's customers. As the amount was rather large the teller told the young man he would have to be identified. He told the teller he was a relative of the depositor and asked if the depositor's husband's endorsement would be sufficient identification, being assured it would.

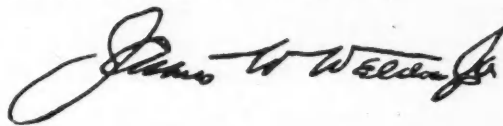
He left the bank and on July 3, 1914, shortly after noon, returned. It being the busy hour, the teller did not give the check much attention, but noting the endorsement of the depositor's husband on the check, gave Jackson the money. It later developed that the signature of the depositor and the endorsement were forgeries.

Jackson is described as follows: Age, 20 to 22 years; height, 5 feet 7 or 8 inches; weight, 150 pounds; hair, dark, curly; ordinary dresser.

About noon on June 5, 1914, a stranger appeared at a bank member at Kansas City, Mo., and introduced himself to the cashier as JAMES W. WELDON, JR., a civil engineer from Toledo, Ohio. He stated that he was looking for a business location and had decided to locate in Kansas City. He also said he wished to transfer \$100 from his bank at Toledo, and gave the cashier his check for that amount drawn on a bank member at Toledo. He was given a deposit slip and the cashier laid the check and signature card aside, intending to advise the tellers not to honor any checks until they heard from the Toledo bank.

Late that afternoon the cashier was called by a clothing company in the city and asked if Weldon's check was good. Without giving the matter a second thought, he said it was. The next morning the check was cashed for the clothing people at the bank. During the afternoon Weldon presented a check at the counter, which the teller also cashed. Several other checks appeared later on, and then the cashier became suspicious and turned them down. The check deposited by Weldon was refused because of insufficient funds.

Weldon, who also used the name Frank Kennison, is described as being 35 years of age; 5 feet 9 inches; weight, 150 pounds; average build; light complexion; smooth face; neatly dressed. A specimen of his handwriting is reproduced below.



Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

On July 9, 1914, three young men, going from place to place in an automobile, succeeded in getting several worthless checks cashed by merchants in St. Louis, Mo. All of these checks were drawn on a membership bank of St. Louis and signed by JOE ZANG, one of the party, who formerly had a savings account with the bank on whom the checks were drawn and who until recently was a saloonkeeper in St. Louis.

The spokesman of the party used the name O. L. GOLDMAN and is described as being about 25 years old; 5 feet 3 inches tall; weight, 150 pounds; black hair; smooth face; light complexion; wore dark suit, light silk shirt, tan shoes, Panama hat or gray plaid cap; very neat dresser; claimed to be an auto salesman previous to being in the whisky business. In one instance they stopped at a clothing store, bought silk shirts for the whole party, and also caps, the bill amounting to \$15.14, which was paid with a worthless check signed by Zang, whom the proprietor of the store knew.

The man using the name Goldman told this merchant that they were all going to drive to Chicago and stay there, where he has a great deal of money tied up. The third member of the party was a man named JIMMIE REAGAN, who also was known to this merchant. The machine was driven by a chauffeur from one of the St. Louis hotels, and the last seen of the party was when they left St. Louis at 6.00 p.m. via the St. Charles Rock Road.

A man claiming to be GEORGE H. WALTERS called at a jewelry store in Newark, N. J., on April 29, 1914, and wanted to purchase movements for a watch, which the jeweler did not have in stock. The jeweler told the man it would take about four days to get the movements from New York, whereupon the man left an order for them, making out a check in the presence of the jeweler drawn on a bank member in Newark, N. J. The jeweler gave the man a watch to carry until his own was ready. The man never returned for the watch.

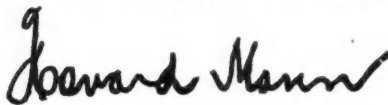
The check came through the bank upon which it was drawn and was paid by them. It later developed that the signature of George H. Walters was a forgery.

The man representing himself as Walters is described as follows: Age, 60 years; height, 6 feet; weight, 160 pounds; black hair; dark eyes; smooth shaven. Wore dark clothes.

GUY A. COOPER is drawing checks on a bank member at Princeton, N. J. Cooper has no account at the bank nor is he known to the officials. No description of the operator is available at the present time.

A bogus check drawn on a bank member of Buffalo, N. Y., made payable to HOWARD MANN and signed "Baker-Mason Co., per R. H. Owens, Supt.," was cashed by a non-member bank at Lacona, N. Y.

The bank at Buffalo has no account in the name of "Baker-Mason Co.," nor do they know "E. H. Owens, Supt.," We reproduce below Mann's signature.



A swindle was attempted on a bank member at Amsterdam, N. Y., by a man who presented what were intended to represent ten rolls of pennies to the value of fifty cents each. He asked that a five dollar bill be given him in exchange. The teller inspected three packages and found in each a steel bar approximately the length and thickness of a fifty-cent roll of pennies.

The man, who is described as being large and

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

thick set, with a round, full face and dark skin and dressed in a blue suit, derby hat and carrying a crutch, escaped before the police could be summoned.

Member banks, especially those in New York City, are warned to be on their guard against a young man who has in his possession a raised certified voucher check No. 62090 for \$15,000. This check was originally made out for \$55.20 in favor of a firm in Hartford, Conn., and signed "Atlantic Refining Company." The name of the original payee, as well as the original amount, were eliminated, undoubtedly by the use of acids, after which the check was made payable to "HENRY L. WALLACE" and the amount made to read \$15,000, after which the criminal succeeded in having the check certified to by a member bank in Philadelphia, Pa.

On the morning of July 25, 1914, a party representing himself to be Henry L. Wallace, after negotiating for the purchase of an automobile from a firm in New York City, attempted to cash the raised check at a member bank there. On using the long-distance telephone the bank learned that the check had been raised, but Wallace had disappeared in the meantime. Henry L. Wallace, who represented himself as being from Argentine Republic, is described as follows: Age, 18 years; height, 5 feet 7 3/4 inches; weight, 133 pounds; build, slender; complexion, dark; hair, black; dark gray suit, stiff straw hat; talks with Cuban or Spanish accent.

Any information regarding this criminal should immediately be communicated to the nearest office of our detective agents.

A man giving the name I. COHEN, on June 10, 1914, opened a savings account at a bank member in New York City with a cash deposit of \$2. On the following day he deposited a check drawn on a bank member at Scranton, Pa., which was paid by them, but later returned to the New York bank bearing a notice to the effect that the endorsement of I. Cohen was a forgery. In the meantime the man had drawn out the amount of the check.

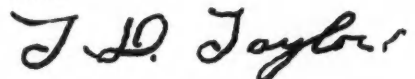
Cohen is described as being 23 years of age; 5 feet 10 1/2 inches tall; slender build; dark complexion; dark hair and eyes. Wore straw hat and dark suit.

A bank member of New York City was recently defrauded through having cashed a check for FRANZ XAVIER VON SCHLEBRUGGE, alias E. Von Schlebrugge, to which was forged the signature of one of their depositors.

Von Schlebrugge is described as being 25 years of age; 6 feet tall; weighing 170 pounds; build, stout; complexion, fair; hair, brown, brushed back on both sides of forehead.

T. D. TAYLOR is the name used by a man claiming to be an oil producer and who is passing worthless checks throughout southern Kansas and Oklahoma. The last heard of this man was in St. John, Kan., at which place he employed a livery team and later abandoned same. This man is also wanted in Larned, Kan.

We reproduce below a specimen of his handwriting, and he is described as being about 30 years old; 5 feet 7 inches tall; weighing 150 pounds; medium build; complexion, fair; eyes, blue; hair, light brown.



In the latter part of June, 1914, a bank member at Cascade, Mont., cashed a check for FRANK M. WILFLEY, check being drawn on a bank member at Medford, Ore. Wilfley was well known to the assistant cashier of the bank, having been at college with him, and the check was cashed without question.

The check was returned by the Medford bank with the information that they did not use a check of this kind, that it was fraudulent in every shape

and form, and that they had turned down several similar checks from Portland and San Francisco.

Willley is described as being 5 feet 8 inches tall; weighing 125 pounds; blue eyes; pallid complexion; wearing light gray suit, black shoes, nose glasses, and carrying a new suitcase and handbag.

A criminal posing as a prospective purchaser of a business place and who said his name was F. HOLTZ, was introduced to a member bank near Cincinnati, Ohio, by a depositor of the bank, who said that Holtz contemplated purchasing his moving picture show.

Mr. Holtz deposited a check drawn on a bank member at Mobile, Ala., and the following day he deposited a second, and later in the day called at the bank and asked to have a check certified. This the cashier refused to do; however, was later induced to comply with the request by the depositor who introduced Holtz to the bank.

A few days later the check came through for collection, and upon investigation it developed that the checks deposited were forgeries and Holtz purchased Express Company Travelers' cheques for the certified check.

Our detective agents, who were notified, learned that four of the six Travelers' Cheques that Holtz had in his possession were cashed at Memphis, Tenn. Our detective agents are now making an effort to apprehend Holtz, who is described as follows: Age, 38 years; height, 5 feet 6 inches; weight, 150 pounds; eyes, gray; complexion, ruddy; hair, auburn; smooth shaven; nearsighted, wears heavy lensed glasses; speaks with a German accent. A specimen of his handwriting is reproduced below.

F Holtz

A real estate man, claiming that his name is A. C. ALTEN, has successfully passed a number of bogus checks in Portland, Ore., on various merchants. The checks are drawn on a Portland bank, made payable to A. C. Alten and are signed Pacific Land Company. Alten uses for identification purposes a business card on which he gives a fictitious office address and telephone number.

Alten is described as being 30 to 32 years of age; 5 feet 9 inches tall; weight, 160 to 170 pounds; build, medium; hair, dark; eyes, dark; complexion, fair; has the appearance of a German business man.

R. C. CASEY, an accountant, appeared at a bank member at Portland, Ore., and opened a checking account, tendering a check drawn on another bank member at Portland and purporting to bear the signature of his former employer. The bank advanced some money on the check and deposited the balance to his credit. The check was returned marked "Forgery." He also gave worthless checks to a number of individuals in Portland.

Casey is described as follows: Age, 33 years; height, 5 feet 11 inches; weight, 165 pounds; build, slender; complexion, pale, somewhat freckled. Is slow of speech. A specimen of his handwriting is shown below. The Oregon Bankers' Association is co-operating with this Association in this matter.

R Casey

On June 28, 1914, a young man called at a bank member at Portland, Ore., and presented a check drawn on a bank member at Columbus, Neb., made payable to a young lady and bearing what purported to be her endorsement. The check was cashed.

On July 14, 1914, the young lady called at the bank at Portland and informed them that the bank at Columbus had sent her the cancelled check and demanded to know why she had changed her manner

of endorsement. She explained that the check had been stolen from her room in a local hotel and that she suspected a man named BERT VON DELLON of the theft. Her description of Von Dellon corresponded with the description of the young man who had cashed the check.

Von Dellon is described as follows: Age, 22 years; height, 5 feet 10 inches; weight, 130 pounds; build, slender; complexion, light; wore glasses; writes left-handed; seeks to work for his room at hotels and lodging houses.

Claiming he was the auditor for the Columbia Contract Company, of Portland, Ore., a man called at a printing establishment in Seattle, Wash., and ordered two thousand checks printed which were an exact duplicate of the pay checks used by the above company.

When the man called for the checks, through an oversight, about three hundred were not given to him. These checks were later sent to the Columbia Contract Company. The company believed they were sent by the printing company as samples and paid no attention to them until several checks were paid by the bank member at Portland where they had an account. These checks bore the forged signatures of officials of the company.

The man who ordered the checks is described as follows: Age, 35 to 40 years; height, 6 feet; weight, 180 pounds; hair, sandy; hands calloused; looks like a laborer.

It is thought he has several accomplices working with him. The names so far used are F. Ronald, J. Roman, J. Nolan and F. Ronal. The Oregon Bankers' Association is co-operating with this Association in this case.

THOMAS SMITH, on or about June 9th, swindled a hotel at Punxsutawney, Pa., by means of a check drawn on a bank member at Bolivar, Pa.

Smith, who was accompanied by his wife, is described as follows: Age, about 22 years; height, 5 feet 8 inches; weight, 145 pounds; hair, light; very crooked eyes; slouchy gait; shabbily dressed.

Mrs. Smith is described as being about 20 years of age; 5 feet 6 inches tall; weighing 130 pounds; light hair; rosy cheeks; very poorly dressed.

Smith is alleged to have another blank check in his possession and undoubtedly will endeavor to use same.

On July 11, 1914, FRANK ROSS, a former employee of the West Side Electric Street Railway Company of Charleroi, Pa., defrauded a bank member of that city, they having cashed for him a check drawn on a bank member at Pittsburgh, Pa., which was returned marked "No Account."

Ross is described as follows: Age, 35 to 36 years; weight, 140 pounds; build, medium; complexion, dark; eyes, dark; hair black; smooth shaven, could raise heavy beard. Wore three-stone diamond ring on the third finger of one hand. He is reputed to be a good talker and is an inveterate cigarette smoker. A specimen of his handwriting is reproduced below.

Frank Ross

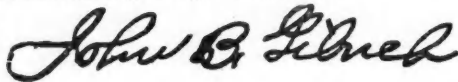
A customer of a bank member at Philadelphia, Pa., who is the proprietor of two hotels, one at Philadelphia and one at Wildwood, N. J., on May 1, 1914, installed as manager of his Philadelphia hotel a man named JOHN B. GILRICH. On the day Gilrich was appointed, the proprietor left to look after his hotel at Wildwood. From time to time he received reports and bogus deposit slips from Gilrich, but having absolute confidence in the man never investigated his bank account.

On July 17, 1914, the proprietor came to Philadelphia intending to have his bank account balanced and to draw some money. Upon looking over his accounts he found that very little money had been de-

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

posited since June 1, 1914, and that his name had been forged to a number of checks.

The matter was reported to our detective agents by the bank member at Philadelphia, Pa., and they are endeavoring to cause the apprehension of Gilrich. Gilrich is described as follows: Age, about 25 years; height, 5 feet 9 inches; weight, 135 or 140 pounds; hair, dark brown; nativity, American. Specimen of his handwriting is reproduced below.



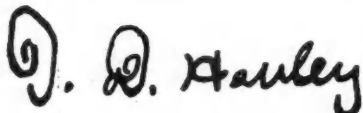
PETER RAINGOLD presented a check at a bank member in Pittsburgh, Pa., and being known at the bank, had no difficulty in having it cashed. The check was drawn on another bank member in Pittsburgh, and when the check came through to this bank, it was readily paid.

The signature on the check, which was that of Raingold's employer, proved to be a forgery and Raingold is being sought by our detective agents. He is described as follows: Age, 21 years; height, 5 feet 6 inches; weight, 135 pounds; build, medium; complexion, dark; eyes, dark; hair, black; smooth shaven. We reproduce below a specimen of this operator's handwriting.



Members are warned to be on the lookout for J. D. HAWLEY who is passing bogus checks drawn on a bank member of Chattanooga, Tenn., which purport to be signed by "W. H. Lessly & Co., C. A. Cunningham, Secretary and Treasurer." He claims to represent this firm and that the checks are for expenses.

He has defrauded individuals in Washington, Montana, Michigan and North Dakota and is described as follows: Age, 50 years; height, 5 feet 8 inches; hair and mustache dark, well sprinkled with gray; well built; and converses in a quiet and refined manner. A specimen of his handwriting is reproduced below.



Upon the forged endorsement of a leading physician, a bank member at Wichita Falls, Texas, cashed a draft for A. C. SHELDON.

Sheldon is described as being 35 years of age; 5 feet 10 inches tall; medium weight; dark complexion; dark hair; slightly stoop-shouldered; smooth shaven and wore light straw hat and dark suit.

The matter has been turned over to our detective agents.

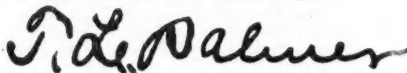
The cashier of a bank member at Walla Walla, Wash., recently received a letter enclosing a check made payable to T. L. PALMER and purporting to be signed by one of the bank's depositors. The letter requested that New York exchange be sent to Palmer at North Yakima, Wash.

As the check seemed regular the cashier forwarded the exchange as requested and did not discover that the check was a forgery until some time later. He endeavored to stop payment on the check, but it had already been paid by the New York bank.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

Later another check made payable to D. C. CAMP and drawn in the same manner as the first was received by the Walla Walla member through a member at Tacoma, Wash. This check was not honored.

Palmer, alias Camp, is described as follows: Age, 35 to 40 years; height, 5 feet 8 inches; weight, 170 pounds; build, stout; complexion, rosy; smooth shaven. Wore dark suit and dark green hat. Has the appearance of a business man. Below we reproduce a specimen of his handwriting.



J. R. REMMINGTON, alias J. Gardner, alias H. R. H. Gardner, is drawing checks on a bank member at Wheeling, W. Va. Remmington has no account at the bank and is not known. He has operated at Davenport, Ia., Rock Island, Ill., and El Paso, Texas, but as yet has defrauded no member bank. He is described as follows: Age, 25 years; weight, about 140 pounds; smooth shaven, loud talker. Wore dark slouch hat and dark suit. A reproduction of his handwriting is shown below.



A bank member at Oakfield, Wis., suffered a loss through having cashed four checks which came through their correspondents and which bore the forged signature of one of their depositors.

EDWARD LESSAR, an employee of the depositor, is accused of the forgeries. Lessar is described as follows: Age, 33 years; height, 5 feet 10 inches; weight, 175 to 180 pounds; complexion, dark; hair, black; eyes, black; smooth shaven, sometimes wears a mustache; wears hair cut close; dresses neatly. When last seen he wore a dark gray suit and straight rim straw hat.

After having completed some work he was doing in the vicinity of Laramie, Wyo., WILLIAM MATLOCK left, taking with him some property upon which a bank member at Laramie, Wyo., holds a mortgage, and without paying the debt for which the mortgage was given.

Matlock is described as being about 56 years old; 5 feet 11 inches tall; brown mustache, turning gray; very slow spoken.

On July 8, 1914, a young man about 30 years of age; weighing about 140 pounds; smooth shaven and wearing eyeglasses, appeared at a bank member at Sheboygan, Wis., introduced himself as JOHN BELZ, brother of a saloonkeeper of that name in Sheboygan, and said he desired to open an account, presenting a check for \$300 for deposit. He was given a pass book and the next day he appeared with a check for \$18 which he also deposited.

He then told the teller that he wished to purchase a motorcycle and was directed to one of the local dealers. He left, negotiated for the purchase of the motorcycle, and was told that before it would be ordered he would have to pay for it. He returned to the bank, stated the facts and asked to be allowed to draw \$260.

The rules of the bank are that a sixty-day notice be given on withdrawals over \$100, and Belz was refused the cash and given a certificate dated July 9, 1914, for \$260 payable in sixty days. Shortly after the man left the teller remembered that the bank had not heard from the \$300 check deposited and the supposed brother was communicated with, who gave the information that he had no such relative.

The bank has paid out no money on this transac-

tion but Belz has their pass book showing a credit of \$58.10 and the demand certificate for \$260, which he will undoubtedly attempt to use as a means of swindling someone.

We reproduce below a specimen of his handwriting.

John Belz
John Belz

During the month of May, 1914, a party giving the name of NEWTON D. PARKER mailed to a bank member at Basin, Wyo., \$170 to be deposited to the credit of the National Economy Association. Nothing was known of Parker and according to his letterhead he was an insurance broker at 40 North Dearborn St., Chicago, Ill.

Two days after the deposit was received checks appeared at the bank drawn against the account, signed by E. R. Stowell, Treas. A total of approximately \$1,000 worth of checks have been drawn on account, on which payment has been refused. About the first of June, 1914, one of these checks was cashed by a clothing company in Chicago, Ill.

Parker is said to have been arrested in Detroit, Mich., on June 10, 1913, for forgery and was sentenced on August 5, 1913, to serve five months in the House of Correction. This arrest and conviction was made for a check he passed on a bank in Detroit.

GROVER BENSCOTER, alias William Bencoter, of whom mention is made in the JOURNAL-BULLETIN of June, 1914, page 832, has been sentenced on May 26, 1914, to an indeterminate sentence of from one to fourteen years in the Illinois State Penitentiary at Joliet, Ill., on a charge of confidence game and obtaining money under false pretenses.

GENERAL.

MRS. J. H. BRADFORD was arrested at Lemoore, Cal., for forging checks on a bank member at Lemoore, Cal. She pleaded guilty and has made application for parole.

On April 16, 1914, a bank member at Pawhuska, Okla., cashed a pay check drawn on a bank member of Bartlesville, Okla. On the same day another bank member at Pawhuska cashed a similar check. The checks being sent for collection it developed that they had been stolen and bore forged endorsements.

Later information showed that FRANK L. BROWN, a "boomer" railroad fireman had cashed the checks and on June 18, 1914, he was apprehended at Eldorado, Ark., and returned to Pawhuska.

We desire to make a correction relative to the arrest of one Michael O'Brien, alias Geo. W. Harris, who was arrested at Phillipsburg, Mo., April 21, 1914, and sentenced to the Missouri State Penitentiary at Jefferson City, Mo., May 18, 1914, to a period of ten years for bank burglary. The original photograph of this criminal was identified as being that of JAMES CARR, alias James Hartzel. This is an error. After the Bertillon measurements were secured from the Missouri Prison our Detective Agents advise that they do not compare with the measurements of James Carr, therefore are not the same person.

HENRY E. DODGE was arrested by Detective Charles Lytle of the Topeka, Kan., police department, as he was about to board a train for Kansas City. Dodge was wanted for passing a check drawn on a bank member at Topeka.



HARRY W. GUIRL.

HARRY W. GUIRL, a forger was arrested by the police department of Duluth, Minn., on June 27, 1914, having defrauded a number of merchants in that city. Guirl has operated in various parts of the country, but so far has never defrauded a member bank. He has used the names Albert H. Stewart, Alfred H. Stewart and F. W. Cameron.

On July 6, 1914, this criminal escaped from custody and is still at large. He is a very clever forger and a watchout should be made for him. He is described as follows: Age, 24 years; height, 5 feet 4 inches; weight, 123 pounds; build, slight; hair, light chestnut; complexion, light. Wears glasses.

I. M. KOHEN, a report of whose arrest appears on page 50 of the July, 1914, JOURNAL-BULLETIN, after a preliminary hearing at Bisbee, Ariz., was bound over to the Superior Court under \$1,000 bond.

On page 51 of the July, 1914, JOURNAL-BULLETIN, we published an article to the effect that EUGENE N. MCCALLUM had been sentenced to serve a term of fifteen years in the Iowa State Prison at Fort Madison, Ia. This was an error, McCallum having received a sentence of seven years and placed on probation.

CHARLES H. MEYERS, alias E. A. Davis, alias W. W. Wilmot, etc., mentioned in the JOURNAL-BULLETIN for October, 1912, page 259; January, 1913, page 452; February, 1913, page 534 and February, 1914, page 588, was released from the Alabama Insane Asylum at Tuscaloosa, Ala., on January 16, 1914, and left Tuscaloosa for Rochester, N. Y.

H. E. SPENCER, arrested January 9, 1914, on a charge of forgery at San Francisco, Cal., has been released on bond. TESSIE WISE, arrested on January 7, 1914, charged with being an accomplice of Spencer, has also been released on bond. See JOURNAL-BULLETIN, February, 1914, page 587; March, 1914, page 640 and June, 1914, page 832.

A gang of opium smugglers, three men and a woman, were arrested on July 10, 1914, by Deputy U. S. Marshall Fenton G. Thompson, on a warrant sworn out by Special Agent Johnson in connection with the negotiating of forged cashiers' checks purporting to have been issued by bank members in Los Angeles, Cal.

The men gave their names as ALBERT VOGT, alias Harry Fauser, alias Henry B. Schultz, alias Theodor Kaiser, alias Henry Heid, OSCAR MILES and PAUL GRUIN; and the woman as HELEN FAUSER.

The California Bankers' Association and this Association are interested in these arrests.

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

ARRESTED.

FRANK E. BAKER, whom our detective agents were making an effort to apprehend since September, 1913, was arrested on July 20, 1914, on board the steamer "Griffith" at Sandusky, Ohio, and held pending the arrival of a representative of our detective agents. He was returned to Cleveland for identification and will be taken to Ashtabula, Ohio, where he defrauded two member banks.

Baker is mentioned on page 280 of the October, 1913, issue of the JOURNAL-BULLETIN.

A young lady giving the name of Miss H. S. Smith, passed several checks on merchants, which checks bore the forged signature of the president of a business college, a customer of a bank member at New Orleans, La.

On July 7, 1914, this young lady appeared at a jewelry store and purchased a pair of cuff buttons. She presented another one of the forged checks and was told to return for her change. Our detective agents were notified and when the young lady returned she was placed under arrest.

She gave her name as AURELIA MILDRED BERRY, a former student of the business college, and confessed to having committed the forgeries.

BEN J. BIANCHI, alias Ben J. Bianco, alias B. J. White, alias J. A. Williams, an Italian, and a tailor by occupation, was arrested by a representative of our detective agents at La Habra, Cal., on July 10, 1914, complaint having been filed by a member bank at Los Angeles, Cal., to the effect that they had been defrauded through means of a forged endorsement to a check which they had cashed for Bianchi.

Bianchi, after he had cashed the check left the address at which he had been stopping and was located by our detective representatives at Fullerton, Cal., and later at La Habra, where his arrest was brought about. He was returned to Los Angeles where he confessed his guilt, and on July 14, 1914, was given a preliminary hearing and remanded to the Superior Court in default of \$1,500 bail.

The California Bankers' Association co-operated with this Association in bringing about the arrest of this individual.

A bank member in New York City reported on July 21, 1914, that they had been defrauded through having cashed several forged checks. A representative of our detective agents immediately called at the bank where he met one of the depositors of the bank, whose name had been forged.

The depositor stated that he suspected a former employee named JACOB BIRNBAUM of having committed the forgeries. Birnbaum had been discharged after the loft of his employer had been robbed of some silk and serge goods.

The representative of our detective agents proceeded to the places frequented by Birnbaum and finally located him in a saloon in a pretty bad section of the city. He was taken to the office of our detective agents where he made a full confession. He was then turned over to the police authorities.

Birnbaum is described as being about 18 years of age; height, 5 feet 8 inches; weight, 165 pounds; build, muscular; complexion, medium, pimpled; hair, chestnut black; eyes, small brown; dressed neatly and had the appearance of a clerk.

A young man appeared at a bank member in New York City and presented a check and when questioned said he received the check from a truckman in Brooklyn, N. Y. As his answers were unsatisfactory, he was detained and our detective agents notified. Our detective agents immediately sent a representative to the bank, who questioned the man. He said his name was ROBERT D. CAMPBELL, and that he was in the real estate business. He stuck to his original story for quite a while, but finally admitted that he had been rooming with one HER-

BERT WILLIAMS who had stolen some checks from his former employer, and that another man known to him as "Bob" had forged the check which he had presented.

He is described as follows: Age, 23 years; height, 5 feet 11 inches; weight, 150 pounds; eyes, blue; hair, light; smooth shaven. Wore dark gray suit; stiff straw hat, blue four-in-hand tie, russet shoes; and was very neat in appearance.

Our detective agents communicated with the police department, who sent an officer and placed the young man in custody.

HARRY CORSCHENHAUSEN, whose photograph appears on page 48 of the July, 1914, JOURNAL-BULLETIN, was arrested in Pittsburgh, Pa., on July 22, 1914, while in the act of attempting to pass a forged check on a Mrs. Otto Smith of 818 Western Avenue. The Pittsburgh Office of our detective agents had been working steadily for the past six weeks in an effort to locate Corschenhausen, whom they ascertained was responsible for passing not less than twelve forged checks in Pittsburgh.

Early in July, 1914, Corschenhausen secured a check book of a membership bank of Millvale, Pa., upon which bank he began to draw checks, having them cashed by merchants. On July 22, 1914, the Pittsburgh Office of our detective agents received information that a party answering the description of Corschenhausen was attempting to pass a check. A representative went immediately to the place, in company with two city detectives, where Corschenhausen was placed under arrest. He admitted his identity, also admitted having passed the various checks charged against him. It is believed that no less than half a dozen informations will be made against him.

WILLIAM T. DAVIS, who defrauded a bank member at Yuma, Colo., by means of a mortgage swindle, was arrested at Seattle, Wash., on June 27, 1914, by a representative of our detective agents and Deputy Sheriff John Roberts of Seattle. JOURNAL-BULLETIN, July, 1914, page 43.

WILLIAM J. FLETCHER, wanted in connection with the passing of worthless drafts drawn on bank member at Denver, Colo., and Wheatland, Wyo., was arrested on June 23, 1914, by a representative of the Denver Office of our detective agents and a city detective.

Investigation by our detective agents developed the fact that Fletcher was on parole from the Colorado State Penitentiary to which institution he had been sentenced to serve from one to two years, for passing bogus checks. He was paroled on February 3, 1914.

A bank member at Kansas City, Mo., was recently defrauded by a man using the names J. B. Scott and Jasper B. Scott, for whom they cashed three checks bearing the forged signature of a depositor.

Our detective agents were advised of the fraud and upon investigation developed the fact that JOHN NATHAN HAMILTON, an elevator operator, in the apartment operated by the depositor, was responsible for the forgeries. Hamilton was placed under arrest by a representative of our detective agents assisted by the local police on July 14, 1914, and admitted the forgeries. He is described as being about 18 years of age; 5 feet 10 inches tall; weighing 140 pounds; smooth face; light hair and complexion.

J. F. KAUFMAN, alias Jack Kaufman, alias Jack Von Kaufman, mentioned in the JOURNAL-BULLETIN for April, 1914, page 694, and May, 1914, page 774, and who defrauded a bank member at Little Rock, Ark., by means of a raised check, was arrested by the Sheriff of Corpus Christie, Tex., and turned over to the U. S. Revenue authorities.

CHARLIE MELLIS was arrested by a representative of our detective agents on July 16, 1914, at Birmingham, Ala., charged with complicity in passing a forged check by which a bank member of Decatur, Ala., was defrauded.

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.



JOHN KINLEY.

JOHN KINLEY, whose photograph is reproduced above, defrauded a bank member at Pendleton, Ind., on July 8, 1914, by means of a check to which he had forged the name of his wife, to whom he had been married about nine weeks.

On or about July 22, 1914, Kinley was arrested and lodged in jail at Anderson, Ind.

Kinley is described as being 30 years of age; 5 feet 11½ inches tall; very dark hair; dark brown eyes; broad nose with open nostrils; large mouth with considerable gold filling in teeth; scar on neck in front of right ear. Wore brown suit and brown felt hat. Is a poker player and crap shooter.

On June 8, 1914, a man named L. F. Crandell presented a check to the cashier of a bank member at Denver, Colo., bearing the signature of J. B. KINNEY. The cashier handed the check to one of his assistants, who stated that it was all right. It later developed that Kinney had at one time an account with the member but had closed it about a year ago.

The matter was reported to our detective agents on July 9, 1914. A representative called on Crandell, who stated that he had presented the check at the bank in good faith, it having been given to him by Kinney in payment for barn rent. Kinney was then located by the representative of our detective agents and with the assistance of a detective connected with the local police department, placed him under arrest. He was given a preliminary hearing and bound over to the Criminal Court.

EARL McCLEARY, alias Ernest R. Clark, who attempted to defraud a membership bank in Portland, Ore., was arrested in the bank's quarters on June 21, 1914, by the Portland police.

McCleary is described as being 20 years of age; 5 feet 9 inches tall; weight, 110 pounds; build, slender; hair, dark; eyes, dark; complexion, dark; white nostrils, three front teeth from upper jaw missing.

McCleary, while making the above attempt was out on parole, having been convicted some months previous on a charge of forgery and sentenced to a term of from two to twenty years in the Oregon State Penitentiary. The Oregon Bankers' Association and this Association were interested in this arrest.

RAYMOND MONDAY, alias Munday, a swindler whose specialty is that of raising checks, and who gave his place of residence as Springfield or Joplin,

Mo., and who is also known to have operated in the State of Iowa, having defrauded a bank in that State, was recently arrested for defrauding a member bank at Corona, Cal.

Monday is described as being of a rather quiet and sullen disposition; of rustic appearance; age, 35 to 40 years; height, 6 feet 1 inch; weight, 150 pounds; hair, sandy; complexion, light; build, slender, raw boned; occupation, laborer.

The Iowa Bankers' Association and the California Bankers' Association co-operated with this Association in bringing about the apprehension of this criminal.

HARRY QUICK, mention of whom is made in the JOURNAL-BULLETIN for September, 1913, page 218, was arrested on July 9, 1914, at San Francisco, Cal., under the name of Fred Traine. He confessed to a representative of our detective agents that he was wanted at Marion, Elwood, Kokomo and Indianapolis, Ind.

R. RAPHAELS, alias C. B. Weston, whose operations were reported in the June, 1914, JOURNAL-BULLETIN, page 830, was arrested in Seattle, Wash., by the local police, under the name of D. Lane. He will be returned to Portland, Ore., where he will be placed on trial for defrauding a membership bank of Portland. The Oregon Bankers' Association and this Association were interested in this arrest.

GILBERT SARGENT, alias Robert W. Barnett, alias William H. Nash, wanted for swindling a bank member at Boston, Mass., was arrested by the local authorities at Atlantic City, N. J., on June 25, 1914, on a charge of swindling a firm of Philadelphia brokers from whom it is alleged he purchased bonds with a forged certified check. He was arrested when he tried to sell the bonds to a bank member at Atlantic City, N. J. JOURNAL-BULLETIN, September, 1913, page 220, and December, 1913, page 442.

W. E. THARP, alias W. E. Thornton, alias W. E. Northern, alias W. E. North, was recently arrested by the local authorities at St. Louis, Mo., on a charge of larceny from a private dwelling. Tharp, who is described as being 19 years of age; 5 feet 9 inches tall; 180 pounds in weight; stout build; dark complexion; sandy hair; smooth shaven, was identified as the party who had been cashing forged checks in Indiana, Illinois, Michigan and Missouri, drawn on a bank member at Chicago, Ill.

FRANK M. WINSLOW, who defrauded a bank member in New York City and who also operated against bank members in Springfield, Ohio, and Pittsburgh, Pa., was arrested on July 3, 1914, by the local police at Trenton, N. J., as a result of information furnished by our Detective Agents. JOURNAL-BULLETIN: September, 1910, page 151; October, 1910, page 214; February, 1912, page 495, and May, 1914, page 768.

JUSTIN W. WELLS, whose operations are reported on page 46 of the July, 1914, issue of the JOURNAL-BULLETIN, was arrested by the local authorities in Cincinnati, Ohio, and when confronted by the Vice-President of the member bank who sustained the loss, admitted the entire transaction.

REMOVED.

GEORGE E. ADAMS, mentioned on page 689 of the April, 1914, and on page 771 of the May, 1914, JOURNAL-BULLETIN, was released from the Du Page County jail at Wheaton, Ill., and re-arrested at Elgin, Ill., and taken to Geneva, Kane County, Ill. While confined in the Kane County Jail, Adams and three other prisoners escaped by sawing their way out.

EARL W. BARNES, alias C. J. Hadley, alias W. H. Howard, etc., whose photograph is reproduced on page 689 of the May, 1912, JOURNAL-BULLETIN, and mention of whose arrest is made on page 49 of

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

the July, 1914, JOURNAL-BULLETIN, was sentenced on June 18, 1914, to serve eighteen months in the House of Correction, Deer Island, Boston, Mass.

WILLIAM J. FLETCHER, whose arrest is reported in another column of this issue, was returned to the Colorado State Penitentiary where he was wanted for violating his parole.

IRSAMAG HODOFF, a report of whose arrest in connection with the hold-up of a bank member at Elma, Wash., is reported in the May, 1914, JOURNAL-BULLETIN, page 771, was sentenced to serve an indeterminate term of from five to twenty years in the State Penitentiary at Walla Walla, Wash. A motion was made for a new trial by his attorney and was denied. Notice of appeal was filed.

MOLHO ALACHOFF, SAM ARSOFF, VIGOF KYRIEL and MIKE ZEEBECK, arrested on suspicion of being implicated in the hold-up were released.

EDWARD LASKY, whose operations were reported on page 769 of the May, 1914, JOURNAL-BULLETIN, and whose arrest was reported in the June, 1914, issue, page 835, was sentenced to the reformatory as a minor.

A. KARSLAKE, alias Jimmy Lake, etc., was convicted of burglarizing a bank member at Bastrop, La., and sentenced to serve a term of ten years in the Louisiana State Penitentiary. Two larceny charges against him were continued to the Fall term of court. This was one of the most notable cases of its kind in recent years and the results obtained were due to the thorough manner in which it was investigated by our detective agents. JOURNAL-BULLETIN, May, 1913, page 767; August, 1913, page 106; April, 1913, page 680, and June, 1914, pages 835 and 836.

J. R. KNOX, whose arrest was reported on page 835 of the June, 1914, JOURNAL-BULLETIN, pleaded guilty and was sentenced to serve eighteen months in the penitentiary at Granite, Okla.

AWAITING TRIAL, EXTRADITION OR SENTENCE, AUGUST 1, 1914.

ALLEGED FORGERS, ETC.

Albright, Fred, May, 1914, arrested; forgery Marshalltown, Iowa.
 Avery, Tracy G., February, 1914, arrested; swindle Richmond, Va.
 Baker, Frank E., July 20, 1914, arrested; forgery Ashtabula, O.
 Bassett, Frank A., January 10, 1914, arrested; forgery Columbus, Ohio.
 Bazzell, Charles, February, 1914, arrested; swindle Pryor, Okla.
 Beemer, L. W., April 15, 1914, arrested; swindle Ypsilanti, Mich.
 Berry, Aurelia Mildred, July 7, 1914, arrested; forgery New Orleans, La.
 Bianchi, Ben J., July 10, 1914, arrested; forgery Los Angeles, Cal.
 Birnbaum, Jacob, July 21, 1914, arrested; forgery New York, N. Y.
 Bush, J. A., May 29, 1913, arrested; forgery Wematchee, Wash.
 Campbell, J. T., May 4, 1914, arrested; swindle Macon, Mo.
 Campbell, Robert D., July 21, 1914, arrested; forgery New York City.
 Cantrell, H. R., May 12, 1914, arrested; swindle Claremore, Okla.
 Cantrell, T. M., March 16, 1914, arrested; swindle Claremore, Okla.
 Cooper, —, May, 1913, arrested; forgery New York City.
 Cooper, C. S., March 7, 1914, arrested; swindle Cordell, Okla.

C. JACK HUBER, mention of whose operations and arrest was made on page 641 of the March, 1914, JOURNAL-BULLETIN, was recently given a suspended sentence of two years. This is in reality an acquittal, as he will not be called upon to serve his sentence unless he commits another felony within the limits of the State of Texas.

EARL McCLEARY, alias Ernest R. Clark, whose arrest is reported elsewhere in this issue, has his parole revoked and is now serving a sentence of from two to twenty years in the Oregon State Penitentiary.

MILO McKIBBAN, whose arrest is reported on page 772 of the May, 1914, JOURNAL-BULLETIN, was sentenced to serve a term of fifteen years in the Iowa State Penitentiary at Fort Madison, Ia. The Iowa Bankers' Association co-operated with this Association in the apprehension and prosecution of this criminal.

GEORGE W. MOOREHEAD, arrested in connection with a forgery perpetrated against a bank member at Tulsa, Okla., was released, his relatives having paid all losses incurred by him. The charges against him were not dismissed and his release is subject to his future actions. JOURNAL-BULLETIN, February, 1914, page 583, and March, 1914, page 641.

WILL REED, alias William Reed, alias George Stiles, whose arrest in connection with a forgery perpetrated against a bank member at Kansas City, Mo., is published in the July, 1914, JOURNAL-BULLETIN, page 60, was tried on July 7, 1914, and after making restitution to the bank was released.

GILBERT SARGENT, whose arrest is reported elsewhere in this issue, was returned to Philadelphia where he was sentenced on July 14, 1914, to serve a term of not less than six nor more than eight years in the Eastern Penitentiary. Upon his release from the penitentiary he will be turned over to the Boston, Mass., authorities. JOURNAL-BULLETIN, September, 1913, page 220, and December, 1913, page 442.

Corschenhausen, Harry, July 22, 1914, arrested; forgery Pittsburgh, Pa.
 Curtis, Edwin A., December, 1913, arrested; forgery Stryker, Ohio.
 Davidson, C., January 31, 1914, arrested; forgery Mocksville, N. C.
 Davis, William T., arrested June 27, 1914; swindle Yuma, Col.
 DeForrest, John, March 1, 1914, arrested; forgery Owego, N. Y.
 Delahoussaye, Wilbur Lee, June 19, 1914, arrested; swindle Cheyenne, Wyo.
 Farlow, A. P., April 1, 1914, arrested; forgery Columbia, S. C.
 Fisher, William H., January 15, 1914, arrested; forgery New Smyrna, Fla.
 Ford, James, June 13, 1914, arrested; forgery New York, N. Y.
 Fowler, Frank W., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Fredericks, Earl, December 29, 1913, arrested; forgery Dayton, Ohio.
 Futrell, Tiny, June 15, 1914, arrested; forgery Charleston, Mo.
 Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.
 Hamilton, John Nathan, July 14, 1914, arrested; forgery Kansas City, Mo.
 Hamilton, W. S., January 29, 1914, arrested; swindle Council Bluffs, Iowa.
 Hart, Max M., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Hearn, Frank, June 16, 1914, arrested; forgery New York, N. Y.
 Heasley, Margaret, May 18, 1914, arrested; forgery Pitsalrn, Pa.
 Hewitt, W. A., October 16, 1913, arrested; theft Jackson, Miss.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

Himmel, H. M., May 16, 1914, arrested; forgery Webster City, Iowa.
 Himmel J. E., May 16, 1914, arrested; forgery Webster City, Iowa.
 Howard, Robert W., June 16, 1914, arrested; forgery Fort Smith, Ark.
 Imamura, Frank B., May 13, 1914, arrested; forgery San Francisco, Cal.
 Johnson, Rowland, June 12, 1914, arrested; swindle Grundy Center, Iowa.
 Jones, J. R., January, 1914, arrested; forgery Lincolnton, N. C.
 Kaufman, J. F., July 5, 1914, re-arrested; forgery Little Rock, Ark.
 Kelly, Robert M., June 8, 1913, arrested; swindle Bishopville, S. C.
 Kinley, John, July 8, 1914, arrested; forgery Pendleton, Ind.
 Kinney, J. B., July 9, 1914, arrested; swindle, Denver, Colo.
 Kohen, I. M., June 9, 1914, arrested; forgery Bisbee, Ariz.
 Kreleberg, Harry, February, 1914, arrested; forgery New York City.
 Lively, William, May 8, 1914, arrested; forgery Chicago, Ill.
 Lewellyn, William, June 13, 1914, arrested; forgery New York, N. Y.
 McAllister, T. V., May 22, 1914, arrested; forgery Rome, Ga.
 McKellop, Tom, March 20, 1914, arrested; swindle Holdenville, Okla.
 McKellop, William, March 20, 1914, arrested; swindle Holdenville, Okla.
 McKinley, Mrs., June 12, 1914, arrested; forgery Williamsport, Pa.
 McKinley, Ruth, June 12, 1914, arrested; forgery Williamsport, Pa.
 McKinney, Maynard, March 10, 1914, arrested; forgery Idabel, Okla.
 Martin, J. T., March 20, 1914, arrested; swindle Holdenville, Okla.
 Mellis, Charlie, July 16, 1914, arrested; forgery Decatur, Ala.
 Mitchell, Ernest C., April 20, 1914, arrested; forgery Chicago, Ill.
 Monday, Raymond, July, 1914, arrested; forgery Corona, Cal.
 Moon, Marshall, March 31, 1914, arrested; forgery Talladega, Ala.
 Morris, Harry J., January 16, 1914, arrested; attempted swindle Kansas City, Mo.
 Quick, Harry, July 9, 1914, arrested; forgery Ellwood, Ind.
 Raphaels, R., June 19, 1914, arrested; swindle Portland, Ore.
 Richason, M., January 1, 1913, arrested; swindle Kansas City, Mo.

Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.
 Rowland, William, May, 1914, arrested; forgery Hartman, Ark.
 Scanlon, George D., June 10, 1914, arrested; forgery New York, N. Y.
 Scherberg, C. W., February, 1913, arrested; swindle Grenada, Miss.
 Schmidt, Adolph, May 14, 1914, arrested; forgery Chicago, Ill.
 Smith, J. T., February, 1914, arrested; swindle Purcell, Okla.
 Smithson, H. H., April 18, 1914, arrested; forgery Perry, Okla.
 Spencer, H. E., January, 1914, arrested; forgery San Francisco, Cal.
 Stevens, E. M., March 10, 1914, arrested; swindle Millerstown, Pa.
 Stone, George, December, 1913, arrested; forgery Lindsay, Cal.
 Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.
 Sullivan, Charles, September 7, 1913, arrested; swindle Munfordville, Ky.
 Sutherland, Kate, April 18, 1914, arrested; forgery Los Angeles, Cal.
 Tharp, W. E., July, 1914, arrested; swindle Chicago, Ill.
 Walp, H. S., May 18, 1914, arrested; forgery Raymond, Wash.
 Wells, Justin W., July 19, 1914, arrested; swindle Cincinnati, O.
 Wells, Kate, June 10, 1914, arrested; swindle Cincinnati, Ohio.
 Wheeler, A. L., June 27, 1914, arrested; forgery Biloxi, Miss.
 Winslow, Frank M., July 3, 1914, arrested; forgery New York, N. Y.
 Winters, Bert, December 29, 1913, arrested; forgery Dayton, Ohio.
 Wise, Tessie, January 7, 1914, arrested; forgery San Francisco, Cal.
 Woolf, Beit, May, 1913, arrested; forgery New York City.
 Work, Andrew S., May 6, 1914, arrested; swindle Syracuse, N. Y.
 Wupperman, Adolph E., May 6, 1914, arrested; swindle Syracuse, N. Y.

BURGLARS AND HOLD-UP ROBBERS.

Dobreff, Murzaback, April 15, 1914, arrested; hold-up Elma, Wash.
 Dropp, B. W., February, 1914, arrested; attempted hold-up Tacoma, Wash.
 Malsegoff, Yacop, April 15, 1914, arrested; hold-up Elma, Wash.

**STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.
 AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.
 From September 1, 1913, to July 31, 1914.**

New York, N. Y., August 1, 1914.

Persons arrested, discharged, convicted, sentenced, awaiting trial, etc.

	Awaiting Trial, etc. September 1, 1913.	Arrested Since September, 1913.	Arrests in July, 1914.	Total.	Convicted.	Discharged or Acquitted.	Escaped or Fugitive.	Insane or Died.	Awaiting Trial.
Forgers.....	130	242	21	263	226	66	10	3	88
Burglars.....	12	11	..	11	16	5	1	1	..
Hold-up robbers.....	1	10	..	10	4	4	3
	143	263	21	284	246	75	11	4	91



AMERICAN INSTITUTE OF BANKING BULLETIN



Contributions for this Department must be received by the Educational Director of the Institute not later than the 20th of the month preceding publication.

INSTITUTE ADMINISTRATION.

EXECUTIVE COUNCIL.

1914.
WILLIAM M. ROSENDALE, Chairman.....New York City.
F. A. CRANDALL.....Chicago, Ill.
WILLIAM H. FARR.....Detroit, Mich.
JAMES D. GARRETT, ex-officio.....Baltimore, Md.
B. O. HILL.....Pittsburgh, Pa.
W. B. KRAMER, ex-officio.....Scranton, Pa.
BYRON W. MOSER, ex-officio.....St. Louis, Mo.
F. J. MULCAHY, ex-officio.....Minneapolis, Minn.

1915.
C. W. ALLENDOERFER.....Kansas City, Mo.
ROBERT H. BEAN.....Boston, Mass.
H. J. DREHER, ex-officio.....Milwaukee, Wis.
T. R. DURHAM.....Chattanooga, Tenn.
Q. B. KELLY.....Salt Lake City, Utah.
L. H. WOOLFOLK, Vice-Chairman.....Seattle, Wash.

1916.
W. O. BIRD.....Denver, Colo.
EUGENE J. MORRIS.....Philadelphia, Pa.
GEORGE H. KEESEE.....Richmond, Va.

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 Asst. Cashier Market & Fulton National Bank,
 New York City.

H. J. DREHER.....*President*
 Asst. Cashier Marshall & Isley Bank,
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JAMES D. GARRETT.....*Vice-President*
 Asst. Treasurer Central Savings Bank,
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WHAT ABOUT THE FELLOWS?

An open letter to Institute members

TO the Members of the American Institute of Banking:

It is axiomatic that alleviation is not cure, that expedient temporizing is not permanent solution.

For some years the Fellow Class has strikingly challenged the attention of the Institute. Conceived as an instrument for the further advancement within the Institute of banking education, it has, through a process of development, logical, perhaps inevitable, and not unusual, failed to fully realize the purposes for which it was created.

In the formative period of the Institute, when the motives of its founders were challenged and the integrity of the foundation upon which it was to be builded questioned, necessity compelled the enlistment in its support of bankers of recognized standing and compelling influence.

Of bankers whose support was thus sought, many, with a vision of what might be, immediately responded. Others, and they were men of large influence, refused to sanction or support the Institute idea. And some openly opposed it.

The Institute was founded as an organization of bank clerks. By thus limiting its membership through specific provision to but one part of the banking profession, and that the subordinate part of

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it, the employees, the Institute was from the beginning compelled to pursue that policy which a subordinate position always entails, namely, to plead for those things which experience demonstrated to be best for development and to win approbation and support by unquestionable achievement.

When the right of self-government was accorded the Institute and a constitution adopted, a class designated "Fellows" was therein provided for. The Institute was still a bank clerks' organization, however, and since many of those most active in its organization period had become bank officers, it was but a natural step in evolution that bankers who from the beginning had supported the Institute and those active Institute members who had, in face of serious handicaps, wisely directed the development of the organization, should be accorded a recognition not commonly conferred, by being designated to membership in the Fellow Class, the one distinctive class existent in the Institute.

Thus the Fellow Class came to be largely composed of those who had in large measure contributed to the organization and development of the Institute in its critical period of formation.

Now Fellows is a term of the English universities used to denote those senior graduate members who, through the attainments of scholarship, are accorded a position of influence in university government. The honor rests solely upon educational attainments.

Fellows of the Institute, however, denoted those members who had done much for the early development of the Institute and who, despite the fact that

all were not graduates, were accorded wisely, or otherwise, political power exercised in a constitutional manner. The term also denoted those who were elected to membership in the class by virtue of having occupied a certain administrative office either in the Institute or in chapters.

The exercise of political power by any body of men, exclusive and limited in its membership, having a permanent tenure for the exercise of such privilege, has ever, in both nations and organizations, been objectionable to many, even when not improperly used, and inevitably has resulted in conflict.

Thus it has been in the Institute. Two conceptions of polity, sincerely and tenaciously held by men of different attitudes of mind, caused misunderstanding and bitterness, and were only prevented from becoming intolerable and detrimental to Institute advancement by the compromise constitution of the Salt Lake City Convention.

The Institute is no longer a bank clerks' organization. It is the Educational Section of the American Bankers Association. It is the integral part of the Association designated by constitutional provision to make the profession of banking more efficient through education. All distinction, so far as the Institution is concerned, between bank officer and bank man has been abolished. The offices of the Institute are free to all who, properly qualified, aspire to them, irrespective of any position in banking which any aspirant may hold. Fitness alone shall be the only requisite demanded of those who would hold office, fitness and a compelling desire to advance the Institute to the highest attainable plane in the world of commerce and in American development.

The Post Graduate Course of the Institute is a success and is destined to result in great good. Already members of the Institute have completed the work and have been awarded the highest educational honors of the Institute. From now on it may be expected that the number of graduates of the Post Graduate Course will continually increase.

The Post Graduate Course has furnished the solution of the Fellow problem. Problem it still is, and one bound to inaugurate another period of discussion and retrogressive action unless properly and permanently settled at this time. Many an Institute man is asking why the Fellow Class as at present constituted exists, many a Fellow wonders for what beneficial purpose his annual contribution of dues is made. And many Institute members realize what a power for good the Fellows, properly constituted and organized, could be in permanently influencing and directing the thought of men in banking and finance.

The Fellow Class as it now exists is of little value either to the Institute or its members. Each year, by reason of increasing membership, the older members of the class are becoming less and less in proportion to the total membership. The term Fellow, as at present used, is a misnomer. All reasons previously urged for the continued existence of the class are no longer tenable.

Fellows of the Institute should be, as was always intended, those members who, through advanced educational work, have become entitled to a distinction which can only be conferred by an institution devoted to advancement through education. The Fellows of

the Institute should be those, and only those, who have successfully completed the Post Graduate work of the Institute. Then, and then only, will Fellow denote that which its origin and usage has ever intended—a graduate of advanced courses of education.

It is conceded by all that those Institute members and others who did so much for Institute advancement in the early period of its existence should receive a recognition commensurate with the services which they rendered. It is the desire of many of them to be, as a body, an integral part of the organization for which they did so much. Old associations seek a place within the Institute where the early ties formed may continue until all to whom such ties mean most are no more.

That such a recognition be adequate, the means also should be adequate. In any organization the founders are few and their number can never be increased. The position they occupy is unique, the class to which they belong naturally exclusive.

It is therefore proposed that, to properly honor the founders of the Institute and to make that honor exclusive in that the class shall cease to exist when its members are no more, there be created a group, to be designated "Founders of the Institute," who shall be: (a) Members of the Board of Trustees of the Institute under the original form of government established by the American Bankers Association, and (b) Presidents of the organization known as Associated Chapters from the time of the first convention in Cleveland down to the convention at Providence when the government of the Institute was given its present form. Within this classification are embraced all bank officers and bank men who are entitled to the distinction of being considered Founders of the Institute.

To render effective the proposals above outlined, it is necessary that the Constitution be amended. The following amendments are therefore proposed:

Article IV shall be amended to read as follows:

"Fellows of the Institute shall consist of such Institute graduates as shall have successfully completed in prescribed form the system of Post Graduate study supplemental to the standard course of study upon which the Institute Certificate is based."

A new Article, designated Article V, shall read as follows:

"Founders of the Institute shall consist of: (a) Members of the Board of Trustees of the Institute under the original form of government established by the American Bankers Association, and (b) Presidents of the organization known as 'Associated Chapters' from the time of the Cleveland Convention to the establishment of independent Institute government at the Providence Convention."

Article VIII shall be amended to read as follows:

"The government of the Institute shall be vested in an Executive Council of seventeen members, consisting of: (1) the ex-President, the President, the Vice-President, the Secretary, and the Treasurer of the Institute, ex-officio; (2) twelve members of the Executive Council elected by the Institute in Convention, so arranged that four may be elected annually for three years. Members of the Executive Council shall be ineligible to consecutive re-election."

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the instructions on page viii of the New Code.

All articles shall be properly renumbered.

The Institute has now reached that period in its development when it is highly essential that the entire time of Institute conventions be concerned only with matters relating to Institute advancement and a discussion of more effective methods for increasing and extending Institute influence.

A larger conception of service is challenging the Institute. Never before has so much been demanded of the banking profession. Big problems demand the best intelligence of big men for their solution. Realizing this, any failure to settle permanently matters exclusively concerning the internal affairs of the Institute, and leaving members free for larger things, is doing that which is inimical to its welfare and the advancement of its members to a more useful sphere of activity.

This letter has been written, after contact with Institute men throughout the country and with an understanding of conditions as they are, with the one purpose of offering a solution for an old problem, again being increasingly discussed, which all can accept regardless of past beliefs. This solution recognizes all of value in the past and adequately deals with the changing conditions of the present.

If it shall be the will of the membership that this solution be accepted, it will be the acceptance of a conscientious effort to quiet forever a question which has absorbed much attention and should now, for the greater advancement of the Institute, be permanently settled. If a better solution can be devised, it should be given to the Institute.

It is not my desire to cause conflict, but only intelligent discussion. Whether the amendments shall be accepted now, or a year from now, is immaterial. Only that which is right shall prevail. I am convinced, after mature deliberation, that this solution is right in principle and absolutely just to the Institute and all of its members. Being so, I place it in the hands of the membership for further action.

Respectfully submitted,

H. J. DREHER.

GUARANTEE OF DEPOSITS.

By L. M. Pool, Vice-President of the Hibernia Bank & Trust Company of New Orleans—Address Delivered at the Eighth Annual Banquet of New Orleans Chapter of the American Institute of Banking.

THE history of the various attempts to guarantee the deposits and other liabilities of banks in the United States begins with the State of New York, which, in 1829, passed a law relative to the guarantee of deposits in banks, the law being a joint guarantee of the deposits and circulating notes of the various institutions.

This experiment covered about ten years, at the end of which period it ended in disastrous failure. Vermont passed a similar law in 1831, and Michigan in 1836. It is a noteworthy fact that none of these States has such a law now, and, so far as is known, none contemplates such statute.

After a lapse of many years, a law guaranteeing deposits in State banks, as well as National banks, was projected for Oklahoma. The matter of guaranteeing deposits of National banks was tested in the courts, and the guarantee was found to be illegal, so that it covers only State banks. The Oklahoma

experiment must be admitted to be a failure. Twenty-seven banks with deposits of about seven millions of dollars have failed since the law went into effect, and the fund has failed to pay the depositors of these failed banks by about \$645,000, which is the present shortage in the fund.

At the time the Oklahoma law was proposed, its advocates attempted to defend that feature which called for the payment to depositors in cash at once. I recall that some of the best bankers in the country wrote articles on the subject, and warned the legislators that this was a mistake and that it could not be done in case of a large number of failures. These warnings have since proven to be true. I also remember that one banker, writing in the "American Banker" several years ago, stated that a bank had been started in his town by a man who had previously failed in the banking business. This alleged banker was stating to his prospective customers that his bank was just as good as any other bank, as they were all under the same blanket. This bank obtained deposits of about \$300,000 and failed shortly afterwards for about \$190,000, costing the Guaranty Fund about \$190,000.

The banks of Oklahoma have been assessed four and one-half per cent. in five years, and this impost has proven to be so burdensome that the law has had to be amended several times, and will doubtless have to be further changed before anything like satisfactory results can be achieved.

The failure of the numerous State banks in Oklahoma cannot be blamed upon bad local conditions, for only three National banks failed at the time the twenty-seven banks above mentioned succumbed. This indicates as clearly as it is possible to do so that reckless banking was encouraged by the Oklahoma Guaranty Law in that the proper safeguards and the proper examinations were not prevalent in that State.

The State of Nebraska enacted a guaranty law which began operation on July 1, 1911. Therefore it has not been in existence three years as yet, and in view of the fact that it has been fifteen years since a National bank failed in Nebraska, and eight years since a State bank failed, at which time the loss was only \$2,000, it is ridiculous for anyone to say that the plan has proven to be a success. The Nebraska plan, like all the others, will fail when put to the test. As a matter of fact, the banks in Nebraska carry the amounts paid by them into the Guaranty Fund as a kind of secondary surplus. They do not pay assessments to the fund into the board which has charge of such matters, or to the central authority, but carry the amount on their own books. Bankers are only human, and these Nebraska people are fooling themselves by thinking that the fund belongs to them, when, as a matter of fact, it does not, which will be proven when a few failures of moment occur. The Nebraska law, in spite of the fact that such a method has proven to be a failure in Oklahoma, provides that depositors shall be paid immediately upon the failure of any bank.

The State of Kansas has a law which is optional. The same law is proposed for the State of Louisiana. This optional feature, while it appears to be alluring at first brush, is extremely dangerous, for this reason:

In the city of New Orleans there are twelve State banks. I think I can say, without fear of contradiction, that none of these banks care to participate in the guaranty fund or to become a guaranty bank. Admitting this to be a fact, and admitting further that after this law is enacted, some enterprising citizen starts a new bank, and that the promoters of the institution, in order to have a good advertising and talking point, join the guaranteed banks, they will undoubtedly make the statement, or imply, that they are guaranteed by the State of Louisiana. There are many people who will believe such a statement, just as there are many people who believe that the National banks are guaranteed by the Government. When this competition becomes keen enough it will force some of the city banks, who would not otherwise care to become participators in the guaranty fund, to become members rather than lose a certain amount of their deposits.

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.

In Kansas there are four hundred seventy-two banks participating in the guaranty fund, while four hundred forty-six banks have not so far joined, so that it will be noted that about half of the banks are in and about half are out. This state of affairs prompted me to write to a man prominent in Kansas banking, and he replied that the reason why some of the banks joined was that they were driven to do so by reason of the fact that the bank in the town or towns nearby had entered. He states that it is very noticeable that the guaranty banks are in clusters. There are counties where there are none, while there are other counties where almost every bank is in. He further makes this significant statement, that the fact that so many banks in certain counties are members is not an indication of favor or disfavor to the system locally, for there is strong opposition to the law even where the membership is almost unanimous; in short, one bank would enter because a competitor did. It is a significant fact that the Kansas law provides that the deposits of the State of Kansas shall be secured by other security than the Bank Guaranty Act, which is deemed good enough for the general public. This, apparently, is quite a confession of weakness.

Kansas has one good feature in its law which Oklahoma did not have—at least, in the beginning. It permits banks to deduct their capital and surplus from their deposits when paying assessments to the guaranty fund. This has a tendency to make banks provide themselves with adequate capital and surplus. In Oklahoma, banks being guaranteed, each bank being as good as the other, the tendency was for them to decrease their capital and surplus.

The Texas law went into effect on January 1, 1910. There are no large State banks in the State of Texas, the deposits in the National banks being, in the aggregate, much larger than those in the State banks. The largest State bank in Texas is located in Dallas and has deposits of about \$3,500,000. (Since this article was written the bank in question has been Nationalized by merger.) The Texas law makes it optional whether banks shall enter the guaranty system or provide themselves with a surety bond. This is an option more in name than in fact. As a matter of fact, no large bank, such as we have in Louisiana, could induce any surety company or companies to insure its entire deposits. In the case of smaller banks the surety companies generally demand the endorsements of individuals, so that bankers are naturally averse to using this method. Again, the surety company method is much more expensive, and bankers, intent upon making the best of a bad bargain, will naturally choose the system which, for the moment, appears to compel them to pay the least money.

Now we come to the State of Louisiana. It is a noteworthy fact that no State containing a large Reserve City has as yet enacted a guaranty law. In Texas there are two fairly large cities, Dallas and Houston, but the banks with the big deposits are all National banks. In Louisiana the situation is quite the reverse, there being a number of very large State banks which would be eligible for membership in the guaranty fund. In commenting upon the effect of such a law in Louisiana, it is, of course, necessary to suppose that all of the banks would join the system, as in no other way can we arrive at any figures. In Kansas there are 929 State banks with

deposits of	\$108,000,000
In Texas there are 868 State banks with	
deposits of	95,000,000
In Nebraska there are 710 State banks	
with deposits of	95,000,000
In Louisiana there are 217 State banks	
with deposits of	91,000,000

Therefore it will be seen that the risks to be assumed in Louisiana are nearly four times as great as they are in any of the States mentioned. The failure of any of the large institutions of the State would, according to careful calculation—provided the failed bank paid seventy-five cents on the dollar (and I think it will be admitted that a bank which is almost solvent, and which fails, cannot pay more than seventy-five cents on the dollar on account of the shrink-

age in its assets caused by such failure)—the fund might be hit to the extent of about \$3,000,000. The total assessment under the law proposed for this State would only provide about \$162,000 per annum, if the banks were taxed to the maximum. Now the law provides that six per cent. interest shall be paid on any amounts which may be owed by the guaranty fund, which would be \$180,000 per annum, so that it is readily seen that the amount of assessment provided would not yield enough to pay the interest even on the amount of warrants outstanding. (Note.—The rate of interest in the proposed bill was afterwards changed to three per cent.) The guaranty which the city banks would give to the country banks, provided they all entered the system, would probably be good; the guaranty which the country banks would give the city banks, however, would not be worth anything, and, on the other hand, the country banks would be compelled to dig into their profits every year in the hope of liquidating something which could never be liquidated.

The danger of admitting to guaranty banks in States where there are large risks is touched upon by Mr. Thornton Cooke in an able article in the "Quarterly Journal of Economics" in the issue of November, 1913. Mr. Cooke says, on page 82 of this issue: "It has already been pointed out that the inevitable effect of a State-administered system of deposit insurance, or guaranty, is that the State cannot limit the size of single risks, nor can it avoid the conflagration hazard by fixing a maximum risk that it will assume in a single locality." Again, on page 110, he emphasizes the same idea, as follows: "A greater danger has just been mentioned—the impossibility of limiting the size of single risks, or of avoiding the concentration of risks in single localities." This certainly applies very definitely to the State of Louisiana and its banks. Mr. Cooke further states, on page 113, "that the fund must be large—not less than two per cent. of deposits, and larger than that in States where there are several banks with deposits several times the average."

The proposed law provides for an assessment of one-twentieth of one per cent. in the event that there are no failures. It would take forty years for the fund to reach the stage which Mr. Cooke, who has written a most fair and unprejudiced article, seems to think safe, and I think any insurance man will agree that his figures are far from too large.

In summing up his able article on Deposit Guaranty, Mr. Cooke states as follows: "The plan does not spread. Many other State legislatures adopted it in the first few years, but less is heard of it now. South Dakota, as we anticipated, has left its plan unused. It would take many failures close together, or a general suspension of payments, to bring about the general adoption of the plan now where it is not already in force. If Congress provides an effective method of mobilizing reserves and providing ready credit on farmers' paper, little will be heard of guaranty for some time."

The State of Mississippi has enacted such a law, but it is not strange that such should be the case. For some reason succeeding legislatures failed to enact any banking law in Mississippi. Such an act, and a very good one in most respects having been defeated in 1912, the result being that some unscrupulous and incapable men engaged in the banking business, with the inevitable result that there have been an unprecedented number of failures in that State. Had a good law been passed in Mississippi two years ago, the chances are that no guaranty law would be in vogue in that State at this time.

Now I take it that almost all bankers in this State are opposed to this guaranty law. At the same time we must not overlook the fact that there have been weak spots in our banking system and that our banking laws need revision. There is no doubt that most bank failures are caused by excessive loans to single persons, firms or corporations, and the success of the National banks in the United States has been

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

largely due to the wise restrictions placed upon them as to the size of loans. I believe that a law similar to that which applies to National banks regarding the size of loans, but not so stringent, should be passed in this State. At the same time we must remember that conditions here have always been a little different from those prevailing elsewhere, on account of the large sums needed to handle our sugar crop. The financing of sugar plantations in the future will be by means of long-time bonds; the banks will be relieved of this form of loan, and within two or three years from this time I look to see a decided change in the situation. When that occurs, I believe that the amounts which banks can loan to their customers should be materially curtailed.

I believe also that banks should be prevented from borrowing as heavily as they have done in the past. The National Bank Act has a wise restriction in this respect, and while I doubt if it would be well to restrict our small State banks to the same extent, there is no doubt that some restriction should be placed upon them. The law should be extremely stringent also concerning loans to officers of banks. Theoretically, it is wrong for an officer of a bank to borrow from his institution; practically, it is sometimes necessary and proper, but some wise restriction should be applied.

When our laws have been amended along the lines suggested, and with proper supervision which will prevent banks from failing before their capital and surplus has been exhausted, the depositors in State banks will lose very little in the years to come.

WHAT THE INSTITUTE IS.

By George H. Keesee, Assistant Cashier of the Merchants' National Bank of Richmond—Address Before the Virginia Bankers' Association.

BACK in 1900, when the American Bankers Association met in Richmond in annual convention, they first started the organization of what is now known as the American Institute of Banking, and I can hardly believe that the promoters ever dared dream the movement would meet with such success as the present day has brought to our organization.

The principal thought then and still is, the uplift of bank employees by increasing their efficiency through the interchange of ideas and technical education. Our aim, though, is not simply to make the bank employee a more profitable bookkeeper or collection clerk, but to better equip the man as he passes through these various stages, attempting to impress upon him that thoroughness in every little detail will finally give him such an insight into the intricacies of his chosen vocation that each day will prove but a stepping stone to our ultimate goal—the production of a true banker.

Our education also must be twofold; for while we are training the future banker we must bear in mind that he, in turn, is to shoulder the burden of teaching the principles of banking to the customers of his community, and not a few of the general public are yet to be converted from the old idea of 'a dollar saved is a good time wasted.'

The banker of to-day, more than ever before, requires knowledge of a wide range of subjects, such as money, finance, credit and instruments of credit, accounting, business building, together with crop and market conditions. For the purpose of imparting or disseminating information relative to this wide range of subjects, we have worked out, through years of practice and the school of experience, two systems which are now enabling us to realize to quite an extent the dreams of our founders.

The banks of the larger cities are of such size that it is necessary that they be divided into departments. Therefore, an employee in one department has little opportunity during business hours to acquire definite knowledge of the workings of a dif-

ferent department. The man with ambition is not satisfied with these conditions if there is a department in his institution higher than the one in which he is employed, and in such instances as these is where the Institute is doing a part of its work in the cities.

For while this man does not have the opportunity of learning the other man's duties during banking hours, yet by the exchanging of ideas at the evening meetings of the local branch of the Institute or by the presentation of a paper relative to the workings of a certain department, he is able to get the principles of not only one desk, but in time a very general insight into each department of his institution, and when the time for a promotion arrives he is already prepared to assume the new duties.

Now in the smaller cities and the interior towns where there are few employees, the bank clerk is expected to be able to fill any position in the bank; while the officers are expected to be able to answer almost any question about business that a farmer or rural merchant may ask. The clerk, if he will apply himself, can soon learn to handle the routine of the different desks, as their systems require little departmental work, but when he becomes an officer in the institution he has a much more difficult task, as it is then that he becomes the adviser of his community and there falls upon him the burden of answering correctly the questions put to him, and when I say correctly, I mean "Know that you are correct and give your answers in such a manner that your customers will feel that there is not the least bit of doubt in your mind as to your knowledge of the subject." Then, again, your advice should be proper, for it would not be good policy for the banker to learn these difficult points in commercial law at the expense of his customer.

Now to properly equip himself for his new surroundings, there is no better opportunity offered than through the medium of the American Institute of Banking. Thus we have the American Institute of Banking fulfilling a much needed want in both the cities and rural districts, although in different manners. In the cities we have what are known in the Institute as chapters, there being about sixty scattered throughout the United States, with a membership of about fifteen thousand. These chapters are regular organizations holding meetings once a month or oftener, according to the needs of the community and the enthusiasm of its members. On regular chapter nights technical and current subjects are discussed by the leading financiers of the day, and very often by the younger chapter men themselves.

In addition to this, study courses are conducted under paid instructors, and in the majority of cases the courses are Institute courses. In New York last year they held classes five nights in the week, allowing the men to take such courses as they desired. In Richmond we held only one class a week, but with a very good attendance. You will say that rural districts do not have such advantages. It is true they do not have the same opportunities of getting together in larger classes, but they can get the very same studies as the larger cities, and along the lines of benefiting the banker of the smaller communities is where the Institute hopes and expects to do some of its best work.

You will, no doubt, think that the rural districts and smaller cities do not have the advantages of getting together these classes, but a number of places throughout this State are so situated that with a little co-operation on the part of some of those just a short distance removed, classes of ten or even fifteen could readily be organized. Surely there are a number of young men in your immediate territory with the ambition to know more about the whys and wherefores of their work. If that is true, show some initiative; gather a few together, including those in your outlying districts, and exchange your ideas, and along with it conduct study classes and in that manner better equip the young men growing up in the bank with a full knowledge of their chosen profession. And, too, I believe that the older men will find any amount of benefit to themselves when they attempt to impart the knowledge gained mostly through the

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school of experience to others younger in the service.

Now, to those in the interior districts who have not the opportunity of the study classes, do not despair, for there is left to you the Correspondence Chapter, using the very same lessons as the courses in the larger cities, and along the lines of a wonderful development in this class of instruction is where the Institute expects to do a great work. I might say that you of this latter class have the advantage in that there is more leisure time in the evenings to give to study, not having to so great an extent as in the cities the lure of the Great White Way. An hour or more devoted each evening to the systematic study of banking and law you will find to prove a very interesting winter's work, and which has consumed only a small part of a winter's evening, and when there comes the time for the budding of spring you will realize that your task has not brought you a harvest of wild oats, but a crop of knowledge which we might call the staff of banking life.

The correspondence method provides for the individual instruction of the student from the general office of the Institute in New York, and the possibilities within the reach of this class of students can hardly be exaggerated. Often this direct contact, through correspondence, with the head of our educational department surpasses the work accomplished by classes in some of the chapter cities, and there are a number of cases in which the student while taking the regular classes through his chapter course, in addition is following his study at the same time through the Correspondence Chapter.

As above stated, the text literature is the same in both the chapter class and correspondence studies. The course has two classifications—Banking and Law. The first—Banking—embraces such subjects as "Wealth and Banking," "Bank Accounting," "Loans and Investments," "Clearing Houses," "Trust and Savings Institutions." The Law section considers commercial law in general and banking law in particular, while great stress is laid upon the subject of negotiable instruments. The four pamphlets in the Law section are under the following headings: "Law of Contracts," "Agency and Association," "Sales and Bailments," and "Negotiable Instruments."

At the completion of the studies the student is expected to stand an examination, although this is not required, and certificates of graduation are issued to the successful ones. I think that George E. Allen, the Educational Director of the Institute, covered the subject thoroughly when he said, "The Institute course of study thus arranged aims to provide elementary education for thousands rather than advanced education for hundreds or less, and graduation, as evidenced by the Institute certificate, should therefore be regarded as the beginning, rather than the end, of Institute activity. In other words, the Institute study course represents educational necessities rather than educational luxuries."

The cost to the correspondent student is greater than to the class student, as there is considerable work required of the instructors or examiners at headquarters, while with class students there is only the expense of pamphlets and the final examination. For the Correspondence Courses the cost is \$15 for each section, making \$30 for the complete course. To the employees of institutions which are members of the American Bankers Association the cost, however, is \$10 for each section, or a total of cost of \$20.

I have attempted to give you a brief sketch of what is the Institute, its purposes, how conducted, and the cost, yet this with but one object in view, namely, the benefit to be derived. The present and future have placed a premium upon the trained men, and especially so in modern banking, which has already become a science in which the division of labor is so minute that the daily routine does not give the employee knowledge of the principles of his profession. Therefore the need of an organization like ours that brings together those employed in the many different departments to a common center.

The membership of the Institute should, and would, include every bank employee if the appreciation of the benefits of the Institute was more uni-

versal. What more could you desire than the realization of the fact that one hundred hours of study to quite an extent had put you master of your chosen vocation?

Don't think that this alone will make you a banker, but if it is in you to ever become a banker, you will find the Institute courses a wonderful assistance in polishing off the rough edges. In by far the majority of cases the young men who are receiving official recognition in the cities are the men who are taking active interest in their chapters. For instance, in Richmond during the past eight years every officer appointed in the different banks, with possibly three exceptions, have been very active men in our chapter, and these exceptions, I think, in every case, have been men brought to Richmond from out of the city. I am informed that a prominent member of the Institute asserted a short time since that he had counted over seven hundred Institute men who in the last ten years have been elevated to official positions in their respective banks.

Reflect how long and tedious the work often is to secure the proper clientele for an institution; how easily and not infrequently this tedious work is undone by unaccommodating, careless, or incapable assistants; that it is in consequence incumbent upon the entire force of a bank, especially those whose daily duties bring them in contact with customers, to study human nature, to learn how to acknowledge its power, how to overcome its weaknesses, and how to juggle its whims and fancies. However influential the individual to whom an institution has attributed value may be, however successful he may have been, consider further that it is not simply success which you should seek, but the greatest possible success. And who would doubt that this can more likely be had through general efficiency of clerks, together with the uniform ability of officers? The American Institute of Banking is the means of establishing the personality in banking of greatest value. In its ranks the individual may modestly display and wisely develop intelligence and fraternalism, diplomacy and foresight. Here he should strengthen himself as a link in the chain of his bank employees. Here he should grasp to his fullest capacity the unbounded opportunity for self-improvement, the opportunity which perchance may never come again, remembering that upon the strength of the links upon the development in each individual of the inseparably allied spirit of fraternalism and education depend the strength of the chain, the value of the personality of his bank.

A large percentage of you have already decided that banking will be your life work. Back at home there is still a greater number who are also aiming to be bankers of the first water. Therefore, should this paper make an impression upon you, take these thoughts back to those who, though circumstances are so fortunate as not to have to listen to these few remarks relative to the great work which the American Institute of Banking is performing—master the principles of banking, study the intricacies of your profession, and if you are going to be a banker, be a real banker—a Leader.

AN OFFICER'S IMPRESSIONS OF THE A. I. B.

By Theodore G. Smith, Vice-President of the International Trust Company of Denver—Address at the Annual Convention of the Colorado Bankers' Association.

HAD it not been that I have always taken a very keen interest in the educational work of the American Institute of Banking, I scarcely think I would be willing to attempt to address you this morning, but I am so convinced of the value of broad and comprehensive training in conjunction with practical experience for the accomplishment of the maximum of results that I feel it my duty to say a few words in support of the excellent work now

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being done by the members of the Denver Chapter of the A. I. B., and possibly thereby give additional encouragement to those who are responsible for the development of this good work and those who are pursuing this course of study.

It is not my purpose in any way, to relate the history of the organization of the A. I. B., nor to lay any stress upon the development of the chapter in Colorado, for such information and data are familiar to all the members of the Institute, but to earnestly recommend the educational opportunities offered by the organization.

Reflecting upon the scope of these opportunities, some valuable practical lessons teaching fundamental qualities necessary in the life of a banker suggest themselves, so I am prompted to be somewhat serious in my remarks, and in order not to lose the value of my trend of thought I shall confine myself to my notes.

If we should resort to statistics I believe we would be amazed at the immense growth in banking in the United States in the past ten years, as well as the enormous expansion and development of our nation's resources, and as an accompaniment to this tremendous development has come the logical need for men of experience and mental activity to successfully cope with the varying important financial transactions arising.

A most capable set of business men have met this need, and their efforts have set a mark and accomplished a result that is a credit to any nation and the admiration of the world.

As we view the future we can clearly see greater and more complicated financial problems that must be successfully solved to insure the continued supremacy of the nation and the prosperity of its people.

As those who have rendered the greatest financial services to this country may soon pass away, we naturally become interested in those who are to take their places. The thought of creating available future material was undoubtedly in the minds of the executive officers of the American Bankers Association when, fourteen or fifteen years ago, they suggested a course of training for the development of the minds of young men which, coupled with actual banking experience, would fit them to well and ably master the many future financial problems that might arise.

I believe that with a careful analysis of the results of the efforts of the young men who have earnestly entered into this particular idea of training, we would be assured that the future work will be well done, and should there be a doubt, it would only be that there are too few of them who now see the wonderful opportunities and possibilities that this course places before them.

The successful banker or bank officer of the future will not be the one who develops himself along the lines of least resistance, but will be the one who is willing to diligently apply himself and earnestly work for the development and enlargement of the practical and mental activities of those who are to follow him.

I am laying particular stress upon this idea of study and endeavor, as we can too plainly see that with our present luxurious environment there is a great tendency in many walks of life for the present generation to live in the easiest way, believing that their sponsors and the world owe them a living: this actually paralyzes effort.

Remember that nothing that is substantially worth while will be gained except by hard and constant individual effort. It has often been said that there are many excellent positions in all branches of the banking business to-day awaiting the right man, and my experience teaches me that this is true. Yet it oftentimes seems impossible to realize that there are more positions awaiting the right man than there are right men awaiting positions. There is hardly a business of any kind that could not at this moment use the services of a better man if he could be found. It is not so much a question of how much salary will be paid a man, as it is what results can be produced.

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When we hear of certain men occupying prominent positions and receiving apparently enormous salaries in comparison with others in like positions, we will find that the man receiving the larger salary is a power and accomplishing results for his company which are fully measured in the salary he is receiving.

This thought I bring to you as one of encouragement, for, as I have been trying to impress upon you, it is within the individual himself to rise or fall, and we might almost say that it is a law of nature that a man may advance just as far as he may desire, and be just what he is willing to make of himself—but, understand, this cannot be done by merely "tugging at your boot-straps"—it must be by a clear understanding of the needs, demands and conditions of things, and by perfecting one's self to such a degree of efficiency that one is fully able to meet these demands.

Such an opportunity I believe is offered perhaps better by the course of study set forth in the educational work of the American Institute of Banking than by any other course of instruction which at this time might be suggested, for it has been carefully thought out by practical, trained officers of the American Bankers Association who from their own experiences have determined the exact character of mental training a young banker to-day should possess.

The foundation stone upon which the banker builds his business is character; and though heredity, association and environment may lay the foundation, yet nothing so strengthens it as a full and complete appreciation of the trust imposed in it.

No one who thoroughly develops himself for the many and exacting needs of his business, and learns to be firm and just to those whom he represents, can do other than broaden and grow in the estimation of his fellow man and be a power for good.

As one, through application, energy and development of character so necessary in the banking business, grows in the estimation of his clients and friends, so he grows in his own estimation and develops a degree of confidence that is a most valuable asset and an actual necessity at the time when great opportunity knocks at his door.

If a man believes and knows that he can do a thing, it is half done, and through continuation of similar effort his work will be accomplished. Possessing those qualities, he becomes what the whole world so dearly loves—an optimist. I challenge anyone to say that a broad-gauge, liberal-minded, well-balanced man can be other than an optimist. To him the world has too much to show of progress and the certainty of to-morrow for him to be discouraged. While, on the other hand, the man of little experience, incomplete and inefficient education, and a lack of the willingness to study the fundamental conditions of things, is so often the pessimist. The banker who keeps in close and intelligent touch with the underlying and fundamental conditions of the country is usually ready to foresee trouble, trim his sails, and prepare himself to extend credit and be a help in his community at the very time when his assistance is most needed, and still be optimistic of the future.

But the banker who is alarmed at every seemingly varied condition of business is the one who looks upon the surface of things and has not prepared himself to discriminate between legitimate changes of conditions and fancied ones; who is constantly in a state of panic, and a detriment to his community.

The value of anything one possesses is measured by what it has actually cost him to obtain it. There is no particular value attached to a gift, but there is immeasurable value in the things one has himself worked for. Oftentimes the price of an education is the sacrifice of comforts, and even some of the seeming necessities of life and denying one's self in many ways.

We often envy those whom we call lucky, or those possessed of great wealth—but remember, the greatest wealth is education, and education can never be bought—it must be earned; it is a part of one's self; something that can never be taken away from

him. One may perchance lose his position through a change of officers or a change of policy in the management, but what he knows, earned through application, thought and study, is one of his own individual and valuable assets that may always be used to advantage.

The broader one's education, the more incentive for future study and development. Nothing succeeds like success. One cannot build a house upon a poor foundation, but can once let him have a solid foundation and he can erect upon it any character of structure he may desire.

At present there is a very particular reason why a man should align himself with the educational work of the American Institute of Banking, and that is the great changes which may come over this country in the establishment and fulfillment of the principles and regulations of the new "Currency Act"; this is an advance in the methods of banking such as we have not experienced since the days of Alexander Hamilton, and from the opinions of the most astute financiers of this country will undoubtedly prove to be an enormous power for good. It was not conceived in a moment, but has been under consideration by competent financiers for many years, during which time a study was made of the most comprehensive and modern banking systems of the world. It was not brought out simply because it was a plan in the platform of the Democratic party, but because the economic conditions of the country at this particular time absolutely warranted it. Such a change, somewhat drastic in nature, must have the careful study of all bankers in the country.

Much responsibility will undoubtedly be placed upon the present and future generations of bank officers, so it is incumbent upon each and every one of us to be prepared to meet these demands.

Again, these changes will suggest other changes, as the whole world is passing through a great economic and sociological change, but I am firm in my personal opinion that all these changes will be beneficial, though right now they may be setting aside many established precedents and methods of doing business which are by many not relished at the present time. But the changes must come, because privileges have been abused.

It is the law of economics that in the end right will rule, and we all have firm faith in the intelligence of our American people, and in fact good people everywhere. They want good laws and competent men to administer them.

So far I have been addressing my remarks to the present and prospective members of the A. I. B., but, before closing, just a word to the executive officers and officials of the banks whose employees and associates may be members of the Institute. Let me urge you to thoroughly and fully investigate the principles and work of the organization and lend your sincere support to its development, giving every encouragement to those engaged in the work; this expression of your sympathy and co-operation, I firmly believe, will be a strong factor in the establishment of a well-balanced, well-educated, and capable force of clerks, which is the best asset a banking institution can have.

CHAPTER MEN IN PUBLIC WORK.

When Uncle Sam Wants Experts, He Knows Where to Get Them.

SECRETARY McADOO recently announced that the Federal reserve banks will be ready for business much sooner than expected. An immense amount of work has been done that does not appear on the surface. When the Federal Reserve Board organizes it will find comprehensive information, collected and prepared by the Reserve Bank Organization Committee, and reports made by a committee of experts, composed of H. Parker Willis, Chairman; Edmund D. Fisher, Andrew A. Benton, O. Howard Wolfe, Joseph A. Broderick, Ralph Dawson, and Stephen H. Farnham, of New York, on a system of uniform accounting, clearing house functions, commercial paper, etc. Messrs. Benton, Wolfe, Broderick, and Dawson are Institute men and have been active in the affairs of New York Chapter.

BANKERS' HEALTH COMMISSION.

Humanitarian Movement Organized on the Initiative of the American Institute of Banking.

THE BANKERS' HEALTH COMMISSION, organized on the initiative of the American Institute of Banking but distinct from the Institute for the reason that such work is beyond the constitutional limitations of the Institute Section of the American Bankers Association, is well under way.

The Bankers' Health Commission is conducted for the purpose of promoting or providing (1) health resorts where invalid bankers may obtain suitable accommodations on favorable terms; (2) ways and means of improving sanitary conditions in banking institutions; (3) physical culture tending to secure healthfulness and increase efficiency among bank officers and employees. The Commission conducts a Bureau of Information covering subjects pertaining to the province of its purposes. Any bank, trust company or savings institution may be an Institutional Member of the Commission upon election and payment of annual dues of one dollar—plus one cent for each officer and employee. Institutional members are entitled to maintain their invalid officers and employees at resorts identified with the Commission in accordance with such terms and conditions as the Commission may obtain or provide. Any officer or employee of a bank, trust company or savings institution may be an Individual Member of the Commission upon election and payment of annual dues of fifty cents. Individual members are entitled to accommodations for themselves at resorts identified with the Commission on such terms and under such conditions as the Commission may obtain or provide. Any officer of a bank, trust company, savings institution or bankers' association may be a Life Member of the Commission upon election and payment of life dues of \$100. Revenues from life membership dues constitute a reserve fund of which some designated trust company shall be trustee under provisions for (1) the investment of the principal thereof and (2) the payment of interest thereon into the current account of the Commission. Upon the written consent of two-thirds of the life members any part of said reserve fund may be invested in property for health resort purposes.

To fulfill the purposes of the Commission in regard to health resorts, it is necessary to consider not only the infinite variety of invalidism among bankers, from tuberculosis to tiredness, but also the climatic characteristics of different regions and the cost of transportation between different localities. Conditions thus presented can only be met by an extensive system of regional resorts, and in the judgment of the Commission it is expedient at the present time to make alliances with existing sanitariums and ranches and camps rather than to attempt to own and operate such enterprises. George E. Allen, Educational Director of the American Institute of Banking, is Secretary of the Bankers' Health Commission, and any inquiries sent to him at 5 Nassau Street, New York City, will be answered.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

THE PRICE OF SUCCESS.

By Frank A. Vanderlip.

IF you hope for a large measure of success you must make up your mind to do two full days' work each day—one full day's work at your regular appointed task. Also you must voluntarily and vigorously assume every other duty to which you can lay your hands in addition to that stint, so you may learn the technique of the work that others are doing. If you are to secure one of the large prizes of success you must, when the regular day's work is finished, be prepared systematically to devote some considerable portion of time to study and toward gaining a broad and intelligent view in its large aspects of the work with which you are engaged.



INSTITUTE CHAPTERGRAMS

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

DALLAS CONVENTION.

WHAT THE PROGRAM COMMITTEE HAS PROVIDED.

Transportation Arrangements for Eastern and Western Delegates.

THE Program Committee for the Dallas Convention has tried very hard to get every feature of the proposed program definitely decided on in time to permit the printing of the complete program in the August BULLETIN, but, while we are ready to announce below the full general outline of the program, we regret that circumstances prevent us from publishing the names of several of the most prominent speakers, who, while they have practically consented to come, have asked us, for reasons of their own, to defer announcement until after August 15th, which, of course, means that BULLETIN readers will not get the interesting news until they receive their September number.

Let no one doubt, however, that the Dallas Convention will be "up to standard" in every respect, and will give the ambitious bankman an opportunity to learn more about present-day-banking in three days than he could learn by weeks of theoretical study or even months of practical every-day routine. For not only will we have the best and most active of the younger bankmen from all over the United States assembled there for mutual improvement and good-fellowship, but we will also have a number of the "old timers," who have "made good" many years ago in their chosen field, represented on the program. And let it be said right here that there will be very few long speeches on any subject at the Dallas Convention, but, instead there will be a great many short, "snappy" talks on the important subjects of the day.

The Program Committee believes that the Institute has now so many able and prominent bankmen among its own members that it should avail itself of this material just as far as possible at its Annual Meetings, and when the final program for the Dallas Convention is announced it will be found to contain more speakers from the ranks of the Institute than any other meeting we have ever held.

So far as the social and entertainment side of the Convention program is concerned, the Committee wishes but to state that New Orleans and Dallas Chapters are making careful preparation to show the visiting delegates what the words "Southern hospitality" really mean, and we have no doubt that all of the Southern Chapters which will entertain the Convention will do justice to the South's best traditions along this line.

The informal opening of the Convention will really take place on

Sunday, September 20th,

the day on which New Orleans Chapter will be host to the delegates who will spend the day in the Crescent City on their way to the Convention. Present plans indicate that most of the delegates will arrive either late on Saturday evening or early Sunday morning, and New Orleans Chapter has arranged to take all of the visitors for an automobile ride first through the old and historic part of the City, and then through the modern portion, with its beautiful homes and attractive tropical parks. The

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automobiles will bring the delegates to the shores of Lake Pontchartrain, where luncheon will be served at the Southern Yacht Club, after which the delegates will be taken in automobiles over the Riverfront and modern docks of New Orleans, and will then be given an enjoyable ride on the Mississippi River. At 7:00 P. M. the special train will leave over the Texas & Pacific, arriving in Dallas the next evening, the plan being that a stop will be made in Shreveport for the purpose of giving the delegates an opportunity to inspect the wonderful oil and gas fields which are located within a few miles of that city.

So far as possible, it is planned to have the registration of delegates accomplished on Monday evening so that Tuesday morning's session can start promptly on time, it being the earnest desire of the Program Committee to have all sessions start at the advertised hour, so that no portion of the program will be crowded out on account of lack of time.

Tuesday, September 22, 1914.

MORNING SESSION 9:30 A. M.

Called to order by President Dreher.

Invocation.

Address of welcome to Dallas and the South, by W. M. Holland, Mayor of Dallas.

Response for the American Institute of Banking, by L. H. Woolfolk, Seattle, Vice-Chairman of the Executive Council.

Greetings from the American Bankers Association, by Frederick E. Farnsworth, General Secretary American Bankers Association.

President's Address, H. J. Dreher.

Executive Council report, William M. Rosendale.

Secretary's report, W. B. Kramer.

Treasurer's report, F. J. Mulcahy.

Address: "Rural Credits," by the Hon. Hatton W. Summers, Congressman at large of the State of Texas.

Adjournment.

After adjournment of the morning business session delegates will be taken to the Fair Grounds, where an al fresco luncheon consisting of Texas barbecued meats and other good things, will be served. After this event a short business session will be held at the Fair Grounds, at which

A Speaker of National Prominence

will address the Convention. This address will be on a subject of National interest, and will be an event to which the public at large will be invited.

After the adjournment of this business session there will be a broncho "busting" and steer-throwing contest, which promises to be one of the most interesting features of entertainment. The noted cowboy "Booger Red," winner of the \$1,000 prize at last year's broncho riding contest, as well as numerous other masters of the art of "rough riding" and roping, will participate, and the Convention visitors will be given a thrilling demonstration of Western pastimes as they really exist.

Evening Entertainment.

After the Wild West Carnival is over, the delegates will return to their hotels, and after supper will be treated at one of the local theatres to a performance called "The Night of Stars." This entertainment promises to be indeed a "star" feature of the pleasure program. An all-star cast of A. I. B. Vaudeville artists will stage an elaborate program of seven or eight acts, consisting of music, dancing and comedy. The personnel of this performance will be National in scope, as the performers are being selected from the larger Chapters throughout the United States.

Wednesday, September 23d.

MORNING SESSION 9:30 A. M.

Invocation.

Symposium on "Federal Reserve Bank System."

(a) Address "The Federal Reserve Act," by one of the members of the Federal Reserve Board.
 (b) "The Transformation of Banking Practice under the Federal Reserve Act."

- (1) "Exchanges and Transits," by O. Howard Wolfe, Secretary Clearing House Section, A. B. A.
- (2) "Foreign Exchanges and Foreign Banking," by Jno. J. Arnold, Vice-President First National Bank, Chicago.
- (3) "Credits and Commercial Paper," by C. B. Hazlewood, Asst. to President, Union Trust Company, Chicago.
- (4) "Note Issues"—Speaker to be announced later.

AFTERNOON SESSION 2:00 P. M.

Debate "Resolved that Federal Government Ownership of the Telephone and Telegraph Lines would be for the best interest of the Country."

Affirmative—Chicago Chapter.
 Negative—Philadelphia Chapter.

After the adjournment of the afternoon session there will be two important events before the evening's entertainment starts, viz:

Conference and dinner of Chapter Presidents—W. A. Nickert, Philadelphia, Chairman. This Conference promises to be a very interesting event, and arrangements will be made so that this session, including the dinner, will last at least two and one-half hours. Chairman Nickert is preparing a very elaborate program for this occasion.

At the same time the Conference and Dinner of Chapter Presidents will be held, there will also be held a

Conference and dinner of the Fellows—F. W. Ellsworth, New York, Chairman. At this Conference it is planned to have a thorough discussion of the Fellowship problem, and the open letter which President Dreher is publishing elsewhere in this issue will be fully discussed by the Fellows themselves.

It is calculated that the two dinners in question will adjourn at about 8:30, after which time the delegates will be taken to the Fair Grounds for the

EVENING'S ENTERTAINMENT.

This will be one of the most unique features of entertainment offered by the hosts, and will be called the "Mexican Commerz." The Program Committee is not informed as to just how the German word "commerz" got mixed up with the Mexican situation, but we are told that the evening will be given over to a jollification, dance and supper, in which the predominating note will be the charming hospitality dispensed by the dark-eyed senoritas referred to in Congressman Sumner's speech last year. You will have an opportunity to meet these senoritas, dance with them and be served delicious Mexican dishes and refreshments by them. Although they have perhaps never seen Chepultepec Castle or Old Seville, being in fact the wives, sweethearts and acquaintances of the Dallas Chapter men and their delegate guests, yet the music, costumes and refreshments will faithfully carry out the Spanish idea.

Thursday, September 24th.

MORNING SESSION 9:30 A. M.

Invocation.

Symposium, "The New South."

Ten-minute talks illustrated by stereopticon views and moving pictures.

1. "The South of Yesterday, To-day and To-morrow," George H. Keese, Richmond Chapter.
2. "Agricultural development of the South," Atlanta Chapter.
3. "Cotton, Sugar and Rice," Speaker to be announced later.

4. "Cattle Raising in the South," Roy C. Vance, Fort Worth Chapter.

5. "Industrial and Commercial Development of the South," M. M. Bellah, Birmingham Chapter.

6. "Drainage, Reclamation and Irrigation in the South," M. S. Murray, Houston Chapter.

7. "Good Road Movement in the South," Walter F. Voorhies, Shreveport.

8. "Southern Ports and the Panama Canal," New Orleans Chapter.

9. "The South as a Field for Investment," Lee Benoit, Southern Representative Bertron, Griscom & Company, New York.

Discussion on "How the Institute may extend its influence in public affairs," E. G. McWilliam, Chairman.

Four ten-minute talks by members of the Committee.

AFTERNOON SESSION 2:00 P. M.

Unfinished business,
 Committee reports,
 Election of officers,
 Selection of Convention City,
 Adjournment.

Immediately following the adjournment of the afternoon's session the delegates will be taken for an automobile ride through Dallas, which will give them an excellent opportunity to see all the interesting portions of this hustling city, not omitting, of course, the beautiful residential section, of which Dallas is so justly proud.

Evening Entertainment.

On the last night of the Convention the delegates and their ladies will be entertained with a dance and tango party at the Dallas Country Club. This event is planned to be a fitting climax to the round of gaiety and pleasure that will mark the local entertainment program.

Special Plans for Visiting Ladies.

The local entertainment committee announces that Dallas will bend every effort to make this convention eclipse all previous gatherings in the enjoyment afforded to the ladies who accompany the various delegations. A Ladies' Committee has been appointed, whose business it will be to see that every minute of the time spent by the feminine guests in the convention city is thoroughly enjoyed. The assurance is given that their comfort and pleasure will be given constant attention and at no time will the program for their entertainment be allowed to drag or time grow heavy on their hands. It is earnestly hoped that a record-breaking number of ladies will make the trip to the convention.

Among the special features provided in honor of the visiting ladies will be the following (dates and places to be announced later): A "Get-acquainted" Reception; musicale and luncheon in palm garden of a local hotel; tour through shopping district; reception tendered by ladies of Dallas at Lakewood Country Club; theatre party. These special attentions to the ladies are being planned, of course, in addition to the regular entertainment provided for the convention as a whole, it being understood that the ladies will enjoy their full share of the latter. As a rule, Texas enjoys delightful weather during the days of its "Indian summer." While the days are moderately warm and summer clothing will be in order, the nights are cool and pleasant.

Texas Tour.

After adjournment of the Convention a three-days' trip through Texas will be arranged, for which exceptionally low rates will be granted, and which will enable the delegates to form an excellent idea

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of the history, resources and development of that great State. The route for this trip will be as follows:

Friday, September 25th, Fort Worth.
 Saturday, September 26th, San Antonio.
 Sunday, September 27th, Houston and Galveston.

From Galveston delegates can either return by boat to the East or by train to any section of the Country, reaching home about October 1st.

Thirty or forty of the Dallas Chapter men will accompany the delegates on this Circle Tour, and a Special Through Train has been arranged for. The Committee in charge of this trip promises that there will be something doing every minute of the time and that he Chapters in Fort Worth, San Antonio, Houston and Galveston are making elaborate preparations for the entertainment of their guests.

In conclusion, the Committee again invites all Chapter men who have any suggestions to make for the improvement of the proposed program, to write to any of the members of the Committee, who will gladly receive any such suggestions.

T. R. DURHAM,
 H. P. MAY,
 R. S. HECHT.

Eastern Transportation Arrangements.

A majority of the Eastern delegates will take advantage of the hospitality of New Orleans Chapter en route to the convention, and it is hoped that the party will be large enough to warrant a special train out of New York over this route. As evidence of the popularity of New Orleans Chapter's invitation, most all of the Western and Northern New York delegates have signified an intention of going to Dallas this way. New Orleans will assuredly grant her full share of appreciation in the manner of her entertainment, and delegates choosing this route will, without a doubt, greatly benefit by it. Those of us who have heard of how the delegates of the American Bankers Association were treated while in New Orleans a couple of years ago can attest this assertion.

The post-convention Texas circle trip and the delightful and restful voyage homeward bound from New Orleans on the Southern Pacific steamer is sufficient inducement for us to anticipate a fortnight well spent, and give us food for future pleasant reminiscence.

The following resume of the rates and duration of the trip for Eastern delegates may be of interest:

APPROXIMATE DURATION OF TRIP.

TOUR "A"—All rail, going and returning... 8 days
 TOUR "B"—Rail going, and returning by steamer from New Orleans...13 days
 TOUR "C"—All rail going and returning, including Texas Circle Tour...12 days
 TOUR "D"—Rail going, and returning by steamer from New Orleans, including Texas Circle Tour...17 days

RATES FROM AND TO NEW YORK.

Delegates from New England and New York State can buy individual tickets to New York City, where party rates can be taken advantage of. The party rates via the Southern Railway and New Orleans to Dallas have been equalized to the Pennsylvania Railroad rates via St. Louis.

NEW YORK TO DALLAS—Party of 10 to 24, \$33.92 each; party of 24 or more, \$32.97 each.

DALLAS TO NEW YORK—Southern Pacific Railroad to New Orleans—Morgan line to New York, including meals and berth on steamer, Party of 10 to 25, \$33.35 each; Party of 25 or more, \$31.95 each; Individual rate, \$45.25 each. Pullman rates upon application.

IMPORTANT—If reservations and choice of route have not already been made, it is important for delegates to make arrangements for same as

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soon as possible. Particularly, steamer reservations on the return trip, as the boat has not been chartered, and rooms are going fast. Tickets for the Texas Circle Tour and the return trip from Houston will be issued in Dallas. For reservations, rates, etc., in Eastern territory, apply to M. W. Harrison, 335 Fulton Street, Brooklyn, N. Y.

Western Transportation Arrangements.

CHICAGO SPECIAL.

Leave Chicago (Union Station) Sunday, September 20th, 11:15 A. M.

Arrive St. Louis Sunday, September, 20th, 7:00 P. M. Chicago & Alton Railroad.

Leave St. Louis Sunday, September 20th, 9:00 P. M. Arrive Parsons, Kansas, Monday, September 21st, 8: A. M. Leave Parsons, Kansas, Monday, September 21st, 8:20 A. M. Arrive Dallas, Monday, September 21st, 6:00 P. M. Missouri, Kansas & Texas Railroad.

Convention Tuesday, Wednesday, Thursday.

Circle Tour of Texas Friday, Saturday, Sunday, Monday.

Leave Houston Monday, September 28th, 7:40 P. M. Arrive New Orleans Tuesday, September 28th, 7:40 A. M. Frisco Lines.

Return trips are optional with the individuals.

TICKETS AND RATES.

Through tickets will be issued for the entire trip, except that a special ticket for the circle tour must be purchased in Dallas.

Chicago to Dallas and return via New Orleans, \$48.20.

Chicago to Dallas and return same way, \$37.75.

Pullman—Chicago to Dallas, \$5.75; Houston to New Orleans, \$2; New Orleans to Chicago, \$5. Tickets for the circle tour (including Pullman) will be \$10.50 for holders of tickets through New Orleans, and \$14.50 for holders of tickets to Dallas and return.

ALBANY.

By Alfred L. Taylor.

SINCE the last chaptergram our president, Mr. Henry Rockwell, has signified his intention of attending the Dallas Convention, and it certainly looks as if Albany will be well represented and heard from. It assuredly is a great recommendation to our fellows to attend the chapter conventions when members who have "been there before" want and intend to go again. Probably a great many more would go if they "had the price" and it wasn't such an awfully long walk.

The president has appointed the Educational Committee for the coming season, which consists of Messrs. Mills Ten Eyck, John C. O'Byrne, and Gardner Perry as chairman. Mr. Perry is a graduate of Harvard College and an expert on bonds. It is his intention to get a very strong educational teacher for the first part of the course. There are many very fine schools and colleges near Albany to select such a man from. In Schenectady we have Union College; in Troy we have the Rensselaer Polytechnic Institute, a very widely known engineering school; and there is Williams College in Williamstown. When the fall work is commenced the members will find that they have before them a year of great pleasure and profit and a list of educators and speakers that will make not only the members of the chapter, but the bank officers as well, sit up and take notice. This is to be a banner year and the officers have put their shoulders to the wheel and do not intend to take them away until they have reached the top.

The boys who finished the course for the past year have their diplomas. They are much admired for their beauty as well as for what they represent, and those who have not received one intend to get down to hard work and acquire one for themselves.

BALTIMORE.

By Theodore C. Thomas.

AT the July meeting of the Board of Governors the following members were elected delegates to the Dallas Convention: Albert N. Smith, Merchants-Mechanics National Bank; J. Leonard Hoffman, Guy H. Reese and C. Leland Getz, Townsend Scott & Son; Daniel Reitz, Munsey Trust Company; J. H. Dorsey, Fidelity & Deposit Company; James D. Garrett, Central Savings Bank; Benjamin H. Heath, National Bank of Baltimore, and Theodore C. Thomas, Alex. Brown & Sons.

J. Leonard Hoffman was elected vice-president and J. Louis Schwab was elected a governor to fill the vacancy caused by the death of our fellow member, Henry W. Franz.

A resolution of sympathy was adopted and a copy sent to the family of Mr. Franz. Baltimore Chapter has indeed lost a faithful friend and worker in the death of Mr. Franz.

The new officers are busy planning for the coming year and we anticipate great results from the various classes.

CHICAGO.

By Thomas J. Nugent.

CHICAGO CHAPTER is particularly interested in the election of its candidate, John W. Rubecamp, to the national executive council. Mr. Rubecamp has always been in the front rank of activity, where the work was heaviest, from the first appointment on a minor committee years ago, to the presidency. Always faithful, energetic and willing, never shirking, but ever working with an optimism and cheerfulness that brings results. We feel that he is peculiarly fitted for the position—practical and persevering—he typifies the Chicago spirit which has kept this Chapter in the forefront



JOHN W. RUBECAMP.

and furnished some of the best men the Institute has known. He is a Graduate and a Fellow of the Institute. The Chapter has unanimously endorsed his candidacy and asks earnestly that he be elected.

We are subbing as Bulletin correspondent this month for Guy Cooke who has lost compression and developed a temporary squeak in his thorax or some such wheel in his machinery. Consequently we have mighty little news on tap. The Executive Committee meets regularly and settles the problems, bills and other matters that confront the organization; the Membership Committee has started on the recurring campaign for members; other committees are laying plans for the coming year and the delegation is ready to start for Dallas whenever "Transportation" Joe Schroeder pulls the cord. We expect the pleasure, as

in past years, of renewing old and making new acquaintances among the delegates going through Chicago. We will try to make them feel at home while with us and hope they will join the special train to Dallas.

The outlook for the coming year is good. President Gorby has an excellent bunch of hustlers with him on the Executive Committee and other committees are in the hands of capable and tried men. Conditions are favorable and everything is in a healthy state.

Fred Ellsworth of New York, whom we still claim as our own, called on as many as he could reach while on his way back home from the North Dakota Bankers' convention.

Henry B. House of St. Paul, one of our former bright lights, was in town for a few days and made the rounds.

We were glad to learn of the promotions of Raymond B. Cox of Boston, Edgar Hughes and Al Kasper of Milwaukee and J. W. Bradley of Spokane, and on behalf of Chicago Chapter extend hearty congratulations and best wishes.

We also take pleasure in announcing that James B. Forgan and George M. Reynolds have been elected directors of Federal Reserve District Number Seven. Heavyweight champions in the field of banking.

DENVER.

By Marsdon E. Weston.

THE Institute work for the new year started in Denver two weeks ago with a vim. President Daley sent out a call to every newly appointed committeeman to attend an informal dinner at the Colorado Electric Club in the Chamber of Commerce Building, and about fifty were present. They were there for business, but had a pleasant time too. R. M. Crane, ex-president, presided and the chairman of each committee outlined the course which will be followed by his committee this year. The spirit of good-fellowship prevailed. It served to unite the committeemen in such a way as might not have been possible except on such an occasion, and the prominence which was given each committee had the effect of drawing the earnest endeavor of each man into the work of his committee.

The tremendous possibilities open to an A. I. B. man are being recognized here. Denver bank clerks are beginning to realize that the young man with an idea and an ambition can "get there" by the A. I. B. route faster than by any other. The time has come when the man who fills the big position must be a man of high order. He can no longer be a "jack of all trades." He must be a man of expert knowledge, and if he is not, he must content himself with being a second rater. Denver Chapter has done much to change the viewpoint of bank men here in the last few years. It certainly was an inspiration to be present at the dinner just referred to, and note in the faces of those fifty young men their expressions of keen optimism and hope, uprightness and determination.

It is understood that Educational Director George E. Allen will publish in the September BULLETIN a list of Institute Graduates of last year, but especial reference should be made to the good work of three Denver men who took the "Wealth and Banking" course which closed in May. Mr. A. E. Ferguson, Cashier of the First National Bank of Englewood, completed the course with first honors, having made a mark of 95. Mr. G. F. Foley, of the Denver National Bank, received the second high mark of 93, and Mr. W. S. Raukohl, of the United States National Bank, was third, with a mark of 91. The average of the class was 86. Fifteen men successfully completed this course, which was in charge of Professors D. S. Duncan and G. A. Warfield, both of the University of Denver, and the retiring president of the chapter, R. M. Crane, who is also a lecturer in the University of Denver.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

Denver Chapter has reason to be proud of the work accomplished during the past year by one of its active members, Mr. George T. Wells, of the Denver National Bank. Mr. Wells, as Secretary of the Agricultural Committee of the Colorado Bankers' Association, has developed a system of agricultural reports which have attracted the attention and interest of the railroad companies operating in Colorado, the large livestock interests in Chicago, and the agricultural world throughout the West and Middle West. Mr. Wells' campaign has created considerable friendly rivalry and scientific study in the various counties of this State in development work. This in turn attracts the interest of the banker, who is called upon to furnish reports to the agricultural industry, thus resulting in loaning of more money for agricultural development.

Mr. Wells is to be congratulated upon the good his work has accomplished, and his enthusiastic support of Denver Chapter A. I. B. is recognized with full appreciation.

DETROIT.

By Fred. D. Greig.

AN uncomfortably warm evening did not deter a large number of our members from attending the general meeting of the chapter held in July, an interesting feature of which was an adding machine contest. The Burroughs Adding Machine Company courteously donated the prizes and the use of machines. Raymond Lichtwardt, of the People's State Bank, by a wonderful demonstration of speed and accuracy, carried off the first prize. Other winners were Earl W. Alles, Frank J. Maurice and George Steiff.

The following members were elected to represent Detroit Chapter at the Dallas convention: Earl W. Alles, the People's State Bank; Henry J. Bridgman, First & Old Detroit National Bank; Fred. D. Greig, Union Trust Company; Joseph J. McGrath, Peninsular State Bank; James P. McHugh, German American Bank.

The annual moonlight lake ride on Lake St. Clair took place Wednesday evening, July 15th, the palatial steamer "Put-in-Bay" having been chartered for the occasion. About six hundred members and their friends enjoyed the outing, which was featured by good music, dancing, refreshments and an elaborate program of entertainment.

HARTFORD.

By Calvin C. Bolles.

IN spite of the fact that the summer season is supposed to be more or less "dead" so far as Institute activities are concerned, things are booming in great style in the local chapter. President Kane is showing the stuff he is made of, and has gotten right down to work. The result is that already plans for a good part of the coming season's work have been formulated. "Getting the jump on the other fellow" and securing speakers early is the way to get good speakers for our meetings.

To assist him, President Kane has appointed the following committees:

- Educational—Arthur D. Johnson and Arthur C. Mason.
- Press—Calvin C. Bolles and Clarence T. Hubbard.
- Membership—C. T. Hubbard, I. Ray Peterson and Victor I. Neilson.
- House—Edward R. Barlow.
- Banquet—George F. Kane, Wilbur S. Sherwood and Warren T. Bartlett.
- Athletic—Earl W. Outtrim.
- Speakers—George F. Kane, Arthur H. Cooley and Henry H. Pease.
- Entertainment—W. F. Lawson.
- Library—Arthur H. Cooley, A. D. Johnson and S. G. Pierce.

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

On Tuesday, July 21st, the Phoenix National Bank completed the first hundred years of excellent service to our fair city. Organized in 1814, this strong financial institution has weathered our nation's most serious money panics, and is now one of the finest of New England's banking houses. Our chapter extends its congratulations, and trusts that many more centuries of service to our community are to follow.

Up in the "City of Homes," Springfield, Mass., there are some bank men with a reputation for being able to give a good account of themselves on the ball field. On Saturday, July 18th, these Springfield boys came to Hartford to show our chapter team what real ballplayers looked like. Bleehorn and Chase, our crack battery, were apparently not very much impressed with the up-river bankers, for they sent them home with a defeat to the tune of 7-4 trailing behind. Better luck next time, Springfield.

Hartford Chapter wishes to acknowledge with thanks the receipt from various chapters of a copy of their "Chapter Notes." We intend publishing something new along this line in the fall, and we are extremely glad to get a line on how the other chapters edit their papers. Congratulations, Dallas, on the excellency of your leaflet.

When the time comes for the resuming of our educational work in the fall, the administration plans to give the boys something different from previous years. The Banking course will probably be used alone this year. Lectures, by men who thoroughly understand the special feature of the course assigned to them to cover, will be one of the drawing cards. The English course of the Institute will be eagerly grasped from present indications. Nothing-but praise has thus far been heard from this new phase of the Institute's educational policy.

NEW ORLEANS.

By Raoul Prudhomme.

THE attention of the whole membership is now being focussed on the convention, especially toward the entertainment of the visiting delegates, who will be the guests of our chapter on Sunday, September 20th, while en route to Dallas. We have already secured encouraging responses from a number of chapters whose delegations will honor us with their presence, and it will be our aim to convince them that in doing so they have acted wisely and well. Besides being a city of great historic associations and of exquisite natural beauty, New Orleans is at present attracting the attention of the world by its importance as a commercial center. Our visitors will be treated to a delightful boat ride on the mighty Mississippi, greatest of rivers, and given a magnificent view of our unsurpassed harbor and the great port facilities possessed by this city. This in itself would be worth the stop-over. Our guests will also be entertained at a Creole luncheon at the Southern Yacht Club's magnificent new clubhouse, situated directly over the waters of beautiful Lake Ponchartrain; incidentally, this club, after the New York Yacht Club, is the oldest organized yacht club in the United States. We are not going to divulge just what a creole luncheon is; we want you to come and see for yourselves. Words cannot describe it. You cannot afford to miss it. Then, too, there will be auto rides through the ancient and modern sections of this old and beautiful city of ours. No trip to New Orleans could be complete without a tour of the old French and Spanish Quarter, familiarly known as the Vieux Carre, and which never fails to charm the visitor. And for those who have not yet made up their minds to journey this way, we beg to remind them that this is the home of the Sazerac and the Gin Fizz, known the world over the most delectable of beverages, besides which the fabled Nectar of the Gods pales into insignificance. Come and be with us, gentlemen, on Sunday, September 20th, partake of our hospitality, and let us show you how pleasure holds full sway when New Orleans acts as host.

New Orleans expects to send a record delega-

tion to Dallas, although up to the present the complete list of delegates has not yet been determined. Among those who have signified their intention of going are: R. S. Hecht, J. J. Plauche, F. J. Lloveras, R. S. Byrne, F. F. Michon and Stewart Wadsworth.

The chapter will entertain its members at a delightful dance to be given at Mannesier's Pavilion at West End, overlooking Lake Ponchartrain. This being the first entertainment of this kind given by the chapter, we expect to make it a banner one.

The local Bankers' Baseball League finished its season in a blaze of glory, all the games having been largely attended. The fans were treated to an exceptionally good article of ball this season and seemed to appreciate it. The handsome silver loving cup, donated by Mr. Howard, local manager of the Burroughs Adding Machine Company, was won by the crack team from the Whitney Bank, who lost but one game during the entire season. The trophy for the league's leading batter was won by Chester Vasterling, of the Hibernia team.

It is with a great deal of pleasure that we note the appointment of Mr. Harry Hardie to be Trust Officer of the Commercial-Germania Trust & Savings Bank. Mr. Hardie is an old Institute man, being at present Chairman of the Educational Committee, and his deserved promotion is a source of gratification to his many friends.

Let them forget, we again beg to remind the delegates that New Orleans expects them on Sunday, September 20th.

NEW YORK.

By Harold S. Schultz.

TO thoroughly carry out the purposes for which the American Institute of Banking was founded, with particular attention to the needs of its members in this City, New York Chapter will this year institute a system of education which in some ways is a decided departure from the methods heretofore used. As other Chapters may have similar conditions to face and to give them an opportunity to offer us suggestions, or to glean something from our plans, we submit this brief summary.

The two main conditions that have made a change necessary are: first, the large number of new men that enroll each year, and, second, the various grades of experience, and difference in ages of these men, many of them being beginners in banking work, and others having had a number of years of experience. To care for each one in the best possible manner and insure a growing interest in the work, the scheme that suggested itself is to grade the men according to years of experience and to provide instructors, whose sole object shall be to cover the subjects of which each particular class or grade stands most in need.

All members desiring to obtain the Institute Certificate must fill out, and file with the Secretary, a registration blank upon which shall be indicated the number of years, and the kind of experience he has had and whether or not, he has ever before completed a course given by the Chapter. If he is not eligible by having completed a former course to enter the regular second year class which consists of commercial law and fundamental business conditions, he will be placed either in a preliminary course, or in the regular first year course.

The preliminary course will be for those who have had less than two years' experience in a bank and insufficient previous school education. The course itself will be a combination of Practical Banking and Business English; the first twenty minutes of each evening being devoted to a talk by President Wolfe on those essential features of the banking profession which a young man just beginning, should know. This will be followed by an hour of Business English, conducted by Dr. F. M. Whitehall, of the Stuyvesant High School.

Upon the successful completion of this preliminary work the registered member will be entitled to enter the regular first year course, which will also contain those who have qualified by reason of high school training, or years of experience.

The work of this course will be divided into five parts, viz: (1) Four lectures on "Economics" by Professor E. R. A. Seligman, of Columbia University, (2) Four lectures covering "The History of Banking" and "The Federal Reserve Act," by Professor Chas. A. Green, Polytechnic Institute of Brooklyn, (3) Six lectures on "Bank Organization," "Administration," and "Accounting," by Professor Howard M. Jefferson, of the Alexander Hamilton Institute, (4) Six lectures on "Loans and Discounts" and "The Credit Department," by Mr. A. F. Maxwell, Manager Credit Department National Bank of Commerce, (5) Four lectures on "Stocks and Bonds," and "Bank Investments," by Mr. Franklin Escher, Editor of "The Investors' Magazine" of Wall Street.

The Second Year Course of Commercial Law consisting of eleven lectures on "Contracts," by Mr. Harrison; twelve lectures on "Negotiable Instruments," by Professor John W. Edgerton, of Yale Law School; and three lectures on "Corporations," by Professor Easterday of the Brooklyn Law School.

In addition to this regular course, there will be a number of special lectures dealing with the Federal Reserve Banks, Foreign Exchange, Credits, etc., and while all members of the Institute are welcome to attend each and everyone of the lectures in all courses, credit toward the Institute Certificate will be given only to those who register in the regular way and no one may register for more than one course in any one year except under special conditions, for we believe that one night each week of thorough work will do more for our men than several.

Raymond B. Cox—Institute graduate, former Institute President, and all round gentleman and scholar—has been made Vice-President of the Webster and Atlas National Bank of Boston. The moral is obvious.

PHILADELPHIA.

By Carl H. Chaffee.

PHILADELPHIA CHAPTER is proud to announce the addition of 32 graduates, who have qualified for Institute Certificates this year, to the 94 who have previously qualified, making a grand total for Philadelphia of 126 graduates. According to the reports we have received, this indicates that Philadelphia Chapter stands second in the number of graduates, as follows: New York, 152; Philadelphia, 126; Chicago, 124; Boston, 69. The members who have this year qualified for the certificate are as follows: Albert T. Andrews, H. C. Antrim, T. W. Astbury, Jr., L. H. Birkmire, Frederick Butler, A. H. Coate, S. M. Cunningham, Jr., Emil Cloeren, Paul B. Detwiler, Frank J. Dillon, R. W. Dukes, Chalmley Fox, G. W. Fizell, Jr., A. Freeman, H. W. Funk, C. E. T. Hayes, Claude Henderson, A. W. Lang, G. W. Lichtenberger, Franklin Lloyd, E. M. Mann, J. LeRoy Miller, John R. Naisby, Stanley R. Root, A. S. Rosenberger, James D. M. Ruth, F. E. Scheuerle, A. H. Wittingham, A. L. Willouer, E. O. Wolcott, H. B. Shill and A. H. Craigie. Those who passed the first-year examination are: William H. Aretz, A. S. Ashworth, R. S. Ewing, G. H. Efling, H. B. Fagan, L. B. Gillespie, Norman T. Hayes, H. A. Hogeland, G. W. Klenk, C. R. Kirk, William R. Leute, E. G. McFarland, J. M. MacMillan, Jordan Mathews, E. F. Rhoads, R. J. Richie, T. R. Simpson, Emmett Slater, P. N. Smedley, H. A. Smith, J. W. Steinmetz, R. G. Taylor and S. L. Wimley.

Active preparations are under way for the educational work of the chapter to start in October. It is proposed to conduct a course in Banking and Finance, a course in Trust Companies, a Post Graduate Course, and probably a special course in Credits.

Dallas is the objective point for a number of our members who are planning to attend the Institute Convention in September. The educational value of attendance at the conventions of the Institute cannot be overestimated, and the program outlined by Dallas Chapter for the entertainment of the delegates, to-

Bankers contemplating the use of our new Cipher Code, if they have not already done so, should read the Instructions on page viii of the New Code.

gether with the invitation of New Orleans Chapter to spend a day with them, should be a great incentive to chapter members to attend. Philadelphia Chapter delegates are looking forward to a renewal of old acquaintanceships and the forming of many new ones at this great gathering of men interested and working for the education of bank men.

Philadelphia Chapter is gratified at the enthusiasm with which the candidacy of William S. Evans for President of the Institute has been received. Influential members of chapters all over the country have indicated their pleasure in supporting Mr. Evans for this high office, recognizing that he is well qualified by his experience and ability. He has for many years been a power in local chapter affairs, and has also served on the Executive Council, and his interest in the Institute is evidenced by the fact that he has attended every Institute convention since 1907, except the one held last year at Richmond.

SACRAMENTO.

By C. W. Lauppe.

IT was a pleasure to recently learn of the success of our first study class. Of the seventeen members qualified every one passed favorably. The graduates are: W. E. Holmes, H. D. McGuire, Capital National Bank; S. E. Pope, George Lorenz, R. J. Mallett, L. E. Kenny, W. L. Landsborough, C. E. Gruhler, People's Savings Bank; D. A. Sherwin, H. B. Harvie, J. C. Wilson, R. E. Lee, Jr., H. D. Fowler, I. E. Mitchell, H. M. Weston, O. J. Futterer, and C. W. Lauppe, California National Bank.

A good measure of the success of the class is due to Instructor E. A. Brown, who gave every detail of his office careful attention. The result of the test has inspired the entire membership of the Sacramento Chapter into a desire for the immediate formation of more study classes and for which the Educational Committee has already taken preparatory steps.

Owing to a peculiar circumstance in the manufacture of checks supplied for our Adding Machine Contest held June 26th, by which one batch of checks was 101 in number and the others 100, another contest will be held July 24th.

Our monthly meetings are being well attended, and after vacation season some aggressive work should be done.

ST. LOUIS.

By J. E. Uhrig.

TO achieve success in the affairs of St. Louis Chapter in the auspicious manner which he has done, marks Frank C. Ball as a fit candidate for the Executive Council of the American Institute of Banking. We have given him locally our highest honors—twice electing him President—the duties of which office he has performed so wonderfully well that our progress still shows the impetus of his good work. Through his persistent efforts we have arisen from an obscure body to one that has sufficient force and reputation to be recognized as an educational society of some note. We ask our dear friends of the different Chapters to help us in placing him on the Executive Council, as his ability and qualifications make him the type of man needed in that role. The Committee in charge of Mr. Ball's candidacy—Messrs. F. L. Johnson, J. E. Uhrig, H. H. Aehle, L. C. Bryan and Byron W. Moser—takes this opportunity of presenting their reasons why St. Louis Chapter should be honored by having him elected to the Council.

"As you are probably aware, St. Louis Chapter has unanimously endorsed Frank C. Ball for membership on the Executive Council of the American Institute of Banking.

"Mr. Ball has been an active member of St. Louis Chapter for years—has served as President, is an Institute Graduate and a Fellow. He has attended

all annual conventions from Seattle to Richmond with one exception, and has, in this way, formed friendships with American Institute of Banking men in practically every City. We feel confident that the men who have been privileged to know Frank Ball will rally to the support of his candidacy.

"We believe that the Council should be composed of men of the highest caliber, and trust that his candidacy will be given the fullest consideration. Four members are to be elected to the Council, and St. Louis Chapter solicits your support for a man who is qualified to serve the Institute as it should be.

"Because of his complete fitness for the position St. Louis Chapter respectfully solicits the support of your Chapter for his candidacy."

SAN FRANCISCO.

By W. F. Gabriel.

CHAPTER activities are quite few in San Francisco during the summer months, most of our members having scattered over the State on vacation trips. Athletics are consuming much of the time of those at home, and we find a large majority of the boys are true lovers of the great outdoor life and exercise, such as can best be enjoyed in California and the Western States. Baseball reigns supreme during the late Spring and Summer, and now with the league just closing, we find four teams fighting hard for the Cup offered the winners. Others not on the ball teams are training in earnest for our Annual Track and Field meet, which will be held on August 22d. Many of our banks will enter teams and it is not unlikely that competition will break many of our records from last year.

The Exposition of 1915 already overshadows other activities. In a paper prepared for San Francisco Chapter, E. V. Krick of the Savings Union Bank and Trust Company, describes the great enterprise as follows:

The Panama Pacific International Exposition, commemorating a nation's achievement in constructing the Panama Canal, has been authorized by act of Congress of the United States, and will be held during 1915 in the city of San Francisco, the central and dominant harbor of Pacific slope.

On February 2, 1912, by proclamation of the President of the United States, all nations of the world were invited to participate.

The gates of the Exposition will be thrown open February 20, 1915, and will remain open until December 4, 1915, an unprecedented length of time, due to San Francisco's mild and equable climate.

Congress by its act entrusted the entire management of the enterprise to the State of California and the City of San Francisco.

In April of 1910, San Francisco's leading citizens were called together, and in a space of two hours raised a fund of four million dollars by popular subscription. Later this was increased to seven and one-half millions. In addition, the State levied a tax of five millions, the city five millions, and the counties (for displays) three millions, a total of twenty million dollars that the people of California are contributing to the proper fulfillment of the trust given them by the nation.

The actual work of construction began October 14, 1911, when President Taft turned the first spadeful of earth.

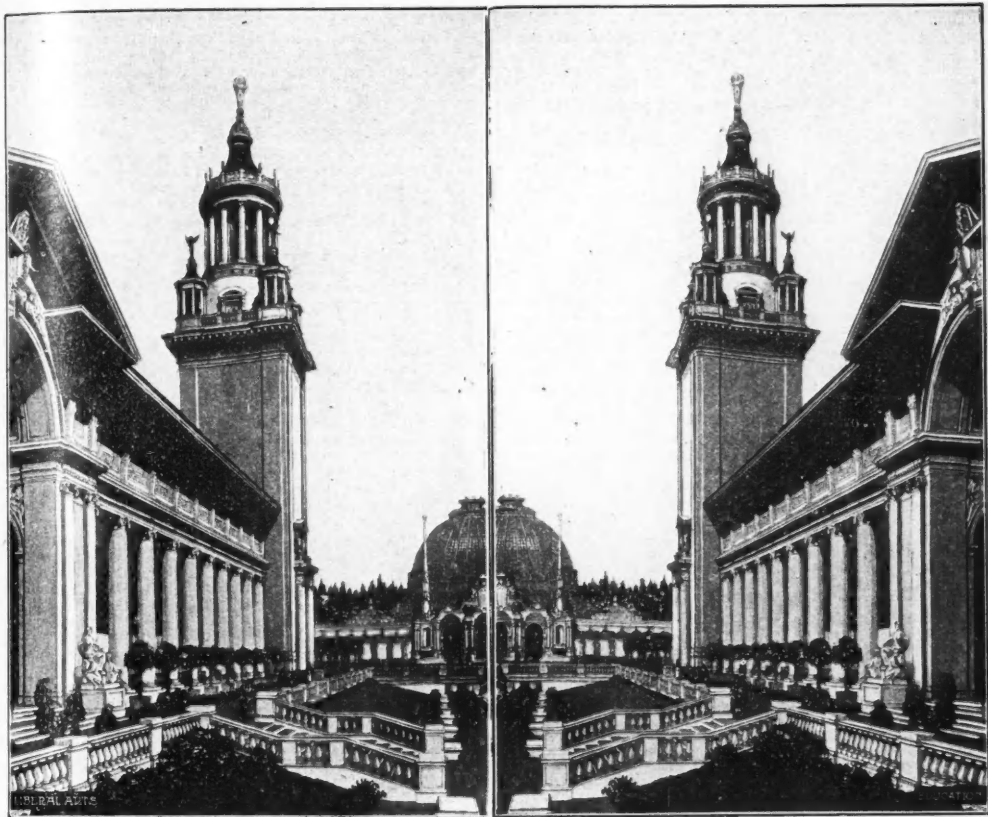
The period of construction—the first phase of the Exposition's life—was brought practically to a close May 27, 1914, with the installation of the first exhibit. The other sixty thousand are now being rapidly placed in their respective positions.

On May 27th, amid appropriate and enthusiastic ceremonies, a Diesel engine was installed in the Palace of Machinery. The progressive genius of the American manufacturer was thus fittingly honored.

The contrast which the Exposition grounds now present, as compared to their previous appearance, is very striking. This conversion has necessarily entailed many complex and awkward obstacles which have been successfully overcome.

The grounds comprise 635 acres of flat, water front land about 3 miles in length, along the bay

Before using the Cipher Code, read "DIRECTIONS FOR USING CODE" on page viii.



AN. EXPOSITION SCENE.

shore. Only a stone's throw from the western side the world's famed portals of the Golden Gate mark the entrance to San Francisco Bay. To the rear, Presidio Heights, crowned with home, overlooks the grounds, while across the Golden Gate, Marin County, "San Francisco's Play Ground," with its hills, mountain peaks, streams, lakes and forests, is a natural contrast to the work of man.

When the authorities took possession of the grounds, they found a flat, half sunken, salt swampy marsh with an accumulation of half a century's rubbish dumped in heaps over its surface. The leveling of these heaps and filling of swamps was naturally the first task to be performed. This was accomplished by pumping several million cubic yards of sand from the bay. Having secured the necessary foundation, the next essential to perfect the ground for the site was to sufficiently fertilize the soil. With the exception of spaces to be occupied by buildings, walls, streets, etc., it was necessary that the acreage be covered with from six to eight inches of rich earth. Forty thousand cubic yards were required for the purpose; fifteen thousand yards were procured in San Francisco, and twenty-five thousand yards were brought in barges from the Sacramento River bottom, seventy miles distant.

No expense has been spared to make the grounds and gardens an attraction. Gardeners have been sent to India, Australia, Africa, Central America, South America and the Philippine Islands to purchase shrubs and trees. So many of the first importations failed to withstand the sudden changed conditions, that a more satisfactory means of transplanting and

transportation was sought. After careful investigation and deliberation the "side-box" system was decided upon. Under this method six months are required before a tree can be removed. A large seven foot knife is used to cut the side roots some distance from the tree. The sides are boarded up and fertilizer is forced in to stimulate these small roots, enabling the tree to depend upon them for its life. After a lapse of six months, the tap root is cut, boards nailed on the bottom of the box and more fertilizer forced in. The tree is then ready for shipment.

To any one appreciative of flowers and gardens, there will be much of interest. The gardeners, in order to have the largest choice possible, sent to all florists and seed companies of any distinction throughout the world, asking for bulbs, seeds and plants which produce flowers of the colors desired. The response was enormous. With this tremendous collection the flowering plants and shrubs are being worked into a color scheme that will harmonize with the whole. When these are planted in the ground, duplicates will be started in green houses, to be used in replacing those in the open as they fade. While this arrangement will be costly, it will add much to the beauty of the grounds.

Structurally, the Exposition is divided into three sections—exhibit palaces, State and foreign pavilions, and buildings for concessions.

If you will read Instructions on page viii of our Cipher Code, you will avoid errors in the transmission or paying of money.

The principal division comprises the Palace of Machinery, the Palace of Horticulture, Fine Arts and the great main group of eight buildings subdivided by courts and including the Palaces of Varied Industries, Manufactures, Liberal Arts, Education, Mines and Metallurgy, Transportation, Agriculture and Food Products.

The Palace of Machinery is one of the largest building ever erected. It is 968 by 368 feet. It was completed January 1, 1914. One mile and a half of cornices were used in ornamenting the building. Four carloads of nails and fifteen hundred tons of steel bolts and washers were used in its construction. On May 2d this magnificent building was the scene of a now famous "Ball of All Nations," at which 20,000 masqued participants revelled in the delight of a grand carnival.

The Palace of Horticulture will be constructed almost entirely of glass and will cover five acres. It will be surmounted by the largest glass dome the world has ever seen—186 feet high and 152 feet in diameter. The building will be 672 feet in length and its greatest width 320 feet. An imposing nave, 80 feet in height, will run the length of the building, and paralleling the central nave there will be—one on either side—two side aisles, each 50 feet in height. This building is practically completed and floricultural exhibits are being planted.

The Palace of Fine Arts will be finished October 1st. It is a class "A" building, steel frame and concrete, and will be fire and burglar proof. The world's art masterpieces will be amply and safely guarded. In plan, the building is curved, with its east and west elevations forming parallel arcs which half compass an immense pool of still water where the architectural beauty of the place will be mirrored.

Architecturally, free play has been given to originality in all of the palaces and courts. There is a touch of the mysticism of the Orient, the realism of the Hellenic period, and the beauty and sensuousness of the old Spanish architecture, the luxuriousness and abandonment of the Italian, and the massive solidity of the Gothic.

The concessions cover 65 acres, representing an aggregate investment of ten million dollars. One hundred of the seven thousand applicants, have agreed to spend seven and a half millions. The main amusement street, officially termed the "Zone," will be 3,000 feet in length.

The plans for the illumination have been completed and include the most novel features of lighting ever before attempted. The entire Exposition will be treated as if it were a stage, and the source of light will be concealed in the same manner.

Instead of the outline lighting system formerly used, the spacious facades of the palaces will be flooded with a soft, pure, white light, accentuating the high lights and emphasizing the architectural shadows. Huge standards, ten to thirty feet in height, each bearing from one to thirty lamps, will be placed on the side of the walks closest to the palaces. Only the side facing the buildings will be left unobstructed. The faces will be shielded with metal banners artistically moulded and decorated. The lamps used will be known as "nitrogenous arcs," similar in form to ordinary incandescent lamps. The arcs have a metal filament composed of rare metallic salts, and where the ordinary filament burns in a partial vacuum, this glows in an atmosphere of nitrogen gas. The result is an intense white light. The main difficulty has been to manufacture a lamp small enough in light power, as one of these the size of a 32 candle power ordinary incandescent lamp would yield 2,500 candle-power. So intense and concentrated will be the rays that to look at the filament would be dangerous to the sight.

By peculiar and novel lighting devices the statuary and mural paintings will be made to appear with even heightened effect. Concealed batteries will project powerful yet softened rays of light that will cause tens of thousands of specially prepared glass

Errors in the use of our new Cipher Code have occurred only in designating numerals and dollars. Read the Instructions on page viii.

"jewels" hung tremulously upon the towers, to flash and scintillate like great diamonds, emeralds and rubies. At a point on the bay shore will be erected apparatus that will weave in the night sky auroras of ever-changing color. Altogether the spectacle will be interesting and wonderful and never to be forgotten.

The Tower of Jewels will be one of the chief attractions. It will stand four hundred and thirty-five feet high and will contain hundreds of thousands of various colored jewels. Thousands of these glass jewels will be suspended from feature points on the building. All of them have been hand-cut in Austria.

Two hundred and twenty-six congresses and conventions with memberships running as high as one hundred thousand, have selected San Francisco for their 1915 headquarters. A new feature has been introduced for these congresses and conventions. They will be classified and grouped so that students of special topics may time their visits to the Exposition so as to enable them to meet with those engaged along similar lines of activity.

April will be devoted to congresses having to do with public health; May to social science, religion and ethics; July will be the educational month; September engineering, electrical and other technical congresses; October world's insurance organizations. Others are yet to be assigned.

The housing of these numerous gatherings will be amply taken care of. The Exposition is erecting a thirteen hundred thousand dollar permanent auditorium in San Francisco's Civic Centre. The main hall, exclusive of twelve smaller halls, will seat 10,000. At the close of the Exposition, this splendid edifice will be presented by its owners to the people of San Francisco.

Six months prior to its opening date the Exposition presents such a finished and complete appearance, it is hard to believe that there still remains a great deal to be done. The enterprise is now considerably over 90 per cent. complete, and there is no question that President Moore's optimistic prophecy, "we'll be ready on time," is to be fulfilled.

SPOKANE.

By J. C. Alston.

IN order to fill the vacancy caused by the resignation of George C. Gage from the Educational Committee of the Spokane Chapter, a meeting was held on July 23d, at which Mr. F. J. Robinson of the Fidelity National Bank was unanimously elected Chairman.

Mr. Gage left in June to take up the position of Cashier to the Commercial National Bank of Fremont, Nebraska. Spokane Chapter will miss him, as he was such an indefatigable worker, and we wish him every success.

In spite of the vacation season being on, our members are already planning for the next A. I. B. course which we hope to make more interesting than ever, as we expect our delegate to the Dallas Convention to bring us back some really useful ideas.

WHEELING.

By William W. England.

WHHEELING CHAPTER held its first social meeting, to which the ladies were invited, on the evening of June 25th, at West Alexander, about sixteen miles from Wheeling, and in spite of the inclement weather the chapter was well represented, there being thirty-five members and ladies present. After the chicken supper the guests were entertained with music and dancing. The trip was made in automobiles, and this added to the pleasure of all.

Wheeling Chapter has dispensed with the study class during the months of July and August, but will be in full swing again in September with added enthusiasm, and we expect to be able to do great work this coming year.

