

# JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Vol. 2

JANUARY, 1910

No. 7

## CONTENTS

	PAGE
OFFICERS OF THE ASSOCIATION . . . . .	248
DECLARATION—ANNUAL DUES . . . . .	248
PROTECTION TO OUR MEMBERS . . . . .	249
TRUST COMPANY SECTION . . . . .	263
SAVINGS BANK SECTION . . . . .	264
CLEARING HOUSE SECTION . . . . .	267
AMERICAN INSTITUTE OF BANKING SECTION . . . . .	268
CIPHER CODE . . . . .	270
MISCELLANEOUS ITEMS . . . . .	270
CREDIT BLANKS—DOCUMENTS FOR DISTRIBUTION . . . . .	271
REGISTRATION AT OFFICES . . . . .	272
EDITORIAL . . . . .	273
National Conference on Uniform State Legislation—Reorganization of Committee on Bills of Lading	
MISCELLANEOUS ITEMS . . . . .	275
MORTUARY RECORD . . . . .	276
LEGAL DEPARTMENT . . . . .	277
EDITORIAL—Proposed Laws for 1910 Legislatures—The Corporation Tax Law— A Dangerous Bill—The Kansas Guaranty Decision	
DRAFTS OF PROPOSED LAWS RECOMMENDED FOR ENACTMENT IN 1910 . . . . .	282
OPINIONS—Forgery of Indorsement—Payee's Indorsement Missing—Check Payable to Order of "Cash"—Payment of Forged Check . . . . .	301
PROTECTIVE DEPARTMENT . . . . .	305
STATE BANKERS' ASSOCIATIONS—CONVENTIONS IN 1910 . . . . .	312
PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS . . . . .	312
CHANGES AFFECTING MEMBERSHIP . . . . .	Not Paged
NEW MEMBERS . . . . .	Not Paged

# OFFICERS AMERICAN BANKERS' ASSOCIATION

1909—1910

---

## PRESIDENT:

LEWIS E. PIERSON, President Irving National Exchange Bank, New York.

## FIRST VICE-PRESIDENT:

F. O. WATTS, President First National Bank, Nashville, Tenn.

## CHAIRMAN EXECUTIVE COUNCIL:

WILLIAM LIVINGSTONE, President Dime Savings Bank, Detroit, Mich.

## GENERAL SECRETARY:

FRED. E. FARNSWORTH, Eleven Pine Street, New York City.

## TREASURER:

P. C. KAUFFMAN, Second Vice-Pres. Fidelity Trust Company, Tacoma, Wash.

## ASSISTANT SECRETARY:

WILLIAM G. FITZWILSON, Eleven Pine Street, New York City

## GENERAL COUNSEL:

THOMAS B. PATON, Eleven Pine Street, New York City.

## MANAGER PROTECTIVE DEPARTMENT

L. W. GAMMON, Eleven Pine Street, New York City.

---

## DECLARATION

### (WHICH PRECEDES CONSTITUTION AND BY-LAWS)

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the country, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the entire country, and for protection against loss by crime, we submit the following Constitution and By-Laws for The American Bankers' Association:

---

## ANNUAL DUES

Private Bankers, and Banking Firms.....	\$10.00
Banks and Trust Companies, with less than \$100,000 capital and surplus.....	10.00
Banks and Trust Companies, with \$100,000 capital and surplus, and less than \$250,000.....	20.00
Banks and Trust Companies, with 250,000 capital and surplus, and less than 500,000.....	25.00
Banks and Trust Companies, with 500,000 capital and surplus, and less than 750,000.....	30.00
Banks and Trust Companies, with 750,000 capital and surplus, and less than 1,000,000.....	40.00
Banks and Trust Companies, with 1,000,000 capital and surplus, and less than 5,000,000.....	50.00
Banks and Trust Companies, with 5,000,000 capital and surplus, and over.....	75.00
Dues for Savings Banks without Capital are based on Surplus or Reserve Fund, as per above schedule.	
Dues for Branch Banks without separate Capital specifically set aside therefor.....	10.00
Dues for Branch Banks with separate Capital are based on the above schedule.	



JOURNAL of the  
**AMERICAN BANKERS  
ASSOCIATION**

ISSUED THE TENTH OF EACH MONTH AT  
11 PINE STREET, NEW YORK, N.Y.

SUBSCRIPTION ONE DOLLAR A YEAR.

Entered as second-class matter, May 5, 1909, at the Post Office at New York, N. Y.,  
under the Act of March 3, 1879.

VOL. 2

JANUARY, 1910

No. 7

### PROTECTION TO OUR MEMBERS

**T**HE membership of the American Bankers' Association, composed of over eleven thousand banking institutions of the country, will be afforded ample protection against crime of every description.

The Standing Protective Committee of the Association has made a contract with the William J. Burns National Detective Agency to take charge of the field work, which heretofore has been carried on by the Pinkerton National Detective Agency.

In the past, the Association's contracts with the Pinkerton Agency have been made at different times for one year, two years and three years, and when the terms of a new contract were being considered by the Officers of the Association and the Standing Protective Committee in joint conference, it was decided that it would be to the best interests of the Association to make a short-time contract. The Pinkerton Agency, however, would not consider such a proposition, and were persistent in demanding a five-year contract.

Under these circumstances, the Committee decided to make other arrangements, and Mr. Burns was invited to participate in their deliberations; which resulted in a contract being made with the Burns Agency, the Officers of the Association and Committee being perfectly satisfied that Mr. Burns and his associates could handle the protective work in a manner that would practically be for the betterment of the membership of the Association.

Agencies have been established in many of the larger cities and connections made in the smaller cities of the country, and these are being constantly added to. The Protective Department of the Association is now so systematized and its handiwork so far-reaching that it embraces every section of the United States, and this will ensure continuous activity in tracking bank criminals, as well as prompt action in their apprehension and conviction. Such criminals will not only be shadowed in this country, but followed to all parts of the world, and stringent measures will be used to carry out the policy of the Department. Bank criminals are already well aware of the fact that the American Bankers' Association backs its detective agency with the necessary funds and they will realize more than ever that they will be dealt with relentlessly.

Mr. Burns has as a partner Lieut. William Patrick Henry Sheridan, known throughout the world as the "sleuth with the camera eye."

The agency is known as the Burns & Sheridan National Detective Agency, and its staff comprises some of the best detectives in the country.

The following articles, which appeared in the New York papers, will give our members an idea of the calibre of these two men who will have charge of the protective work of the Association:

[From the New York Sun, Sunday, December 19, 1909.]

### THE BANKERS HIRE BURNS

#### To Succeed the Pinkertons as Bankers' Detectives

HE IS THE SECRET SERVICE MAN WHO CAUGHT THE COUNTERFEITERS OF \$100 SILVER CERTIFICATES, LANDED THE LAND FRAUD EXPERTS AND HELPED CONVICT ABE RUEF.

William J. Burns, the former secret service man whom the investigation of the Oregon and Washington land frauds and the San Francisco graft prosecutions have made one of the best known detectives in the country, has come to make his permanent headquarters in New York, and has established the William J. Burns National Detective Agency, with its main office in the Park Row Building. Already he has been retained in place of the Pinkertons by the American Bankers' Association, which represents 11,000 banking institutions, to do their protective work.

The American Bankers' Association is the largest single client employing detective agency work in this country. The Pinkertons have done the Association's protective work since 1895 and in this service had made an extensive collection of the pictures of bank crooks and data concerning them. Fred. E. Farnsworth, general secretary of the Association, issued the following statement yesterday:

"The relations between the protective committee of the American Bankers' Association and the Pinkerton National Detective Agency having been terminated, the protective work for the Association will hereafter be carried on by William J. Burns's National Detective Agency in New York city, with branches in other cities and correspondents throughout the United States and elsewhere."

Mr. Farnsworth refused yesterday to discuss the reasons for the change further than to say that when the question of renewing the contract which the Pinkertons have held for many years came up recently the Association and the agency failed to get together on terms and had therefore separated. He did add, however, that the Pinkertons "knew their business."

When asked about the possibility of getting along without the data relating to bank thieves which the Pinkertons had collected, Mr. Farnsworth said that the Association anticipated no trouble on that score, since most of the old bank crooks are either dead or in prison. A new man, he thought, would be perfectly capable to cope with the rising generation of bank crooks.

"It has been generally supposed that the Pinkertons had become indispensable to the Association," Mr. Farnsworth was told.

"Well," he replied, "I guess they thought so too." He added that Mr. Burns has had charge of the work for the last three weeks and has handled it satisfactorily.

At the Pinkerton office it was said that the officers of the agency had at present nothing to say about the severance of their relations with the American Bankers' Association.

Burns's name became known to every reader of the newspapers and magazines during the graft scandals in San Francisco, but long before that he was widely known in detective circles and had been called by Chief Wilkie of the secret service "the best man I have." Chief Wilkie so characterized Mr. Burns when Secretary Hitchcock of the Department of the Interior asked the chief in 1903 for a man to get evidence against the land thieves. Secretary Hitchcock's men had discovered the land frauds, but the resources of the Department had been exhausted in a vain effort to get evidence that would convict. Burns started on this difficult mission with a record of brilliant work during his twenty-two years with the secret service division of the Treasury Department. It was he who, when the Government discovered, eleven or twelve years ago, that an extraordinarily clever counterfeiter was producing a \$100 bill so perfectly executed that even the best experts were fooled by it read of the matter in the newspapers and made deductions through which the counterfeiters were captured. Burns himself would not speak of "deductions." He calls it common sense. His explanation of the running down of the counterfeiters of \$100 Monroe head silver certificate sounds simple enough, but the work had about it all the essentials for one of Dr. Conan Doyle's stories. Burns was a long way from Philadelphia, where the notes were made, when he read about them. He decided that since the counterfeits were so perfect some very skillful engraver had etched on steel photographic reproductions of the notes. Etchers with skill enough to do such a job are not common and by a process of elimination Burns picked out his men. When he was nearly ready to make arrests one of

the gang came to him with an offer of \$25,000 to drop the case. The result was that he and the rest of the gang, twelve in all, were caught and convicted.

Taylor and Bredell were the men who had done the actual work of counterfeiting. While they were awaiting trial they conceived the daring idea of turning out other counterfeits so formidable that the Government would be willing to drop their case in return for information which would lead to the destruction of the new plates. In spite of the fact that they were carefully guarded in prison the men managed to turn out one hundred counterfeit \$20 notes which were so perfect that the Treasury Department was badly frightened. When the notes began to appear Chief Wilkie sent for Burns and showed him one of them. Burns at once said that the work had been done by Taylor and Bredell. As the men were then in jail he was laughed at, but the laugh went the other way when a short time afterward Taylor confessed and told how his mother had smuggled in the necessary implements and the \$1 notes which had been raised to twenties. Taylor said that the instruments were buried in his father's grave, and there they were found.



WILLIAM J. BURNS.



WILLIAM P. SHERIDAN.

In 1896 Burns was sent here to look into the counterfeiting of 100 peso notes of Costa Rica. He found that General Frederic de Mora, the grandson of the first President of Costa Rica, and Ricardo Requesens had forged the notes to finance a proposed revolution and had shipped \$3,000,000 worth of them to Costa Rica in the back of a sofa. On the evidence that Burns got both men were sent to Sing Sing.

One of Burns's comparatively recent successes was the detecting of the man who robbed the mint at San Francisco of \$30,000. Here again Burns used what he calls common sense, but to the layman the deductions by which he fixed the crime upon and secured a confession from the chief clerk of the mint seemed uncommon.

In 1903 Burns was detached from the Treasury Department and detailed to help Secretary Hitchcock with the land frauds. His work there is too well known to need retelling. It is only necessary to recall that his investigations resulted in the conviction of Senator Mitchell, of Oregon, F. A. Hyde, of San Francisco, and all the rest of the gang that had been engaged in the frauds.

In September, 1906, Burns left the Government service and undertook to get evidence against the city officials who were grafting in San Francisco. He trapped the Board of Supervisors and secured confessions from all of the sixteen members. Abe Ruef, the political boss, was caught and sentenced to prison for fourteen years. Burns also got the evidence upon which Prosecutor Heney secured the conviction of ex-Mayor Schmitz and many others.

It was on the Ruef trial that Burns discovered that Morris Haas, a juror whom the defence had succeeded in getting on the jury, was an ex-convict. He secured Haas's picture in convict garb and Heney presented it to the Court. Some weeks later Haas got into the court room and secured a seat directly in back of Burns and Heney. Burns, who was looking at Ruef, saw him turn suddenly pale and suspected that something was wrong. Following Ruef's gaze he saw Haas, who had just been discovered by a policeman and told to get out. Burns thinks that but for the prompt action of the policeman Haas would have shot both him and Heney. Subsequently Haas got into the court room again and shot Heney through the head. Heney recovered and Haas killed himself with a revolver which was smuggled in to him while he was in jail, where he confessed that he had been hired to kill both Burns and Heney.

The political faction which backed Heney in the prosecutions for which Burns obtained the evidence after being returned to power three times was defeated last November, the graft prosecutions were ended and Burns came on to New York to carry out the plan he had long had of establishing a detective agency of his own.

[From the New York Evening Sun, Tuesday, December 28, 1909.]

## SLEUTH OF "CAMERA EYE" QUILTS FORCE

Lieut. Billy Sheridan Retired by Commissioner Baker

LONG A TERROR TO CROOKS.

FAMOUS AS AN IDENTIFIER OF DENIZENS OF UNDERWORLD.

There is something to think about in the retirement of Lieut. Billy Sheridan from the Police Department, which was announced to-day. Sheridan has been examined at his own request by the police surgeons, who report that he is suffering from defective eyesight. Billy applied for retirement because his eyes are bad, and for the last twenty-three years he has been known as the man with the camera eye. But back of that wonderful eyesight is one of the most remarkable memories.

Just a glance at a crook, or at a photo and that crook's likeness became an indelible mind picture. Sheridan never forgot a face or a description. And the department is full of stories of his marvellous identifications. The crooks might get by the big line of sleuths at that 8 o'clock review every morning, or they might slip by the Bertillon experts, who depended on their measurements, but when it came to beating the Sheridan game, the crooks lost out.

The department is sorry to lose Lieut. Billy Sheridan. Police Commissioner Baker bears this out in a statement he made to-day. This is what Baker said:

"Sheridan is a fine fellow and I am sorry to lose him. I don't want any man to lose his eyesight by working under me when his eyesight has become impaired, and as the surgeons have approved his application for retirement, there is nothing for me to do but to let him go."

So then it is officially settled that Sheridan retires from the department on account of his poor eyes. There's not a gun or yegg or a bank sneak or a dip or a moll but what would be delighted to hear that the Camera Eye had failed in its light. But it is not generally believed that those wonderful optics are losing their power, and Sheridan takes up a line of work that has been his life. He joins forces with William J. Burns, the big secret service agent who uncovered the land frauds in the West and nabbed United States Senators and powerful persons out there on the Pacific coast.

These noted detectives have become responsible for the guardianship and safety of something like 14,000 banks, private, State and national, covering the vast area of the United States. It will be their business to run to cover the thieves and from within and without—yeggs or employees of the financial institutions. Sheridan, it is announced, takes a half interest in the firm, and its biggest client is the American Bankers' Protective Association. This fat business was recently taken from the Pinkertons.

As Sheridan himself puts it, "My father gave me the name of William Patrick Henry Sheridan." He entered the department on December 22, 1886, so that it is seen that he

has just exhausted his twenty-third year of service. He is the first lieutenant to retire with the benefits of that recent boost in salaries. Instead of drawing a pension of \$1,000 he will get \$1,125.

Sheridan got his start in the good days of Tom Byrnes. The big inspector had sized up his recruit, and it was on July 1, 1887, that he sent Sheridan down into the jewelry district, with Bob McNaught as his side partner. The pair worked here for five years and made many a good "collar." It was not long before he was put on bank cases and assigned to run down absconding employees. One day Byrnes called him into the office.

"Here, little feller, read this over," the boss said as he shoved a copy of a morning newspaper into the hands of Sheridan. It was an account of the theft of \$165,000 from the National Park Bank and the guilty man was an assistant cashier who had skipped with the funds. Billy read the story carefully, although it is likely that he had read the account before the old man called him into the office.

"Now I want you to get that man, and don't you show here until you find him. That's all."

The detective went out and he did not show in Mulberry Street again for six months, but when he came back he had with him the assistant cashier. That was a big pursuit, at times a chase, at other times simply a journey, but Sheridan finally caught up with his man in a hole in the Canadian hills known as Stanstead. The sleuth got to this spot on a freight train, and it was twenty miles from the county seat.

It was ten years later, and Sheridan and his wife were down in Washington. When Billy went up to the desk to register he got a good look at the clerk who handed him the pen.

"Why, hello —" said Sheridan.

The clerk was polite and diplomatic, but he did not recognize his friend. Then Sheridan jogged the clerk's memory by recalling the time he nabbed him in Stanstead. The clerk did not recognize the man.

For years Sheridan has been head of the identification bureau, where criminals are hooked up for a look and a record. Thousands of photos are stored away in those archives. Sheridan has taken a look, got a good mental impression and then stuck the card away. It made little difference whether the wigs or the whiskers, the changing of the cast of features had been practised, Sheridan was there to pick 'em out.

"Do you know him, Billy?" McLaughlin would ask.

"Why, sure; that's — served eight years in Dannemora."

It often happened that some of the old crooks' past misdeeds were buried under piles of dust that come with the years and these men would sometimes get by the sharps on the line and the Bertillon experts.

But Billy Sheridan, in his little office, had a grin for these old offenders, called them by name and told how they were marked, although more than twenty years had elapsed since the name or the likeness came up for discussion. One of the best instances that serve to illustrate Sheridan's wonderful memory is the case of Mott Haven Red and Frank Codd.

A detective on the Bowery came across a precious pair and brought them around to the front office. The men were not known by the regulars and then the pair were lined up for Sheridan's inspection.

"That's Mott Haven Red, alias Joe Fay," said Sheridan. "I saw his picture ten years ago. He got nine years and eight months in Dannemora for blowing up a safe of the Standard Oil Company in Syracuse."

Here Joe Fay looked dazed for a moment and then began to smile.

"Say, you are dreaming. There is something the matter with you. Get a doctor," said the crook.

"Just go slow, Red. I'll let you see your picture. Is that you?" Billy asked.

The crook denied it and the detectives standing about seemed to be in doubt. "Not by a — sight," said the crook.

Sheridan was not annoyed. He spoke to the detective who had made the arrest.

"Pull up his sleeves, Mike, and you will see the letters W. I. U. tattooed on his right forearm."

The letters W. I. U. showed on the right forearm.

"Now look on his right hand and see if the cord on the little finger has not been shortened."

Sheridan had called the turn on Mott Haven Red.

But owing to Sheridan's memory both Codd and Fay were identified as notorious post-office yeggs who were wanted by the post-office inspectors. When it came to a trial in the Federal Court Red was convicted and sentenced to serve seven years and six months in the United States prison at Fort Leavenworth.

The police say to-day that Red escaped from prison about three months ago. For lack of evidence Codd was turned out. Shortly afterward a post-office robber was shot while trying to blow the safe in the post-office at Nyack. The bullet hit the crook in the

spine and he was carried to a hospital. He refused to give his name and the New York police were asked to assist in the identification. Billy Sheridan went up the river and recognized Codd.

On another occasion Lieut. Frank Peabody and Lieut. Frank O'Farrel, while cruising about the Waldorf, happened on Jim Darragh, one of the slick pickpockets whose specialty was getting the "leather." Darragh did not bother with jewelry, such as pins, watches and rings. He wanted the money. The two sleuths noted that Darragh was in the company of a rather distinguished looking man of 57 years, whose clothes looked up to the minute and who bore himself like a prosperous man of business.

"Who is your friend, Jim?" Peabody asked. But the pickpocket said he did not know him; that he met him in the café and had exchanged only a few words with him. "That won't go," Peabody announced. "You and the pal will have to come down to the office."

The detectives brought their two suspects before Sheridan.

"Hello, Jim!" said Billy, in a sort of cheery greeting. "Have they got you again?"

"Looks like it, lieutenant; but I am not working," answered Darragh.

Then Sheridan took a cold view of the distinguished person, who was striving to conceal his indignation at the outrage. This person knew that Sheridan had never seen him and was apparently cocksure of a turn out. But Sheridan blurted out, "I know you. You are known as The Jonah." Then the Camera Eye described marks on the Jonah's body, and O'Farrel took off the man's shirt and verified the marks. Sheridan had never seen the man but remembered the face and description that had been sent out by the police of other cities. The distinguished person was as noted in the "dip" line as his pal, Jim Darragh.

The pair showed the police that they were not "working" in the town and Inspector McLaughlin told them to beat it out of the city.

Another case where Sheridan made good with that Camera Eye is the conviction of Bob Suffrage, the noted international bank sneak, back in 1903.

A crook who gave his name as William Murphy snatched a roll of \$470 from a customer in the Sprague National Bank, Brooklyn. There was a chase and the snatcher was nabbed after a chase of two blocks. Captain Reynolds was in charge of the Detective Headquarters over there at the time and he mugged and measured "Murphy" and sent the photograph over to Manhattan. Sheridan took a peek.

"Why, that's Bob Suffrage, served five years in Liverpool, eight in Brussels, two terms in Sing Sing, several bits on the Island. He's an international crook, and he was arrested twenty-one years ago, in 1882, by Tom Mulvey on Reynolds's staff.

The upshot was that Mulvey hustled around to the Raymond Street Jail, but slick as he was he could not identify the "Murphy" as the "Suffrage" he got so many years back. The prisoner laughed at the incident. But Murphy came up for sentence. The Judge had heard of the statement made by Sheridan.

The element of the mystery, in fact, had stopped every one conversant with the case. It looked to some as if Billy Sheridan was going back too far to call up a face that he had not seen for twenty-one years. The Judge addressed "Murphy":

"I am going to sentence you anyway. Own up now and tell the truth and settle this question. Are you Robert Suffrage?"

The crook responded, "I don't know this man Sheridan, but he is right."

[Extract from the New York World, Sunday, January 2, 1910.]

### SLEUTH'S MIND IS PIGEONHOLE FOR CRIMINAL FACES

**Billy Sheridan, Who Joins Private Bureau, Never Forgets "Phiz" of Any "Crook" Whom He Has Seen**

DISGUISES AND AGE ARE USELESS TO FOOL HIM.

"STICK TO IT," HE SAYS, IS BEST TRAIT OF DETECTIVE, SHOWN BY A GOLDHORN CASE.

When William Burns, who has been called the ablest detective in America, came East to establish his bureau, he cast about for the finest talent available to assist him. He thought of his old friend, Lieut. Billy Sheridan, who for a score of years had served with the bureau in Mulberry Street and had become known as the greatest living identifier of crooks—the man who never forgets a face, Burns decided he wanted Sheridan, so he came on and had a talk with him.



Last week saw Sheridan's retirement from the police force, and he is now free to join Burns. Together the two should make things hum. Everybody knows Burns and everybody knows Sheridan. When the Government wanted a man to investigate the Oregon land frauds and when the call went forth for some one to smash the corrupt San Francisco ring it was Burns who was selected for the job. When the American fleet in its journey round the world stopped at San Francisco, and thieves from the four quarters of the globe flocked there, Chief of Police Biggy borrowed Sheridan from New York. Sheridan went West and the crooks scooted for shelter like land crabs. While Sheridan was in town not a single complaint was received.

Countless stories have been told of Sheridan's remarkable memory, and the question has been asked many times, What is the secret of it? How is it that this man after looking at a photograph once can pigeonhole it in his brain as well as in a filing cabinet and recall the same face after a lapse of twenty years, even though the crook has grown a beard and otherwise altered his appearance? Sheridan can't explain it himself. He will tell you that the eyes and mouth of a thief seldom change and then show you two photographs of the same person, taken at widely separated dates. You can't detect a resemblance between the two, but Sheridan can. His eyes penetrate all disguises, no matter how clever. At Headquarters he was the court of last resort. The suspect might pass the critical eye of the inspectors and the rest of the force without being recognized, but if he had a record his knees always knocked together when he was taken into the little coop on Mott Street side where Sheridan sat. He knew he was lost, even before anything was said.

Thirty-three years ago Sheridan astonished his teacher in the old De La Salle School in Second Street when he showed that he had practically committed to memory all that his text-book told him about English history. Without once referring to it he ran through the facts from the time of the Druids to Queen Victoria. For that he got a gold medal. That was the first official recognition of his marvellous faculty for remembering things.

The best piece of detective work he ever did was the capture and arrest of Ludwig Goldhorn, a cashier of the Mannheim Insurance Company.

Goldhorn had stolen \$60,000 and skipped to Philadelphia. From there he sent a telegram to his manager, telling him that his brother was seriously ill and about to undergo a dangerous operation. Could he stay with him? The manager sent a sympathetic reply, telling the cashier not to hurry back, but his sympathy vanished when, at the end of three weeks, there was no sign of Goldhorn. The books were examined and the shortage discovered. The manager hurried to headquarters.

Three weeks after Goldhorn's flight, a chubby little man, with a round face and keen eye, who might have passed for almost anything except a detective, left a train at Philadelphia and went to the Bingham House, from which the telegram had been sent. It was Sheridan. He posed as a telegraph operator out of work. He struck up an acquaintance with the operator at the hotel and introduced himself as a friend of the man he was hunting. Cautiously making inquiries about the "sick brother," he managed to get a look at the original telegram. The handwriting was the same as on the specimen. Sheridan had a peculiar foreign style.

"I want very much to find this friend of mine," said Sheridan. "Didn't he leave any address? Maybe it is on the back of the telegram."

But it wasn't, and the detective was stumped. He decided to return to New York and make inquiries about the ferries. Why wasn't it possible that Goldhorn had doubled on his tracks to throw the authorities off the trail? There was a chance that some hackman might be found at Liberty, Grand or Cortlandt Streets who would remember a fare answering the defaulter's description.

For three days Sheridan worked about the ferries. He had gone, in the first instance, to Goldhorn's boarding house in Fourteenth Street only to discover that after he had left an expressman had called for his trunk and that the landlady didn't know the expressman nor where the trunk had been taken.

On the third day, nosing around the ferries, Sheridan found a hackman named Grant who recalled having driven a person to the Ashland House who strongly resembled the photograph Sheridan carried.

"Are you a cop?" asked the hackman suspiciously.

No, I am just a friend of his. He has been out on a spree and I want to find him."

The clerk at the Ashland House told Sheridan that the man had been there, having registered under the name of Watson, but had departed the next morning. No, the clerk didn't know the expressman who had taken the trunk or where he had taken it.

Stumped again, Sheridan turned to the cab stands. He canvassed the hackmen of Madison Square unsuccessfully and gradually worked his way downtown, inquiring as he went. His persistence was rewarded at Irving Place and Fifteenth Street, where he found a liveryman who knew something. One of his men had driven a person who looked like the photograph to the steamship pier of the Bermuda line. The man was destined for the steamship *Orinoco*, which had just sailed.

A search of the company's passenger lists failed to find Watson's name on the register

or his peculiar handwriting. So Sheridan waited for the steamship to return, and had a chat with the purser. Goldhorn had been a passenger under the name of Watson, having purchased his ticket on the boat.

The next step was to communicate with Bermuda by cable, but the quarry had flown to Halifax. A cable message to Halifax met with a like result. Goldhorn was on the way to British Guiana. It was a 1,700-mile sailing trip. Sheridan got a map of the route. It was seen that she was due to stop at five places, and one after another these were cabled to. The message just missed the ship at St. Thomas and at St. Kitts, but at the fourth of the five ports, Santa Cruz, the man was caught. Then Sheridan went down and got him. He still had \$42,000 of the stolen funds.

Persistence had won out in the end, and that the little man will tell you is a detective's best trait.

[From the Trenton, N. J., *True American*, Monday, December 20, 1909.]

### A DETECTIVE FOR MODERN CRIMES

The news that William J. Burns' new detective agency has been retained by the American Bankers' Association to do its protective work, is an announcement of no small importance to the business world.

The news is all the more significant when these facts are considered:

The American Bankers' Association is the largest single client employing detective service in this country.

It has severed its relationship with the Pinkerton Detective Agency, the biggest concern of its kind in existence.

The William J. Burns National Detective Agency is a new concern, having been established but a few weeks.

Perhaps the most significant thing about the whole incident is the fact that the American Bankers' Association has come to realize the fact that the criminals it has most to fear in these days of progress—progress in crime as well as in every other phase of human life—are not the "break and enter" type, but the criminals who work from within.

Where the banks lose one dollar to burglars and bandits and holdup men, it is probable that they lose thousands of dollars to criminal employees; and it is because Mr. Burns and his associates are peculiarly equipped for detecting this species of crime that the bankers have ceased to employ the Pinkertons, and are seeking an agency that is more modern in its methods.

The Pinkerton Detective Agency is a great system in its way. For a generation it has been the terror of certain classes of criminals. It has succeeded in its business by matching desperadoes against desperadoes, often by matching outlawry against outlawry.

The Pinkertons were splendidly equipped to deal with those bold villains who did not hesitate to risk their own lives, or to sacrifice the lives of others in their reckless work—men who prowled about with revolvers and knives in boot and belt, who dashed out of the darkness upon their prey, and disappeared in the wilds of city or country before they could be apprehended, and whose crimes were so daring, so adventurous and so picturesque as to be almost heroic.

But this type of criminal is fast giving place to another type. The modern plunderer risks no blood-letting. He carries no weapons, except those with which nature endowed him—his hands and his intellect. Oftentimes he is so mild-mannered as to hesitate to do injury to a worm in his path. He is no night prowler, but goes about his work in office hours. He comes not from the slums, or the mountains, but his refuge is a well-ordered home and fashionable club. Instead of blowing open safes and vaults, or seizing his booty at the point of a gun, he gains access to books and accounts, and effects his piracy with pen and ink. He wears no mask, except that of respectability, and carries away his loot in the form of checks and drafts and certificates, rather than in bags of gold and bundles of greenbacks.

The American Bankers' Association realizes that it requires a new type of detective to deal with this new type of criminal, and for that reason it has placed its business in the hands of Burns and his men.

That William J. Burns is fully capable for the task is proven by his long record in uncovering grafts, misappropriations and the various forms of thievery effected by brains rather than bravery.

Burns' record in uncovering the Western land frauds for the Department of the Interior, in uncovering the graft scandals in San Francisco, his brilliant record of twenty-two years with the United States Treasury Department; his surpassingly clever work in finding a nest of counterfeiters in the midst of the respectable business men of Eastern Pennsylvania, and in exposing as a thief one of the most respected and trusted employees of the San Francisco mint—all point to him as being just the type of man, and his organization as being just the type of organization, to deal with these modern freebooters.

His record also proves Burns to be incorruptible. He can't be bought. There are records of a number of instances in which he was offered vast sums of money to drop investigations in which some powerful "respectable" crooks were likely to get caught.

The American Bankers' Association's action may be noted with profit by business men of all classes. It is one of the signs of the times. The men who compose the association evidently believe that nowadays they are more in need of protection from the thieves within than from those without. The same idea, if carried a step farther, indicates that modern institutions are more in need of unbeatable accounting systems than burglar-proof vaults, and that there are more men who are tempted to take advantage of loose business methods than are tempted to take advantage of the inferior physical strength and courage of those whom they would despoil; likewise that the big criminals of these days are to be found among the "eminently respectable," rather than among the rabble.

[From the New York Herald, Sunday, January 2, 1910.]

**"CAMERA EYE" W. P. SHERIDAN HAS BECOME A NEW TERROR FOR CROOKS**

A ripple of ironic laughter ran through the Society of American Crooks the other day when it was announced that William P. Sheridan, of all men in the world, had obtained his retirement from the New York police force on the score of defective eyesight.

The humor of it was that Sheridan has long been known by the sobriquet of "the man with the camera eye," meaning that every face he sees is fastened on the retina of his marvellous orb with photographic accuracy and there classified and labeled by a memory which has never yet been found at fault.

Of course, the situation was understood when it became known that Sheridan had become a partner of William J. Burns, the one time secret service man, and that they are to control the business of the American Bankers' Association.

Despite their subtle appreciation of the joke this intelligence was not pleasing to the brotherhood of bank robbers. To them there is something uncanny about that "camera eye." They do not fancy the idea that it should take up the work of guarding the banks so long undertaken by the Pinkertons, whose motto is "We never sleep."

**NEW TERROR FOR BANK THIEVES.**

Burns, who will be Sheridan's associate, is the man who uncovered the land frauds and turned out the grafters in San Francisco, so the combination is a portentous one to the fraternity. Whenever one of the cult that lives by introducing pieces of finely bent wire into the meshes of tellers' cages or thrives by writing other men's names on small oblongs of paper sees the sign "Members of American Banking Association" staring him in the face he departs quietly, for every bank thief knows that the Association never lets go. That was always the case, but now, with "Camera Eye" Sheridan enlisted in the conspiracy against them, they are asking, "What chance?"

All American crooks above the grade of petty larceny know Mr. Sheridan or have heard of him. He is to the blindfold chess player what the chess player is to the head waiter who never gives you the wrong hat, and to the head waiter what the waiter is to the parlor entertainer who can juggle five oranges. In other words, Mr. Sheridan is a New York detective who can remember every face and every picture he has ever seen, and whose mind is such a storehouse of the statistics of crime that he can call off the records and characteristics of thousands of law-breakers as pat as his morning prayers.

**HE BEGAN WITH BYRNES.**

Sheridan became a policeman in 1886. He was a telegraph operator before that, and by the time he came to the police force had already gained a reputation as a man with an amazing memory. He was on the force a few weeks when Inspector Thomas Byrnes, then the Tsar of Mulberry Street, heard about him and ordered him to report in plain clothes.

"Do you know where Maiden Lane is?" asked Inspector Byrnes in his inimitable manner.

Sheridan saluted and said that he did.

"Then go down there and learn to be a detective," commanded the great man.

And Sheridan went. And his inspector watched his work.

The young detective's first big chance came when he was told to go after the man most desired in the celebrated National Park Bank case and "bring him in."

Again Sheridan saluted and went away and, except for an occasional draft on the office, was not heard from in six months. Then a telegram came, and two days later Sheridan came, bringing the man that was wanted with him.

It soon developed, though, that Sergeant Sheridan was an invaluable man at head-

quarters, and he was put in charge of the identification bureau. It was found that he could look just once at a prisoner, or, indeed, at any one, and keep the memory fresh indefinitely. It was found, also, that he could take up a police picture sent from a distant city and read the details on the back of it casually and recall every word he had read weeks afterward. And, indeed, as years passed over his head it was discovered that his wonderful memory seemed to clarify on its daily toil and that the more facts, figures and physiognomies he absorbed, marshalled and arranged the more perfectly he was able to visualize any person as that person appeared or should appear.

A few instances will serve to make plain his worth to any organized police department.

In 1889 one Edward McLean was arrested in Brooklyn for rifling a bureau in a hotel. He was convicted and served a short term. Sheridan saw his picture, but didn't see him. In 1905 one George Hamilton, a middle-aged man, was arrested in New York and brought to Headquarters to be "mugged." Hamilton had a full beard and a bald head.

"Good morning, Eddie," remarked Sheridan, as he looked "Hamilton" over; "you ought to have known better than to come to New York. How did you leave all the folks in Joliet?"

"Hamilton" professed astonishment, but Sheridan knew Edward McLean, although he had never set eyes on him before. Simply, he had filed McLean away in a brain cell the day he saw his picture first and had kept track of him thereafter while he pursued a light-fingered career in the West. The man had served four prison terms and the detective had kept track of them all. McLean's last term had been at Joliet and Sheridan told him how long and how much off for good behavior without looking at an index.

#### CAUGHT A BOGUS LORD.

Another of Sheridan's extraordinary feats was his identification of "Terry" Hart and "Lord" Mordaunt in 1904. A detective picked them up on Broadway because he thought he saw them sticking too close to a young man who had been displaying some uncut diamonds in a hotel, and brought them down to Headquarters to see if anybody knew anything against them.

No one had ever seen them, but Sheridan called them immediately by name. He related how they were well known in Cairo and Monte Carlo, how they played baccarat beautifully, if not morally, and how they were not above a little strong arm work if funds got low and there were a dark alley handy. He confronted them with their own pictures, sent from London three years before, and asked "Lord" Mordaunt how it was that his name didn't show in the Peerage. Hart and the bogus nobleman were held until it was ascertained that they had arrived from England the day before and had as yet done nothing criminal in New York, and the next day a detective bade them good-by at a steamship pier.

#### AID TO FRENCH POLICE.

Sheridan helped Europe again in the case of Joseph Villa, whose picture came from France, with details of his activities in a confidence game. Sheridan compared the picture with one of a Giuseppe Maleveo, who was wanted for murder in Boston, and sent word to Marseilles that Boston would be glad to get their Villa. Villa, or Maleveo, was sent over here and is now serving a life sentence. Sheridan even yet has never seen the man.

And so the record might be stretched indefinitely. They say at Police Headquarters that Sheridan has a mental card index of between thirty and forty thousand malefactors, and that, above all, he knows the name and face of every man who in twenty years has ever been accused of any crime in connection with a bank. Sneaks, embezzlers, defaulters, hold-up men and safe breakers, he knows them all, and his name adds prestige and new terror to the repute of the association that never lets go.

The Bankers' Association knows no difficulty of time, distance, inaccessibility or impenetrability of disguise. Let a high rolling bank clerk or a defrauding president pack a suit case and make a moonlight flitting and the Association sets its hounds on his trail and the hounds hang on. The Association has plenty of expense money and a memory longer than any statute of limitations.

#### BANKS NEVER LET GO.

Let the fugitive repair to Kamchatka or Polynesia, the trailer goes, too, and keeps his main office advised of the progress of his business. Let the fugitive settle in some remote spot where his enemy, extradition, has not entered, and the trailer settles there, too, and waits for him to venture over a treaty border. The trailer has inexhaustible patience, which the fugitive, who usually selects his new residence hastily, has not. Generally after a lapse of months the fugitive either capitulates or attempts a change of air and is caught or (and this has happened more than once) his Nemesis kidnaps him bodily, takes him into extraditable territory and there slips handcuffs on him and brings him home.

The whole system, of course, exists because the banks realize that it is better that

they spend thousands to apprehend one who has stolen hundreds than that one man should one day lift a bank off its foundations and walk away with it.

There are fourteen thousand banks in the Association, and the chain stretches from Boston to San Francisco. And now the Association has Messrs. William J. Burns and William P. Sheridan.

What sense is therein a gun man covering a teller and hooking out the day's cash when he knows that if the teller can afterward describe the color of his eyes Detective Sheridan can supply enough else to name the gun man and say where he can be found? What use for a fine writer to practise penmanship when he knows that as soon as Mr. Sheridan sees the check he can say who wrote it and call the tint of his mustache. The bank people understood perfectly the moral effect in their service of a man like Sheridan, and that is why they laid pipe lines to get him. Now that they have got him, they are glad.

EASY FOR THE CAMERA EYE.

The strange thing about Sheridan is that he does not know how he does it, and, except that it brings him his bread, doesn't think it extraordinary. He will tell you that there are no two human ears alike, that no two human eyelids droop alike and that there is all the difference in the world in eyebrows. And as for remembering after twenty years whether there is an anchor tattooed on an arm or whether it was an initial on a leg, he cannot understand how any one who pretends to have a systematic mind could possibly forget a manifestly simple matter like that.

But the powers that live off the toil of better men than they, who love one crooked dollar better than two honest dollars, who dream dreams of one day gaining affluence by a single audacious stroke and whose eyes therefore turn ever and fondly to bank vaults, will pause and consider now before emerging from safe inaction. For the "Camera Eye" is upon them, the eye from which there is no possible escape.

From the San Francisco, Cal., *Bulletin*, Friday, November 5, 1909.

WILLIAM J. BURNS—A MAN WHO SERVED THE CITY WELL

His work here being ended when the graft prosecution was discontinued by the popular mandate, William J. Burns has announced that he intends to depart from San Francisco and take up work in the East.

The people of San Francisco owe much to Mr. Burns, and, as time goes by, and the animosities and misunderstandings of the last three years fade away, they will perceive what he has done for them and will appreciate his worth.

Beyond question Mr. Burns is the cleverest man of his profession in the country. He was pitted here against some of the shrewdest and most resourceful brains, but even his enemies admired his intrepid skill and acknowledged his supreme ability. He met situations as they arose with cool courage and quick-witted action. To recite his feats would be to reopen a book which is now closed, but they are still fresh in the public memory.

Although the people tired of the fight, there are few who do not acknowledge the great public service rendered by the prosecution. The Taylor administration, which restored the city's credit and established industrial peace, was a by-product of the prosecution. And it was the work of William J. Burns that made the prosecution possible.

For three years Mr. Burns has been painted in such horrid colors by the hostile press that it was no wonder if some people have a wrong conception of him. He has been called "spy" and "gumshoe man" so often, and so many fictitious iniquities have been laid at his door, that the real Burns has become measurably obscured in a mythical Burns which his enemies have skilfully constructed for the public view.

Mr. Burns is a man of probity, force of character and zeal for the right. He is in no sense a dime-novel detective. On the contrary, he is a man of family, devoutly religious and humanely companionable. For many years he was employed by the Government in important investigations and, long before he came to San Francisco he had established a solid reputation as an incorruptible, able and highminded man. He possesses the confidence and friendship of many of the most eminent and upright men in the United States. His talents, his character and his reputation will secure a career for him wherever he goes and in whatever business he engages. In losing him San Francisco loses a faithful public servant and a valuable asset.

The following are some of the letters on file pertaining to Mr. Burns and Mr. Sheridan:

From Francis J. Heney, Special U. S. Attorney to the U. S. Attorney General in the land fraud cases; prosecuting attorney in the municipal graft cases.

FRANCIS J. HENEY.  
CHARLES W. COBB.

HENEY & COBB,

SAN FRANCISCO, November 13, 1909.

MY DEAR MR. BURNS: Now that you have under consideration the question of establishing yourself in business in New York City, I want to repeat to you what I have frequently said before, that you are making exactly the right move and are destined to secure the largest business and to make the greatest and most enduring reputation of any man who has ever devoted himself to detective work in the United States. You are immeasurably superior in ability to any other detective with whom I have ever come in contact, either directly or indirectly.

Moreover, you possess that kind of sterling integrity which is not merely passive, but energetically aggressive and which, therefore, renders you absolutely immune against every kind of influence or temptation. This quality is perhaps the rarest as it is the most important in your line of business.

With your long and successful experience in the Secret Service of the United States, supplemented by your most varied, extensive and equally successful experience in exposing Federal and State land frauds and municipal grafting, you are certainly the best equipped man in the United States for the general practice of the detective business. Your energy is remarkable, your patience is inexhaustible, and your intuitive knowledge of the method by which any given crime was committed and of the motive which inspired it is almost incomprehensible. Chief Wilkie, of the Secret Service, told me on one occasion that you are the best detective the United States ever had in its service, and that you possess an additional sense to the five with which the average human being is gifted, to wit, a marvelous power of telling when a man under suspicion is or is not telling you the truth. My own experience with you confirms this statement.

After being closely connected with you in the Federal land fraud prosecutions for a period of three years, and again in the San Francisco graft prosecutions for an additional period of three years, I cannot find words in which to adequately express my appreciation for your services and my confidence in your sagacity, ability, courage and fidelity.

Sincerely yours,

(Signed)

FRANCIS J. HENEY.

MR. WILLIAM J. BURNS,  
care James Beck, 55 Wall Street,  
New York City, New York.

The following from a prominent bank officer of Washington, D. C.

WASHINGTON, D. C., Nov. 20, 1909.

COL. FRED E. FARNSWORTH,  
General Secretary, The American Bankers' Association,  
11 Pine Street, New York, N. Y.

MY DEAR COL. FARNSWORTH: I have your letter of the 19th instant, regarding Mr. William J. Burns, who has given my name as a reference. I have known him personally for ten or a dozen years, and have the highest opinion both as to his character and ability. As a matter of fact, he was the bright star of the Secret Service, a man of unbounded courage and unlimited ingenuity. He had a remarkable record in the Secret Service, and I have been more or less in touch with his brilliant work in the West.

Very truly yours,

POLICE DEPARTMENT OF THE CITY OF NEW YORK.  
Office of the Commissioner.

NEW YORK, December 29, 1909.

MR. WILLIAM P. SHERIDAN,  
217 Riverside Drive, Manhattan.

DEAR SIR: It is a pleasure to me in fulfilling what I deem is my duty to say to you, now that you have severed your connection with the active work of the Police Department, that you have left a vacancy that will be difficult to fill and that will surely never be filled in any better manner than it was by yourself. Your work in the Department stands out in a most unique manner. You are remarkably equipped for the work you have performed, and I regret very much to have to lose your services during my incumbency of the office of Police Commissioner.

I am informed that you are about to take up a new work which will not compel such close application of your eyes as the work you were called upon to do in the Police Department, and I wish for you every success that is possible. You leave behind you many warm friends and go out with a record to be proud of. I shall watch with interest your progress in your new work.

Assuring you of my great appreciation of your work in the Police Department in the past, I am,

Yours very truly,

(Signed)

WM. F. BAKER,  
*Police Commissioner.*

FROM THEODORE ROOSEVELT.

Sept. 26, 1904.

WHITE HOUSE,  
WASHINGTON.

MY DEAR SERGEANT: I thoroughly appreciate your letter. You do not owe me anything for my vote for you for Detective Sergeant. I voted that way simply because you had shown conclusively that you were entitled to the position.

But even though you do not owe me anything, it is mighty gratifying to have your friendship and support and I heartily thank you.

Your friend,

(Signed)

THEODORE ROOSEVELT.

SERGEANT W. P. SHERIDAN,  
Police Headquarters,  
300 Mulberry St., New York.

THE FRANK A. MUNSEY COMPANY,  
175 FIFTH AVENUE.

Munsey's Magazine.  
The Argosy.  
The All Story Magazine.  
The Scrap Book.  
The Railroad Man's Magazine.  
The Cavalier.

NEW YORK, December 31, 1909.

POLICE LIEUT. WILLIAM P. SHERIDAN,  
Police Headquarters,  
New York City.

MY DEAR SHERIDAN: When the news of your retirement from the Police Headquarters was published in the daily press, a grand hosanna of rejoicing went up from 280,000 of the nation's disreputables—the army of scoundrels who fear the calm gaze of your eye more than they do the nightstick or the sustained uncongeniality of the American constabulary. It seemed almost like a New Year's present to them.

And then with bitterness indescribable came the news of your alliance with the incomparable Burns and the Bankers' Association with its 14,000 banks, all requiring more or less the kind of protection you with your remarkable gifts of memory and vision can accord.

What delights me most is the fact that at last you have received proper recognition. I knew you in the old Roosevelt days, when you were a cop on the Bowery and I was a cub on Park Row. You did me many kindnesses—which you have probably forgotten. But I have not.

You bring to your new position something more than mere experience, something more desirable than diligence, something rarer than knowledge—genius. My congratulations and best wishes!

Always sincerely yours,

(Signed)

R. H. DAVIS.

POSTAL TELEGRAPH-CABLE COMPANY,  
Executive Offices, 253 Broadway.  
Charles P. Bruch, Third Vice-President.

NEW YORK, December 27, 1909.

LIEUT. WM. P. SHERIDAN,  
Police Headquarters,  
New York City.

DEAR MR. SHERIDAN: I am sorry to learn that you are leaving the Police Department, because I feel that the Department will lose one of its most valuable men.

I am glad, however, to learn from the newspapers that you are going to engage in business in connection with the American Bankers' Association, which you can carry on without so severe a physical strain, and which, consequently, is not likely to impair your health. I wish you all success in your new occupation.

If you have occasion to answer any inquiries in regard to your past record, I would be glad to have you refer to me. Having first known you in the Western Union service nearly thirty years ago (where you had a good record, and which you left voluntarily), and having been somewhat familiar with your work in the Police Department, and having kept up my acquaintance with you and friendship for you during all these years, I feel that I am qualified to say a good word for you if you need it, which I don't suppose you do.

With best wishes for a Happy New Year and a great many of them, I am,

Sincerely yours,

(Signed) CHAS. P. BRUCH.

The following from Mr. W. H. Baker, formerly President of Postal Telegraph-Cable Co.

"He has been mentioned as the probable president of the new combine—Western Union Telegraph Company, Postal Telegraph-Cable Co. and American Telephone & Telegraph Co."

50 CHURCH STREET, ROOM 1354,  
NEW YORK, December 30, 1909.

MR. WILLIAM P. SHERIDAN,  
217 Riverside Drive,  
New York City.

DEAR MR. SHERIDAN: I was pleased to notice the newspaper announcement of your retirement from the Police Force and of your contemplated connection with the Bankers' Protective Association.

Your experience of over twenty-three (23) years in the Police Department and your service in that connection makes you eminently fitted for the new work you intend undertaking.

It has given me much pleasure to watch your progress and development during the twenty-seven or twenty-eight years I have known you, and to have heard from time to time of your remarkable success in your special line of work.

Accept my congratulations and best wishes.

Yours very truly,

(Signed) WM. H. BAKER.





## TRUST COMPANY SECTION

This Section, since its organization in 1896 with 17 members, has shown a steady and constant growth in membership and in various activities in the interests of its members. It now has a membership of 1,003 companies, with aggregate resources in the neighborhood of \$4,000,000,000. Every State in the Union is represented in this membership, as are also Hawaii, Alaska and Cuba.

During the past year 106 trust companies were added to the membership list with total resources of over \$82,000,000.

Attention is called to the following notice of the book of "Trust Company Forms," and it is hoped that members who have not already done so will send in their subscriptions for this publication.

### TRUST COMPANY FORMS

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

J. N. BABCOCK, *Chairman*, Trust Officer, The Trust Company of America, New York.  
CHARLES L. MOSHER, Vice-President, Guardian Savings & Trust Co., Cleveland, O.  
GEO. H. STUART, 3d, Assistant Treasurer, The Girard Trust Co., Philadelphia, Pa.  
with the Secretary of the Section as Secretary.

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

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

The book will be arranged as follows:

<b>Banking.</b>	Deposits, Withdrawals, Records, Collections, Pass Books, Bookkeeping, Condition Statements, Investment Records, Miscellaneous.
<b>Loans.</b>	Collateral Loans, Time and Demand, Commercial Paper, Credit Statements, Miscellaneous.
<b>Trusts.</b>	Individual Trusts, Estates, Corporate Trusts, Bond Issues, Escrows, Reorganizations, Stock and Bond Registrations and Transfers, Payment of Coupons, Mortgage Records, Real Estate Records, Insurance Records, Card Index Systems, Tickler Systems, Miscellaneous.
<b>Savings.</b>	Deposits, Withdrawals, Signature and Index Cards, Miscellaneous.
<b>Safe Deposit Department.</b>	Identification Cards, Book and Miscellaneous Forms.
<b>Foreign Exchange.</b>	Various Forms.

The work is now under way; the selected forms will be reproduced by photographic process (one-half the original dimensions) bound in full morocco, leather lining, gilt edges, in handsome and durable shape, and will be sold to members of the Association for \$15 each. Some 550 different forms will be reproduced, making a book of 150 pages fully indexed. Subscriptions may be sent to Mr. P. S. Babcock, Secretary Trust Company Section, 5 Nassau Street, New York, who will acknowledge receipt and forward book prepaid as soon as ready.

SAVINGS BANK SECTION

Committee on Postal Savings Banks American Bankers' Association  
Savings Bank Section, 11 Pine Street

NEW YORK, December 27, 1909.

SOME CONSIDERATIONS CONCERNING THE POSTAL SAVINGS  
BANK QUESTION

FROM WHOM COMES THE DEMAND FOR POSTAL SAVINGS BANKS?

Source of  
Demand for  
Postal Savings  
Banks

Careful investigation by competent business men and publicists shows that the demand is a political creation. After the last panic, government ownership of banks became a popular slogan which politicians have repeated until there is an apparent demand for Postal Savings Banks from the people.

IS THERE AN ACTUAL NEED FOR POSTAL SAVINGS BANKS WITH WHICH THE  
PEOPLE MAY DEPOSIT THEIR SAVINGS?

No actual need  
for Postal  
Savings Banks

No. There are more than 17,794 banks in the United States which accept savings deposits, the number is steadily increasing and many other banks issue time Certificates of Deposit, a form of savings; there were on January 1, 1909, in 114 cities in 24 States, 1,102 public schools where children deposited their savings and additional systems for the savings of scholars are being established daily throughout the country; there are 5,599 building and loan associations, the resources of which represent savings; there are 827 life insurance companies with 33,186,420 policies in effect, the accumulated reserves on which might be considered savings.

WILL POSTAL SAVINGS BANKS ACCOMPLISH THE ENDS CLAIMED FOR THEM?  
I. E.:

Postal Savings  
Banks will fail  
in the purposes  
claimed

A. Teach people thrift?

A country-wide campaign has for years been conducted by financial institutions for the education of the masses on the advantages of saving money, through advertisements in newspapers, magazines and periodicals. Moreover, the magazines and periodicals are supplementing the advertising by articles on the benefits that accrue and the opportunities afforded the man, woman or child who has a few dollars or will save them.

B. Furnish depositories for savings in remote districts?

Banks are being established in all sections practically as fast as there is need for them. In the last 50 years, while the population of the United States has increased 193%, bank deposits have increased 3,460%. Moreover, the reserve money of the saving farm-hand and of the more prosperous farmer is now taken by the local bank and turned back into activity in the community whence it was drawn by being loaned on first mortgage real estate security, which would be impossible if funds were deposited in Postal Savings Banks and re-deposited in National Banks.

C. Dissuade foreigners from sending earnings to their native lands?

It is preferable to educate the newly-arrived foreigner to American methods rather than to accommodate our methods to his inexperience. Moreover, foreigners who intend to make the United States a permanent home, adopt American customs and patronize banks, the others simply come here to get rich, returning to their fatherlands to spend their money. Where the most desirable foreigners are locating, banks are growing fastest. In Iowa, in 1898, there were 551 banks with total deposits of \$92,117,000, to-day there are 1,231 with total deposits of \$372,547,000; in North Dakota, 111, \$9,100,000, now 596, \$58,753,000; South Dakota, 190, \$9,713,000, now 567, \$78,830,000; Minnesota, 216, \$59,370,000, now 903, \$269,948,000. Of the money sent abroad each year by foreigners, the greater part is for the support of families left behind; most of the remainder to pay their passage to this country or to refund money borrowed to come here.

**ARE THERE REAL DANGERS ATTENDANT UPON THE ESTABLISHMENT OF POSTAL SAVINGS BANKS?**

Yes, six major dangers, viz.:

A. Postal Savings Banks will draw funds to the large commercial centers, thereby interfering with local development. One reason for the startling lack of industrial growth in foreign countries as compared with ours is that all money is drawn to government centers, leaving none for local expansion. From Ireland, whence the cry of poverty is always heard, \$65,000,000 was sent to London by Postal Savings Banks according to June, 1906, statistics. In the United States, the small bank established in a new community is the means of bringing outside capital in at the start and of carefully conserving such local capital as may develop, and the banker, as agent for the people in his community, takes the money from one part and lends it to another. (Thus at different times of the year those who become lenders of money through the bank are borrowers at another period.)

**Dangers involved in the establishment of Postal Savings Banks**

B. As people believe the government impregnable, when a panic occurs, timorous depositors would withdraw their funds from regular banks in order to place them in Postal Savings Banks and by so doing would add materially to the crisis, as the government could not return the money to the affected sections with sufficient rapidity to afford relief.

C. In war time—and as long as there are men there will be wars—the government would not only be obliged to raise money for the conduct of the war, but should Postal Savings Funds be taken for war purposes, it would be necessary to obtain more money for interest and with which to pay such depositors as desired to withdraw their funds—and they would be many, especially the very foreigners for whom it is proposed to establish Postal Savings Banks—which would result in an immediate and lasting increase in taxation.

D. As post offices are probably the most fertile field for robbery, if Postal Savings Banks were established, the South, Southwest, Middle and Northwest and West would be overrun with bandits. To safeguard Postal Savings Funds the installation of 40,000 burglar-proof safes in post offices would in itself cost millions. Moreover, there would be innumerable opportunities for theft among the thousands of clerks whom it would be necessary to employ at Washington in order to make the entries of deposits, withdrawals and corrections. For instance, in London 3,000 clerks are employed in the Auditor's office alone.

E. As Postal Savings Funds will be beyond recovery by legal process, a vicious debtor could defraud his creditors. The government is powerless to make exception in the case of Postal Savings Funds because, *ipso facto*, it cannot be garnisheed, attached, or subjected to similar process of law.

F. As Postal Savings Deposits will be exempt from taxation, there will be nothing to prevent tax-dodgers from withdrawing their funds from regular banks at tax time, depositing them with Postal Savings Banks and then returning them to the regular banks later, thus raising the tax rate on real estate in every locality.

**HAVE ALL CIVILIZED COUNTRIES EXCEPT THE UNITED STATES POSTAL SAVINGS BANKS?**

**All foreign countries do not have Postal Savings Banks**

No. Germany, Norway and Denmark have none, private and municipal savings banks being provided instead. It is significant that in Germany, where there are no Postal Savings Banks to draw funds from outlying districts to the great money centers, local development is more advanced than in any other foreign country.

**DO THOSE COUNTRIES HAVING POSTAL SAVINGS BANKS HAVE PRIVATE SAVINGS BANKS?**

There are only a very small number of private savings banks. Postal Savings Banks were established in foreign countries to make the people bring out their money in order that the governments could use the funds to pay their expenses, as Postal Savings Deposits are used only in running the governments.

**Lack of Private Savings Banks the cause of Postal Savings Banks**

In all the Postal Savings Banks in the world, in 1907, there were \$2,010,000,000 on deposit, compared with over \$6,000,000,000 of savings deposits in banks in the United States. Between June 30, 1908, and June 30, 1909, Canadian Postal Savings Banks show a loss of \$2,401,357. An eminent authority on Canadian financial matters says: "It is to be hoped the govern-

ment will conclude it might as well close these (the Postal Savings) banks, which in these days are unnecessary and have the effect of taking whatever money is deposited out of the regular channels of commerce in which it would be utilized if deposited in the chartered banks."

**HAS THE GOVERNMENT EVER TRIED BANKING BEFORE?**

Yes. Three times—and failed.

In 1791 the Bank of United States was chartered with a capital of \$10,000,000, of which \$7,200,000 was held by foreign stockholders. Because of political chicanery the bank went out of business in 1811, and its assets were purchased by a private banker in Philadelphia, Stephen Girard, who made a success of the institution where the government had failed. The United States Bank was chartered for 20 years, in 1817, with a capital of \$35,000,000, one-fifth of which was to be subscribed by the United States, the remainder by individuals and corporations. The bank paid a million and a half to the government as a bonus for its charter. Because of political trickery a scandal arose over its administration which brought about a Congressional investigation in 1819 that resulted in its rehabilitation being entrusted to Nicholas Biddle, a Philadelphia banker, who put it upon a paying basis. When the charter expired, in 1836, Andrew Jackson defeated the efforts to obtain a renewal. The Freedmen's Savings and Trust Company, established to aid the negroes to become independent, owed \$75,000 when it failed—and still owes it.

The Government's three failures in banking

**HOW WILL THE GOVERNMENT USE POSTAL SAVINGS FUNDS?**

No adequate plan has been proposed. Provision of safe and convenient depositories for money is only half the function of banking, the most important being to put deposits back into circulation in the localities whence they are drawn. This the government has no means to do. It proposes to place Postal Savings Funds in National Banks, but all National Banks are not government depositories. Moreover, National Banks are not allowed to loan money on mortgages, so community development would stop. If State Banks were named as depositories also and a bond security required, the banks would be compelled to invest in high-grade securities, thereby causing the withdrawal of money from the sections supposed to be benefited. The public debt is not available as in Europe.

Use of Postal Savings Funds

**WILL THERE BE AN OPPORTUNITY TO SPECULATE WITH THE PEOPLE'S MONEY?**

Yes.

It is beyond human credulity to suppose politicians will be content that the government should receive only 2¼% or 2½% upon the millions of dollars which they claim will be deposited in Postal Savings Banks when there are many bonds paying from 4% to 6% in which the funds could be invested—especially when it would be the people's money which would be used in the speculation.

Opportunity for speculation with the people's money

**HOW CAN DEPOSITS IN POSTAL SAVINGS BANKS BE WITHDRAWN?**

It will be easy to put money into the Postal Savings Banks, but difficult to get it out. In the six Postal Savings Bank Bills, introduced at the last session of Congress, provision was made that deposits could either be withdrawn at any time or under such regulations as the Postmaster General might make, but as to the form in which they should be paid there was silence. The government pays by warrants on the Treasury. These, unless the recipient lives in a city where there is a Sub-Treasury, must be cashed at banks. If this method were continued after the establishment of Postal Savings Banks, an anomalous situation would be created. Further, in fourth class post office towns the postmaster, under the existing law, is not allowed to keep more than \$50 on hand. Unless the law were changed, the depositor in such a town would be obliged, in case that amount had been withdrawn, to wait until more was received or funds were sent from some higher class post office, or forced to accept a draft on New York (on which a fourth class postmaster is now instructed to draw in certain emergencies) which could

Difficulty in withdrawing funds from Postal Savings Banks

only be cashed at a bank. Moreover, the majority of money orders purchased from the post offices are cashed by banks, because the process of collection is too cumbersome.

Respectfully submitted,

LUCIUS TETER, Chairman,  
President Chicago Savings Bank  
and Trust Company,  
CHICAGO.

CHARLES E. SPRAGUE.  
C. LA RUE MUNSON.  
P. LE ROY HARWOOD.  
F. R. MORISON.  
MYRON T. HERRICK.  
WILLIAM HANHART, Secretary,  
Savings Bank Section, American  
Bankers' Association, 11 Pine  
Street, NEW YORK.

### SAVINGS BANK SECTION BOOK OF PRINTED FORMS

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

The book is handsomely bound in flexible seal, issued in a convenient loose-leaf style, and comprises over 600 of the most useful and typical forms used by the most progressive savings banks of the country; these forms were selected from a collection of over 20,000 blank forms on file at the Secretary's office, and bound up in about fifteen huge volumes.

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

### CLEARING HOUSE SECTION

It is only occasionally now that a new Clearing House is organized. With one or two exceptions all of the large cities have Clearing Houses, and most of the medium-sized cities. When a new Clearing House is organized, record is made of the same, and the Clearing House joins the Section.

The Secretary has well under way the forms for securing information desired by the Clearing House Section regarding the system in vogue in handling clearings in the various cities of the country, also as to weekly published reports.

President Wexler, to whom was referred the matter of uniform exchange charges, has sent out the following letter:

NEW ORLEANS, LA., December 24, 1909.

DEAR SIR: At a recent meeting of the Executive Committee of the Clearing House Section of the American Bankers' Association, the aggravated question of collection charges was the subject of serious consideration. I had previously given the matter considerable thought, result of which was the conclusion that a uniform charge of One Dollar per Thousand on all cash items handled by all banks would be a feasible solution.

After a thorough discussion of the subject, the other members of the Executive Committee fully agreed with me, and it was decided to write to the Secretaries of the various State Associations, as well as to a large number of banks throughout the country, for an expression of their views as to the advisability of endeavoring to put through some such rate applicable throughout the entire United States.

At the present time nearly all of the smaller banking towns are handling a large volume of business, both for their own customers and for their banking correspondents, without compensation, while if a uniform charge of One Dollar per Thousand was generally made and known to exist they could levy a charge of a like amount against their customers. Such banks would further benefit by receiving this charge of One Dollar per Thousand from all banks sending them items for collection, including those received from

their own correspondents. Par lists would become a thing of the past. To banks in large cities the benefits would lie in the fact that it would reduce materially the trouble and expense of analysis, eliminate largely the illegitimate competition that now exists and make manifest the falsity of pretensions now made to superior collection facilities. It would bring about the concentration of items in centers without affecting the revenue of the final paying bank, and, as the average rate now generally paid is about Two Dollars per Thousand, it would diminish the charge upon the commerce of the country and would distribute it more equitably and more nearly in proportion to the volume handled and labor performed.

I desire to inquire if you would have the kindness to circularize all the banks, members of your Association, requesting an expression of their views as to the feasibility of this proposition, the same to take effect only as applying to such States as likewise put the same rate into force. In other words, any State declining to reduce its rate to One Dollar per Thousand, other States having made the reduction would not be required to apply it to any such State, or any bank charging in excess of One Dollar per Thousand. Upon receipt of your replies, will you kindly send them to me, as President of the Clearing House Section, American Bankers' Association, together with bill for whatever expense you may have incurred for postage and typewriting, and same will be promptly remitted.

Hoping you will give the matter the attention which its importance deserves, I am,

Very truly yours,  
SOL. WEXLER,

*President, Clearing House Section, A. B. A.*

#### LISTING OF NATIONAL BANK DEPOSITORS BY EXAMINERS DISCONTINUED

The old book of instructions issued from the office of the Comptroller of the Currency to National Bank Examiners directed that the names of the depositors in banks under examination be listed, but in a later book of instructions this requirement is omitted.

Comptroller of the Currency Murray has issued the following order to the National Bank Examiners, under date of December 20, 1909: "If it has been your practice to take a list of the names of the depositors in banks under examination, you will discontinue this practice immediately and destroy all data of this character in your possession."

#### AMERICAN INSTITUTE OF BANKING SECTION

"Since the foundation of the American Institute of Banking ten years ago," says Educational Director George E. Allen, "the fact has been ever in evidence that bank employees who need education least want it most, and bank employees who need education most want it least or not at all."

"The best clerks and junior officers in cities were the first to utilize the facilities offered by the Institute through its study courses and alliances with universities of finance and law. There was at first some opposition to any plan to inventory educational acquirements by means of examinations, but such opposition has now wholly disappeared, and practically all the former opponents of examinations have themselves taken examinations or are preparing themselves so to do. Examination is now regarded to be as much an essential in Institute education as counting cash is essential in banking.

"The problem of small chapters has been solved by the Chautauqua system of printed lectures on Banking and Finance and Commercial and Banking Law. Under this system of instruction some chapter member is appointed to read the serial lectures and conduct quizzes in connection therewith. Amateur instructors thus appointed are supplied with a key to quizzes for their personal use.

The banking world has not yet come to appreciate the utility of correspondence instruction. The practicability of correspondence instruction has been demonstrated in engineering and other mechanical occupations. So it has in law and languages and business practice. Any study which requires practical work on the part of the student can be taught by correspondence. Banking methods can be so taught. So can banking law.

"A recent report of the United States Commissioner of Labor says that, 'while instruction by the correspondence method is of comparatively recent origin, it has, nevertheless, grown to such considerable proportions, more especially within the last few years, that its importance and value as an educational factor have now come to be recognized even by many who heretofore have been wont to look upon it as an absurd innovation in the field of education.' The late President Harper, of Chicago University, the most progressive captain of educational industry, said that his experience had proved that 'the work in lan-

guages done by correspondence is even better than that done in the classroom. Students who come to us after a year of such work are better prepared than those who have taken it with us in the classroom, and we do not mean to say that we are not doing our very best for our students in the classroom.

"Self-education is an interesting thing to read about but the average man is 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 them and to encourage them and to drive them. The teachers' chief duties are four-fold:

"1. To advise the student in deciding upon the kind and quantity of work required in his individual case. What to do is no more important than what not to do.

"2. To apportion the work of the student with due regard to sequence and time. An intellectual table d'hôte is best for the appetite and digestion.

"3. To direct the work of the student in progress. The road to wisdom has its pitfalls and forked roads without guide-posts.

"4. To test by progressive examinations the thoroughness and accuracy of the students' acquisitions.

"Under the correspondence method of instruction exercises provided in connection with each lesson are submitted to instructors whenever done. The work of students thus produced is corrected and returned with such criticisms and suggestions as may be helpful in each case. Students are privileged to ask incidental questions and special letters are written to overcome individual difficulties. Personal relationship thus established between students and instructors stimulates ambition, and the fact that all lessons must be written insures thoroughness and thought.

"Correspondence instruction requires from teachers the maximum of personal attention and consequently costs something. Students who have the money and want to study alone will find the Correspondence Chapter courses worth many times what they cost. Such as from necessity or inclination want to economize may do so by getting up a club of two or more and sharing the expense. In such clubs members discuss the lessons and collaborate in answering the exercises. Instructors are thus obliged to correct but one set of examination papers for the whole club and students accordingly get the benefit of cooperation.

"The only objection to correspondence instruction ever raised has been its cost, and the system of study clubs now provided, places such work within the reach of all."



### CIPHER CODE

The attention of our members is called to two circular letters sent them under date of December 18th; one referring to "Action Relating to Cipher Codes" and the other "Information Relating to Cipher Code of this Association."

It is important that our members carefully peruse these circular letters, in order to be informed concerning the information given.

Enclosed with these letters was an envelope containing a slip which is the key to the test words in our Code, which key becomes effective January 10, 1910, and therefore, the old key should then be destroyed.

We also enclosed a folder which should be gummed to the back cover of our Code. This folder is a guide which is to be used in connection with pages 52 to 60, inclusive, when it becomes necessary to trace mutilated code words.

### CONTINUITY IN CONVENTION DATES

The following letter, under date of December 27, 1909, received by General Secretary Farnsworth from Guy L. V. Emerson, Secretary of the Colorado Bankers' Association, is self-explanatory:

"A good deal has been said recently about continuity of conventions, and it occurs to me that it might be a very good idea for the States from the Rocky Mountains on to the Pacific Coast to so arrange their conventions for 1910 that Eastern bankers who felt so disposed might attend several of these conventions and finish the trip at the American Bankers' Association Convention in Los Angeles. If such action should be taken we could probably arrange to have our convention in Grand Junction, right on the main line of the D. & R. G. to the coast, and sufficient time might be allowed between our convention and that of the next State west to enable the persons attending our convention to get there, etc. The dates and places of meeting will no doubt be selected in the near future by some of the Associations, so if you deem the idea worthy of consideration it would perhaps be well to get it under headway very soon."

### AMERICAN BANKERS' ASSOCIATION FORM OF MONEY ORDER

Attention of our members is called to the form of money order which was adopted some time ago and has been issued through the American Surety Company to those applying for same.

This form is being used extensively by members of this Association, but for those who are not making use of it a letter written to Mr. J. W. Mason, Manager Credit Department, American Surety Company, 100 Broadway, New York City, will be the means of securing full information regarding same.

These orders are guaranteed by the above Company.

### THE LATE HARVEY J. HOLLISTER

On the death of Harvey J. Hollister, a pioneer banker of Michigan, and for many years an active member of the American Bankers' Association, a committee composed of William Livingstone, of Detroit, Thomas Hefferan, of Grand Rapids, and D. B. K. Van Raalte, of Holland, was appointed by the Executive Council of the Michigan Bankers' Association to prepare a suitable tribute to the memory of the veteran banker.

Mr. Hollister was close to eighty years of age, and his banking experience commenced in 1853. He founded the First National Bank of Grand Rapids, from which in later years evolved the Old National Bank, of which institution he was vice-president at the time of his death.

Mr. Hollister took a great interest in the affairs of the American Bankers' Association from the time of its organization, and in 1895 was elected a member of the Executive Council.

The tribute to his memory has been handsomely engrossed by the Heraldic Company of New York; and both in design and workmanship is very artistic. It is bound in leather, lined with white silk.



## CREDIT BLANKS

At the 1899 Convention in Cleveland, Mr. James G. Cannon, of New York, made an address on "Uniform Statement Blanks and Credit Department Methods." In this connection he submitted special blanks which had been prepared for use in the credit department of banks. These forms begin with the opening of an account and show the various stages of its progress during the application for discount, until the loan is finally placed to the borrower's credit. They are divided into three departments designated as A, B and C. Class "A" is for the use of banks with a capital and surplus of \$500,000 and over; Class "B," with a capital and surplus of \$100,000 to \$500,000, and Class "C," \$25,000 to \$100,000.

Having a quantity of samples of these credit blanks in the Association's offices, members requiring same may secure them by advising the General Secretary the amount of their capital and surplus and he will be pleased to forward the blanks accordingly.

## DOCUMENTS FOR DISTRIBUTION

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

New Uniform Bills of Lading.

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

Pennsylvania Speech—L. E. Pierson.

Little Rock, Arkansas, Speech—Thomas B. Paton.

Jamestown, Virginia, Speech—Thomas B. Paton.

Oklahoma Speech—Evans Woollen.

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

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

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

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

Report of The Currency Commission of the American Bankers' Association.

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

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

Credit Currency. By Elmer H. Youngman, Editor *Bankers' Magazine*.

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

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

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

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

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

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

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

The following visitors registered during the month of December:

- EDWARD E. DUFF, Vice-President The Safe Deposit and Trust Co., Pittsburg, Pa.  
LAWRENCE L. GILLESPIE, Vice-President Equitable Trust Co., New York, N. Y.  
JOHN L. HAMILTON, President Hoopston National Bank, Hoopston, Ill.  
HENRY S. ROSENTHAL, Editor American Building Association News, Cincinnati, O.  
WILLIAM A. LAW, Vice-President Merchants' National Bank, Philadelphia, Pa.  
W. G. HEGARDT, Cashier American Exchange National Bank, Duluth, Minn.  
HENRY A. SMITH, Vice-President National Bank of Commerce, New York, N. Y.  
ROLAND L. TAYLOR, Vice-President Philadelphia Trust Co., Philadelphia, Pa.  
W. A. BOLAND, Montclair, N. J.  
MCLANE TILTON, JR., Secretary Alabama Bankers' Association, Pell City, Ala.  
MRS. MCLANE TILTON, JR., Pell City, Ala.  
OSCAR G. FOREMAN, Vice-President Foreman Bros. Banking Co., Chicago, Ill.  
DONALD BAIN, Assistant United States Attorney, Buffalo, N. Y.  
JESSE MINOT, Assistant Cashier Asbury Park and Ocean Grove Bank, Asbury Park, N. J.  
CARROLL PIERCE, Vice-President Citizens' National Bank, Alexandria, Va.  
C. B. MILLS, Vice-President People's Trust and Savings Bank, Clinton, Iowa.  
NEWTON E. GRAHAM, President People's National Bank, East Brady, Pa.  
JOHN J. MCHENRY, President Third National Bank, Louisville, Ky.  
W. F. DAVIDSON, Broker, Port Huron, Mich.  
MYRON S. HALL, Assistant Secretary Fidelity Trust Co., Buffalo, N. Y.  
JOHN W. STALEY, Assistant Cashier First National Bank, Detroit, Mich.  
JOHN E. MILLER, with *Wall Street Journal*, New York, N. Y.  
RALPH M. EASLEY, Chairman Executive Council, National Civic Federation, New York, N. Y.  
LEWIS E. PIERSON, President American Bankers' Association, New York, N. Y.  
EMORY W. CLARK, Vice-President First National Bank, Detroit, Mich.  
GEORGE H. REED, 150 Nassau St., New York, N. Y.

JOURNAL of the  
**AMERICAN BANKERS  
ASSOCIATION**

DEVOTED TO THE SCIENCE OF BANKING AND FINANCE

Vol. 2

JANUARY, 1910

No. 7

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

THOMAS B. PATON, EDITOR  
General Counsel American Bankers' Association

W. W. WAINE, ASSOCIATE EDITOR

### NATIONAL CONFERENCE ON UNIFORM STATE LEGISLATION

**T**HE National Conference on Uniform State Legislation called by the National Civic Federation will be held in Washington on January 17, 18 and 19. President Taft will deliver the opening address. Delegates to the Civic Federation Conference have been appointed by the Governors of States and by the presidents of commercial, agricultural, manufacturing, labor, financial, professional and other bodies, national in scope. The American Bankers' Association will be represented by its President, General Secretary and General Counsel.

The purpose of the National Civic Federation in holding this conference is to develop the universality of the need of uniform State legislation by having all important national organizations promoting uniformity in any field state before the conference clearly and succinctly just what they desire. There are many propositions which the Committee on Arrangements believe need only a clear, explanatory statement to gain general assent.

The representatives of this Association expect to have occasion to present and explain all the legislative measures which this Association stands for, either independently or in common with other organizations. The American Uniform Commercial Acts relating to the subjects of Negotiable Instruments, Sales, Warehouse Receipts, Bills of Lading and Transfers of Stock will be presented by the Commissioners on Uniform State Laws and will have the backing of our organization; the interest of our Association in national legislation upon Bills of Lading, as well as in the State bill of the Commissioners on Uniform State Laws, will be explained and the need of both national and State legislation upon this subject demonstrated; our bill to punish the making and use of false statements to obtain credit will have the backing of the National Association of Credit Men and the various other measures which our Association advocates will, it is expected, have the support of the representatives of other organizations.

The Conference of Governors will be held in Washington on the 18th, 19th and 20th of January. The Governors' Conference will probably, as part of their program, provide for the consideration of bills and resolutions indorsed by the Civic Federation Conference and recommended to them by that body. President Taft, in addition to opening the National Civic Federation Conference, will also make the opening address at the Conference of Governors.

Much good will undoubtedly result from a national gathering of this character.

## REORGANIZATION OF COMMITTEE ON BILLS OF LADING

**T**HE Committee on Bills of Lading, in its four years of existence, has a record of work accomplished and results obtained which is of great and lasting benefit to the entire membership of the Association. Four years ago the forms of bills of lading issued by the railroads of the country were of numerous variety, with but little uniformity of provision or condition, and the banks of the country who so largely finance such bills in the movement of crops and products were greatly concerned because of numerous losses sustained in the handling of a collateral which was hardly worthy of the name. To-day we have the Uniform Bill of Lading recommended by the Interstate Commerce Commission, which is being used quite universally throughout the country, and it was largely through the labors of the Committee on Bills of Lading that, in the final adoption of a uniform bill, two separate bills with distinctive colors for "order" and for "straight" bills were put into use with the words "order of" prominently printed on the order form, this latter characteristic preventing a continuance of the frequent frauds which were perpetrated with the old forms by the simple writing of the words "order of" on a straight bill, thus transforming it into an apparent order bill well calculated to deceive.

In addition to the Committee's influence in procuring the adoption of a uniform and satisfactory bill of lading, its efforts to make the document a safer security through the promotion of legislation making the carrier liable upon a bill where issued by his agent without receipt of the goods, and on other points essential to safety, have met with considerable success. Four States last year passed a law drafted on behalf of the Committee which contained the necessary requirements and, in the final draft of the Uniform Bills of Lading Act which was perfected last August by the Commissioners on Uniform State Laws, the Committee, through its Counsel, were successful in having incorporated therein all the provisions which were deemed adequate to make the bill of lading a safe and satisfactory collateral.

No small part of what the Committee has accomplished has been educational in character. Addresses and speeches have been made in different parts of the country, numerous discussions before legislative committees have taken place, a number of conferences of commercial organizations have been arranged and held, and numerous literature has been widely circulated. Railroad officials, at first largely antagonistic, have, step by step, been led to see the banking and commercial side of the problem, and latterly have participated in general conferences in a spirit of amicable discussion of the various points of controversy. The detail of all this four years' work of the Committee is, of course, not appropriate here.

With the elevation of the Chairman of the Committee on Bills of Lading to the Presidency of this Association and the election of one of its active members to the Chairmanship of its Executive Council, these gentlemen, while maintaining their active interest and co-operation in the work of the Committee, have thought it inconsistent with their new duties to remain officially connected with the Committee on Bills of Lading, and it therefore became necessary to find men in the Association to take their place who had both the experience and willingness to take up the work and uphold the Committee's record of efficiency.

The new Chairman of the Committee on Bills of Lading, Mr. Clay H. Hollister, Cashier of the Old National Bank of Grand Rapids, Mich., is eminently fitted for the task. As Chairman of the Committee on Voucher Checks of the Association he rendered most valuable services in securing the recommendation by four separate organizations of uniform forms of Voucher Checks, and he has always taken a keen interest in the promotion of measures looking to the betterment of Bills of Lading and of the laws governing them. The other new member

of the Committee is Mr. Daniel G. Wing, President of the First National Bank of Boston, whose wide experience in transportation problems connected with banking makes him a most valuable addition.

The Committee on Bills of Lading has an active year before it. Congress is in session and a measure has been introduced relating to bills covering interstate shipments which, it is hoped, will be passed this year. In the State legislatures also, with the co-operation of State Committees, the Uniform Bill of Lading Act will be urged for adoption.

---

#### NEXT CONVENTION DATE

As has already been announced, the next convention of the American Bankers' Association will be held in Los Angeles, California. The bankers of Los Angeles have selected the dates, October 3d to 7th, subject to the approval of the executive officers who will act on this matter some time this month. The Los Angeles bankers in making this selection of time decided that, all things considered, it is a period which will probably cause less complications than any other, and give the bankers of the East the benefit of the summer tourists' rates which makes a saving of about \$30.00 a ticket; that the weather crossing the country would be cooler at that time than at an earlier date; and that it would probably accommodate as many bankers as any other which might be selected.

---

#### MAY COUNCIL MEETING

To the executive officers was referred with power the selection of the time and place for the next meeting of the Executive Council. Without doubt, the meeting will be held in May. Suggestions have been received favoring various points, among them, Atlantic City; Briarcliff Manor; Grammatan Inn, Bronx; Delaware Water Gap; Long Beach, L. I.; French Lick Springs, Ind., and Detroit, Mich. The executive officers will meet in New York City during January and reach a decision.

---

#### ANNUAL PROCEEDINGS

It was expected that the annual publication of the Association which will contain the report of the convention at Chicago in its entirety, and the membership list, would have been issued before this time. In all probability the book will be in the members' hands before the 20th of January.

The executive officers did not decide to embody in this publication the proceedings of the various Sections until the regular book was under way. This decision has caused a delay of nearly a month, but when the book reaches the members it will be found to be very complete and interesting.

MORTUARY RECORD OF MEMBERS FOR DECEMBER, 1909

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

BEAMAN, J. B., President First National Bank, Poultney, Vt.  
 BOYLE, E. B., Director First National Bank, Cottonport, La.  
 BROUGH, HERBERT W., Asst. Manager Department of Banks and Bankers, First National Bank, Chicago, Ill.  
 CHASE, FRANCIS N., Cashier Lowell National Bank, Lowell, Mass.  
 CLARKE, DUMONT, President American Exchange National Bank, New York, N. Y.  
 DUCOTE, CEOPHAS J., President Cottonport Bank, Cottonport, La.  
 HAINES, LEWIS M., Director National Bank of Elkton, Md.  
 HAMMOND, THOMAS, Vice-President First National Bank, Hammond, Ind.  
 HAMMOND, WILLIAM R., President Third National Bank, Baltimore, Md.  
 HILL, ARTHUR, Director Bank of Saginaw, Saginaw, Mich.  
 HOTALING, LANSING, Director Albany County Bank, Albany, N. Y.  
 HULSE, W. W., President First National Bank, Amityville, N. Y.  
 JOHNSON, HERMAN I., Vice-President and Director Citizens' Trust Co., Utica, N. Y.  
 KIEFER, ALFRED K., Sec. and Treas. Wayne County Savings Bank, Detroit, Mich.  
 KOEFOD, M., Assistant Cashier Security State Bank, Spooner, Minn.  
 LYNN, R. HENRY, President American National Bank, Washington, D. C.  
 MOTLEY, THOMAS, Director Webster and Atlas National Bank, Boston, Mass.  
 NEWELL, SYDNEY, Cashier Stockton Savings Bank, Stockton, Cal.  
 NEWMAN, ISIDORE, Senior partner Isidore Newman and Son, bankers and brokers, New Orleans, La.  
 NICHOLS, HENRY F., Asst. Cashier Souhegan Nat'l Bank, Milford, N. H.  
 PLUM, JAMES R., Honorary Vice-President Importers' and Traders' National Bank, New York, N. Y.  
 RILEY, EDWARD, Director Citizens' Trust Co., Paterson, N. J.  
 SANDS, JOSEPH E., President First National Bank, Fairmont, W. Va.  
 SLATER, WILLIAM N., Director Mutual Trust Co. of Westchester County, Port Chester, N. Y.  
 SMITH, CHARLES STEWART, Director Fifth Avenue Bank, New York, N. Y.  
 STEEL, A. C., Director Bank of Lockesburg, Lockesburg, Ark.  
 STRONG, A. A., Vice-Pres. Hamilton Trust and Sav. Bank, Chattanooga, Tenn.  
 THATCHER, MOSES, Vice-President Deseret National Bank, Salt Lake City, Utah.  
 TRASK, SPENCER, Member banking firm of Spencer Trask & Co., New York, N. Y.  
 TURNER, J. D., Director Fourth National Bank, Atlanta, Ga.  
 VERNAM, ALBERT H., President First National Bank, Morristown, N. J.  
 WARD, BUTLER, President LeRoy National Bank, LeRoy, N. Y.  
 WEBBER, JOHN, Director Lawyers' Title Insurance and Trust Co., New York, N. Y.  
 WELD, BENJAMIN RODMAN, Director Webster & Atlas Nat'l Bank, Boston, Mass.  
 WOLFE, J. E., Cashier People's Bank, Magnolia, Miss.

# LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

**I**N this number is published a copy of the pamphlet of proposed laws recommended by the American Bankers' Association, which has been issued for use of the legislative committeemen of State associations in those states where the legislatures meet this year. There are only fourteen States or territories wherein the legislatures will hold sessions during the year 1910, as compared with the forty legislatures which met the previous year, but although the number of legislative sessions is comparatively small, the laws which are recommended are none the less important.

The pamphlet contains eight specific Association measures which are advocated, four being subjects of criminal and four of civil law. These are:

An act to punish the making or use of false statements to obtain property or credit;

An act to punish derogatory statements affecting banks;

An act to punish the giving of checks or drafts without funds;

An act defining and punishing the crime of burglary with explosives;

An act fixing the liability of bank to depositor for payment of forged or raised checks;

An act authorizing the payment of deposits in two names;

An act authorizing the payment of deposits in trust;

An act relative to the competency of bank notaries.

In addition, the five Codes of Uniform Commercial Law, known collectively as the "American Uniform Commercial Acts," which have been perfected by the Commissioners on Uniform State Laws at their annual conferences, are recommended. These five acts are: the Uniform Negotiable Instruments Act; the Uniform Sales Act; the Uniform Warehouse Receipts Act; the Uniform Bills of Lading Act and the Uniform Stock Transfer Act.

Each of the specific Association measures in the pamphlet is accompanied with explanatory comments, and is further annotated with a list of States showing where such laws have already been enacted. Last year the attempt to enact many of these measures was met with gratifying success in a number of States as, all told, over thirty separate enactments were procured. While we cannot look for the same large measure of success this year, owing to the lesser number of States whose legislatures meet, yet, through the interest and influence of bankers and other interested parties in the respective States, it is hoped that a considerable number of these bills will be enacted during the year. Further information concerning any specific measure can be obtained by writing General Counsel.

## THE CORPORATION TAX LAW

**T**HE full text of the Corporation Tax Law as finally passed (constituting Section 38 of the Tariff Law) was published in the JOURNAL of the Association for August, 1909. Blank forms for return of annual net income received during the year ending December 31st have now been issued by the Commissioner of Internal Revenue through the Collectors of the various districts, and the law requires such returns to be made on or before the first day of March; assessments to be made and the several corporations notified of the amount for which they are respectively liable on or before the first day of

June, and the assessments must be paid on or before the 30th day of June. Separate forms of return have been issued for the different kinds of corporations, and there is a distinctive form for return of annual net income by banks and other financial institutions.

It will be recalled that when this law originally passed the Senate last July it contained a provision which would have seriously affected the banks by permitting the deduction from gross income of only a limited amount of interest paid on deposits, namely, interest paid on an amount of deposits not exceeding the capital, and that in all of the numerous cases where interest-bearing deposits are largely in excess of capital, none of the interest paid on such excess could have been deducted; that, with the approval of the President of the Association, General Counsel immediately prepared and forwarded to the proper Committee in Washington a brief which, without waiving objections to the law on constitutional or other grounds, dealt with this specific subject and that, as a result, the law was amended by the addition to subdivision 3 of paragraph 2, relating to the deduction of interest, of the provision: "and in the case of a bank, banking association or trust company, all interest actually paid by it within the year on deposits." All this is fully explained in the issues of the JOURNAL for July and August, 1909.

While this Association has taken no action toward testing the constitutionality of the law or securing its repeal, it is not unlikely that steps of this character will be taken by other organizations or independent corporations; and in view of the fact that its constitutionality is not free from doubt, it probably would not be an unwise precaution, when it comes to paying the tax, to do so under protest, so that in the event the law should ultimately be held unconstitutional the payment could not be held voluntary and not recoverable.

In the matter of construing the law—ascertaining its meaning in its application to banks—General Counsel will do all in his power to assist members in reaching conclusions upon questions of doubt which may arise in the making of returns. One question has been raised concerning the right of banks to deduct the interest received on government bonds owned by them, on the ground that, both principal and interest being exempt by law and by contract of the government with the holder, such interest should be excluded from gross income, or if included in the gross income, should be deducted therefrom in ascertaining net income. Of course, the language of the law is so framed as not to impose directly a tax upon the net income; it imposes an excise tax "equivalent to one per centum upon the entire net income over and above five thousand dollars."

At the same time, we are inclined to the view that the courts would hold that the income from government bonds should not be included, although the Corporation Tax Law requires that gross income "from all sources" be taken, and net income ascertained by the deduction of specified items, among which interest received on government bonds is not included; this because, while such deduction is not within the letter of the law, the inclusion of interest received on government bonds would be in violation of the spirit of the bargain between government and holder. It would, it seems to us, violate the spirit of the contract if any government should, after selling its bonds to a holder upon assurance that both principal and interest should be free from tax, thereupon impose upon the same holder a tax upon an amount equivalent thereto, on the theory that it was not imposing any property tax upon the bonds or interest—in this case upon the interest—but a special excise tax upon an equal amount with respect to the privilege of holding the bonds.

The federal constitution prohibits the states from passing laws impairing the obligation of contracts, and while this prohibition does not extend to federal laws, it is not to be presumed that an act of Congress will be so construed as to



impair the obligation of a contract between the federal government and the holders of its bonds.

General Counsel has submitted to the Commissioner of Internal Revenue the question whether interest received on government bonds is not to be excluded from gross income, or if included in gross income, to be deducted therefrom in ascertaining net income in the return, and is awaiting his ruling upon the proposition. If no such exclusion or deduction is permitted, it might be well to save the point by making the return under protest in this respect.

### A DANGEROUS BILL

A bill is pending in Congress "to parole United States prisoners and for other purposes," which provides:

"That every prisoner who has been, is now, or may hereafter be convicted of any offense against the law or laws of the United States and is confined in execution of the judgment of such conviction in any United States penitentiary, prison or jail for a definite term of over one year and one day, whose record of conduct shows he has observed the rules of such institution and has been confined in same for a period not less than one year, may be released on parole as hereinafter provided."

The bill creates a board of parole, consisting of the warden of each United States penitentiary, the physician of such prison and a general agent of the Department of Justice at Washington, and if it appears to such board "that there is a reasonable probability" that a prisoner applying for parole "will live and remain at liberty without violating the laws" the board may, in its discretion, release the applicant on parole after he has given a bond of \$100, "and he shall be allowed to go on parole outside of said prison walls and inclosures, returning to his former home if he desire," but upon such terms and conditions as the board may prescribe. The bill provides for the retaking of the prisoner upon violation of parole, forfeiture of bond and imprisonment for the unexpired term of his sentence, less good time allowance, and unless "sooner released on further parole." It further provides that nothing contained in the bill shall be construed to impair the pardoning or commutation power of the President.

Such, in brief, is the substance of this most surprising bill which, it is seen, would place it absolutely in the discretion of the warden and physician of each federal prison, together with a third member, to parole any federal prisoner, after he has served a year in jail, whether he be a first offender or a habitual criminal and without any regard to the nature of the crime for which convicted.

The indeterminate sentence laws of many States, based on the theory of reforming criminals before they have become habitual and under which sentence is imposed for not less than the minimum nor more than the maximum penalty, are generally applicable only to first offenders, and State boards of parole are necessary concomitants to the administration of such laws. But the bill now before Congress contains no provision for indeterminate sentences, nor is its application restricted to first offenders; it simply constitutes a board of parole with absolute power and discretion to parole every kind of prisoner after service of a single year in a federal prison. Under such a law, the most dangerous counterfeiters, forgers, safe-blowers, bank-wreckers and other kinds of criminals imprisoned for violation of any federal law and whom it may have taken years of effort and heavy expense to capture and convict, may be turned loose to again prey upon the community after serving but a short term, and the wise exercise of discretion vested in numerous boards of parole would be the only safeguard of the public.

The Attorney-General of the United States in his recent report recommends indeterminate sentences for federal prisoners, but what the Attorney-General recommends and what is proposed by this bill are entirely different propositions.

It would seem that a bill of this kind, so unsafe in its provisions, would hardly warrant attention or cause anxiety, for the reason that, being so extreme, there would be no chance of such a measure ever becoming a law. But it is not safe to form such a conclusion as to the fate of the present bill. At the instance of the Protective Department of this Association, General Counsel, when in Washington recently, took occasion to investigate the measure and was surprised to learn that a similar bill actually passed the Senate last year, being defeated in the House, and that this year, though early in the session, the bill has already been reported, without amendment, by the Committee on the Judiciary and is now on the Calendar of the Senate.

We think it advisable, therefore, for our membership to write their respective Senators and Representatives calling attention to this dangerous measure and showing the reasons why it should not be passed. That the bill may be identified, the following gives the respective numbers of the bill in Senate and House with record of its progress:

S. 870. In the Senate of the United States. March 29, 1909, Mr. Bacon introduced the following bill; which was read twice and referred to the Committee on the Judiciary. December 13, 1909, reported by Mr. Bacon, without amendment. On the Senate Calendar, No. 19.

H. R. 15,819. In the House of Representatives. December 17, 1909, Mr. Foster, of Vermont, introduced the following bill; which was referred to the Committee on the Judiciary and ordered to be printed.

### THE KANSAS GUARANTY DECISION

United States District Judge Pollock has decided that the new State bank guaranty law of Kansas is unconstitutional. This closely follows the decision of the United States Circuit Court in Nebraska (published in the JOURNAL for November) holding unconstitutional the guaranty law of that State. The Nebraska law sought to compel every bank to pay assessments to the guaranty fund; the Kansas law differed in that it was voluntary, not compulsory—banks which possessed the required qualifications were "authorized and empowered to participate in the assessments and benefits" of the fund, but were not required to do so. Banks not qualified by having a surplus of ten per cent. in excess of capital, or not having been in business for a year, were not allowed to participate.

Three separate cases were submitted to Judge Pollock. One was by a stockholder of a State bank asking for an injunction, the bank having voted to participate in the guaranty fund and paid its assessment before the suit was brought. A temporary injunction was granted restraining the officials of the bank from further expenditures in complying with the terms of the guaranty act, also restraining the State Treasurer from disbursing the money of the bank in his hands to any person or persons, except in restoring it to the custody of the bank, and further restraining the Bank Commissioner from issuing or delivering to the officials of the bank any certificate of authority empowering it to conduct its affairs under the provisions of the act. The court said: "In the light of authorities it must be held that a legislative enactment that confers special privileges and benefits on a class which by the law and not by conditions are denied to another class in the same business or calling, and which privileges and benefits so conferred on the favored class may be and are employed to

impair and destroy the business of those belonging to the excluded class, is inhibited by the provisions in the fourteenth amendment to the national Constitution. And more especially must this be true, I think, in a case such as this, where the business conducted by the excluded class is not only of the same nature and character as that transacted by the favored class, and is conducted in the same city, town or locality and in competition one class with the other."

A second case was brought by a large number of State banks, who asked for an injunction because they did not want to participate in the law, and it was asserted that the fact that other banks participated really made the law compulsory. The court held that the guaranty law was not compulsory and dismissed the case of the State Banks. To obtain an injunction, these banks will probably have to adopt the same method as was taken in the first case.

The third case was brought by the national banks of the State, these banks contending that the State was discriminating against them when it passed the guaranty law, as the Comptroller of the Currency had held that the national banks could not participate in any State law guaranteeing bank deposits. In this case Judge Pollock said: "In the case of the national banks, as the rights of complainants may not be protected in any other manner save by a broad decree, a writ of temporary injunction will issue as prayed in the bill, to remain in force until the further order of this court on the giving and approval by the judge or clerk of this court of a bond in the penal sum of \$50,000, conditioned as by the laws provided."

It is probable that the Oklahoma, Nebraska and Kansas bank guaranty cases will all be heard together by the Supreme Court of the United States.

## LEGISLATURES OF 1910

---

Date of Assembly.	Limit of Session.
January.	Days.
4th Kentucky .....	60
5th Maryland .....	90
5th Massachusetts .....	None
4th Mississippi .....	30
11th New Jersey.....	None
5th New York.....	None
3d Ohio .....	None
10th Porto Rico.....	60
4th Rhode Island.....	60
11th South Carolina.....	None
12th Virginia .....	60
May.	
9th Louisiana .....	60
June.	
22d Georgia .....	50
October.	
5th Vermont .....	None

**DRAFTS OF PROPOSED LAWS RECOMMENDED FOR ENACTMENT DURING 1910 BY THE AMERICAN BANKERS' ASSOCIATION**

**PREPARED** by THOMAS B. PATON, General Counsel American Bankers' Association, Counsel and Secretary of Standing Law Committee.

**APPROVED** by Standing Law Committee: William J. Field, *Chairman*, Secretary and Treasurer Commercial Trust Co., Jersey City, N. J.; Henry Dimse, *Vice-President* Century Bank, New York City; P. C. Kauffman, *Second Vice-President* Fidelity Trust Co., Tacoma, Wash.; John K. Otley, *Vice-President* Fourth National Bank, Atlanta, Ga.; Henry B. Wilcox, *Vice-President and Cashier* First National Bank, Baltimore, Md., *Committee*.

The following drafts of laws are submitted for the use of members of the American Bankers' Association, and Legislative Committees of State Bankers' Associations in those States where any of such laws may be needed and in which the legislatures meet during 1910.

**FALSE STATEMENTS FOR CREDIT.**

AN ACT to punish the making or use of false statements to obtain property or credit.

Wherever a Penal Code or Consolidated Law is in force, the following should be inserted as a section in its appropriate place. Where no such Code exists, the act may properly be enacted as a new act, entitled as above).

*Be it enacted, etc.*

Section 1. Any person,

(1) Who shall knowingly make or cause to be made, either directly or indirectly, or through any agency whatsoever, any false statement in writing, with intent that it shall be relied upon, respecting the financial condition, or means or ability to pay, of himself, or any other person, firm or corporation, in whom he is interested, or for whom he is acting, for the purpose of procuring in any form whatsoever, either the delivery of personal property, the payment of cash, the making of a loan or credit, the extension of a credit, the discount of an account receivable, or the making, acceptance, discount or endorsement of a bill of exchange, or promissory note, either for the benefit of himself or such person, firm or corporation; or

(2) Who, knowing that a false statement in writing has been made, respecting the financial condition or means or ability to pay, of himself, or such person, firm or corporation in which he is interested, or for whom he is acting, procures, upon the faith thereof, either for the benefit of himself, or such person, firm or corporation, either or any of the things of benefit mentioned in the first sub-division of this section; or

(3) Who, knowing that a statement in writing has been made, respecting the financial condition or means or ability to pay of himself or such person, firm or corporation, in which he is interested, or for whom he is acting, represents on a later day, either orally or in writing, that such statement theretofore made, if then again made on said day, would be then true, when in fact, said statement if then made would be false, and procures upon the faith thereof, either for the benefit of himself or such person, firm or corporation, either or any of the things of benefit mentioned in the first sub-division of this section:

Shall be guilty of a felony, punishable by (insert amount of fine, term of imprisonment or both).

The above draft of act has been jointly prepared by Mr. Julius Henry Cohen, Counsel for the National Association of Credit Men and by General Counsel of the American Bankers' Association, and has been indorsed by both associations through their respective law committees. It is broad enough to cover all cases of the making of false written statements to procure property or credit in any form, including cases where such statements are made directly to the one from whom property or credit is sought, as to a merchant or to a bank, or indirectly, as where made to a mercantile agency or a note-broker, to be used as a source of reliance by the banker who loans money and purchases paper or by the merchant who sells goods. Furthermore, it aims at the person who makes the statement or causes it to be made, whether such person seeks the credit for himself, or for any other person, firm or corporation. Subdivision 1 punishes the mere making of a false statement in writing, with intent that it shall be relied on, for the purpose of procuring credit; subdivision 2 punishes the person who procures property or credit upon the faith of a false statement, such person not necessarily being the one who made the statement; and subdivision 3 punishes the person who falsely represents, either orally or in writing, that a previous written statement is true with respect to present financial condition and thereby procures credit.

Last year a draft of act was prepared by General Counsel on this subject designed primarily to cover bank credits. This act was enacted in several of the states. It having been urged that a law of this kind should more properly apply to everybody that extended credit; that it should cover mercantile as well as bank credits; and, furthermore, that the scope of such legislation should be extended to cover statements made to mercantile agencies, the above draft has therefore been prepared and is recommended in place of the former law.

The draft of law recommended in 1909, with the states in which it has been enacted, either substantially or with certain changes, is published below:

"Any person who, either individually or in a representative capacity

"(1) shall knowingly make a false statement in writing to any person, firm or corporation engaged in banking or other business respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as member, director, officer, employe or agent, for the purpose of procuring a loan, or credit in any form or an extension of credit from the person, firm or corporation to whom such false statement is made, either for his own use or for the use of the firm or corporation with which he is connected as aforesaid, or

"(2) having previously made, or having knowledge that another has previously made, a statement in writing to any person, firm or corporation engaged in banking or other business respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as aforesaid, shall afterwards procure on faith of such statement from the person, firm or corporation to whom such previous statement has been made, either for his own use or for the use of the firm or corporation with which he is so connected, a loan or credit in any form, or an extension of credit, knowing at the time of such procuring, that such previously made statement is in any material particular false, with respect to the present financial condition of himself or of the firm or corporation with which he is so connected, or

"(3) shall deliver to any notebroker or other agent for the sale or negotiation of commercial paper any statement in writing, knowing the same to be false, respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as aforesaid, for the purpose of having such statement used in furtherance of the sale, pledge or negotiation of any note, bill or other instrument for the payment of money made, or indorsed or accepted, or owned in whole or in part, by him individually or by the firm or corporation with which he is so connected, or

"(4) having previously delivered, or having knowledge that another has previously delivered to any notebroker or other agent for the sale or negotiation of commercial paper, a statement in writing respecting his own financial condition, or the financial condition of any firm or corporation with which he

is connected as aforesaid, shall afterwards deliver to such notebroker or other agent for the purpose of sale, pledge or negotiation on faith of such statement, any note, bill or other instrument for the payment of money made, or indorsed, or accepted, or owned in whole or in part, by himself individually or by the firm or corporation with which he is so connected, knowing at the time that such previously delivered statement is in any material particular false, as to the present financial condition of himself or of such firm or corporation,

"shall be guilty of (felony or misdemeanor) and punishable by fine not exceeding one thousand dollars or imprisonment not exceeding five years, or both."

1909 *Michigan*: No. 15. Enacts law recommended in 1909 as above. Makes crime a misdemeanor, with not more than \$500 fine, not exceeding six months in county jail, or both fine and imprisonment, in the discretion of the court.

1909 *Montana*: Chap. 96. Enacts law recommended in 1909 as above. Fine not exceeding \$1,000, or imprisonment not exceeding five years, or both.

1909 *New Mexico*: Chap. 93. Enacts subdivisions (1) and (2) of law recommended in 1909 and omits subdivisions (3) and (4). Subdivisions (1) and (2) same as above except that words "engaged in banking or other business" eliminated from each of said subdivisions. Fine not exceeding \$1,000 or imprisonment not exceeding five years, or both.

1909 *Minnesota*: Chap. 431. Enacts law recommended in 1909, changing above draft to read as follows:

"Any person who, either individually or in a representative capacity

- "(1) shall knowingly make a false statement in writing to any person, firm or corporation engaged in banking, or to any savings bank or trust company, respecting his own financial condition or the financial condition of any person, firm or corporation for the purpose of procuring a loan, or credit in any form or an extension of credit from such person, firm or corporation to whom such false statement is made, either for his own use or for the use of any person, firm or corporation, or
  - "(2) having previously made, or having knowledge that another has previously made, a statement in writing to any person, firm or corporation engaged in banking, or to any savings bank or trust company, respecting his own financial condition or the financial condition of any person, firm or corporation, shall afterwards, on the faith of such statement, procure from such person, firm or corporation to whom such previous statement has been made, either for his own use or for the use of any person, firm or corporation, a loan or credit in any form, or an extension of credit, knowing at the time of procuring the same that such previously made statement is in any material particular false, with respect to the financial condition of himself or of any firm or corporation, at the time of procuring such loan, credit or extension of credit, or
  - "(3) shall deliver to any notebroker or other agent for the sale or negotiation of commercial paper, to any person, firm or corporation engaged in banking, or to any savings bank or trust company, any statement in writing, knowing the same to be false, respecting his own financial condition or the financial condition of any person, firm or corporation, for the purpose or with the intent of having such statement used in furtherance of the sale, pledge or negotiation of any note, bill or other instrument for the payment of money made, or indorsed or accepted, or owned in whole or in part, by him individually or by any person, firm or corporation, or
  - "(4) having previously delivered, or having knowledge that another has previously delivered to any notebroker or other agent for the sale or negotiation of commercial paper described in the preceding subdivision, a statement in writing respecting his own financial condition, or the financial condition of any person, firm or corporation, shall afterwards deliver to such notebroker or other such agent for the purpose of sale, pledge or negotiation on the faith of any such statement, any note, bill or other instrument for the payment of money made, indorsed, accepted, or owned in whole or in part, either by himself or by any person, firm or corporation, knowing at the time that such previously delivered statement is in any material particular false, as to the present financial condition of himself or any person, firm or corporation.
- "shall be guilty of a gross misdemeanor and punishable by fine not exceeding one thousand dollars or imprisonment not exceeding five years, or both."

1909 *Tennessee*: Chap. 509. Enacts law recommended in 1909, eliminating subdivisions (3) and (4) and changing subdivisions (1) and (2) and the penalty. The act as passed reads as follows:

"Section 1. That any person who, either individually or in a representative capacity, shall knowingly make a false statement in writing to any person, firm or corporation respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as member, director, officer, employe or agent, for the purpose of procuring credit in any form or an extension of credit already given, or to be used as a basis for credit, either for his own use or for the use of the firm or corporation with which he is connected as aforesaid, or having previously made, or having knowledge that another has previously made, a statement in writing to any person respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as aforesaid, shall afterwards procure on the faith of such statement either for his own use or for the use of the firm or corporation with which he is so connected, credit in any form, or an extension of credit already given, knowing at the time of such procuring, that such previously made statement is in any material particular false, with respect to the financial condition of himself or the firm or corporation with which he is so connected, shall be guilty of a misdemeanor.

"Section 2. Be it further enacted that any person, firm or corporation guilty of violating the provisions of this act shall be punished by a fine of not less than \$50 for each offense and by imprisonment in the county workhouse for a period of not less than thirty days and not more than six months."

1909 *Illinois*: Section 97 of the Criminal Code amended, as follows; new matter in italics, words eliminated in brackets:

"Section 97. Whoever by any false representation in writing of [his own] *the respectability, wealth [or] mercantile correspondence or connections, or assets or liabilities of himself, or of any firm of which he is a member, or whoever, being an officer of a corporation, by any false representation in writing, known by him to be false and signed by him, of the respectability, wealth, mercantile correspondence or connections, or the assets or liabilities, or any or all of them, of such corporation, obtains credit for himself, for such firm or for such corporation, and thereby defrauds any person of money, goods, chattels or any valuable thing, or whoever procures another to make a false report in writing, signed by the person making the same, of [his] the honesty, wealth, mercantile correspondence or connections, or assets or liabilities of himself, or of any firm of which he is a member, or whoever, being an officer of a corporation, procures another to make a false report in writing, known by him to be false, signed by the person making the same, of the honesty, wealth, mercantile correspondence or connections, or assets or liabilities of such corporation, and thus obtains credit for himself, for such firm or for such corporation, and thereby defrauds any person of any money, goods, chattels or other valuable thing, shall be sentenced to return the money or property so fraudulently obtained, if it can be done, and shall be fined not exceeding \$2,000 and confined in the county jail not exceeding one year.*"

## BILL TO PUNISH DEROGATORY STATEMENTS AFFECTING BANKS.

*Be it enacted, etc.*

1. Any person who shall wilfully and maliciously make, circulate or transmit to another or others any statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank, savings bank,



banking institution or trust company\* doing business in this State, or who shall counsel, aid, procure, or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a (felony or misdemeanor), and upon conviction thereof, shall be punished by a fine of not more than five thousand dollars or by imprisonment for a term of not more than five years, or both.

This proposed act was drafted by General Counsel in December, 1907, to punish persons who maliciously make or circulate derogatory statements or stories affecting the standing and credit of banking institutions—a kind of evil to which banks are peculiarly subject, and which often causes great injury not only to the bank or banks affected but to the general public. Existing criminal laws are inadequate to obtain the conviction and punishment of offenders.

As originally drafted, following a law of New Jersey, enacted in the spring of 1907, the act provided for the punishment of persons who "wilfully or maliciously" circulated stories "untrue in fact." The later draft aims at one who "wilfully and maliciously" circulates such stories, without the necessity of proving they are "untrue in fact," making the gist of the crime depend upon the maliciousness rather than upon the untruth of the injurious utterance. The new draft was made as the result of expert criticism demonstrating the unwisdom of bringing in the untruth as a material element of proof, which might require dragging a bank's entire financial condition into court before conviction could be obtained, the impracticability of which might defeat the ends of justice.

The law, substantially as above, has been enacted as follows:

1908 *Louisiana*: "That any person who shall wilfully and maliciously make, circulate, or transmit to another or others any statement, rumor, or suggestion, written, printed, or by word of mouth, which is directly or by inference derogatory to the financial condition, or affects the solvency or financial standing of any bank organized under the laws of the State of Louisiana, or who shall counsel, aid, procure, or induce another to start, transmit, or circulate any such statement or rumor, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor for a term of not more than five years."

1909 *Michigan*: Same as first above, except that word "incorporated" inserted before "bank, savings bank," etc., and the crime made a "felony."

Following are the enactments in which the crime is made to depend upon the statement being "wilful or malicious" and also "untrue in fact."

1907 *New Jersey*: "Any person who shall wilfully or maliciously instigate, make, circulate or transmit to another or others any statement, untrue in fact, derogatory to the financial condition or affecting the solvency or financial standing of any bank, banking institution or trust company doing business in this State, or who shall counsel, aid, procure, or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a misdemeanor."

1908 *Rhode Island* (Part of Section 78, Banking Law of 1908): "Every person who shall wilfully or maliciously instigate, make, circulate, or transmit to another or others any statement, untrue in fact, derogatory to the financial condition or affecting the solvency or financial standing of any bank, savings bank, or trust company doing business in this state, or who shall counsel, aid, procure, or induce another to start, transmit, or circulate any such statement or rumor, shall, upon conviction thereof, be punished by imprisonment for a term not exceeding one year or by a fine not exceeding five hundred dollars, or by both such fine and imprisonment."

1909 *Pennsylvania*: No. 121. Section 1. Any person who shall make, utter, circulate or transmit to another or others any statement, untrue in fact, derogatory to the financial condition of any bank, banking house, banking company, trust company, surety company, guarantee company, title insurance company or other financial institution in this commonwealth with intent to injure any such financial institution, or who shall counsel, aid, procure or induce another to originate, make, utter, transmit or circulate any such

\*The names of banking institutions should be specified according to what they are termed in each particular State.

statement or rumor with like intent, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor for a term not exceeding five years.

### CHECK OR DRAFT WITHOUT FUNDS.

AN ACT to punish the giving of checks or drafts on any bank or other depository wherein the person so giving such check or draft shall not have sufficient funds or a credit for the payment of the same.

*Be it enacted, etc.*

SECTION I. Any person who shall make or draw and utter or deliver to another person any check, draft or order for the payment of money upon any bank or other depository, knowing at the time of such making, drawing, uttering or delivery that he has not sufficient funds in or credit with such bank or other depository for the payment of such check, draft or order in full upon its presentation, shall be guilty of a (felony or misdemeanor), and upon conviction thereof shall be fined not more than five thousand dollars, or imprisoned not more than five years, or both. The word "credit" as used herein shall be construed to mean an arrangement or understanding with the bank or depository for the payment of such check, draft or order.

The above draft of statute is designed to check the growth of the pernicious practice of issuing "not good" checks by more adequately defining the crime and providing punishment for the offender. Without such a statute, the person who knowingly obtains money or property by means of a "not good" check can generally be punished under the criminal laws against the obtaining of money by means of false pretenses or false representations; but there are numerous cases where worthless checks are issued, and such laws are ineffective; e. g., where A issues his check to B, without obtaining money or property and B, not A, negotiates the check. Where B is innocent of wrongdoing, the prosecution fails. The proposed statute is aimed at the maker, who sets afloat a "bad" check; this, in itself, is made criminal without the necessity of proving that he defrauded another of his money or property thereby. Furthermore, the proposed statute eliminates "with intent to defraud" as an essential of the crime. Most of the state statutes (as will be seen below) include "intent to defraud" as an essential to conviction, but the difficulty of proving intent to defraud is such, that the guilty often escape. The maker is ever ready to show that he issued his check in the hope, expectation or reasonable belief that he would have the funds in bank in time to meet it—for example, somebody had promised a payment that was not forthcoming—and it is difficult to prove intent to defraud in such cases. North Carolina has recently (1909) added to its statute on this subject, that "the giving of the aforesaid worthless check, draft or order shall be prima facie evidence of intent to cheat or defraud," but while this shifts the burden of proof to the maker, he can escape conviction whenever he can succeed in making it appear that although he issued a check "not good" it was without fraudulent intent. In the proposed draft, the mere issuing of a check, knowing that it is "not good" at the time, constitutes the crime. The Tennessee statute (enacted 1909) is substantially the same.

1903 *Idaho*: "Any person who shall in payment of any debt in whatsoever manner contracted give any check or draft upon any bank or banking association wherein such person shall not have sufficient funds or credit for the payment of the same, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed five hundred dollars or imprisoned in the county jail not to exceed six months, or both such fine and imprisonment."

- 1903 *Indiana*: "Any person who, with intent to defraud, by color or aid of a check, draft or order for the payment of money or the delivery of property, although no express representation is made in reference thereto, obtains from another any money or property, when the drawer or maker of such check, draft or order is not entitled to draw on the drawee for the sum specified therein, or to order payment of the money or delivery of the property, shall be deemed guilty of a felony and upon conviction thereof, shall be fined in any sum not less than one hundred dollars and not more than five thousand dollars, to which may be added imprisonment in the states' prison not exceeding five years."
- 1905 *Washington*: "Any person who shall, with intent to defraud, make or draw or utter or deliver to another person any check or draft on a bank or other depository for the payment of money, knowing at the time of such drawing or delivery that he has not sufficient funds in, or credit with, said bank or depository to meet said check in full upon its presentation, shall be guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the penitentiary for not more than five years or less than one year, or imprisonment in the county jail for any length of time not exceeding one year. The word 'credit' as used herein shall be construed to mean an arrangement or understanding with the bank for payment of such check or draft."
- 1907 *California*: "Every person who, wilfully, with intent to defraud, makes or draws or utters or delivers to another person any check or draft on a bank, banker or depository for the payment of money, knowing at the time of such making, drawing, uttering or delivery, that he has not sufficient funds in or credit with such bank, banker or depository to meet such check in full upon its presentation, is punishable by imprisonment in the state prison for not less than one year nor more than fourteen years. The word 'credit' as used herein shall be construed to be an arrangement or understanding with the bank or depository for the payment of such check or draft."
- 1907 *North Carolina*: "That every person who, with intent to cheat and defraud another, shall obtain money, credit, goods, wares, or anything of value by means of a check, draft or order of any kind upon any bank, person, firm or corporation, not indebted to drawer, or where he has not provided for the payment or acceptance, and the same be not paid upon presentation, shall be guilty of a misdemeanor, and upon conviction, shall be fined or imprisoned, or both, at the discretion of the court. *The giving of the aforesaid worthless check, draft or order shall be prima facie evidence of intent to cheat or defraud.*" (Added by Chap. 647, Laws 1909.)
- 1908 *Rhode Island* (Section 77, Banking Law of 1908): "Any person who shall, with intent to defraud, make or draw or utter or deliver to another person any check, draft, or order on a bank, savings bank, or trust company, knowing at the time of such drawing or delivery that he has not sufficient funds or credit with said bank, savings bank, or trust company to meet said check, draft, or order in full upon its presentation, shall, upon conviction thereof, be fined not less than five hundred dollars or more than five thousand dollars, or imprisoned not less than six months or more than five years, or both such fine and imprisonment. The word 'credit' as used herein shall be construed to mean an arrangement or understanding with the bank, savings bank, or trust company for payment of such check, draft or order."
- 1909 *South Carolina*: "Any person who shall hereafter draw and utter any check, draft or order upon a bank, banking house, person, firm or corporation with which or whom he has not at the time sufficient funds to meet the same and shall thereby obtain from another, money or other thing of a value, or induce such person to surrender or postpone any remedy he may have agents (against) such drawer shall be guilty of a misdemeanor, and upon conviction shall be punished by fine or imprisonment in the discretion of the court; the offense to be within the jurisdiction of the magistrate's court, if the value of the property obtained be less than twenty dollars and be punished by a fine not exceeding one hundred dollars or imprisonment not exceeding thirty days; provided that if such person shall deposit with the drawee of such paper within thirty days thereafter funds sufficient to meet the same, with all costs and interests which may have accrued, the prosecution under this act shall be discontinued."
- 1909 *Tennessee*: Section 1. "That it is hereby declared to be unlawful for any person, firm, or corporation to draw any check upon any other person, firm, or

corporation where the drawer of such check has not had an account or credit with the person, firm, or corporation upon whom such check is drawn within a period of sixty days from the date of the drawing of such check; and for any person drawing any check upon any person, firm, or corporation, knowing that there are not funds to meet the same and that the same will not be honored."

Section 2. "That any person, firm, or corporation drawing a check upon any other person, firm, or corporation in violation of Section 1 of this Act, and the check is not paid by the bank or person on whom it is drawn, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred dollars (\$100) nor more than two hundred and fifty dollars (\$250), and imprisoned for a period of not less than sixty days nor more than ninety days."

1909 *Wyoming*: "Any person who shall, with intent to defraud, make or draw or utter or deliver to another person, company or corporation any check, draft or order for the payment of money upon any bank or other depository, when the person at the time of such making, drawing, uttering or delivery is not entitled to make, draw, utter or deliver said check, draft or order, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than five thousand dollars or imprisoned in the penitentiary not more than five years, or both."

## BURGLARY WITH EXPLOSIVES.

AN ACT defining the crime of burglary with explosives and providing the punishment therefor.

*Be it enacted, etc.*

SECTION 1. That any person who, with intent to commit crime, breaks and enters, either by day or by night, any building, whether inhabited or not, and opens or attempts to open any vault, safe or other secure place by use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives.

SECTION 2. That any person duly convicted of burglary with explosives shall be punished by imprisonment for a term of not less than twenty-five nor more than forty years.

There is necessity for a very heavy penalty for this crime in order that the severity of the punishment shall act as a deterrent.

1904 *Kentucky*: "That any person or persons who shall by force or violence, steal, take or carry away or attempt by such means to steal, take or carry away from any bank, money, notes, securities or any other thing of value, or who shall, by means of explosives or any other force, unlawfully open or attempt to open, any safe belonging to or used by any person, firm, bank, or corporation or company in which is kept money, notes, securities, books or any other thing of value, shall be guilty of a felony; and upon conviction thereof, shall be confined in the penitentiary not less than two nor more than twenty years."

1905 *Delaware*: "Section 1. Any person who, with intent to commit burglary, breaks and enters, in the nighttime, a building in which there is a human being, and commits burglary by the use of nitroglycerine, dynamite, gunpowder, or any other high explosive, shall be deemed guilty of burglary by the use of explosives, which shall be a felony, and shall be fined not less than one thousand nor more than five thousand dollars, shall be whipped with not less than twenty nor more than forty lashes, and shall be imprisoned for a term not less than twenty-five years nor more than forty years."

- "Section 2. Any person who, with intent to commit burglary, breaks and enters, in the nighttime, a building in which there is no human being and commits burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, shall be deemed guilty of burglary with explosives and felony, and shall be fined not less than five hundred dollars nor more than two thousand dollars, shall stand one hour in the pillory, shall be whipped with not less than fifteen nor more than twenty-five lashes, and shall be imprisoned for a term not less than ten years nor more than twenty years."
- 1906 *Maryland*: "Section 1. That any person who breaks and enters, either by day or by night, any building, whether inhabited or not, and opens or attempts to open any vault, safe or other secure place by use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives.
- "Section 2. That any person duly convicted of burglary with explosives shall be sentenced to the penitentiary in the discretion of the court for a period of not more than twenty years."
- 1907 *Colorado*: "Any person who, with the intent to commit any crime, breaks and enters any building and, for the purpose of committing any crime, uses or attempts to use nitro-glycerine, dynamite, gunpowder or any other explosive, is guilty of burglary with explosives, and on conviction shall be punished by imprisonment for a term of not less than twenty-five nor more than forty years."
- 1907 *Iowa*: "If any person shall break and enter any building and commit any public offense therein by the use, or with the aid, of nitro-glycerine, dynamite, giant powder, gunpowder, or any other explosive material, he shall be imprisoned in the penitentiary not less than fifteen years."
- 1907 *Michigan*: Same language as Colorado, except the word "high" is inserted before "explosive" and penalty is "not less than fifteen nor more than thirty years."
- 1907 *Montana*: "Any person who enters a building belonging to another with intent to commit a felony or other crime by the use of nitro-glycerine, dynamite, gunpowder or other high explosives, or who commits burglary by the use of any such explosives, is guilty of burglary with explosives. Section 2. Burglary with explosives is punishable by imprisonment in state prison for not less than fifteen years, and not more than forty years."
- 1907 *Nebraska*: "Any person who breaks and enters, either by day or by night, any building, whether inhabited or not, and opens or attempts to open any vault, safe, or other secure place by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, with intent to steal or injure the property of another, shall be deemed guilty of burglary with explosives. Any person duly convicted of burglary with explosives shall be sentenced to the penitentiary for life or for any term not less than twenty years."
- 1907 *New Jersey*: "Any person who shall wilfully or maliciously break or enter any church, meeting house, dwelling house, shop, banking house, warehouse, mill, barn, stable, outhouse, railway car, canal boat, ship or vessel, or other building whatever, with intent to kill, rob or steal, and who, for the purpose of effectuating such intent, uses, or attempts to use, nitro-glycerine, dynamite, powder or any other high explosive, and his counselors, procurers, aiders and abettors, shall be guilty of a high misdemeanor and punished by imprisonment at hard labor for a period not exceeding forty years or a fine not exceeding five thousand dollars, or both, at the discretion of the court."
- 1907 *North Dakota*: "Any person who, with intent to commit any crime, breaks into or enters a building and commits or attempts to commit a crime by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of a felony. Any violation of this act is punishable by imprisonment in the penitentiary of this state for not less than twenty years nor more than forty years."
- 1907 *Oregon*: "If any person shall break and enter any building in the nighttime with intent to commit a crime therein, and shall in the commission of, or attempt to commit such crime, use or attempt to use nitro-glycerine, dynamite, gunpowder or other high explosive, such person shall be deemed guilty of burglary with explosives, and upon conviction thereof shall be punished by imprisonment in the penitentiary for not less than five years nor more than forty years."

- 1907 *South Dakota*: "Section 1. (Burglary in the Second Degree.) A person who, with intent to commit burglary, breaks and enters in the nighttime a building and commits or attempts burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of burglary with explosives in the second degree. Section 2. (Burglary in First Degree.) A person who, with intent to commit burglary, breaks and enters in the nighttime a building in which there is a human being, and commits or attempts burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of burglary with explosives in the first degree. Section 3. (Punishment.) Burglary with explosives in the first degree is punishable by imprisonment in the state penitentiary for not less than twenty-five years, and burglary with explosives in the second degree is punishable by imprisonment in the state penitentiary for not less than fifteen years nor more than twenty-five years."
- 1907 *Minnesota*: "Every person who, with intent to commit some crime therein, shall break and enter the dwelling house of another in which there is a human being, under circumstances not amounting to burglary in the first degree, or any person who, with intent to commit some crime therein, shall break or enter any room or building, whether occupied by a human being at the time or not, wherein a general banking business is carried on, or any structure wherein a business of receiving public or private funds on deposit is done, shall be guilty of burglary in the second degree and punished by imprisonment in the state prison for not more than ten years."
- 1907 *New Hampshire*: "Section 1. That any person who, with intent to commit burglary, breaks and enters in the nighttime any building in which there is a human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than twenty years and not more than thirty years.
- "Section 2. That any person who, with intent to commit burglary, breaks and enters in the daytime any building in which there is a human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than fifteen years and not more than thirty years.
- "Section 3. That any person who, with intent to commit burglary, breaks and enters in the nighttime any building in which there is no human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than ten years and not more than thirty years.
- "Section 4. That any person who, with intent to commit burglary, breaks and enters in the daytime any building in which there is no human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than five years and not more than thirty years."
- 1909 *Idaho*: Section 1 same as Section 1 first above, except that "within said building" inserted after "other secure place." Section 2 provides "that any person duly convicted of burglary with explosives shall be sentenced to the penitentiary for a period of not less than ten (10) years nor more than twenty-five (25) years.
- 1909 *Wyoming*: Same as Section 1 first above, except that word "felony" in place of "crime" on first line. Act also adds penalty as part of Section 1: "and upon conviction shall be imprisoned in the penitentiary not more than twenty years."

FORGED OR RAISED CHECKS.

AN ACT fixing the liability of a bank to its depositor for payment of forged or raised checks.

*Be it enacted, etc.*

SECTION 1. No bank shall be liable to a depositor for the payment by it of a forged or raised check unless within one year after the return to the depositor of the voucher of such payment, such depositor shall notify the bank that the check so paid is forged or raised.

SECTION 2. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

It may be desirable to insert "or trust company" after the word "bank," twice appearing in above.

Heretofore enacted in

1904 *New York*: time limit "one year;" phraseology as above.

1905 *Wisconsin*: time limit "one year;" and the concluding part of section reads: "unless action therefor shall be brought against such bank within one year after the return to the depositor by such bank of the check so forged or raised as a voucher."

1905 *California*: time limit "one year." Contained in Statute of Limitations and bars action one year after payment. It reads: "340. Within one year \* \* \* An action \* \* \* by a depositor for the payment of a forged or raised check."

1905 *South Dakota*: "Three months;" phraseology otherwise as first above.

1907 *Michigan*: "Three months;" phraseology otherwise as first above.

1907 *Washington*: "Sixty days;" phraseology otherwise as first above, except "trust company" also expressly specified.

1907 *Oregon*: "Thirty days;" phraseology otherwise as first above.

1908 *New Jersey*: "One year;" phraseology as first above.

1909 *Iowa*: "Six months;" phraseology otherwise as first above.

1909 *Montana*: "One year;" phraseology as first above.

1909 *North Carolina*: "Six months;" phraseology otherwise as first above except that "banking institution or trust company doing business in this state" inserted after word "bank" in first line; words "or order to pay money" inserted after "raised check" in second line and word "such" changed to "said" before word "depositor" in third line.

1909 *North Dakota*: "Thirty days;" phraseology otherwise as first above.

1909 *Wyoming*: "Three months;" phraseology otherwise as first above.

PAYMENT OF DEPOSITS IN TWO NAMES.

*Be it enacted, etc.*

1. When a deposit has been made, or shall hereafter be made, in any (specify institutions) transacting business in this State in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said

persons whether the other be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

2. This act shall take effect immediately.

The above is the text of a law, first enacted in 1906 in New Jersey, applicable solely to savings banks, designed to clear up the legal doubt concerning the authority of a savings bank, upon the death of one of the two parties to a two-name account, to pay over the deposit to the survivor. In 1907 (Ch. 40) New Jersey passed another law, the same as above, making it applicable to deposits in banks and trust companies, ending the act with "living or not" and omitting the clause "and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made."

The New Jersey legislation has been followed in other states, as shown below. In a few states, it is confined to savings banks; in the majority it is also made applicable to two-name deposits in other institutions. In Louisiana it is extended to deposits in safe deposit vaults. In Washington the act does not apply to deposits in excess of \$300. In some of the States the legislation contemplates that savings deposits may be made in the names of more than two persons.

In New York, California and Michigan the law goes beyond an authority to the bank to pay and creates a joint tenancy title in the parties.

Following is the record of legislation:

1906 } *New Jersey* as above.  
1907 }

1907 *Connecticut*: Ch. 61: "When a deposit has been or shall be made in any savings bank in the name of two persons and payable to either or to the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons, and the receipt of the person so paid shall be a valid and sufficient release and discharge on account of the payment so made."

1907 *Maine*: Chapter 66 amends Savings Bank Act by providing: "When money is deposited in the names of two or more persons, payable to either, the whole or any part thereof, may be paid to either of such persons with or without the consent of the other, before or after the death of the other." Chapter 119. Enacts law as first above set out, applicable to banks and trust companies.

1907 *Minnesota*: Chapter 468. (Concluding Part of Sec. 6.) "And whenever any deposit shall be made by or in the names of two or more persons upon joint and several account, the same or any part thereof and the dividends or interest thereon may be paid to either of such persons or to a survivor of them or to a personal representative of such survivor." (Refers to "any deposit made in any bank or savings bank.")

1907 *Oregon*: Chapter 138. General Banking Law, Section 19, concluding portion: "When a deposit has been made or shall hereafter be made in the name of two persons, payable to either, or payable to either or the survivor, such deposit or any part thereof, or interest or dividends thereon, may be paid to either of said persons whether the other be living or not, and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to the bank for any payment so made. This section shall apply to all banking institutions, including national banks, within this state."

1907 *Washington*: Chapter 80. "When a deposit has been made or shall hereafter be made in any bank or trust company transacting business in this state in the name of two persons, payable to either of such persons, such deposit or any part thereof, or interest or dividends thereon, may be paid to either of the said persons whether the other be living or not and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to such bank or trust company for any payment so made: Provided, that this act shall not apply to deposits in excess of three hundred (\$300) dollars."



- 1908 *Rhode Island*: Section 67, General Banking Law. "When a deposit has been or shall be made in any bank, savings bank or trust company in the name of two persons and payable to either or to the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons, whether the other be living or not, and the receipt of the person so paid shall be a valid and sufficient release and discharge on account of the payment so made."
- 1908 *Louisiana*: (1) "That when a deposit has been made, or shall hereafter be made, in any bank, savings bank or trust company transacting business within this state, under the names of two or more persons, payable to either or payable to either of the survivors, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons, whether the other or others be living or not, and the receipt or acquittance of the person so paid shall be a valid, sufficient and complete release and discharge of the bank, savings bank, or trust company for any payment so made." (2) "That when a safety deposit vault shall have been hired, or shall hereafter be hired from any bank, savings bank or trust company, transacting business in this state, under the names of two or more persons, with the right of access being given to either, or with access to either of the survivor or survivors of said persons, such survivor or survivors, whether the other or others be living or not, shall have the right of access to such deposit vault, and may remove therefrom the contents of said box; provided, that in all cases where such removal shall have been made, the said bank, savings bank or trust company, shall be exempt from any liability for permitting the said survivor or survivors access thereto."
- 1909 *Montana*: Chap. 110. Same as first above; institutions specified "bank, savings bank, banking institution or trust company."
- 1909 *Nebraska*: Chap. 9, Section 1. (Deposits by several persons—Payment.) "When a deposit in any bank in this state is made in the name of two or more persons, deliverable or payable to either, or to their survivor or survivors, such deposit, or any part thereof, or increase thereof, may be delivered or paid to either of said persons or to the survivor or survivors in due course of business."
- 1909 *New Hampshire*: Chapter 92. Same as first above; institution specified "savings bank." Also at end of act following proviso added: "Provided, however, that if one of the parties has deceased, and the bank officials have knowledge of the fact, payment shall not be made to the survivor until the state treasurer has certified that no taxes are due the state under the provisions of Chapter 40 of the Laws of 1905 and amendments thereto, on account of the interest of said decedent in said deposit or that all taxes due have been paid."

JOINT TENANCY OF TWO-NAME DEPOSITS WITH AUTHORITY TO BANK TO PAY

- 1907 *New York*: Chapter 247 amends Section 114 of the Banking Law, relative to the payment of deposits in savings banks, by adding thereto: "When a deposit shall be made by any person in the names of such depositor and another person and in form to be paid to either or the survivor of them, such deposit thereupon and any additions thereto made by either of such persons upon the making thereof shall become the property of such persons as joint tenants and the same together with all interest thereon shall be held for the exclusive use of the persons so named and may be paid to either during the lifetime of both or to the survivor after the death of one of them and such payment and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to said bank for all payments made on account of such deposit prior to receipt by said bank of notice in writing not to pay such deposit in accordance with the terms thereof."
- 1909 *California* (Part of Section 16, Banking Law 1909): "When a deposit with a bank shall be made by any person in the names of such depositor and another person or persons, and in form to be paid to either or the survivor or survivors of them, such deposit thereupon, and any additions thereto made by either of such persons upon the making thereof, shall become the property of such persons as joint tenants, and the same, together with all interest thereon, shall be held for the exclusive use of the persons so named, and may be paid to either during the lifetime of all or any or to the survivor or survivors after the death of one or more of them, and such payments and the receipt or acquittance of the one to whom such payment is made shall be a valid and suf-

ficient release and discharge to said bank for all payments made on account of such deposit." (The word "bank" is defined to include every person, firm, company, copartnership or corporation which conducts the business of receiving money on deposit). By Chap. 75, Laws of California, 1907, it was provided: "When a deposit is made in the name of two or more persons, deliverable or payable to either or to their survivor or survivors, such deposit or any part thereof, or increase thereof, may be delivered or paid to either of said persons or to the survivor or survivors in due course of business."

1909 *Michigan*: Number 248. Section 3: "When a deposit shall be made in any bank or trust company by any person in the name of such depositor or any other person and in form to be paid to either or the survivor of them, such deposits thereupon and any additions thereto, made by either of such persons, upon the making thereof, shall become the property of such persons as joint tenants, and the same together with all interest thereon, shall be held for the exclusive use of the persons so named and may be paid to either during the lifetime of both or to the survivor after the death of one of them, and such payment and the receipt or acquittance of the same to whom such payment is made shall be a valid and sufficient release and discharge to said bank for all payments made on account of such deposits prior to the receipt by said bank of notice in writing not to pay such deposit in accordance with the terms thereof."

### PAYMENT OF DEPOSITS IN TRUST.

#### *Be it enacted, etc.*

Whenever any deposit shall be made (specify institutions) by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made.

A necessary, or at all events desirable, law to protect or justify the bank in making payment to the beneficiary upon death of the trustee. Its language is permissive, not compulsory. Originally enacted in New York in 1875 as applicable to savings banks, it has since been embodied in the legislation of a large number of states. In some of the states, its provisions have been amplified, as will appear below. The Massachusetts law, which differs from New York in requiring name and residence of beneficiary to be disclosed at time of deposit, in specifically providing that credit shall be given to depositor as trustee, and in adding that payment, upon trustee's death, may be made to legal representative, as well as to beneficiary, has been followed as a model in several states.

1875 *New York* (now part of Section 114 of Banking Law, applicable to Savings Banks): Text as above, excluding words in parenthesis.

1876 *Massachusetts* (applicable to Savings Banks): "If a deposit be made with such corporation by one person in trust for another, the name and residence of the person for whom it is made shall be disclosed, and it shall be credited to the depositor as trustee for such person; and if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may in case of the death of the trustee, be paid to the person for whom such deposit was made, or to his legal representative."

Following the original enactments in New York and Massachusetts as above, the states in which laws of this character have been passed, up to and including the year 1909, are given below in alphabetical order:

*California* (Part of Section 16, Banking Law of 1909): Substantially the same as first above. Made applicable to "any deposit with a bank." (The word "bank" is elsewhere defined to include every person, firm, company, copartnership or corporation which conducts the business of receiving money on deposit).

*Connecticut* (Chap. 122, Laws 1899, Section 3436, General Statutes): "When a deposit is made in any savings bank by one person in trust for another, the

name and residence of the cestui que trust and the nature of the trust shall be disclosed, and the deposit shall be credited to the depositor as trustee for such person; and in case it be a trust created by deed, will, or judicial appointment, a certificate to that effect shall be filed at the time of the deposit. If no notice of the existence and terms of such a trust has been given in writing to the bank, in the event of the death of the trustee, the deposit, with the interest thereon, may be paid to the cestui que trust."

**Maine** (Banking Law, Part of Section 19): Whenever a deposit is made in trust, the name and residence of the person for whom it is made, or the purpose for which the trust is created, shall be disclosed in writing to the bank, and the deposit shall be credited to the depositor as trustee for such person or purpose; and if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may, in the event of the death of the trustee, be paid to the person for whom such deposit was made, or to his legal representative, or to some trustee appointed by the court for that purpose.

**Michigan** (1909, No. 248, Section 2): Substantially the same as first above, made applicable to deposits of money "in any bank or trust company," with the following provision at end of Act: "and the receipt or acquittance of such beneficiary to whom such payment is made shall be a valid and sufficient release and discharge to said depository for all payments so made; provided that said deposit shall not exceed the sum of five hundred dollars."

**Minnesota** (Laws 1907, Chap. 468, Part of Section 6): Substantially the same as first above. Applies to deposits in banks or savings banks.

**Missouri** (Laws of 1909, page 370): Substantially the same as first above; applies to deposits in "any bank, banking institution or trust company." A further provision, covering payments in the lifetime of the trustee, is as follows: "Whenever any deposit shall be made in any bank, banking institution or trust company by any person as trustee, or by any person in trust for another, and no other or further notice of the existence and terms of such trust shall have been given in writing to the bank, banking institution or trust company, the same may be paid upon the check or order of said trustee, bearing his signature and containing the same words in which said deposit was made."

A law substantially the same as first above applies to deposits in "savings and safe deposit institutions." (Rev. Stat., Art. XIII, Part of Section 13.)

**Montana** (Laws of 1909, Chap. 39): Same as first above; institutions specified as follows: "in any bank, savings bank, banking institution or trust company."

**New Jersey** (Savings Bank Act; Part of Sec. 26): The same as first above, continuing with the following addition: "or to his legal representatives; provided, no minor shall withdraw any deposit in his name from any account in which the first deposit was actually made by any person other than such minor, without the consent in writing of the person actually making such deposit, or his legal representative, if any; and if none, without the written consent of the natural or legal guardian of such minor."

Similar enactment to first above, in Trust Company Law of New Jersey, added by Chap. 210, Laws of 1903, words "trust company" inserted in place of "bank," and proviso reading: "Provided that the person for whom the deposit was made, if a minor, shall not draw the same during his or her minority without the consent of the legal representative of said trustee."

**North Carolina** (Chap. 459, Laws 1909, Section 1): "Whenever any deposit shall be made in any bank, banking institution or trust company doing business in this state by any person in trust for any person who is a minor of the age of fifteen years and upward, and no other or further notice of the existence and terms of a legal and valid trust shall have been given to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made. Provided the amount of said deposit is not in excess of fifty dollars."

**Pennsylvania** (Act of May 20, 1889, relating to savings banks): Substantially the same as first above.

**Rhode Island** (Banking Law of 1908, Section 66): Substantially the same as the Massachusetts statute, but made applicable to deposits "with any bank, savings bank or trust company."

- Texas* (Banking Law of 1905, Part of Section 25, relating to Savings Banks): Substantially the same as first above. (Section 13 of the Bank Guaranty Law of 1909 permits the establishment of savings departments by any state bank or banking or trust company and makes the provisions of law as to savings banks applicable to such saving departments).
- Vermont* (General Laws, Section 4638): Substantially the same as the Massachusetts statute, but made applicable to deposits "in a savings bank, savings institution or trust company."
- West Virginia* (Savings Bank Law, Section 36): Substantially the same as the Massachusetts statute.
- Wisconsin* (Banking Law, Chap. 2, "State Banks;" part of Section 2024-46): Substantially the same as first above; applies to deposits made in "any bank."

### COMPETENCY OF BANK NOTARIES.

AN ACT concerning notaries public who are stockholders, directors, officers or employes of banks or other corporations.

*Be it enacted, etc.*

SECTION 1. That it shall be lawful for any notary public who is a stockholder, director, officer or employe of a bank or other corporation to take the acknowledgment of any party to any written instrument executed to or by such corporation, or to administer an oath to any other stockholder, director, officer, employe or agent of such corporation, or to protest for non-acceptance or non-payment bills of exchange, drafts, checks, notes and other negotiable instruments which may be owned or held for collection by such bank or other corporation: Provided, it shall be unlawful for any notary public to take the acknowledgment of an instrument by or to a bank or other corporation of which he is a stockholder, director, officer or employe, where such notary is a party to such instrument, either individually or as a representative of such bank or other corporation, or to protest any negotiable instrument owned or held for collection by such bank or other corporation, where such notary is individually a party to such instrument.

SECTION 2. All acts or parts of acts inconsistent with this act are hereby repealed.

SECTION 3. This act shall take effect immediately.

Drafted by General Counsel to qualify notaries who are stockholders, officers or employes of banks to take acknowledgments or make protests of paper in which the bank is interested, or administer oaths to other officers of the bank. The main purpose of the proposed law is to qualify the notary, where a stockholder, to take acknowledgments of instruments running to the bank or to make protests of the bank's paper. Where the notary is an officer or employe, but not a stockholder, he is generally held competent to perform these acts; but where a stockholder, the majority of courts (a minority to the contrary) hold him disqualified to take acknowledgments because of his proprietary interest in the bank to whom the instrument runs. In many of the smaller banks throughout the country, frequently the only notary available is the cashier or other officer, who is often, also, a stockholder. Reasons of convenience, therefore, underlie the proposed law. The doctrine of some courts that a stockholder is disqualified to act as notary for a bank or other corporation in which he holds stock is based on the impropriety of one having

a pecuniary interest acting in such capacity in the bank's behalf; but the theory of impropriety is negatived by the fact that some courts hold the notary competent in such cases, and that several state legislatures have validated past acts of this character.

- 1909 *Michigan*: No. 18. Enacts above, with a few unsubstantial changes.
- 1909 *Montana*: Chap. 77. Enacts above.
- 1909 *New Jersey*: Chap. 114. Enacts above, but eliminates the provisions covering acknowledgments, confining the act to the administering of oaths and protesting of negotiable instruments. Words omitted are: "To take the acknowledgment of any party to any written instrument executed to or by such corporation, or;" also in proviso, which makes it unlawful for the notary to do certain acts, the following words are omitted: "To take the acknowledgment of an instrument by or to a bank or other corporation of which he is a stockholder, director, officer or employe, where such notary is a party to such instrument, either individually or as a representative of such bank or other corporation, or"
- 1909 *Wyoming*: Chap. 142. Enacts above, with a few unsubstantial changes.

#### AMERICAN UNIFORM COMMERCIAL ACTS.

The following, known collectively as the "American Uniform Commercial Acts," which have been perfected and recommended by the Commissioners on Uniform State Laws in Annual Conference, are also approved and recommended for enactment:

- I. The Uniform Negotiable Instruments Act.
- II. The Uniform Sales Act.
- III. The Uniform Warehouse Receipts Act.
- IV. The Uniform Bills of Lading Act.
- V. The Uniform Transfer of Stock Act.

Details of the enactment of these uniform acts are as follows:

##### THE UNIFORM NEGOTIABLE INSTRUMENTS ACT.

This law has been enacted, down to date, in thirty-eight States or jurisdictions as follows:

1897	New York.		New Jersey.
	Connecticut.		Iowa.
	Colorado.	1903	Idaho.
	Florida.		Montana.
1898	Massachusetts.	1904	Kentucky.
	Maryland.		Louisiana.
	Virginia.	1905	Kansas.
	Rhode Island.		Wyoming.
1899	Tennessee.		Missouri.
	North Carolina.		Michigan.
	Wisconsin.		Nebraska.
	North Dakota.	1907	New Mexico.
	Utah.		West Virginia.
	Oregon.		Illinois.
	Washington.		Nevada.
	District of Columbia.		Hawaii.
1901	Pennsylvania.		Alabama.
	Arizona.	1909	New Hampshire.
1902	Ohio.		Oklahoma.

It is still to be enacted in:

Alaska.  
Arkansas.  
California.  
Delaware.  
Georgia.  
Indiana.  
Maine.  
Minnesota.

Mississippi.  
Porto Rico.  
Panama Canal Zone.  
Philippines.  
South Carolina.  
South Dakota.  
Texas.  
Vermont.

THE UNIFORM SALES ACT.

This act has been passed in the following five states and one territory:

1907 Arizona.  
Connecticut.  
New Jersey.

1908 Massachusetts.  
Ohio.  
Rhode Island.

THE UNIFORM WAREHOUSE RECEIPTS ACT.

The Warehouse Receipts Act has been enacted in the following eighteen states or territories.

1907 Connecticut.  
Illinois.  
Iowa.  
Massachusetts.  
New Jersey.  
New York.  
1908 Louisiana.  
Ohio.  
Rhode Island.  
Virginia.

1909 California.  
Kansas.  
Michigan.  
Nebraska.  
New Mexico.  
Pennsylvania.  
Tennessee.  
Wisconsin.

THE UNIFORM BILLS OF LADING ACT.

This act was perfected and recommended for enactment by the Commissioners on Uniform State Laws at their last annual conference held in Detroit, Mich., in August, 1909. It is also approved and recommended for enactment by the Committee on Bills of Lading of the American Bankers' Association.

THE UNIFORM TRANSFER OF STOCK ACT.

This act, also, was perfected and recommended for enactment by the Commissioners on Uniform State Laws at the August 1909 Conference.

Further particulars concerning any of the proposed laws recommended in this pamphlet, as well as copies of the pamphlet, can be obtained by correspondence with Thomas B. Paton, General Counsel American Bankers' Association, 11 Pine Street, New York City.

## OPINIONS

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

Indorsement of draft by person of same name as payee a forgery—Question of negligence in permitting draft to get in hands of wrong party.

#### FORGERY OF INDORSEMENT

FROM INDIANA.—One H. C. H. purchased of a bank in Idaho a draft for \$275 drawn on a New York bank and sent the same by mail to himself at our city. When the letter reached this city it was delivered by the postal authorities to an H. C. H., another person of identically the same name. The latter, a customer of this bank in previous good standing, received the letter, and later cashed the draft at this bank and skipped out. The draft was sent to New York, and later our New York correspondent advised that the Idaho bank had written to its New York correspondent that the indorsement was forged, and we have been asked to make good on the same.

It occurs to us that we were entirely innocent, and no sort of inquiry could have led us to suppose that the draft was intended for another H. C. H. than the one who presented it to us. Was not H. C. H. who purchased of the Idaho bank guilty of the first negligence in sending it to himself without specific directions? We would be pleased to have your opinion on the proposition presented.

The general rule, supported by a number of authorities, is that the indorsement of a draft by one of the same name, but not the real payee, is a forgery and no title is derived through such an indorsement. *Cochran v. Atchison*, 27 Kan. 728; *Rossi v. Nat. Bank of Commerce*, 71 Mo. App. 570; *Graves v. American Exchange Bank*, 17 N. Y. 205; *Beattie v. Nat. Bank of Illinois*, 174 Ill. 571.

There is only one case that I know of where a defense of negligence was successfully maintained by reason of a check intended for one person being allowed to get in the hands of another person of the same name—the *S. Weisberger Company v. The Barberton Savings Bank Company*, decided by the Circuit Court of Ohio, Eighth Circuit, in October, 1908. In that case the Weisberger Company, being indebted to one Max Roth, 48 Walker Street, New York, drew their check for \$122.13 on the Barberton Savings Bank Company, payable to Max Roth, without other designation, and by mistake mailed the check in an envelope addressed, "Max Roth, 48 Walker Street, Cleveland, Ohio." In the latter city it was delivered by the post-office to a man of the same name, who persuaded a saloon-keeper to cash it for him. The saloon-keeper deposited it in a Cleveland bank, from which it passed through sundry banks, each guaranteeing indorsements, until it was presented to and paid by the Barberton Savings Bank Company. Learning later that its New York correspondent had not received the check, the Weisberger Company demanded reimbursement from the Barberton bank and, being refused, brought suit. The Circuit Court, affirming a judgment for the bank, said:

"We think the judgment was right. While generally a bank is liable to its depositor if it cashes his check with a forged indorsement upon it, the holder having no title by reason of the forgery, yet we are of opinion that where a depositor, by his own carelessness, permits a check intended for one person to fall into the hands of another person of the same name who cashes it, the bank should not be held to further identification of the holder or indorser unless the check on its face furnishes other means of identification than the mere name of the payee."

In the case of *Beattie v. National Bank of Illinois*, 174 Ill. 571, the question of negligence was suggested, but not decided. In that case an Iowa bank, having made a collection for one George P. Bent, of 223 Canal Street, Chicago, made its draft for the amount on a Chicago bank to the order of Geo. A. Bent, instead of George P. Bent, by mistake, and mailed the draft to "George A. Bent, Chicago, Ill." It came to the hands of one George A. Bent, not the payee, and was by him indorsed and sold to one Beattie. Beattie brought suit against the drawee (the rule in Illinois until recently changed by the Negotiable Instruments Law allowed a right of action by the holder of a check against the bank upon which drawn where the funds were sufficient) but recovery was denied. The court held that as the law does not regard the middle initial as part of a person's name, the case was

one where the name of the real payee and of the assumed payee were the same, and it said: "Where a bill is payable to the order of a person, and another person of the name of the payee gets hold of it and indorses it to a party who takes it in good faith and for value, such party acquires no title to the bill. If the indorsement so made by the person who, is not the real payee, but has the same name as the real payee, is made by such person with full knowledge that he is not the real payee, and with intent to perpetrate a fraud, his indorsement cannot be regarded otherwise than as a forgery."

On the point of negligence the court said: "Counsel for appellant claims that he has a right of action for negligence against the First National Bank of Council Bluffs, Iowa, because of the alleged carelessness of that bank, which was the drawer of the draft, in not mailing it properly to the payee named therein. In other words, it is said that instead of addressing the letter enclosing the draft to George A. Bent, of Chicago, it should have addressed it to George P. Bent, of 223 South Canal Street, Chicago. We do not deem it necessary to decide whether or not an action will lie in favor of appellant against the Iowa bank. This action is against the appellee bank (drawee), and it is sufficient to say that, so far as this record shows, the appellee was guilty of no negligence."

In both the above cases the negligence or carelessness of the party mailing the draft was greater than that in the present case. In the first case, it was mailed to a wrong city, and in the second case to a person with a different middle initial in his name. At the same time, the decision in the first stated case is, in a measure, favorable to your contention, and it is therefore brought to your notice, although it seems to me doubtful if the courts are ready to maintain the proposition that it is negligence to mail a draft, drawn payable to A. B. C., to the payee in another city, without addressing the envelope to some particular street address of the payee, or having such address stated after the payee's name in the draft.

#### PAYEE'S INDORSEMENT MISSING

Utility of a form of indorsement as a substitute for missing indorsement of payee.

FROM NEW JERSEY.—Will you give me your opinion on the following form of indorsement, which is used by many banks where the indorsement of the payee is missing: "Credited to the account of the within-named payee with the Blank National Bank, Newark, N. J."

I suppose such form of indorsement would be sufficient as an assurance to the drawee which paid the check that its amount is credited to the payee in his bank account. For this purpose it would probably be as good an authorization to the drawee to pay as if the payee had actually indorsed the check. But the thought occurs whether the form of indorsement substituted for the payee's indorsement would be sufficient in all cases to justify the drawee in paying. For example, suppose the check provided "in full of claim against me," the payee having an unliquidated claim against the drawer and the payee afterwards refused to regard the amount of the check as full settlement. In such a case would the substituted indorsement bind him to the same extent as his own indorsement? It might be so held where he allowed the money to remain to his credit on the ground of ratification. Again, suppose the check was raised or the date altered, would the payee be as responsible under the substituted indorsement as if he had personally indorsed? Probably he would, as an indorsement is not a warranty to the drawee anyway (but only runs to subsequent holders in due course) and he would, through his banker, have received money which he had no right to retain.

These thoughts merely suggest themselves without taking time to fully reflect upon the legal effect, in all its phases, of the form of indorsement which you quote. I am inclined to think that for all practical purposes the drawee would be about as safe in paying under such an indorsement as it would where the payee had personally indorsed. If it be said that the drawer is entitled to the payee's indorsement as an evidence that the payee has received the money, the substituted indorsement would seem to answer the same purpose, for by it the payee's banker has certified that the money has been placed to the payee's credit.



**CHECK PAYABLE TO ORDER OF "CASH"**

Is payable to bearer notwithstanding it contains several indorsements in blank and one special indorsement.

FROM WISCONSIN.—I enclose herewith specimen check which was presented at the window for payment:

\_\_\_\_\_, Wis., Nov. 28, 1909. No.  
**BLANK STATE BANK**  
 Pay to the order of.....Cash.....\$1.00  
 One and no/100.....Dollars.  
 .....F. C. R.

(Indorsements) HENRY N. BODDEN,  
 C. H. EVERTS,  
 W. A. SCHWINGE,  
 W. V. B. WILCOX,  
 E. M. HIGBEE,  
 E. H. MATTHES,  
 CARL IWERT,  
 LOUIS RODNE,  
 WM. BUTLER,  
 G. N. WILSON.

Pay Blank State Bank or order,  
 HENRY N. BODDEN.

This check was transferred by indorsement as you will notice, but does not show the endorsement of the maker.

Please advise me if it is necessary to have the maker's indorsement to have check in due form and valid.

The maker's indorsement was not necessary or called for. The check was drawn payable to order of "cash," that is, to bearer, and did not require any indorsement at all, either of the maker or of anyone else, to make it transferable or payable. The fact that there are a string of indorsements on the back does not make it necessary that the maker should indorse before the bank is authorized to pay. All the indorsements on the back of the check are in blank except the last, which is special. The check is none the less payable to any bearer. The Negotiable Instruments' Law expressly provides: "Where an instrument, payable to bearer, is indorsed specially, it may nevertheless be further negotiated by delivery; but the person indorsing specially is liable as indorser to only such holders as make title through his indorsement."

**PAYMENT OF FORGED CHECK**

Drawee's right to recover money paid in a stated case, discussed.

FROM TENNESSEE.—A customer of ours deposited a check for \$10 drawn on a bank in Hopkinsville, Ky. We forwarded the check to our correspondent in Nashville, and it was in turn sent to Hopkinsville for collection. It was presented to the drawee bank and paid and cancelled by them. Something over a month later the check was returned to us through the channel in which it was forwarded, with a statement that the party whose name was signed thereto had made oath that it was a forgery.

Now we would like to know whether the paying bank, after accepting and paying the check and apparently charging it to the account of their customer, has recourse on the endorsers, when they did not discover until a month after payment had been made that it was a forgery. We are of the opinion that they have not observed due diligence in ascertaining whether the signature was genuine at the time of payment, and that their only recourse is against the forger. The forger used his own name as payee on the check, and negotiated it with our customer.

The general rule is that the drawee paying a forged check is precluded from recovering the money paid; but many courts make exceptions (a) where the party first taking the check from the forger has been guilty of negligence and (b) where the loss has been incurred by the party cashing the check for the forger before the money has been collected from the drawee. In the State of Tennessee, in *Bank v. Bank*, 88 Tenn. 299, the Supreme Court of your State has held that the drawee bank is precluded from recover-

ing from the party to whom the forged check was paid where such party, being without fault, would be prejudiced by being required to refund to the bank upon whom rests the duty of determining the genuineness of its depositor's signature. But it also holds that the drawee can recover payment of a forged check, indorsed by the party to whom paid, where such party has been guilty of negligence in receiving and indorsing the check, for the reason that notwithstanding the drawee is negligent in some degree, the first negligence is with the purchaser of the forged paper.

Whether the drawee bank can collect the ten dollars paid, or must stand the loss, will depend upon whether your customer would be held negligent in taking the check from the forger. If he was negligent, I think the drawee could recover, notwithstanding the forgery was not discovered until more than a month after payment; or if your customer paid out the money and incurred his loss beyond chance of reclaim before the check was collected of the drawee, then also the drawee can recover. But if, on the other hand, your customer was not negligent, and the money was not paid to the forger until after the check was collected, the drawee, in such case, would have to stand the loss.



# PROTECTIVE DEPARTMENT

L. W. GAMMON . . . MANAGER

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



RUDOLPH ROIDERER

Rudolph Roiderer, alias Mueller, alias Richter, bank crook, was arrested by the local police at Mobile, Ala., for attempting to defraud banks in that city. He is now being held for the action of the grand jury.

Albert W. Thomas was arrested on December 14, 1909, by the New York City police for passing worthless checks. It appears that he originally had an account with a Boston, Mass., bank, but the balance was only one cent. He has been drawing checks which were returned owing to insufficient funds. He was tried in New York City on December 31, 1909, and was convicted. He was remanded for sentence until January 5, 1910.

We are advised by Messrs. Thomas Cook & Son, New York City, Steamship Tourist Agents, that they have caused the arrest in England of George W. Whitfield, alias Frank Ruderer, alias H. W. Janarar, alias Alex. J. Boyd. Whitfield will be returned to Canada for trial.

The photograph of this party was published in our November, 1909, JOURNAL, together with information relative to the methods he was using in his operations.

Harry O. West, alias H. N. Ordway, alias Wood, alias Brown, alias Wallace, alias Hall, alias Ellis, alias O'Neil, and other aliases, on December 14, 1909, plead guilty at Davenport, Iowa, in connection with a forgery on a bank in that city, and was sentenced to 15 years' imprisonment in the Anamosa, Iowa, Penitentiary, and fined \$1,000. A cut of West, together with his method of operations, were published in our September, 1909, JOURNAL.

M. Dwight Fortner, found guilty at St. Louis in connection with a forgery on a St. Louis, Mo., bank, was sentenced to two years' imprisonment. The locating of this party was taken up by this Association, and he was traced to Panama; from there to St. Nazairre, France; and thence to Paris, where he was arrested.

T. W. Macon, who was arrested in connection with swindling a Georgia concern at Macon, is now in jail awaiting trial.

C. W. Watkins, arrested in connection with a forgery committed on a Greeley, Colo., bank, plead guilty on December 7, 1909, and was sentenced to from five to six years in the Penitentiary.

John F. Caples, who was arrested in connection with a forgery on a bank at Chanute, Kans., was sentenced on December 2, 1909, to ten years' imprisonment at the Lansing, Kans., Penitentiary.



H. A. ALLISON

H. A. Allison, alias Simpson, alias Callan, alias Morris, alias Wallace, alias H. C. Knowles, concerning whom an article was published in our December, 1909, JOURNAL, was arrested at Kansas City, Mo., and returned to St. Joseph, Mo., where he was wanted in connection with a swindling charge there. We were unable to obtain his photograph in time for publication with the article in question.

Granville C. Garrett, who was recently arrested by the police at Los Angeles, Cal., and returned to Jacksonville, Fla., for defrauding a bank (M) at Jacksonville out of \$916, plead guilty on January 3d to the charge of forgery and was sentenced the same day to serve a term of eighteen months in the State's Prison.

A party giving the name of Charles P. Robinson, alias Robetson, alias Robbeson, is now operating in Missouri. He claims to be a doctor and it is claimed that he secured by theft a certificate of deposit for \$3,000 on a bank at Desloge, Mo., signed by the cashier (it is what is known as a six-months' time deposit); also a certificate of deposit for \$800.00. The bank at Desloge protested same, asserting that these certificates had been stolen and then forged. He also deposited a check in a bank at DeSoto for \$3,000, which

was returned protested. The certificate of deposit in the sum of \$3,000, on which payment had been refused at a bank at LaFayette, Ind., December 16, 1909, was also attached to this protested check. This man Robinson's method of operating is to get acquainted with people on trains and make a bluff that he has inherited some property, and then get them to introduce him at the bank, where he opens an account, claiming to have a large amount of money to deposit. After opening an account he then puts in some of these forged checks for collection, and draws some money on account. He appears to be a Canadian. It will be noted that he spells his name in different ways.

The following is a description of this man: Age, 35 or 40; height, 5 feet 6 inches; weight, 130 lbs.; complexion, rosy cheeks; hair, brown; eyes, blue; mustache, light sandy, a few weeks growth; thin and rather short; mouth protruding and held open most of the time; thin face; high cheek bones; speaks with a very pronounced Canadian or Scotch accent, mostly Scotch; claims to be a physician; speaks slowly, and mumbles when talking; wears dark suit of clothes; sack coat, cut short; knee-length overcoat; black derby hat pulled well down on ears.

We are publishing in this month's JOURNAL a photograph of Alex. McMichael, with various aliases, and it is just possible that Robinson and McMichael are one and the same party.



ALEXANDER McMICHAEL

Age, 20; height, 5 ft. 7¼ in.; weight, 125 lbs.; build, slim; hair, dark; eyes, gray; complexion, medium; born, Scotland; occupation, salesman; date of arrest, February 15, 1909; officer, Detective Tipton. Remarks: narrow face, one tooth out in front.

Alexander McMichael, alias C. R. Passmore, alias A. S. Carnagie, alias A. Sidney Dover, alias J. M. Blair, alias C. R. Anderson, alias T. R. Craig, alias John Yeidling, and various other aliases, is operating. His method is to go to a bank and submit pass books showing that he has on deposit in Canadian banks a large amount of money, in some instances as high as \$18,000. He deposits a draft and opens up an account. He then tries to draw against this account. This man was sentenced on February last to six months' imprisonment at Toronto, Canada. He was formerly a bank clerk, and has operated in Ohio, Pennsylvania and Maryland, and appears to be working South. Warnings are now out for the arrest of this man, and should he appear at your bank, let him open an account and advise this Department by wire, and steps will be taken at once to apprehend him.

A party giving the name of William Knaption is issuing bogus checks drawn on a bank (member) at Middlebury, Vt. He succeeded in passing these checks at Savannah, Ga., Columbia, S. C., Jacksonville, Fla., and Ocala, Fla. He appears to be working South. So far he has not defrauded any member of this Association, but has defrauded depositors.

A party by the name of George H. Lum is passing worthless checks drawn on a bank (member) at Millsboro, N. D. He opened up an account in that city, then went away

leaving a balance of \$2.75. He is now travelling through Pennsylvania and western New York disposing of bogus checks in various amounts varying from \$15.00 to \$65.00. He is described: Age, 35, about 5 ft. 9½ or 10 ins. tall, light brown hair, smooth face and brown eyes. Quite a prepossessing fellow. He is using his own name in signing these worthless checks, and so far as we have learned has not defrauded any member.



JOHN L. COLLINS

Photo taken December 18, 1909; residence, New York City; occupation, salesman; criminal occupation, forger; nativity, New York; age, 40; height, 5 ft. 7½ in.; weight, 179 lbs.; build, medium stout; complexion, fair; eyes, dark brown; color of hair, black, trace gray; color of beard, shaved. "All upper teeth false."

John L. Collins, alias Edward Chandler, alias C. B. Williams, alias C. B. Rowland, alias Edward S. Garrens, and various other alias, was arrested at New Orleans, La., on December 17, 1909, in connection with an attempt to defraud banks in that city. He plead guilty and later made a complete confession of the frauds he had committed on members of this Association with bogus checks. He was sentenced to fourteen years' imprisonment. Collins operated in Georgia, California, Utah, Tennessee, Oregon, Alabama and Texas.

Information has reached this Department to the effect that one Howard E. Farnsworth is drawing bogus checks on a bank at Chattanooga, Tenn., for large amounts. He purchases goods from canning and preserving companies generally through Western New York, and pays for the goods with checks—some as high as \$2,000. After making the purchase he states that he is just a little short of money, and has succeeded in several instances in getting small amounts. So far he has not succeeded in defrauding a member of this Association.

Information has reached this Department that a party giving the name of J. West is drawing foreign drafts and letters of credit at New York, N. Y., at the different banks, made payable on London correspondents. He presents the duplicates and has them cashed by the correspondents on whom they are drawn, and then goes elsewhere and has the originals cashed. They go through for collection, and in several instances they have been paid before the fraud was discovered. So far no member of this Association has been defrauded.

Kenneth Hauer, alias T. K. Hauer, is defrauding individuals and bank officials with "bum" mining stock.

The stock he sells is in the name of the Independence Mining Company, of Rawhide, Nevada, and the Treasury Gold Mining Company of Rawhide. These stocks are not worth the paper they are written on.

He also draws worthless drafts on a bank at Rawhide and also individuals there, which are worthless.

He is described as follows: Age, about 30; complexion, fair; medium dark hair; eyes, brown; height, about 5 ft. 11 in.; weight, about 150 lbs. He has a nice appearance and dresses well.

There is a concern calling itself the London Commercial Banking Co., S. A., whose offices are supposed to be at No. 12 Abchurch Lane, London, England, and in New York and Paris. The main office is supposed to be in Mexico. There are bills of exchange floating around the country drawn on the above concern, mostly for 60 or 90 days. These bills turn up at different banks throughout the country as far west as California. Nothing definite enough can be ascertained to warrant these bills finding a purchaser; and without sufficient guarantee or satisfactory references, our members are recommended to use extreme caution should bills drawn on the above concern be presented to them.

### STATISTICS OF WORK OF THE PROTECTIVE DEPARTMENT

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE FROM SEPTEMBER 1, 1909, TO DECEMBER 31, 1909

NEW YORK, December 31, 1909.

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

BURGLARS—SPECIAL: Cases not disposed of arrested prior to September 1st, 1; released, 1.

BURGLARS—GENERAL: Cases not disposed of arrested prior to September 1st, 6; arrested since September 1st, 11; convicted and sentenced, 4; years, 57; released, 3; killed, 1; awaiting trial, 9.

FORGERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 28; arrested since September 1st, 30; convicted, 21; sentenced, 19; specific terms, 7; indeterminate terms, 2; years, 62-9; released, 12; escaped, 1; awaiting trial, 27.

FORGERS—GENERAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 18; convicted, 7; sentenced, 6; specific terms, 9; indeterminate terms, 6; years, 18-9; released, 5; killed, 1; awaiting trial, 9.

HOLD-UPS—SPECIAL: Cases not disposed of arrested prior to September 1st, 5; arrested since September 1st, 2; convicted and sentenced, 2; killed, 1; years, 14; awaiting trial, 4.

HOLD-UPS—GENERAL: Cases not disposed of arrested prior to September 1st, 3; arrested since September 1st, 3; convicted and sentenced, 2; specific terms, 2; killed, 1; awaiting trial, 3.

SNEAK THIEVES—SPECIAL: Cases not disposed of arrested prior to September 1st, 1; awaiting trial, 1.

ROBBERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 1; awaiting trial, 1.

ROBBERS—GENERAL: Cases not disposed of arrested prior to September 1st, 3; released, 1; awaiting trial, 2.

Total cases not disposed of arrested prior to September 1st.....	52
Arrested since September 1st.....	64
	116
Sentenced .....	33
Released, escaped and killed.....	27
	60
	56

BURGLARS—GENERAL INVESTIGATIONS.

For the attempted burglary of a bank at Athens (N. M.), Athens, Wis., September 20, 1909.

October 27, 1909, Joseph Ladd plead guilty and was sentenced to twelve years in the Waupun, Wis., State Prison.

December 7, 1909, James Kennedy also plead guilty and was sentenced to ten years to the same institution.

*Awaiting Trial:* E. Cisco, Hebron, Tex.; C. Marshall, Hebron, Tex.; E. Burns, Ortley, S. D.; E. Wilson, Ortley, S. D.; J. Jones, Ortley, S. D.; J. Callahan, Milan, Kans.; E. Madigan, Milan, Kans.; G. Lytle, Sydney, Iowa; H. Joyce, Pierce, Neb.

FORGERS—SPECIAL INVESTIGATIONS.

For defrauding a bank at Great Falls, Mont. (M.), July 6 to 28, 1909, loss, \$500.00. S. M. Booth on October 4, 1909, was sentenced to five years in the State Penitentiary.

For defrauding a bank at Davenport, Iowa (M.), May 27, 1909, of \$650.00.

On December 15, 1909, Harry O. West plead guilty and was sentenced to fifteen years in the State Prison, and also fined \$1,000.00.

For attempting to defraud a bank in New York City (M.), September 7, 1909.

On November 30, 1909, Raymond Shannon plead guilty and sentence was deferred.

Joseph Lash was tried and December 23, 1909, acquitted.

For defrauding a bank (M.) at Greeley, Colo., of \$245.00, July 17, 1909, on November 16, 1909, C. W. Watkins was arrested at Calhan, Colo., and on December 7, 1909, was sentenced to from five to six years in the Penitentiary, he having plead guilty on that date.

For defrauding a bank (M.) at Holyoke, Mass., of \$40.47, July 17, 1909.

November 12, 1909, William J. Wise was arrested at Manville, R. I., November 19, 1909. Wise was convicted and on November 19, 1909, was sentenced to six months in the House of Correction at Springfield.

For defrauding a bank (M.) at Jacksonville, Fla., of \$916.00 on August 9, 1909.

Granvill C. Garrett was arrested at Los Angeles, Cal., November 1, 1909, and returned to Florida for trial.

For defrauding a bank at Smithfield, Pa. (M.), of \$1,861.00, during July, 1909.

November 20, 1909, Lew Strayer was sentenced to five years in the Western Penitentiary at Allegheny, Pa.

For defrauding a bank at Cleveland, Ohio (M.), of \$1,500.00, July 3 and 12, 1909.

Mrs. L. Setze on September 28, 1909, plead guilty and was sentenced to five years in the Columbus, Ohio, Penitentiary.

For defrauding a bank at Winlock, Wash. (M.), of \$300.00, July 21, 1909.

October 27, 1909, J. E. Hamlin was sentenced to two years in the Salem, Ore., Penitentiary for an operation in Oregon not the above titled case, although an investigation was made for the Winlock Bank.

For circulating worthless checks drawn on a bank at East Liverpool, Ohio (M), November, 1906.

November 15, 1909, David Delevie was arrested at Philadelphia, Pa. December 1, 1909, owing to the difficulty in having him prosecuted for the above offenses (1906) he was turned over to the Pennsylvania Industrial Reformatory, where he was wanted for violating his parole.

For defrauding a bank (M.) at New York City, October 8, 1909, of \$13,000.

December 2, 1909, A. J. Seidman was arrested at Vienna, Austria, and is now held for extradition. Cable to the Austrian Consul at New York advised of the arrest, and stated that 11,000 crowns were found on his person when arrested. Bank was advised of this information.

For defrauding a bank (M.) at Atlanta, Ga., September 24, 1909, of \$265.00.

December 17, 1909, John J. Collins, with various aliases, was arrested at New Orleans, La., for attempting to defraud banks in New Orleans. He plead guilty and was sentenced



to fourteen years' imprisonment. Collins is wanted in numerous cities of the United States for operations extending over six months.

For defrauding a bank at Boston (M.), Mass.  
December 20, 1909, A. J. Thomas was convicted, and remanded for sentence.

For defrauding a bank at Cumberland, Md. (M.).  
Oliver Wentling was arrested on December 22, 1909, and later discharged.

For defrauding a bank in New York City (M.), N. Y., bogus checks, \$2,300.00.  
December 20, 1909, Samuel Klous was arrested, and is awaiting trial.

*Awaiting Trial:* H. A. Allison, St. Joseph, Mo.; C. Bailey, Leroy, N. Y.; Mrs. L. Baker, Kansas City, Mo.; J. Davis, Heppner, Ore.; G. C. Garrett, Jacksonville, Fla.; W. L. Geissinger, Galveston, Tex.; F. Gerner, Kansas City, Mo.; G. C. Goodale, Kansas City, Mo.; J. D. Hardbeck, St. Joseph, Mo.; N. C. Hill, Jr., Monroe, La.; W. R. Hughes, Whiting, Ind.; H. L. Maechtel, San Angelo, Tex.; L. A. Marks, Larned, Kans.; L. Monti, Buffalo, N. Y.; M. Olson, Stronghurst, Ill.; E. Perkins, Chicago, Ill.; A. M. Potter, Detroit, Mich.; H. R. Prosser, Kansas City, Mo.; A. R. Rickey, Seaton, Ill.; E. Schlange, Newark, N. J.; R. O. Secour, Kansas City, Mo.; A. J. Seidman, Vienna, Austria; Samuel Klous, New York, N. Y.

FORGERS—GENERAL INVESTIGATIONS.

For defrauding a bank at Bridgeton, N. J. (M.), of \$200.00, October 31, 1909.  
October 26, 1909, A. J. Miller was arrested at New York City. He plead guilty and was sentenced on December 20, 1909, to not more than nine years and six months, and not less than three years and six months imprisonment.

For defrauding a bank at Santa Ana, Cal. (M.), August 8, 1909, of \$34.05.  
September 11, 1908, W. F. Waldon was sentenced to three years in the San Quentin, Cal., prison.

*Awaiting Trial:* S. B. Adams, Bristol, Va.; F. M. Barr, San Diego, Cal.; C. A. Breen, Los Angeles, Cal.; E. Hummell, Jr., Chicago, Ill.; A. Perlberg, Chicago, Ill.; C. Perlberg, Chicago, Ill.; H. Silverman, Newark, N. J.; D. Cross, New York, N. Y.; J. P. Hartmann, New York, N. Y.

HOLD-UP ROBBERS—SPECIAL INVESTIGATIONS.

*Awaiting Trial:* J. R. Austin, Kiefer, Okla.; W. D. Dixon, Kiefer, Okla.; W. S. Husbands, Paducah, Ky.; J. H. Wilson, Canon City, Col.

HOLD-UP ROBBERS—GENERAL INVESTIGATIONS

For the hold-up robbery of a bank (N. M.) at Wayzata, Minn., September 24, 1909, Henry Baber and C. R. Ingalls were sentenced to indeterminate terms in the Stillwater, Minn., Penitentiary.

*Awaiting Trial:* T. H. Hall, New Albany, Ind.; W. McKay, Eudora, Kans.; M. Thornberry, Hoffman, Okla.

SNEAK THIEVES—SPECIAL INVESTIGATIONS.

P. Williams, Kansas City, Mo.

ROBBERS—SPECIAL INVESTIGATIONS.

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

ROBBERS—GENERAL INVESTIGATIONS.

For the alleged hold-up robbery of a bank (N. M.), Benbow City, Ill., May 28, 1909, loss, \$2,950.00, I. H. N. Barckers, J. A. Gushman are awaiting trial at Benbow City, Ill. Stephen Moore forfeited his bond and is now a fugitive from justice.

	Attempts.	Burglaries.	Losses.
Attacks upon members.....	5	4	\$1,563.15
Attacks upon non-members.....	10	25	64,206.03
	Attempts.	Hold-ups.	Losses.
Hold-up robberies on members.....	3	2	\$13,202.44
Hold-up robberies on non-members.....	4	1	703.00

STATE BANKERS' ASSOCIATIONS, 1909-10.  
 ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902

OFFICERS

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

BOARD OF CONTROL

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

CONVENTIONS TO BE HELD IN 1910.

May 10-11. Texas..... El Paso.  
 District Meetings of the Texas Bankers' Association will be held as follows:  
 District No. 1, Thursday, February 17th, Beaumont.  
 " " 2, Tuesday, February 15th, San Antonio.  
 " " 3, Monday, February 14th, Austin.  
 " " 4, Saturday, February 12th, Waco.  
 " " 5, Thursday, February 10th, Dallas.  
 " " 6, Saturday, February 19th, Coleman.  
 " " 7, Tuesday, February 22d, Wichita Falls.  
 May 12-14. California..... Riverside.  
 " 18-19. Missouri..... St. Louis.  
 Oct. 3-7. American Bankers' Association..... Los Angeles.

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

KANSAS BANKERS' ASSOCIATION,  
 OFFICE OF THE SECRETARY.

TOPEKA, KANSAS, December 12, 1909.

WARNING.

Banks are again advised of the renewed activities of Lester J. or L. L. Carter, alias C. J. Colfax, Colefax, Colifax, O. H. Wilch, who was the subject of two previous warning circulars issued from this office. Since August this man under these various names has passed forged or other worthless paper, victimizing hotels or banks or both, principally hotels, in at least twenty cities and towns in Kansas, and seems to be continuing his operations. Members are asked not only to be on the lookout for him, but to bring it to the attention of hotel managers and police officers.

The reward of \$25.00 offered in our letter of September 18, 1909, is hereby renewed, payable according to the rules of the Kansas Bankers' Association.

Carter is described as follows: Age, about 35 years; height, about 6 feet; weight, about 190 pounds; complexion, hair and eyes, light; smooth shaven; stout built; large nose; good talker; claims to be a traveling salesman; has woman with him. Wire this office, our expense, any information.

ANOTHER FRAUD.

Advices just received of the operations of one Geo. Barton, who has been issuing checks on the People's National Bank, of Kansas City, Kansas, all made payable to Geo. Barton, signed by various parties, and from different parts of the State—and all fraudulent. He is described as follows:

About 5 feet 7 inches tall; 35 to 40 years old; heavy set, red-faced, sharp-eyed; wears spectacles and was dressed in dark suit.

The same reward applies in this case. Members are asked to co-operate to the utmost possible extent in these and all similar cases, to the end that these offenders may be speedily overtaken.

WISCONSIN BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

MILWAUKEE, Wis., Dec. 22, 1909.

WARNING.

A man giving his name as A. L. Carnmen, about 40 years old, is cashing fraudulent checks in Wisconsin, drawn by himself on Commercial Bank, Fargo. Generally represents himself as dealer in trees. If able to apprehend, wire headquarters immediately, our expense.

Information wanted as to whereabouts of one Geo. Simpson, formerly residing at Cushing, Wis.; about 40 years; 5 ft. 5 ins.; 140 lbs.; stutters slightly. We desire to locate him for suspected fraud upon members in Polk and Burnett Counties.

MONTANA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

LEWISTOWN, MONTANA, Dec. 22, 1909.

WARNING.

The following described draft has been lost or stolen:  
No. 1053, issued by Farmers' State Bank of Hannaford, N. Dak., in favor of Ole Aarestad, \$60.00.

If presented at your bank hold parties and wire this office.

MICHIGAN BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

DETROIT, MICH., December 31, 1909.

BULLETIN NO. 42.

You are warned against cashing checks for "Edwin Stuart," who claims to be either from Denver or New York and is a stock salesman. A check payable to him on the International Trust Company of Denver, cashed in the Northern Peninsula has been returned with the notation "No account with us." Information as to his whereabouts would be appreciated.

MISCELLANEOUS ITEMS.

FROM GREENFIELD, IOWA:

"Party under name of D. J. Myers obtained money at Omaha, Cedar Rapids and Minneapolis, on bogus checks drawn on First National Bank and on Myers Lumber Co. here. He worked at least one bank and a number of individuals and firms.

Just past 21 years, light complexion, about 5 ft. 10 in. tall, weight about 180 lbs., nice dresser, good appearance, good talker.

FROM WOODWARD, IOWA:

Party using name W. E. Redmond, issued checks on Woodward State Bank through banks at Nora, Minn.; worked on farm near Woodward last year.

Good looking, dark hair, blue eyes, weighs 150 to 160 lbs.

FROM MISSOURI VALLEY:

Look out for party calling himself O. E. Evans and a liveryman from this place; passed bogus draft in Kansas City, Plattsmouth, Neb., Nov. 20; was in Omaha since.

Carries letter of introduction as O. E. Evans, is about 5 ft. 9 in. tall, has light hair, weighs about 160 lbs., hangs about livery stables and with local horse buyers. Wire O. O. Rock, sheriff, Logan, Ia., if he shows up.

FROM COIN, IOWA:

Party claims F. Rogerson as his name; pretends to represent Omaha Bee, solicits some, hires rig and drives mail routes representing an inspector, gets numerous signatures to bogus "reports," transfers same by tracing to checks and cashes checks. He has been traced to Pattonsburg, Mo. The Missouri Association has been notified. At Pattonsburg he used "D. Williams" as his name, where on a draft First National, Coin, Ia., on Continental, Chicago, he got some money from a hotel.

About 35 years old; weight, 140 lbs.; about 5 ft. 6 in. tall; dark, wavy hair; near light complexion; small hands. Wire First National Bank, Coin, if he tries you.

FROM ODEBOLT, IOWA:

Forged checks passed on Odebolt merchants; uses name of "M. E. Miller," "R. P. Powell," or any old name; claims Marysville, Mo., as his home; has mother living there; has been in "Dakota" picking corn. He raises amounts on checks, is dangerous, smooth writer, etc., but we have no description of him.

FROM NEBRASKA:

St. Joseph Stockyards Bank says, do not cash any checks drawn on us by Leon Costella.

The sheriff at Sterling, Colo., wants W. F. Robinson for forgery. He makes deposit of draft "for collection," then secures signatures of farmers, transfers them to notes and sells the notes.

About 5 feet 8 inches tall, weight about 170 pounds, 35 years old, smooth shaven, pupil of right eye broken; his wife (?) is small, modest; has dark complexion, and has mole on right cheek, is 30 years old.

NORTH DAKOTA:

Wants a handful of forgers and swindlers.

Young man, "H. A. Macklew," 35 years old, heavy, light colored mustache, one thumb off at back of nail, light brown hair, good talker, weight 160, 5 feet 10 inches tall.

Young man, "John Anderson," medium build, 130 pounds, 5 feet 6 inches tall, light complexion, does not show his Scandinavian appearance in his speech, 17 or 18 years old. Another man wanted has same description, and to it is added, "wore his hair parted in middle, has blue eyes, thin lips, upper front teeth decayed, gave same name."

"C. P. Smith," about 21 years, 5 feet 8 inches tall, weight 150, blue eyes, brown hair, good teeth—front ones wide apart.

OHIO:

Wants party drawing fraudulent voucher checks.

Uses various names. He is about 5 feet 8 inches tall, clean shaven, weight 140, neatly dressed, dark eyes, medium dark hair, draws as "Chas. A. Stevens" on check with imprint Chas. A. Stevens' Silk House, on Corn Exchange National.

Chas. A. Stevens & Bros., Chicago, will pay reward for this party's arrest.

