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CRIMINALS RUN TO EARTH BY THE AMERICAN BANKERS' ASSOCIATION

BANK BURGLARY—SIX ARRESTS AND CONVICTIONS, SHOWING A TOTAL SENTENCE OF SIXTY-ONE YEARS AND ELEVEN MONTHS ON ACCOUNT OF AN ATTACK ON A MEMBER.

IN connection with the following information of the success of the work of the Association in the arrest and conviction of six notorious yeggmen, we wish to call special attention to the fact that the American Bankers' Association starts out to track and run down dangerous criminals who are particularly a menace to the banks of the country, and eventually succeeds, as in the case cited, which took two years to accomplish. It is evident by the long terms to which these men were sentenced, that they are criminals of the worst type.

November 9, 1906, burglars made an unsuccessful attack upon the Bank of E. D. Mather (member A. B. A.), Shortsville, N. Y.

December 15, 1906, burglars again attacked this bank with nitro-glycerine, totally demolished the safe and secured \$6,451.59 and some Lehigh Valley Railroad pay checks.

Acting under instructions of the Protective Committee the Pinkertons took up this investigation with the following result:

December 23, 1906, at Rochester, N. Y., Antonio Rotundio was arrested charged with passing some of the Lehigh Valley Railroad pay checks. On searching his house at Manchester, N. Y., clothing belonging to the burglars, used on the night of the burglary, and also some papers stolen from the bank were found.

March 8, 1906, he having pleaded guilty to complicity in this crime, was sentenced to a term of from three years and two months to from four years and six months in the Auburn, N. Y., State Prison.

January 28, 1907, at Los Angeles, California, three burglars were arrested on suspicion, one of whom was identified as Thomas Broderick, alias John Martin, one of the burglars concerned in this crime. Broderick was also wanted for the burglary of a jewelry store at Endicott, N. Y. Knowing he had been identified for the attack upon the Shortsville, N. Y., member, he pleaded guilty to the jewelry store burglary at Endicott, N. Y., and was on May 13, 1907, sentenced to from four to five years in the Auburn, N. Y., State Prison. A warrant for the Shortsville crime is lodged for him with the prison authorities.

February 13, 1907, near Geneva, N. Y., aided by the police, John F. Connors, alias "Flash" Connors, was arrested for being concerned in this burglary, to which, on May 13, 1907, he pleaded guilty and was sentenced to a term of four years and five months in the Auburn, N. Y., State Prison.

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March 6, 1907, Thomas Foley, alias "Big Tom," was arrested at Paterson, N. J., through arrangements made and taken to Canandaigua, N. Y., for trial.

June 10, 1907, acting with the Albany, N. Y., Police, Fred Kohl, alias "O. K. Bill," was arrested, another of the burglars, and he was also transferred to Canandaigua, N. Y., for trial.

August 5, 1907, having learned of the proposed escape from the Canandaigua, N. Y., jail of Foley, Kohl and others, the committee sent two representatives to investigate; they found in the cells of the prisoners a number of fine steel saws and two loaded 38 calibre revolvers. They also discovered a part of the cell bars had been cut. Their prompt action frustrated the escape of these prisoners and others, and possibly prevented the murder of some of the keepers.

November 21, 1907, at Canandaigua, N. Y., Thomas Foley was convicted and sentenced to nineteen years and six months in the Auburn, N. Y., State Prison.

December 6, 1907, Fred Kohl was convicted and sentenced to eighteen years and six months in the Auburn, N. Y., Prison.

The Protective Committee still continued to search for another of the burglars, named J. B. Andrews, alias "Eric Billy," who they knew was concerned in this attack and subsequently found him in the Western Penitentiary at Pittsburg, Pa., where he was serving a sentence of one year and three months for highway robbery. On his release, September 11, 1908, his extradition to Canandaigua, N. Y., was arranged for where on November 17, 1908, he was convicted and remanded until the next day, when he was sentenced to ten years' imprisonment in the Auburn, N. Y., State Prison.

The result of the work on account of the burglary of the above member has been circulated freely among the "yegg" burglars who operate in the various States.

The six members arrested received a total sentence of sixty-one years and eleven months.

AMERICAN BANKERS' ASSOCIATION—TRAVELLERS CHECK

THE season for travel opens each year in the early spring with the departure of the excursions for the countries bordering the Mediterranean Sea. Realizing this, the Bankers' Trust Company of New York and the Committee for the Association have been hurrying forward the details of the new Travellers Check and confidently expect to have all arrangements perfected in time to place them upon the market for the spring travel.

It has been brought to the attention of the Committee that some bankers, fearing a long delay in the issuance of these checks, have contemplated putting out their own in order to tide over the intervening time. Such labor and expense is not only unnecessary, but is apt as well to re-act unpleasantly upon the bankers issuing them as their signatures and forms cannot be made universally known, and customers carrying these checks will meet with many rebuffs when endeavoring to cash them. This will not be good advertising for the bankers, nor good service for the customers. We desire therefore to impress upon all such bankers the fact that there will be no delay in putting the Association Travellers Checks upon the market, but that they will be ready for the new season, and that while full particulars may not be mailed for a few weeks, either the Bankers' Trust Company of New York or the Chairman of the Committee will be glad to correspond with any bankers who may wish information at once as to the detail with the idea of placing orders for the checks immediately.

The checks themselves will be the handsomest and most practical of any ever offered the travelling public. They will be engraved in several colors and as hard to counterfeit as a Government bill. There will be the same pleasure in carrying them that there is in actual money and the same protection to the owner that the holding of a check to order entails. The form will be universal with the exception of the printing in at the lower right hand corner of the name of the issuing bank. The Bankers' Trust Company of New York, which has been appointed by the Association as its agent in the matter to arrange protection for the checks throughout the world, will have its acceptance on the face of each check when it is delivered in trust to the bankers who order them for sale. When signed by the selling bank and delivered to the customer they will be two-name bankers' paper. The form and signatures of the signing officers of the Bankers' Trust Company will be distributed world wide, and the authenticity of the checks will never be a matter of doubt to any who may be called upon to cash them in such places as travellers may desire. One form will be used for both foreign and domestic tourists, and with these checks in his vault every banker in the United States will be able to supply his travelling customers with a safe, universally known and effective instrument for meeting expenses and making purchases.

Any bankers who may have forms of their own in process of preparation are urged and advised for their own good to correspond with the Bankers' Trust Company or the Committee of the American Bankers' Association before going further in the matter as the loss due to the cancellation of an order will be small compared to the gain in using the checks of the Association.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

MONETARY COMMISSION IN SESSION WITH OFFICERS AND FEDERAL LEGISLATIVE COMMITTEE OF THE AMERICAN BANKERS' ASSOCIATION AND OTHER FINANCIERS

ON December 2d the Monetary Commission, of which Senator Aldrich is Chairman, was in session at Washington, D. C., to consider proposed changes in National Banking Laws. In addition to the members present were Secretary of the Treasury Cortelyou, Assistant Secretary Coolidge, Comptroller of the Currency Murray, and by invitation George M. Reynolds, President of the American Bankers' Association and members of the Legislative Committee of the Association as follows: Arthur Reynolds, President Des Moines National Bank, Des Moines, Iowa, Chairman; E. F. Swinney, President First National Bank, Kansas City, Mo.; Joseph A. McCord, Vice-President Third National Bank, Atlanta, Ga.; W. V. Cox, President Second National Bank, Washington, D. C., and John L. Hamilton, Vice-President Hamilton & Cunningham, Hoopston, Ill. Many other prominent bankers from different sections of the country were invited to attend this conference and quite a number were present. Following is a list of those to whom this invitation was extended: William H. Porter, President of the Chemical National Bank, New York; Thomas P. Beal, President of the Second National Bank, Boston; E. A. Hamill, President of the Corn Exchange National Bank, Chicago; C. E. Currier, President Atlanta National Bank, Atlanta, Ga.; J. J. Gannon, President of the New Hibernia National Bank, New Orleans; and C. K. McIntosh, Vice-President of the San Francisco National Bank, San Francisco, California.

It is the purpose of the Commission if possible to frame a law giving the Comptroller of the Currency broader jurisdiction in dealing with banks that are guilty of violating the regulations governing their control, and also improving the methods of examination of banks now in vogue. These matters were thoroughly discussed and it is probable that the Commission will recommend the passage of a bill at the coming Congress to cover these points.

INDIANA BANKERS' ASSOCIATION ANNUAL CONVENTION

THE attendance at the Twelfth Annual Convention of the Indiana Bankers' Association at Indianapolis, Wednesday and Thursday, November 11th and 12th, was the largest in its history. The business sessions were held in the assembly hall of the Claypool Hotel, and much interest manifested in the addresses delivered and the reports presented.

The report of the Secretary, Mr. Andrew Smith, showed the Association to have had the most successful year since its organization; 142 new members joined during the year. It was also shown that the status of the Group system was especially gratifying, the meetings being largely attended and good work accomplished. On account of the large increase of work pertaining to the protective features, such as Fidelity Bonds, Burglary Insurance, Time Lock Insurance, etc., the Secretary was authorized by the Executive Council to open an office and employ an assistant.

President H. C. Johnson, in his annual address, stated that the plan of the American Bankers' Association for currency reform was a most acceptable one, although it had been rejected by Congress and the Aldrich-Vreeland Bill accepted in its stead. While this bill has merit it was not what was needed, but it will answer the purpose for the present. In the meanwhile, however, the banking and business interests of the country should use every effort for a financial measure which would meet the business expansion of the nation.

Reports were also made by Mr. James W. Sale, Chairman of the Executive Council, and Mr. Walter W. Bonner, on behalf of the delegates to the American Bankers' Convention.

Addresses were delivered by prominent bankers and financiers as follows: "Is the Banker Far Removed From the People?" by Henry S. Henschen, of Chicago; "The Monetary and Trade Situation and Prospects," by Henry Clews, of New York; "A Central Bank of Issue," by George E. Roberts, of Chicago; "Politics and Banking," by George E. Allen, Educational Director American Institute of Banking, New York. Interesting addresses were also delivered by officers of the Trust Section of the Association on matters pertaining to Trust Companies, including the guaranteeing of bank deposits.

The entertainment features were thoroughly enjoyable, and the citizens of Indianapolis are to be congratulated on the excellent manner in which all the details were carried out.

The officers elected for the ensuing year will be found on page 207 of the JOURNAL.

The next Convention of the Association will be held at Fort Wayne.

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THE offices of the Association, being so centrally located in the financial district—corner 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 November:

C. A. FAIRCLOTH, Cashier Gainesville National Bank, Gainesville, Fla.
E. O. ELDRIDGE, Secretary N. Y. State Bankers' Association, New York City.
WALDO NEWCOMER, President National Exchange Bank, Baltimore, Md.
FRANK J. PARSONS, Assistant Secretary U. S. Mortgage & Trust Co., New York City.
CHAS. F. COLLINS, President Wayne Co. Savings Bank, Detroit, Mich.
H. L. CHAPMAN, Director Jersey State Bank, Jerseyville, Ill.
W. A. SHOEMAKER, Netherwood.
THOMAS COCHRAN, Vice-President Astor Trust Co., New York City.
PIERRE JAY, State Bank Commissioner, Boston, Mass.
W. A. LAW, Vice-President Merchants' National Bank, Philadelphia, Pa.
D. G. ROMBACH, Manager Graham & Company, Scranton, Pa.
JOHN H. JOHNSON, President Peninsular Savings Bank, Detroit, Mich., and President Savings Bank Section American Bankers' Association.

The following represent the American Association of Public Accountants:

J. E. STERRETT, Philadelphia, Pa. WM. M. LYBRANT, New York City.
HOMER A. DUNN, New York City. EDWARD L. SUFFERN, New York City.
T. CULLEN ROBERTS, New York City. ALLEN R. SMART, Chicago, Ill.

The following represent the Association of American Railway Accounting Officers:

W. F. DUDLEY, Chicago, Ill. H. J. CRONIN, Chicago, Ill.
J. F. DINKEY, Rochester, N. Y. J. F. TITUS, Chicago, Ill.
J. E. HOWARD, Detroit, Mich.

The following members of the Voucher-Check Committee of the American Bankers' Association:

CLAY H. HOLLISTER, Cashier Old National Bank, Grand Rapids, Mich., Chairman.
ARTHUR KAVANAGH, Cashier National City Bank, New York City.
MILTON E. AILES, Vice-President Riggs National Bank, Washington, D. C.
S. H. BURNHAM, President First National Bank, Lincoln, Nebr.

The following represent the Society of Railway Financial Officers:

J. V. MCNEAL, Baltimore, Md. F. H. HAMILTON, St. Louis, Mo.
J. G. STIDGER, Cleveland, Ohio. T. H. B. MCKNIGHT, Pittsburg, Pa.
F. A. LEHR, Buffalo, N. Y.

LAWRENCE L. GILLESPIE, Vice-President Equitable Trust Co., New York City.
LUCIUS TETER, President Chicago Savings Bank & Trust Co., Chicago, Ill.
L. W. MOTT, Vice-President and Cashier First National Bank, Oswego, N. Y.
FRED. W. HYDE, Cashier National Chautauqua Co. Bank, Jamestown, N. Y.
C. WM. BENNETT, Boston, N. Y.
LYMAN J. GAGE, Point Loma, Cal.
B. R. LACY, State Treasurer, Raleigh, N. C.
JOS. G. BROWN, President Citizens' National Bank, Raleigh, N. C.
WM. VAN SICKLE, General Manager Home Life Insurance Co., Detroit, Mich.
GEO. P. HALL, Assistant Cashier Bank of New York N. B. A., New York City.

The following members of the Executive Committee Clearing House Section, American Bankers' Association.

ELLIOTT C. McDUGAL, President Bank of Buffalo, N. Y., and President of the Section.
E. R. FANCHER, Cashier Union National Bank, Cleveland, Ohio, and Chairman Executive Committee.
C. A. RUGGLES, Manager Boston Clearing House, Boston, Mass.
F. A. CHAMBERLAIN, President Security National Bank, Minneapolis, Minn.
RALPH VAN VECHTEN, 2d Vice-President Commercial National Bank, Chicago, Ill.

JOURNAL of the
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ASSOCIATION**

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No. 6

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

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

W. W. WAINE, ASSOCIATE EDITOR

DURING the past few years it has been quite noticeable at the annual conventions of the American Bankers' Association that there is an absence of the older bankers from the larger cities and also some of the ex-officers and ex-members of the Council. At the Denver Convention, however, there was perhaps a larger attendance of the class above mentioned than for some time previous. For the purpose of bringing out the older members and ex-officials of the Association, a movement was started in Denver, which, without question, will be the means of accomplishing this purpose and at the same time will result in introducing a social feature that will be very much appreciated. This refers to the organization of the so-called "Down and Out Club," which, by the way, is an expressive name though not very dignified and the Club will doubtless suggest a name more in keeping with the Association, such as "The Old Guard."

After the adjournment of the first session of the convention, the ex-members of the Council met on the platform of the Auditorium and formed a temporary organization, electing the following officers:

J. L. Hamilton, Organization Chairman; Wm. Livingstone, Detroit, Vice Chairman; J. H. Ingwersen, Clinton, Iowa, Secretary. It was reported that there were already ninety acceptances of membership. The Club will have an annual banquet at the American Bankers' Association Conventions and the ladies will be included.

ANOTHER social feature of great interest at Denver was a re-union of the Old Guard of the American Institute of Banking, with a dinner at the University Club, the evening being devoted to reminiscences of Institute work and a practical discussion of plans for increasing the usefulness of the organization. As the young men of the Institute grow older and are appointed to positions of trust, it is very desirable that they keep in touch with the Institute. The young men need them for consultation and advice. Their influence is always felt, and these social features will have a tendency to keep intact the fraternal feelings which should exist between the juniors and the seniors.

To the close observer of Association work it is apparent that the various State Bankers' Associations have made rapid advancement during the past few years in increase in membership, conventions much more largely attended, enthusiasm in the work and extension of various phases of the lines taken up which are to the advantage of members, and increased efficiency in every particular. This is

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due quite largely to progressive, wideawake and energetic Secretaries. State Associations are now realizing the importance of permanent offices and a permanent paid Secretary. Within the past few weeks this plan has been adopted by Kansas and Illinois, and Indiana is to have permanent offices. Too much stress cannot be put on the importance of this movement. The larger cities with a membership which justifies it should get into line and establish these features of Association work. It will be greatly to their advantage. Strong State Associations benefit the American Bankers' Association by creating an interest in Association work, and the good that can be accomplished by organization in furthering the interests of the banking profession cannot help but benefit business interests at large.

GOOD results are apparent from the establishment of a library and reading room in the Association offices for visiting bankers. The visitors are increasing daily and are making use of the accommodations afforded them. The New York bankers are beginning to realize the advantage of visiting bankers calling at Association headquarters, as they frequently telephone if they wish to locate some out-of-town banker who is in the city or call at these offices to confer with some banker who is availing himself of the privileges afforded by this office.

THE use of the voucher-check has increased very materially during the past few years and it is now being used by railroads, large corporations and by very many business houses. There are almost as many forms, styles and shapes as there are voucher-checks; some very inconvenient for the banks to handle and others that require a diagram so that the payee may know how to get his money; again there is a large folded voucher-check which is very inconvenient for the banks that handle same, and in a great many cases the voucher-checks in use are not negotiable. Realizing that there was a great field for improvement in voucher-checks, last spring the American Bankers' Association appointed a committee with instructions to devise some form which might be uniform, negotiable and not arranged for folding. A full report of the Voucher-Check Committee meeting will be found in this issue of the JOURNAL.

SPECIAL attention is invited to the two items appearing in this month's JOURNAL referring particularly to the work accomplished by the Committee on Express Companies and Money Orders, and the new travellers check, which will probably be ready for distribution to the member banks after the first of the year. In this connection it might be well to say also that most of the clearing houses in the larger cities of the country have agreed to take the domestic money order at par.

Too much importance cannot be placed upon the work of the Protective Committee of the American Bankers' Association and the protection it offers to our members. As an illustration we quote from one of the daily papers:

When the cashier of a St. Paul bank balanced his accounts one night there was a shortage of \$540. That the money had been stolen was apparent, for the thief had left traces.

But before the bank's officers had time even to summon the detectives a package containing the \$540 was received in the mail. On a piece of wrapping paper around the bills were scrawled these words:

"Why don't you keep your sign out?"

The sign to which the uneasy robber referred was one inscribed "Member American Bankers' Association." Every safebreaker, forger and "sneak" in the United States knows

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what that means. To rob a "member bank"—half of all the banks in the country belong to the Association—is to court disaster.

It means the limit of daring, the certainty of pursuit to a prison cell or the grave, the assurance that sooner or later, somehow, somewhere, the thief must atone for his crime. The detectives will follow him to the ends of the earth, backed by the bottomless treasury of an organization that has adopted a policy of hounding relentlessly its despoilers.

That the crusade has been a success is due to a disregard of expense on the part of the Bankers' Protective Committee and a continual watchfulness by their agents. No limit is placed upon the amount necessary to catch the thief, says the *Bohemian Magazine*. It is a case of "Get him and we pay the bill."

The chase may last a day or five years or a lifetime. There are but two avenues by which the pursued avoids punishment—death and reform. If he lives and persists he must leave an open trail some day. Few die before that trail is found; still fewer reform.

Members cannot be too particular in the display of the American Bankers' Association sign. Keep it in a conspicuous position. The compilation of last year's statistics show at the end of the fiscal year, August 31, 1908, that the loss of non-member banks was \$145,000 and to member banks \$3,000. Keep this in mind and you will appreciate the importance of the sign.

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, Illinois, before the Annual Meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria, June 11, 1908.

Hearings and Arguments Before the Committee on Banking and Currency of the House of Representatives on Proposed Currency Legislation, Fifty-ninth Congress, Second Session, 1906-7.

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.

We have a quantity of samples of these credit blanks in the Association offices, and the Secretary will be pleased to forward samples to any members of the Association who desire them.

TRUST COMPANY SECTION

SINCE September first, the beginning of the fiscal year of the Association, some thirty companies have been enrolled in the membership of the Section, and, while some few members have been lost by consolidation, liquidation, etc., the membership is steadily increasing. Officers, members of the Executive Committee, Vice-Presidents for the various States, are all doing their share in this work of increasing the membership. Every trust company in the District of Columbia, for instance, is a member of the Section. Wisconsin has enrolled five new members within the past thirty days.

Since the November JOURNAL, the Proceedings of the last convention of the Section have been published and distributed to the members; this made a book of some one hundred and fifty pages, containing all the set addresses and a full account of the proceedings. Some few copies are held in the Secretary's office and will be sent upon request to new members as they join. The Secretary has recently addressed a circular letter to each member inviting subscriptions to the bound volume of proceedings for the years 1904-1908 inclusive, which, it is expected, will be ready for delivery shortly after the first of the year. The Executive Committee, in authorizing the publication of these proceedings in one volume, called special attention to its value to every trust company as shown by its list of contributors, which include many of the leading financiers, attorneys, railroad men, accountants, etc., throughout the country. Those who have not received subscription blanks are invited to notify the Secretary's office of their desire to have the volume, the price of which is \$3.00 net.

The Committee on Trust Company Forms has also sent out, through the Secretary's office, a circular letter asking that sample pages of books and forms be sent to it in order that it might properly prepare the new book of trust company forms which it proposes to issue.

The Committee on Protective Laws has been increased from three to five members and will conduct an active campaign in the interest of the Section.

The officers of the Section have recently met in New York and have discussed various plans and undertakings in the interest of the Section, the full details of which will be published in next month's JOURNAL.

Mr. L. L. Gillespie, Vice-President of the Equitable Trust Company of New York City and a member of the Executive Committee of the Section, who has been making an extended tour throughout the West, has suggested to the officers of the Association the desirability of having at the coming Alaska-Yukon Pacific Exposition, to be held in Seattle next year, an exhibition of banking forms, books, etc., in charge of some competent official. The idea, while not yet worked out in detail, contemplates a model banking institution, in skeleton form, as it were, with a reception room where members and non-members of the Association could meet and get the latest ideas of various branches of the banking business in which they might be interested. It is hoped that the idea can be put into practical shape.

APROPOS to our Convention at Denver and the royal entertainment furnished by the bankers of that city, mention should be made of the hospitable spirit displayed by the bankers in various parts of Colorado when outside bankers had occasion to visit some of the Colorado cities. In the rush of Convention week with its numerous committee meetings and sessions of the Association, the visiting bankers were not generally aware of the generous invitation extended by the bankers and Chamber of Commerce of Central City, Colorado, for Saturday, October 3d, though announcement was made of the same. Those who were so fortunate as to go on Saturday were royally entertained by a drive and luncheon and were enthusiastic over their trip. Another side trip was extended by the clearing house banks of Colorado Springs. Quite a number availed themselves of this invitation for the purpose of inspecting the gold reduction mills and enjoyed the drive around this attractive resort, also the privileges of the social clubs.

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.
Maynard Bill and Explanation.
Constitutionality of Maynard Bill.
Pennsylvania Speech—L. E. Pierson.
Little Rock, Arkansas, Speech—Thomas B. Paton.
Jamestown, Virginia, Speech—Thomas B. Paton.
Oklahoma Speech—Evans Woollen.

SAVINGS BANK SECTION

THE membership of the Savings Bank Section amounts at the present time to 1579 as against 1523 on the 1st of September last. The book containing the complete report of the proceedings of the Section in Denver on the 28th of September last was mailed to all the members on the 27th inst.

At the meeting of the Committee on Postal Savings Bank, held at 100 Broadway, on the 16th of November, there were present:

LUCIUS TETER, of Chicago, Chairman.
MYRON T. HERRICK, of Cleveland.
CHARLES E. SPRAGUE, of New York.
J. H. JOHNSON, of Detroit, President of the Section.
W. R. CREER, of Cleveland, Vice-President of the Section.
G. B. LATIMER, of New York.
F. R. MORISON, of Cleveland.
WILLIAM HANHART, Secretary.

The matter of Postal Savings Bank was earnestly and thoroughly discussed, and a vigorous campaign of education was decided upon; sub-committees were appointed on publicity, literature, legislation, speakers' bureau, etc.; as many letters had been received asking for printed material clearly defining the situation, it was resolved that all the banks in the United States be addressed, enclosing the following papers in the letters:

First. Copy of the Carter Postal Savings Bank bill, which was endorsed by the administration and will come up for a hearing early in the coming session of Congress.

Second. Copy of the report of the Postal Savings Committee endorsed by the Section at Denver, and subsequently confirmed by the General Convention.

Third. Extracts from an address delivered by George E. Roberts, President of the Commercial National Bank of Chicago and formerly Director of the Mint.

Fourth. Copy of an address by E. R. Gurney, Vice-President of the First National Bank of Fremont, Neb.

Fifth. A condensed synopsis of the arguments against Postal Savings Bank Legislation, which may be used as a basis for newspaper articles.

Under date of the 10th of November, President Johnson, of Detroit, sent a circular letter to all the members of the Section, giving them a short synopsis of the Convention Meeting in Denver, and urging them to continued efforts towards increasing the membership and consequent usefulness of the Association, also asking the members to co-operate in the work of the different committees appointed.

Members are requested to send to Secretary Hanhart, any new and useful business forms to be added to the collection of Printed Forms issued by the Section in 1906; when a sufficiency of new forms is received, they will be mailed free to all the purchasers of the book. So far, too few have been received to warrant printing and sending, which fact perhaps speaks well for the thoroughness of the original work. The sales to date amount to 625 copies.

FINANCIAL RECOGNITION OF THE WEST

[*Chicago Post*, November 28, 1908.]

THERE is a marked broadening of the attitude of the Senate leaders toward the West, and the financial laity generally, in the plans which are made for the meeting of the national monetary commission on Wednesday next.

The meeting is to be held primarily for the purpose of formulating various administrative reforms in connection with the Treasury Department. But those invited to attend it are no longer exclusively numbered among the government officials and members of Congress. The American Bankers' Association is recognized, not only in the invitation extended to Mr. George M. Reynolds, its president, but also in the request for the presence of the Association's entire Legislative Committee. Furthermore, six representative bankers from different sections of the United States are asked to appear before the Committee.

By this practical indication of a broadening vision we believe that the monetary commission will make its way easier and its eventual achievements of greater value to the nation. The West, especially, can feel a much kindlier attitude toward Chairman Aldrich and a far stronger inclination to help him in his important work of currency revision.

CLEARING HOUSE SECTION

A SPECIAL meeting of the Executive Committee of the Clearing House Section of the American Bankers' Association was held at the Association offices, November 30th and December 1st, for the purpose of taking up the reports and recommendations submitted to the Committee by the Clearing House Section at its last annual meeting at Denver. The members of the Committee present were as follows:

- E. C. McDOUGAL, President Bank of Buffalo, Buffalo, N. Y., President.
- E. R. FANCHER, Cashier Union National Bank, Cleveland, Ohio, Chairman Executive Committee.
- F. A. CHAMBERLAIN, President Security National Bank, Minneapolis, Minn.
- C. A. RUGGLES, Manager Boston Clearing House, Boston, Mass.
- R. VAN VECHTEN, 2d Vice-President Commercial National Bank, Chicago, Ill.
- FRED. E. FARNSWORTH, New York City, Secretary.

Regrets were received from Sol. Wexler, Vice-President Whitney-Central National Bank, New Orleans, La., Vice-President; George Guckenberger, President Atlas National Bank, Cincinnati, Ohio, and from C. G. Hutcheson, Cashier First National Bank, Kansas City, Mo., who were unavoidably prevented from attending the meeting.

The Secretary reported that the Clearing House Section now has 97 members and that the bankers' directories show that there are 167 clearing houses in the United States, there being only four of the large clearing houses of the country that are not members of the Section.

After a full discussion of various matters appertaining to clearing houses, the Committee were a unit in the opinion that the most important matter at the present time is the question of clearing house examiners along the plan as already adopted by Chicago, St. Louis, Minneapolis, St. Paul and San Francisco, and in accordance with the views of the Committee the following resolution was unanimously adopted:

Resolved: That the Clearing House Section of the American Bankers' Association heartily endorses the action of several of the clearing houses, members of this Section, in appointing clearing house examiners. In the opinion of the Clearing House Section of the American Bankers' Association such action is most desirable as an effective check on undue expansion of liabilities of business houses and on unsafe banking. The Clearing House Section of the American Bankers' Association urgently recommends to all clearing houses, members of this Section, that each clearing house appoint such an examiner.

The Committee will arrange to have a special article on this subject prepared by a well-known western banker, who has given this question much thought. This article will appear in the January JOURNAL. Besides reaching all of the members of the Association, the Secretary was directed to compile a list of the members of the Committees of all of the clearing houses of the United States and mail special copies of this article to them. It was also decided to have prepared a suitable magazine article on the same subject.

The Committee urge the bankers in the leading twenty-five clearing house cities to adopt the system of letters and numbers on bank checks and drafts according to directions sent out by the Clearing House Section last May. These letters and numbers will accomplish a great saving in the transit departments and when banks are having a new supply of drafts and checks prepared, this system should be used. Already a large number of banks have adopted the plan. The Secretary was directed to send out at once a circular letter on this subject, also sample forms of drafts and checks in accordance with suggestions made by the Committee.

Other matters appertaining to clearing houses were discussed and they will be taken up from time to time by the Committee. The Committee was very enthusiastic and earnest in its work and resolved to meet frequently and to make a record for the Clearing House Section this year. An adjournment was taken subject to call of the Chairman.

THE Association has left over a few of the delegates' badges which were prepared for the Denver Convention. As these badges cannot be used next year, any of the members who did not attend the Denver Convention and would like a badge for a souvenir can secure same by writing the Secretary.

AMERICAN INSTITUTE OF BANKING SECTION

CHAPTERS of the American Institute of Banking have recently been formed in Denver, Omaha, Salt Lake City, Portland (Ore.), Tacoma, Fort Wayne, Louisville and Shreveport, and the subject of chapter organization is under consideration in six other cities of size and financial activity where success would be assured. Just how far chapter organization should be extended among cities of intermediate size is problematic. In the report of the Institute Committee of the American Bankers' Association adopted at the Denver Convention the situation was summed up as follows:

Experience has demonstrated the fact that chapters as conducted in large cities are not expedient in small places unless convenient to some school of finance or law from which professional instructors may be obtained. The spirit of fraternity so well developed in city chapters, however, is being extended throughout the country by means of the Correspondence Chapter, which is doing satisfactory work in alliance with the International Correspondence Schools of Scranton, and through study courses conducted by the chapter itself [in Practical Banking, Commercial Law, Political Economy, Civics and Rhetoric]. Too strong emphasis cannot be placed on the value of the Correspondence Chapter of the Institute. It is no longer necessary for a young man to live in a large city to obtain the educational advantages offered by the Institute, for the bank man in a town of two hundred inhabitants has, through the agency of the Correspondence Chapter, all the Institute can offer but the fraternal privileges. We especially urge the members of the American Bankers' Association in the smaller cities and towns of our country to bring this Correspondence Chapter of the Institute to the earnest attention of their employees.

The increase of the Institute in membership is gratifying, but the improvement in educational character is what counts. Nearly all chapters are working in alliance with available schools of finance and law in systematic preparation for the Institute certificate of proficiency in Practical Banking, Commercial Law and Political Economy. In this connection Chairman Alexander Wall of the Institute Educational Committee says:

Following quite logically upon the statement that the main object of the American Institute of Banking is to educate the bank clerk of this country in a greater degree in the science of banking, and coupled with a systematic study scheme, comes the issuing by the Institute of a certificate testifying as to the proficiency of any member in banking knowledge. The practice of issuing these certificates has been in force for a long time, and the scarcity of men who have qualified and received their certificate is a very sad commentary upon the earnestness for education in the general ranks of our body. Without doubt the real educational work carried on by the Institute through its various chapters has been great and far-reaching. A very large percentage of men have taken one or maybe two of the courses provided, but a very small number have passed the examinations in all three and qualified for a certificate.

The growth of the Institute has been very great. The support, however, that has been rendered us by the bankers of the country has been very great, and our body must not allow itself at this time to think that, in becoming a section of the American Bankers' Association, we have achieved the height of our ambitions. The honor thus bestowed upon us increases the heavy debt we already owe to the bankers of the country. Before this time they have given us liberally of their time and money and now they have given us their absolute confidence in admitting us to membership on an equal ground of recognition as their body.

The best way we can demonstrate that each of us feels the fine compliment of this confidence is to take upon us the task of by study to fit ourselves to receive from the Institute a certificate of proficiency. A long roll-call of men so equipped would act toward the Institute just as the alumni of a university bear up the dignity of their Alma Mater. The aim of a true collegian is his degree, and the aim of the true member of the Institute should be his certificate. The politics and joy of manipulation and burdens of office-holding should sink into insignificance when compared with the importance of our Institute degree.

Specimen copies of the Bulletin describing the Institute and its work will be sent free upon application to the American Institute of Banking, 5 Nassau Street, New York City.

EXPRESS COMPANIES

THE second hearing of the case of the American Bankers' Association *vs.* the Express Companies was had before the Interstate Commerce Commission in Washington, D. C., October 15, 1908. At this hearing the opposing attorneys presented their arguments for and against the "motion to dismiss" made on behalf of the Express Companies at the first hearing, and also upon the application of the attorneys of this Association for the issue of a subpoena *duces tecum* requiring the production of the books of the Express Companies. After hearing the arguments, Chairman Knapp of the Interstate Commerce Commission advised the attorneys that they would have twenty days in which to present briefs and a further five days in which to answer the opposing briefs. The time was up the middle of November, and a decision of the Commission may be given upon the two points in question at any time.

Members of the Association will be notified through the first issue of the JOURNAL after the decisions are rendered.

The following notices have been received:

NEBRASKA BANKERS' ASSOCIATION.

OFFICE OF THE SECRETARY.

OMAHA, NEB., November 25, 1908.

REWARD \$500.00

A party of seven or eight robbers blew up the safe of the Farmers' Bank of Page, Nebraska, early this morning. We are not yet informed how much they secured.

The Nebraska Bankers' Association offers a reward of Five Hundred Dollars (\$500) for the arrest and conviction of the person or persons committing this crime. Reward offer to remain in force one year from date and to be paid under the rules and regulations of this Association.

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

NEBRASKA BANKERS' ASSOCIATION,

Wm. B. Hughes, Secretary,

214 South 12th Street, Omaha, Neb.

NEBRASKA BANKERS' ASSOCIATION.

OFFICE OF THE SECRETARY.

OMAHA, NEB., December 1, 1908.

\$200.00 REWARD

The Nebraska Bankers' Association offers \$200.00 reward for arrest and conviction of a man known as E. C. Carter, for swindling a member of this Association.

He is described as follows: Large, nice-looking man. Looks you in the eye while conversing. About 45 years. About 5 feet 10 inches. 190 pounds. Well dressed in dark suit and long black overcoat. Dark hair and eyes and mustache, the latter having reddish tinge. Face inclined to be red. Slight show of dissipation. Well educated. Claims to be from New York, civil engineer, and to represent the Central Cereal Company, of Chicago.

Above reward offer to remain in force for one year from date, and to be paid under the rules and regulations of the Nebraska Bankers' Association.

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

NEBRASKA BANKERS' ASSOCIATION,

Wm. B. Hughes, Secretary,

214 South 12th Street, Omaha, Neb.

JOINT CONFERENCE ON UNIFORM VOUCHER-CHECK

PURSUANT to arrangements made by General Counsel on behalf of the Voucher-Check Committee of the American Bankers' Association, a joint all-day conference was held in the Reception Room of the Association on Wednesday, November 18th, between Committees of five, representing The Society of Railway Financial Officers, The Association of American Railway Accounting Officers, The American Association of Public Accountants and The American Bankers' Association, for the purpose of agreeing upon and recommending to their respective Associations, the adoption and use of a uniform negotiable voucher-check.

The meeting was called to order by Mr. Clay H. Hollister, Chairman of the Voucher-Check Committee of the American Bankers' Association, and it was unanimously voted that Mr. Hollister preside over the meeting as permanent Chairman.

The following gentlemen were noted as present:

Representing the American Association of Public Accountants:

EDWARD L. SUFFERN (Chairman), New York City.
J. E. STERRETT, Philadelphia, Pa.
HOMER A. DUNN, New York City.
WM. M. LYBRAND, New York City.
ALLEN R. SMART, Chicago, Ill.
T. CULLEN ROBERTS, New York City.

Representing the Association of American Railway Accounting Officers:

W. F. DUDLEY, C., M. & St. P. Ry. Co., Chicago, Ill.
J. F. DINKEY, B., R. & P. Ry. Co., Rochester, N. Y.
J. E. HOWARD, Pere Marquette Ry. Co., Detroit, Mich.
H. J. CRONIN, C. & E. I. R. R. Co. (representing Mr. Ford, the Chairman of Committee), Chicago, Ill.
J. F. TITUS, Illinois Central R. R. Co., Chicago, Ill.

Representing the Association of Railway Financial Officers:

J. V. McNEAL (Chairman), B. & O. R. R. Co., Baltimore, Md.
J. G. STIDGER, Reading & Lake Erie R. R. Co., Cleveland, Ohio.
F. A. LEHR, Buffalo & Susquehanna R. R. Co., Buffalo, N. Y.
F. H. HAMILTON (ex-officio), St. L. & S. F. R. R. Co., St. Louis, Mo.
T. H. B. MCKNIGHT (ex-officio), Pennsylvania Lines West of Pittsburgh, Pittsburgh, Pa.

Representing the American Bankers' Association as members of the Voucher-Check Committee:

CLAY H. HOLLISTER (Chairman), Cashier Old National Bank, Grand Rapids, Mich.
ARTHUR KAVANAGH, Cashier National City Bank, New York City.
MILTON E. AILES, Vice-President Riggs National Bank, Washington, D. C.
S. H. BURNHAM, President, First National Bank, Lincoln, Nebr.
THOMAS B. PATON, General Counsel, American Bankers' Association.

To start the discussion, Mr. Hollister read the report of the Voucher-Check Committee to the Executive Council of the American Bankers' Association at their Spring meeting, 1908, and carrying out the report of the Committee, he submitted to each of the gentlemen present an envelope containing samples of voucher-checks which had been prepared by him as a suggestion of the character of form which the bankers would like to see uniformly put into use.

Mr. McNeal, Chairman of the Society of Railway Financial Officers, stated that he had asked all the different transportation companies of the country to send him forms of voucher-checks that they employed in paying their bills; that of 232 transportation companies, whose forms he had collected, only 24 of them contained a direct, positive order upon the bank to pay, so constituted as to be a negotiable document that would pass from hand to hand outside of the bank and that the 24 forms exhibited wide differences. One form which he illustrated had the endorsement on the side, and no place on the back to make an endorsement, as that was all filled up with printed matter. Fifty-six other forms of vouchers exhibited were not direct orders to pay money at all, but were so designed that they may be stamped payable at a certain bank, and the bank takes all the chances. Some forms exhibited required three, and some of them four foldings. The modern trend of thought, Mr. McNeal said, is to

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have peremptory forms to pay money. That was the paramount thing and while it would be a very great convenience to have one piece of paper that needed no folding at all, his experience was that the folded voucher would have to be a concession made by the bankers. The interests he represented were closely associated with the bankers and they wanted to meet their needs as far as possible; for that purpose they participated in the meeting.

Mr. McNeal was asked to give reasons why the folded voucher is desirable for the railroads and replied that it was not desirable at all, on the contrary very undesirable, but it was necessary and he stated his reasons in detail on this point. He was followed by Mr. McKnight, who gave at length other reasons why the folded voucher seemed necessary for the railroads. A general discussion followed on the matter of the folded voucher.

Mr. Suffern, Chairman of the Committee of Public Accountants, presented at length the attitude of his Committee. The accountants, he said, were in a neutral position, the members of his Association having a large experience both with railroad accounts and with banking accounts, and they were peculiarly in a position to look at both sides of the question. He pointed to the fact that it was not only the railroads, but the large industrial corporations, which largely use voucher-checks. As accountants, pure and simple, they would be glad to adopt anything that would dispense with the folded voucher, such being very undesirable both from the bankers' standpoint and the accountants' standpoint, the objection being to handling what is cumbersome and complicated. At the same time the accountants realized that through the medium of the folded voucher a degree of protection is afforded to the payor of the check which is not preserved in any other way. Mr. Suffern presented two forms which his Committee had prepared as a solution of the problem, both drawn on the single, unfolded plan, one for the payment of accounts having but a few items and the other for more extended accounts. These forms he explained in detail, one of them being on the same general plan as that submitted by the Bankers' Committee. He was followed by Mr. Dunn, who also spoke at length upon the desirability of the recommended forms.

After considerable discussion Mr. Paton suggested that, to make progress, the different propositions should be taken up and settled, one at a time, and that they settle the most vital proposition first, namely, that the voucher-check, whatever its form, whether single or folded, should be a negotiable instrument. On motion, after discussion, it was unanimously agreed that the voucher-check should be a negotiable instrument.

The next question taken up for discussion was whether the endorsement of the payee to the voucher should be a sufficient receipt, without a second signature as a receipt. Mr. Dunn pointed to the fact that in running over the 24 samples of vouchers submitted by Mr. McNeal, he had found no instances in which, having put a check on the back of the voucher, they also provide for a receipt on the face. After an extended discussion the following motion, duly seconded, was unanimously carried:

"That it is the sense of this meeting that a negotiable voucher shall be in the form of a straight check or draft, and endorsement of the payee thereon be accepted as the only receipt required."

This completed the morning session. The afternoon session was entirely taken up with discussion of the respective merits of the single and folded form of voucher. Mr. Kavanagh presented the situation in detail from the bankers' point of view. It developed that some of the railroads had already put into use the single form, and that the objections of other representatives were not as insurmountable as at first supposed. No agreement was, however, reached on this point and the conference was adjourned for further discussion, to December 9th. A Committee of one from each Association, consisting of Messrs. McNeal, Ford, Dunn and Kavanagh, was appointed to confer, in the interim, and recommend to the next joint conference certain forms of voucher-checks.

Before the meeting adjourned, Secretary Farnsworth explained the new form of voucher-check which has been put into use by the American Bankers' Association, and a motion was also put and carried on behalf of the representatives of the three guest Associations, thanking the bankers' Committee for their courtesy and hospitality.



LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

THE NORTH CAROLINA NON-WARRANTOR DECISION

AS announced in the November Journal (page 167), upon information received from the Secretary of the North Carolina Bankers' Association, the supreme court of that State has rendered a decision over-ruling its former decision in *Finch v. Gregg* and declaring that the rule under which a bank, discounting a draft with bill of lading attached as security, is responsible for the quality and quantity of the goods, is no longer the law of that State. When the November JOURNAL was issued the decision of the North Carolina court had not come to hand and we promised that in this number we would publish its salient points.

The so-called warrantor doctrine originated in a decision of the court of civil appeals of Texas in the year 1898, in the case of *Landa v. Lattin* and was followed in 1899 by the supreme court of North Carolina in *Finch v. Gregg*, and later by the supreme courts of Alabama and of Mississippi. Its soundness has since been denied by the supreme courts of Iowa, Tennessee and Kansas as being contrary to well settled principles of commercial law; in 1899 the Legislature of Florida forestalled a possible judicial declaration of the doctrine by a special statute declaring against such warrantor liability; and in the year 1903 the supreme court of Texas in *Blaisdell v. National Bank* disapproved *Landa v. Lattin*, so that the doctrine of that case is no longer recognized as law in that State.

With the decision of the supreme court of North Carolina in *Mason v. Nelson*, over-ruling *Finch v. Gregg*, rendered October 21st of this year, two of the four States where the warrantor doctrine has been declared have recognized and corrected their judicial error and it is reasonable to suppose that the courts of the remaining two States where the doctrine still exists, Alabama and Mississippi, will in the future do likewise when the occasion presents itself.

The opinion of the North Carolina court in *Mason v. Nelson* is before us; it is entirely too long for reproduction in these pages. It is written by Judge Hoke who presided at the trial of *Finch v. Gregg* in the superior court and first made the ruling which was confirmed by the supreme court. In the opinion he says that when such ruling was made he followed "with much hesitancy" the decision of the Texas court of civil appeals in *Landa v. Lattin*, but now, "after giving the question our best consideration, with a due sense of the importance of adhering to decisions when formally announced as law by the court, we feel constrained to over-rule the case of *Finch v. Gregg*, being of the opinion that the decision is based on an erroneous principle or rather on the erroneous and unwarranted extension and application of an admitted principle, and is contrary to the great weight of well settled authority."

The case of *Finch v. Gregg* (126 North Carolina 176) was cited in *Manufacturing Co. v. Tierney* (133 North Carolina 630) in support of the following principle: "It is well settled that when the vendor of goods ships them, taking

from the carrier a bill of lading to deliver to his own order, and thereupon draws a draft payable to his own order upon the vendee, attaching the bill of lading, and indorses to a third party such draft for value, the title to the goods vests in the indorsee at least to the extent of the amount advanced."

Judge Hoke in the opinion now rendered says: "To the extent indicated in this citation from *Manufacturing Co. v. Tierney*, the principle contained in *Finch v. Gregg* is sound. The holder of a draft or bill of exchange, who takes an attached bill of lading by assignment, or otherwise, as security for the amount advanced on the draft, does become the owner of the goods, as against the acceptor, to an extent sufficient to secure and protect his claim. And it is in extending this wholesome and very generally accepted principle of mercantile law to an unwarranted length that the error in *Finch v. Gregg* consists. That decision not only makes the holder of a negotiable instrument, who has taken an assignment of the bill of lading only as security, the owner outright of the goods, but imposes on him the burden and obligation of a contract concerning the property, made between consignor and consignee, in which the holder took no part, and of which he had no notice. And in no aspect of the matter, as we view it, can such a position be sustained. . . . So far as we can discover, until these decisions were made which we are now reviewing (the decisions holding the warrantor doctrine), it was a doctrine universally recognized that the holder of a negotiable instrument, with bill of lading attached, under the circumstances indicated, was in by right superior to that of a consignee, who had accepted and paid a draft drawn on him for the purchase price of the goods, and whether such consignee accepted and paid, as in this case, or paid the draft on presentation, as in *Finch's* case, the result was the same. In either event the consignee thereby took a position in recognition of the holders' rights under his contract, whatever they were. In accordance with this doctrine, the case of *Manufacturing Co. v. Tierney*, supra, correctly holds: 'Where a bank for a valuable consideration takes an assignment of a bill of lading with draft attached, the consignee of the goods takes them subject to the rights of the holder of the bill of lading for the amount of the draft, and he cannot retain the price of the goods on account of a debt due him from the consignor.' This principle is entirely inconsistent with the doctrine announced in *Finch v. Gregg*, and, as stated, is in accord with the general current of authority on the question in this country and in England."

Finch v. Gregg, to the extent that it goes beyond the principle that the indorsee of the draft takes title to the goods to the extent of the amount advanced, is overruled and repudiated as "not only contrary to the great array of well-considered authority, but as against the real facts of the transaction, bringing the holder of a negotiable instrument under the burdens of a contract which he never made, and in which, so far as appears, he had no interest." The court says: "We think it an erroneous position to hold or assume that a bank, in discounting a draft for purchase price of goods with bill of lading attached, took over, or intended to take over, the original contract of sale, or to come under its burdens. On the contrary, we may safely assume, when there is no proof to the contrary, that no such intent existed, and that the bank simply discounted a draft according to the ordinary methods of mercantile dealing. It held it, and had a right to hold it, by reason of the consideration moving from itself to the drawer and when the drawee accepted or paid the draft on presentation, he did so in recognition of the bank's position."

It was contended in the present case that the buyer of the draft came under the terms of the contract of sale, because the drawee was compelled to pay the draft before he could make examination of the cotton; that he was forced to take the cotton "unsight, unseen," but the court said that even conceding the refusal to permit examination of the cotton was imputable to the buyer of the draft, "he had the right to stand on the integrity of his own contract, and hold the goods

as owner until his draft was paid. As heretofore stated, by reason of the consideration moving from himself as purchaser of the draft, his position was superior to that of the drawee, and he had the contract right to insist that the drawee should recognize his position before delivering to him the bill of lading. Even on grounds of expediency, if such considerations should have place in a discussion of this character, the weight of the argument is against the plaintiff. The utmost that can be urged by plaintiff against the doctrine we apply in denial of his claim is that, by negotiation of the draft, at times colorable, he may be forced to seek redress for his wrong in a distant forum, and that his recovery may on occasions be restricted to a vendor who is insolvent. But these general laws of business, established to facilitate and promote enlightened commercial intercourse, are framed, and properly framed, on the assumption that men will act honestly, and, as a rule, they do. The few cases that are brought before the courts for decision are exceeding small in proportion to the immense volume of business that is carried on and satisfactorily adjusted between the parties. And one of these rules, universally recognized as well fitted for its purpose, should not be interfered with, nor have its usefulness seriously impaired, because in rare and exceptional instances a wrong may be possible. And it must be borne in mind that the plaintiff is left without interference to assert his demand against the original vendor, the man with whom he had elected to deal."

The court gives an extended consideration to the doctrine of *stare decisis*, but on this point concludes; "This decision announced something like ten years ago, cited not more than twice as direct authority for the position it contains, and disapproved in the State where it seems to have originated, commented on adversely by the intelligent annotators and reviewers of the country, and pronounced unsound by the great weight of authority bearing on the question, cannot be considered to have ever been acquiesced in or to have become the accepted law of the land. Nor are we inadvertent to the fact that this contract was made at a time when *Finch v. Gregg* expressed the rule which prevailed with us on the question presented, but we are of opinion that this should not be allowed to affect the result."

The court concludes its opinion as follows: "We are of opinion, therefore, that the case of *Finch v. Gregg* should be over-ruled, and the principle upon which it rests disapproved, first, as contrary to the general current of authority on a subject where uniformity of decision is so greatly to be desired; second, because it puts an undesirable and injurious clog upon commercial intercourse between different sections of the country; and third, because it may, and frequently does, work grievous wrong to parties litigant, in subjecting them to the burdens and obligations of contracts which they never made, and holding them responsible for fraud and wrongs which they did not commit, and of which they had no knowledge or notice."

Chief Justice Clark alone dissented. He concludes an extended opinion by saying: "Our rule has worked well. It has protected consignees here. It has not injured any honest consignor. The revocation of the rule will deliver purchasers here into the uncovenanted mercy of distant consignors, who cannot be reached by the process of our courts."



MEETING OF STANDING LAW COMMITTEE

A MEETING of the Standing Law Committee was held on November 17th, at the Bellevue-Stratford, Philadelphia, at which were present, Chairman William J. Field of New Jersey, Henry Dimse of New York, John K. Ottley of Georgia and Henry B. Wilcox of Baltimore, Md., together with Thomas B. Paton, General Counsel of the Association, acting as Counsel and Secretary of the Committee.

The following recommendation contained in the Report of the Committee on Credit Information to the Denver Convention was taken up for consideration:

We also recommend that the Association refer to the Standing Law Committee the matter of securing the enactment of a statute providing for the severe punishment of any officer of a corporation convicted of obtaining money for such corporation by means of a false statement signed by him.

It was moved that General Counsel investigate the subject, and draft a law broad enough to cover all cases of persons obtaining money from banks by means of false credit statements.

The question of the drafting of a statute prohibiting the use of the word "trust" by corporations not entitled to use it was brought up for consideration. It was the judgment of the Committee that it should not recommend in the pamphlet of proposed laws to be prepared by General Counsel a special draft of law covering the use of this particular word, but that it would be wise to make a suggestion in the pamphlet to the legislatures of the different States of the necessity of laws restricting the use, not only of the word "trust" but of "bank," "savings bank," and similar titles to those corporations entitled to use them and quote the laws of the different States which now make such restrictions.

The pamphlet issued by the National Association of Supervisors of State Banks in which the enactment of restrictive banking statutes upon certain subjects by the different States is recommended, was taken up for consideration. It was the judgment of the Committee that it was too late to take up this subject this year, but that in another year, when General Counsel shall have made a compilation and collation of the banking laws of all the States that have such laws, from which can be seen what States have defective laws, etc., the subject can be taken up.

General Counsel brought up the suggestion of drafting an act for inclusion in this year's pamphlet relieving the initial bank, which undertakes a collection, from liability for the default of a correspondent if a suitable correspondent is selected. After a general discussion in which the necessity was recognized of remodeling and putting in statutory form the laws governing collections including: (1) relieving bank from liability for default of correspondents; (2) defining diligence in making circuitous collections; (3) making it due diligence to send checks direct to drawee in certain cases and (4) providing when the bank can take a check instead of money in payment of a collection, it was decided that General Counsel should, as soon as practicable, draft a law covering all these cases and the same could be put out and recommended in a separate pamphlet.

The annual pamphlet containing drafts of proposed laws to be brought down to date by General Counsel was authorized to be issued; same before issue to be submitted to the members of the Committee.

OPINIONS

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

COLLATERAL NOTE OF FIRM

Bank cannot appropriate surplus of collateral, pledged as security for firm note, upon independent debt of individual member of firm, in absence of agreement.

FROM PENNSYLVANIA.—Kindly give me your advice on the following question, which was asked me to-day by one of our country correspondents: A Pennsylvania bank held a firm note secured by collateral, and also held a past-due note which bore the endorsement of one of the individual members of the firm. The firm became bankrupt, and the bank, after selling the collateral, which more than realized enough to pay the firm loan, held out of the proceeds of said sale, enough to cover the past-due note which bore the in-

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dividual endorsement of one of the members of said bankrupt firm. The Receivers of the aforesaid bankrupt firm are now threatening suit against the bank for a return of the money which the bank held out in payment of the past-due note bearing the individual endorsement of one of the members of said firm.

My advice was that the bank had no right to withhold the bankrupt firm's money for the payment of the debt of one of the individual members.

You were correct in your advice unless the collateral note or agreement of pledge of the firm was broad enough in its provisions to pledge the collateral also for the personal indebtedness of the individual partner. Collateral pledged specifically for a certain debt cannot, in the absence of agreement, be held and appropriated for another debt of the pledgor or for a debt of an individual member of the pledgor firm.

For example, in *McIntire v. Blakeley* (Supreme Court of Penn. 1888 12 Atl. 325) B being indebted to a bank upon two notes, assigned to the bank certain stock as collateral security for the notes. It was held that upon payment of the notes, B was entitled to a return of the stock and the fact that B was indebted to the bank upon another transaction gave the bank no right to refuse to re-assign the stock upon payment of the notes; failing to do so, the bank was guilty of conversion.

With stronger reason, where the collateral is pledged by the firm of A and B for a firm debt, the bank cannot, in the absence of agreement, retain a surplus to apply upon a further individual debt of A.

LOAN ON BILLS OF LADING

Bank advancing on security of order Bill of Lading has superior right to goods than attaching creditor of shipper.

FROM MAINE.—In connection with the new "Uniform Bill of Lading," recently adopted by railroads throughout the country, is it possible for banks, in order to protect their own interests and that of their customers, to have them so made that they shall be considered the property of the bank that advances money on them; so made that they will be exempt from attachments?

At the present time one of our customers has a car of potatoes in Philadelphia upon which an attachment had been made. The goods were shipped under the old form of Bill of Lading, made out "order, notify," and endorsed by the shipper in blank. Can you advise us how we stand in this matter as to what we could do about having this car released?

Where goods, shipped under order Bill of Lading, are attached by a creditor of the shipper, the courts quite generally hold that a bank to whom the bill has been pledged for value as security for advances, has a superior right to the property than the attaching creditor. Among other cases which hold thus are *Seward Co. v. Miller*, Supreme Court of Appeals of Virginia, 55 S. E. Rep. 681; *Mather v. Gordon*, 77 Conn. 341; *American National Bank v. Henderson*, 123 Ala. 612; *Bank v. Milling Co.*, 103 Iowa 518; *Neill v. Rogers*, 41 W. Va. 37.

If you have advanced money on a shipper's order bill and the goods have been attached in Philadelphia by a creditor of the shipper, the action for you to take would be to employ a good Philadelphia attorney to intervene and have the attachment vacated.

The new order bill which has been put into use does not cover the subject of attachments any more than the old one did; this is a matter regulated by the law.

PARTNERSHIP CHECKS

Upon death of one partner, survivor has right to draw checks on partnership account.

FROM NEW JERSEY.—Where two or more form a partnership instructing the bank when opening an account that each member may sign checks in the name of the partnership, what effect would the death of one of the partners have, insofar as the signing of checks is concerned? Would the bank be justified in continuing to honor checks signed by the remaining partner or partners?

It seems to be recognized as a principle of law that on the death of one partner, the

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survivor has a right to draw checks against the partnership account. *Backhouse v. Charlton*, 8 Ch. D. 444; *Morse on Banks*, section 439.

The situation is different from that of the death of an individual depositor in which event the authority of the bank to pay is revoked. But in the case of a partnership, each partner is an agent of the firm and the death of one partner does not determine the authority of his co-partner to draw checks on the account. The authorities supporting this proposition are not numerous, but, as said, the proposition seems to be established.

UNIFORM WAREHOUSE RECEIPTS ACT

Enacted this year in Louisiana; contains provision punishing officer or agent of warehouse who delivers goods without taking up negotiable receipt.

FROM NEW YORK.—Will you kindly advise me whether the Uniform Warehouse Receipts Act was passed by the Louisiana legislature this year and, if so, does it contain a provision to punish the officer or agent of a warehouse corporation who delivers goods represented by a negotiable receipt without taking up the receipt, as distinguished from a provision to merely punish the corporation without any penalty upon the guilty individual.

1. The Uniform Warehouse Receipts Act was passed by the legislature of Louisiana July 8, 1908, and takes effect January 1, 1909.

2. The Act contains a provision punishing, not alone the warehouseman (corporation or other person) who delivers goods without taking up the negotiable receipt which represents them, but also the officer, agent or servant of the warehouseman. The following is the section of the law which defines the crime and provides the penalty:

Sec. 54. (DELIVERY OF GOODS WITHOUT OBTAINING NEGOTIABLE RECEIPT). A warehouseman, or any officer, agent, or servant of a warehouseman who delivers goods out of the possession of such warehouseman, knowing that a negotiable receipt, the negotiation of which would transfer the right to the possession of such goods is outstanding and uncancelled, without obtaining the possession of such receipt at or before the time of such delivery, shall, except in the cases provided for in Sections 14 and 36, be found guilty of a crime, and upon conviction shall be punished for each offense by imprisonment not exceeding one year, or by a fine not exceeding one thousand dollars, or by both.

The exception provided by Section 14, above referred to, is where a negotiable receipt has been lost or destroyed and the goods are delivered upon bond with sureties and the exception provided by Section 36 covers the case where goods have been lawfully sold to satisfy the warehouseman's lien or lawfully sold or disposed of because of their perishable or hazardous nature; in such cases, delivery of the goods without taking up the negotiable receipt does not subject the deliverer to the penalty provided by Section 54.

A "warehouseman" as defined by the Act is "a person lawfully engaged in the business of storing goods for profit," and a "person" includes "a corporation or partnership or two or more persons having a joint or common interest."

SATURDAY AFTERNOON IN NORTH CAROLINA

Not a half holiday and presentment and protest can be made on Saturday afternoon the same as on the afternoon of any other business day.

FROM NORTH CAROLINA.—Enclosed we hand you a card from the Secretary of the North Carolina Bankers' Association and call your attention especially to his statement that Saturday *is not* a half holiday. There seems to be a difference of opinion among our legal talent in regard to this. Some of our best lawyers, while they admit that Saturday is not a legal half holiday, still they claim that an item could not be legally protested after noon on Saturday. We would very much appreciate your opinion on this matter as to the law in North Carolina.

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Originally the maturity section of the Negotiable Instruments Law of your State read as follows:

"Every negotiable instrument is payable at the time fixed therein without grace. When the day of maturity falls upon Sunday, or a holiday, the instrument is payable on the next succeeding business day. Instruments falling due on Saturday are to be presented for payment on the next succeeding business day, except that instruments payable on demand may, at the option of the holder, be presented for payment before twelve o'clock noon on Saturday, when that entire day is not a holiday."

But in 1907 the North Carolina legislature amended this section so as to read:

"Every negotiable instrument is payable at the time fixed therein without grace (except as allowed by the succeeding section). When the day of maturity falls upon Sunday or a holiday the instrument is payable on the next succeeding business day."

And also enacted a section to next succeed the above as follows:

"All bills of exchange payable within the State, at sight, in which there is an express stipulation to that effect and not otherwise, shall be entitled to days of grace as the same are allowed by the customs of merchants in foreign bills of exchange payable at the expiration of a certain period after date on sight: Provided, that no days of grace shall be allowed on any bill of exchange, promissory note or draft payable on demand."

You will therefore see that the Saturday half holiday recognized by the Negotiable Instruments Law has been abolished and therefore, the entire Saturday being the same as any other business day of the week, presentment and protest can be made on Saturday afternoon the same as on the afternoon of any other business day.



PAYMENT OF RAISED AND ALTERED CHECK

Bank cannot charge depositor but can obtain reimbursement from negligent teller.

FROM NEW YORK.—A check is drawn to the name of an individual for \$5. It is subsequently changed, the name of the payee erased, bearer inserted and the check raised to \$250. It is paid by the teller over the counter who had been verbally instructed by the cashier not to pay a bearer check in excess of \$100 without referring it to the cashier. Who loses?

The bank is responsible to its customer and the teller is liable to the bank for violating instructions if the bank chooses to hold him responsible for the amount.



JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902

OFFICERS

W. F. KEYSER, Sedalla, Mo., President. L. O. BROUSSARD, Abbeville, La., Second Vice-Pres.
L. P. HILLIER, Macon, Ga., First Vice-President. FRED. E. FARNSWORTH, New York, N. Y., Sec. & Tr.

BOARD OF CONTROL

ANDREW SMITH, Indianapolis, Ind. N. P. GATLING, Lynchburg, Va.
E. O. ELDRIDGE, New York City J. W. HOOPES, Austin, Tex.
L. A. COATS, Boise, Idaho

STATE BANKERS' ASSOCIATIONS, 1908-9

CONVENTION TO BE HELD

Dec. 4-5. Arizona (Postponed from Nov. 20-21).....Bisbee.

ALABAMA—ORGANIZED 1892.

President—W. P. G. HARDING, Vice-President Birmingham Clearing House, Birmingham.
Vice-President—H. L. McELDERRY, President Talladega National Bank, Talladega.
Secretary-Treasurer—McLANS TILTON, Jr., Cashier Bank of St. Clair County, Pell City.

ARIZONA—ORGANIZED 1903.

President—JOHN M. ORMSBY, Cashier Arizona National Bank, Tucson.
Vice-President—JOHN J. SWENNEY, Asst. Cashier National Bank of Arizona, Phoenix.
Secretary—MORRIS GOLDWATER, President Commercial Trust Co., Prescott.
Treasurer—LLOYD B. CHRISTY, Cashier Valley Bank, Phoenix.

ARKANSAS—ORGANIZED 1891.

President—SAM W. REYBURN, President Union Trust Company, Little Rock.
Vice-Presidents—G. QUARLES, Helena; M. C. HUDSON, Pine Bluff; F. N. HANCOCK, Mens; D. W. FELL, Bentonville; O. B. FOSTER, Hope; A. L. SMITH, Clarendon; D. B. RENFRO, JR., Corning.
Secretary—C. T. WALKER, Cashier Little Rock Trust Company, Little Rock.
Treasurer—C. M. BLOOMER, Treasurer State Savings and Trust Co., Texarkana.

CALIFORNIA—ORGANIZED 1891.

President—JOS. D. RADFORD, Vice-President German-American Savings Bank, Los Angeles.
Vice-President—H. S. FLETCHER, President Bank of Watsonville.
Treasurer—JAMES J. FAGAN, Vice-President Crocker National Bank, San Francisco.
Secretary—E. M. WELCH, Assistant Cashier San Francisco Savings Union, San Francisco.
Assistant Secretary—F. H. COLBURN, 502 California Street, San Francisco.

CANADIAN.

President—E. S. CLOUSTON, General Manager Bank of Montreal.
Secretary and Treasurer—J. T. P. KNIGHT, Montreal, Que.

COLORADO—ORGANIZED 1902.

President—GORDON JONES, Vice-President The United States National Bank, Denver.
Vice-President—ALBERT A. REED, President The Mercantile Bank and Trust Company, Boulder.
Secretary and Treasurer—GUY L. V. EMBESON, Cashier Silverton National Bank, Silverton.

CONNECTICUT—ORGANIZED 1890.

President—E. G. BRYAN, Secretary Colonial Trust Company, Waterbury.
Vice-President—C. C. BARLOW, Cashier Yale National Bank, New Haven.
Secretary—C. E. HOYT, Secretary and Treasurer South Norwalk Trust Company, South Norwalk.
Treasurer—C. LESLIE HOPKINS, Cashier First National Bank, Norwich.

DISTRICT OF COLUMBIA.

President—W. V. COX, President Second National Bank, Washington.
Vice-President—E. J. STELLWAGEN, President Union Trust Co., Washington.
Secretary—WILLIAM A. MEARNS of Messrs. Lewis Johnson & Co., Washington.
Treasurer—G. O. WALLSON, Cashier, Washington Exchange Bank, Washington.

FLORIDA.

President—F. A. WOOD, President National Bank of St. Petersburg.
Vice-Presidents—H. E. TAYLOR, Gainesville; F. F. BARDIN, Lake City; J. A. GRIFFIN, Tampa; O. E. GARNER, Jacksonville; J. S. REESE, Pensacola.
Secretary and Treasurer—GEORGE R. DESAUSURES, Cashier National Bank of Jacksonville.

GEORGIA—ORGANIZED 1892.

President—HOBACON A. CRANE, Vice-President Citizens' and Southern Bank, Savannah.
Vice-Presidents—E. D. WALTER, Brunswick; J. P. HEARD, Sr., Vienna; A. O. BLALOCK, Fayetteville; J. P. MUMFRELTYN, Albany; B. I. HUGHES, Rome.
Secretary—L. P. HILLIER, Vice-President American National Bank, Macon.
Treasurer—E. C. SMITH, Cashier Griffin Banking Company, Griffin.

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IDAHO.

President—F. W. KETTANBACH, President Idaho Trust Co., Lewiston.
Secretary—L. A. COATE, Vice-President, Bank of Commerce, Boise.

ILLINOIS—ORGANIZED 1880.

President—JAMES MCKINNEY, Aledo Bank, Aledo.
Vice-President—OSCAR G. FOREMAN, Vice-President Foreman Bros. Banking Co., Chicago.
Secretary—R. L. RINAMAN, Vice-President Illinois State Trust Co. Bank, East St. Louis.
Treasurer—T. S. O. McDOWELL, President First National Bank, Fairbury.

INDIANA—ORGANIZED 1897.

President—J. R. VORIS, Cashier Citizens' National Bank, Bedford.
Vice-President—JAMES W. SALS, President Farmers' and Traders' Bank, Marke.
Secretary—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.
Treasurer—W. S. HUDDLESTON, President First National Bank, Winamac.

IOWA—ORGANIZED 1887.

President—HON. J. T. BROOKS, President First National Bank of Hedrick.
Vice-President—J. H. INGWENSEN, President People's Trust and Savings Bank, Clinton.
Treasurer—D. L. HEMSHERRER, President Mills County National Bank, Glenwood.
Secretary—J. M. DENWIDDER, Cashier Cedar Rapids Savings Bank, Cedar Rapids.

KANSAS—ORGANIZED 1887.

President—W. M. PEEK, Cashier Cloud County Bank, Concordia.
Vice-President—P. W. GOWSEL, President Commercial National Bank, Kansas City.
Secretary—W. W. BOWMAN, Director Prudential Trust Company, Topeka.
Treasurer—E. E. MOSES, President Citizens' National Bank, Great Bend.

KENTUCKY—ORGANIZED 1891.

President—J. R. DOWNING, Cashier Georgetown National Bank, Georgetown.
Secretary—ISHAM BRIDGES, Manager Louisville Clearing House, Louisville.
Treasurer—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

LOUISIANA—ORGANIZED 1900.

President—PIERRE YOURNE, President Commercial National Bank, Shreveport.
Vice-President—R. N. SIMS, Vice-President People's Bank, Donaldsonville.
Secretary—L. O. BROUSSARD, President Bank of Abbeville, Abbeville.
Treasurer—L. M. POOL, Assistant Cashier Hibernia Bank and Trust Co., New Orleans.

MAINE.

President—FREDERICK D. HILL, Cashier Bath National Bank, Bath.
Vice-President—CHARLES A. MOODY, President First National Bank, Biddeford.
Secretary—HASCALL S. HALL, Cashier Ticonic National Bank, Waterville.
Treasurer—GEORGE A. SAFFORD, Cashier Northern National Bank, Hallowell.

MARYLAND—ORGANIZED 1906

President—WILLIAM B. COPPER, Cashier Second National Bank, Chestertown.
Secretary—CHARLES EANN, Asst. Cashier National Mechanics' Bank, Baltimore.
Treasurer—WM. MARIOTT, Cashier Western National Bank, Baltimore.

MASSACHUSETTS—ORGANIZED 1905.

President—FREDERIO W. BUGG, President National Rockland Bank, Roxbury.
Vice-President—JAMES A. PARKER, Vice-President Old Colony Trust Co., Boston.
Secretary—GEORGE W. HYDE, Assistant Cashier First National Bank, Boston.
Treasurer—EDWARD H. LOWELL, Treasurer Chelsea Trust Co., Chelsea.

MICHIGAN—ORGANIZED 1887.

President—LEON ORCHHESTER, President First State Bank, Petoskey.
Vice-Presidents—EL. G. BARNUM, President First National Exchange Bank, Port Huron; EMORY W. CLARK, Vice-President The First National Bank, Detroit.
Secretary and Attorney—HAL H. SMITH, 612 Union Trust Building, Detroit.
Treasurer—FRED S. CASE, Vice-President Marquette County Savings Bank, Marquette.

MINNESOTA—ORGANIZED 1887.

President—JOSEPH CHAPMAN, JR., Vice-President Northwestern National Bank, Minneapolis.
Vice-President—W. I. PRINCE, Cashier City National Bank, Duluth.
Treasurer—L. WENTMOR, Cashier First National Bank, Wabasha.
Secretary—CHARLES E. FROST, 209 Guaranty Loan Building, Minneapolis.

MISSISSIPPI—ORGANIZED 1880.

President—OSCAR NEWTON, JR., Cashier Brookhaven Bank & Trust Company, Brookhaven.
Vice-President—W. M. ANDERSON, President Merchants' Bank and Trust Company, Jackson.
Secretary and Treasurer—B. W. GRIVVITH, President First National Bank, Vicksburg.

MISSOURI—ORGANIZED 1891.

President—J. B. DOMINICK, President Traders' Bank, Kansas City.
Vice-President—J. F. HINTON, Cashier Hannibal National Bank, Hannibal.
Secretary—W. F. KENTON, Sedalia.
Treasurer—A. O. WILSON, Vice-President State National Bank, St. Louis.

MONTANA—ORGANIZED 1904.

President—W. M. MCORACKIN, President Ravalli County Bank, Hamilton.
Vice-President—JOHN E. EDWARDS, President Bank of Commerce, Forsyth.
Secretary-Treasurer—FRANK BOGART, Cashier Union Bank and Trust Company, Helena.

NEBRASKA—ORGANIZED 1890.

President—J. P. A. BLACK, President German Nat. Bank, Hastings.
Secretary—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.
Treasurer—F. T. HAMILTON, Vice-President Merchants' National Bank, Omaha.

NEW JERSEY—ORGANIZED 1903.

President—WM. C. HEFFNERHIMER, President Trust Company of New Jersey, Hoboken.
Vice-President—E. L. HOWE, Vice-President Princeton Bank, Princeton.
Secretary—WM. J. FIELD, Secretary and Treasurer Commercial Trust Company, Jersey City.
Treasurer—W. F. ARNOLD, Cashier City National Bank, Plainfield.

NEW MEXICO.

President—R. J. PALEN, President First National Bank, Santa Fe.
Vice-President—E. A. CAHOON, Cashier First National Bank, Roswell.
Secretary—HALLET BAYNOLDS, Asst. Cashier First National Bank, Las Vegas.
Treasurer—J. B. HENDON, Cashier State National Bank, Albuquerque.

NEW YORK—ORGANIZED 1894.

President—E. S. TEFFT, Cashier First National Bank, Syracuse.
Vice-President—F. E. LYFORD, President First National Bank, Waverly.
Treasurer—DELMAR BUNKLE, Cashier People's National Bank, Hoosick Falls.
Secretary—E. O. ELDRIDGE, Astor Trust Company, New York.
Assistant Secretary—WILLIAM J. HENRY, 92 West Broadway, New York City.

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NORTH CAROLINA—ORGANIZED 1897.

President—H. W. JACKSON, Cashier Commercial National Bank, Raleigh.
Vice-Presidents—JOHN O. ELLINGTON, Vice-President Fourth National Bank, Fayetteville; W. C. WILKINSON, Cashier Merchants' and Farmers' National Bank, Charlotte; J. C. BRASWELL, President Planters' Bank, Rocky Mount.
Secretary and Treasurer—WILLIAM A. HUNT, Cashier Citizens' Bank, Henderson.

NORTH DAKOTA—ORGANIZED 1903.

President—C. J. LORD, President First National Bank, Cando.
Vice-President—R. C. KITTEL, President First National Bank, Casselton.
Secretary—W. C. MACFADDEN, Cashier Commercial Bank, Fargo.
Treasurer—J. N. KUEHL, Cashier First National Bank, Towner.

OHIO—ORGANIZED 1891.

President—A. E. RICH, President Croghan Bank and Savings Company, Fremont.
Vice-President—W. F. HOFFMAN, President Commercial National Bank, Columbus.
Secretary—S. B. RANKIN, President Bank of South Charleston, South Charleston. Office, 905-906 New First National Bank Building, Columbus.
Treasurer—W. J. WINTERS, Assistant Cashier Commercial National Bank, Coshocton.
Assistant Secretary—S. C. ARBUCKLE, 905-906 New First National Bank Building, Columbus.

OKLAHOMA—ORGANIZED 1897.

President—A. D. KENNEDY, Cashier Bank of Commerce, Okmulgee.
First Vice-President—L. A. WILSON, President First National Bank, El Reno.
Second Vice-President—H. M. SPALDING, President People's Bank, North End.
Treasurer—W. S. PATTEN, President First National Bank, Edmond.
Secretary—CHAS. L. ENGLE, Cashier Citizens' National Bank, El Reno.

OREGON—ORGANIZED 1905.

President—MONTIE B. GWINN, President Pendleton Savings Bank, Pendleton.
Vice-President—R. W. SCHMERR, Cashier United States National Bank, Portland.
Treasurer—W. S. CROWELL, President First National Bank, Medford.
Secretary—J. L. HARTMAN, Hartman & Thompson, Bankers, Portland.

PENNSYLVANIA—ORGANIZED 1894.

President—ELI S. REINHOLD, Director Union National Bank, Mahanoy City.
Vice-President—R. E. JAMES, President Easton Trust Co., Easton.
Secretary—D. S. KLOSS, Cashier First National Bank, Tyrone.
Treasurer—ROBERT J. STONEY, JR., Banker, Pittsburgh.

SOUTH CAROLINA—ORGANIZED 1901.

President—T. B. STACKHOUSE, Vice-President National Loan and Exchange Bank, Columbia.
Vice-President—D. D. MCCOLL, President Bank of Marlboro, Bennettsville.
Secretary and Treasurer—GILES L. WILSON, State Bank Examiner, Spartanburg.
Attorney—A. M. LEE, Charleston.

SOUTH DAKOTA—ORGANIZED 1886.

President—J. R. HUGHES, President Potter County Bank, Gettysburg.
Vice-President—J. F. STEBBINS, of the Bank of Spearfish, Spearfish.
Secretary—J. E. PLATT, Cashier Security Bank, Clark.
Treasurer—W. H. PRATT, JR., Cashier Brule National Bank, Chamberlain.

TENNESSEE—ORGANIZED 1890.

President—I. B. TIGRETT, Cashier Union Bank and Trust Company, Jackson.
Vice-Presidents—JOHN H. WATKINS, Memphis; S. T. JONES, Sweetwater; W. G. DILLON, Tracy City.
Treasurer—STERLING FORT, First National Bank, Clarksville.
Secretary—JOHN J. HEFLIN, Nashville.
General Counsel—W. D. WITHERSPOON, Nashville.

TEXAS—ORGANIZED 1885.

President—T. C. YANTIS, President Brownwood National Bank, Brownwood.
Vice-Presidents—H. O. BOATWRIGHT, Bryan; J. HIRSCH, Corpus Christi; G. M. BOOTE, Taylor; J. W. BUTLER, Clifton; W. F. SKILLMAN, Sulphur Springs; L. L. SHIELD, Santa Anna; W. H. FUGUA, Amarillo.
Secretary—J. W. HOOPES, Vice-President Austin National Bank, Austin.
Treasurer—T. W. SLACK, Cashier First National Bank, Fort Worth.
Assistant Secretary—D. C. DUNN, Cashier Union Bank and Trust Co., Houston.

VIRGINIA—ORGANIZED 1893.

President—JOSEPH STEBBINS, President Bank of South Boston, South Boston.
Vice-Presidents—JOHN N. MILLER, JR., Richmond; H. A. WALKER, Staunton; JOHN W. WOODS, Roanoke; P. M. POLLARD, Petersburg; W. H. JONES, JR., Suffolk; W. B. VEST, Newport News; J. M. HURT, Blackstone; R. F. BOPES, Lynchburg; H. E. JONES, Bristol.
Secretary—N. F. GATLING, Lynchburg.
Treasurer—H. A. WILLIAMS, Assistant Cashier Bank of Richmond, Richmond.
Attorney—GEORGE BRYAN, Richmond.

WASHINGTON—ORGANIZED 1899.

President—W. L. ADAMS, President First National Bank, Hoquiam.
Vice-President—A. F. ALBERTSON, Vice-President National Bank of Commerce, Tacoma.
Secretary—P. C. KAUFFMAN, Second Vice-President Fidelity Trust Company, Tacoma.
Treasurer—J. K. MCCOBNICK, President Security State Bank, Palouse.

WEST VIRGINIA.

President—WILLIAM B. IRVINE, Vice-President National Bank of West Virginia at Wheeling.
Vice-Presidents—H. B. MCKINLEY, Salem; W. W. WOOD, Keyser; L. M. TULLY, Mt. Hope; C. D. BUMGARDNER, Parkersburg; O. M. GOHREN, Huntington.
Secretary and Treasurer—JOS. S. HILL, Cashier National City Bank, Charleston.

WISCONSIN—ORGANIZED 1892.

President—E. C. ZIMMERMAN, Cashier Marathon County Bank, Wausau.
Vice-President—J. H. PUELICHER, Cashier Marshall & Ilsley Bank, Milwaukee.
Secretary—M. A. GRÄTTINGER, Cashier Merchants' and Manufacturers' Bank, Milwaukee.
Treasurer—EARL PRASE, Cashier First National Bank, Grand Rapids.

WYOMING—ORGANIZED 1908.

President—A. H. MARBLE, Vice-President Stock-Flowers' National Bank, Cheyenne.
Vice-President—BENJ. F. PERKINS, President State Loan & Trust Co., Sheridan.
Treasurer—J. DE FOREST RICHARDS, Buffalo.
Secretary—HOWARD VAN DRUSEN, Cashier Rock Springs National Bank, Rock Springs.

PROTECTIVE COMMITTEE MONTHLY REPORT

NEW YORK, December 1, 1908.

Statistics from September 1, 1908, to November 30, 1908, of the work of the Pinkertons for the Association:

RECORD OF CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, BANK BURGLARIES, ETC.

BURGLARS—SPECIAL: Cases not disposed of arrested prior to September 1st, 2; arrested since September 1st, 4; convicted and sentenced, 2; specific terms, 2; years, 25; released, 1; awaiting trial, 3.

BURGLARS—GENERAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 7; convicted and sentenced, 4; specific terms, 4; years, 23; released, 2; awaiting trial, 5.

FORGERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 10; arrested since September 1st, 5; convicted and sentenced, 4; specific terms, 2; indeterminate terms, 2; years, 6-3; released, 2; awaiting trial, 9.

FORGERS—GENERAL: Cases not disposed of arrested prior to September 1st, 19; arrested since September 1st, 16; convicted and sentenced, 9; specific terms, 7; indeterminate terms, 2; years, 32; released, 4; escaped, 2; awaiting trial, 20.

HOLD-UPS—SPECIAL: Cases not disposed of arrested prior to September 1st, 4; awaiting trial, 4.

HOLD-UPS—GENERAL: Cases not disposed of arrested prior to September 1st, 5; convicted and sentenced, 2; indeterminate terms, 2; escaped, 1; awaiting trial, 2.

SNEAK THIEVES—GENERAL: Cases not disposed of arrested prior to September 1st, 2; awaiting trial, 2.

| | |
|--|----|
| Total cases not disposed of arrested prior to September 1st..... | 46 |
| Arrested since September 1st..... | 32 |
| | 78 |
| Convicted and sentenced..... | 21 |
| Released and escaped..... | 12 |
| | 33 |
| Awaiting trial..... | 45 |

BURGLARS—SPECIAL INVESTIGATIONS.

For the burglary of the Bank of E. D. Mather (M.), Shortsville, N. Y., December 15, 1906: Loss, \$6451.59.

November 16, at Canandaigua, N. Y., J. B. Andrews, alias "Erie Billy," was convicted and remanded until November 18, when he was sentenced to ten years at hard labor in the Auburn, N. Y., Prison.

J. B. Andrews is the sixth burglar arrested, convicted and sentenced for the attack upon this member.

Awaiting trial: J. Clement, Sparta, Wis.; W. J. Hobart, Seneca, Kas.; J. Radley, Sparta, Wis.

BURGLARS—GENERAL INVESTIGATIONS.

For the burglary of the Scandia State Bank (N. M.), Stephen, Minn., on April 29, 1908: Loss, \$5100.00.

November 28, 1908, James A. Nolan was released from custody, owing to insufficient evidence to convict. Nolan admitted his guilt and it was through his testimony that his partner

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Zolinski was convicted and sentenced to ten years in prison, but he, Nolan, entered a plea of not guilty to the indictment and the State was powerless to act, under the rule that a person cannot be convicted upon his own testimony without some corroborating testimony, and Zolinski refused to testify against Nolan.

For the burglary of the Farmers' Bank (N. M.), Clarks Hill, Ind., November 24, 1908: Loss, \$8.75.

November 24 Fred Kinney and Edward Morgan were arrested at Lafayette, Ind., for the above burglary and are now held for trial.

Awaiting Trial: H. F. Brown, Central City, Neb.; W. Hall, Central City, Neb.; J. Johnson, Williamstown, Ky.; F. Kinney, Lafayette, Ind.; E. Morgan, Lafayette, Ind.

FORGERS—SPECIAL INVESTIGATIONS.

For defrauding the National Bank of Kennett Square (M.), Kennett Square, Pa., September 3, 1908, out of \$65.

November 19th, at Syracuse, N. Y., C. H. Haywood was arrested for complicity in the above crime and returned to Kennett Square for trial with E. Cullen, who was arrested some time ago.

For defrauding the Wyandotte Savings Bank (M.), Wyandotte, Mich., of \$100 May 4, 1908.

May 27th, Stephen Kuritski was arrested at St. Louis, Mo., and returned to Wyandotte for trial; during the early part of November he was convicted and sentenced to a term of from one to two years in the Michigan State Penitentiary at Jackson.

For defrauding the Market National Bank (M.), Cincinnati, Ohio, of \$1,800, September 22, 1902.

E. W. Wagner, alias J. M. Newton, was arrested at Lafayette, Ind., for swindles committed there on January 20, 1903. He was convicted and sentenced to a term in the Indiana State Penitentiary at Michigan City, from which institution he was recently released. He was then taken to Cincinnati to be tried for the swindle perpetrated on the First National Bank, to which charge he plead guilty on November 21, and was sentenced to a term of five years in the Ohio State Penitentiary at Columbus.

For defrauding the Manufacturers' & Traders' Bank (M.), Buffalo, N. Y., August 8, 1908.

November 20, 1908, James J. Gaughan, alias Sims, was found guilty of forgery in the second degree and on November 23, was sentenced to not less than four years and not more than five years and eight months in Auburn, N. Y., Prison.

For defrauding the Prospect Park National Bank (M.), of \$1,354, during October, 1908.

November 10, at Jacksonville, Fla., Henry Osman and his companion, Evelyn Parker, were arrested and subsequently returned to Brooklyn, N. Y., for trial.

Awaiting Trial: E. Cullen, Kennett Square, Pa.; B. Gatewood, Parma, Idaho; C. H. Haywood, Kennett Square, Pa.; F. A. Jordan, Amarillo, Texas; H. McCray, Chadbourn, N. C.; H. G. Paxton, Washington, Pa.; A. M. Potter, Detroit, Mich.; A. F. Rickey, Galesburg, Ill.; S. P. Thompson, Columbia City, Ind.

FORGERS—GENERAL INVESTIGATIONS.

For defrauding merchants at Bridgeport, Conn., by means of raised checks, stolen from letter boxes.

November 16th, G. A. Zbrozky and Fred Kowalsky were arrested at Bridgeport, Conn., and now await trial.

For attempting to defraud the Manufacturers' National Bank (M.), Brooklyn, N. Y., of \$175, November 17, 1908.

November 17th, Samuel Weis was arrested while attempting to obtain \$175 on a stolen raised check. He now awaits trial.

For defrauding merchants and hotels in various sections of the United States since June, 1908.

November 27, Charles H. Sheftall was arrested at Washington, D. C., and held for trial.

For defrauding the Bank of Severance (M.), Severance, Kas., January 9, 1902, of \$100.

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November 16, 1908, Clarence E. Farris, was arrested at Leavenworth, Kas., on his release from the United States Penitentiary and taken to St. Joseph, Mo., for trial.

For defrauding Noble, Lane & Noble (M.), Landers, Wyoming, October 10, 1908.

C. E. Coon of many aliases was arrested at Omaha, Neb., November 11, 1908, and is now held for trial.

For defrauding merchants at Chicago, Ill., by means of worthless checks during August, 1908.

September 24, 1908, Max Karger, of numerous aliases, was arrested at St. Louis, Mo. He was later extradited by the Chicago police authorities and on November 11, 1908, convicted and sentenced to an indeterminate term in the Joliet, Ill., Penitentiary.

Awaiting Trial: F. Bredo, Concord, N. H.; C. E. Coon, Omaha, Neb.; J. Dickstein, New York, N. Y.; N. Dwyer, Burlington, Iowa; C. E. Farris, St. Joseph, Mo.; W. H. Geiger, Tampa, Fla.; G. C. Goelitz, Chicago, Ill.; J. Gross, Detroit, Mich.; J. C. Harrington, Cincinnati, Ohio; F. Kowalsky, Bridgeport, Conn.; H. Osman, Brooklyn, N. Y.; E. Parker, Brooklyn, N. Y.; N. D. Parker, Shelbyville, Ind.; F. J. Pishion, Richmond, Va.; G. J. Reiger, Joplin, Mo.; H. E. Richards, Burlington, Iowa; W. E. Sawyer, Portage, Wis.; C. H. Sheftall, Washington, D. C.; S. Weis, Brooklyn, N. Y.; G. A. Zbrosky, Bridgeport, Conn.

HOLD-UPS—SPECIAL INVESTIGATIONS.

Awaiting Trial: J. Bulger, Wickliffe, Ky.; E. Elmendorph, Wickliffe, Ky.; S. Evitts, Wickliffe, Ky.; W. Husbands, Wickliffe, Ky.

HOLD-UPS—GENERAL INVESTIGATIONS.

Awaiting Trial: J. Lee, Hoffman, Okla.; M. Thornberry, Hoffman, Okla.

SNEAK THIEVES—GENERAL.

Awaiting Trial: C. Cummiskey, New York, N. Y.; J. Price, New York, N. Y.

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|------------------------------------|----------------------------|------------|-------------|
| Burglaries on non-members..... | 20 | Loss | \$54,076 81 |
| Burglaries on members..... | 8 | Loss | 6,409 48 |
| | <hr style="width: 100%;"/> | | |
| Difference | 21 | | \$47,667 33 |
| Hold-up robbery on non-member..... | 1 | Loss | Attempt. |
| Hold-up robbery on member..... | 1 | Loss | \$200 00 |



JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

MORTUARY RECORD OF MEMBERS FOR NOVEMBER, 1908

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.

- ALLEN, A., President Farmers' Savings Bank, Grimes, Iowa.
AMBACH, DAVID, Vice-President, Citizens' National Bank, Baltimore, Md.
AMMON, WALTER E., Director Third National Bank and Commercial Trust Co., Jersey City, N. J.
ARTHUR, J. W., Cashier First National Bank, Webster Springs, W. Va.
BERKEY, JULIUS, Director Grand Rapids National Bank, Grand Rapids, Mich.
BLODGETT, DELOS A., Formerly President Fourth National Bank, Grand Rapids, Mich.
BODWELL, GEORGE A., Director National Security Bank, Lawrence, Mass.
CAFFEE, AMOS H., President Central National Bank, Carthage, Mo.
CAMERON, DR. J. D., Director First National Bank, Iron Mountain, Mich.
CRELLIN, THOMAS, President Central Bank of Oakland, Oakland, Cal.
CURTIS, SAMUEL CHURCHILL, Director Merchants' National Bank, Lafayette, Ind.
FAIRFIELD, GEORGE A., Director Hartford National Bank, Hartford, Conn.
FERRIS, J. M., Director Second National Bank, Toledo, Ohio.
GILLETTE, DR. WALTER R., Trustee Guaranty Trust Co., and International Banking Corporation, New York, N. Y.
HARTSHORNE, CHARLES, Director Western Savings Fund Society, Philadelphia, Pa.
HEMMING, C. L., Cashier El Paso National Bank of Colorado Springs, Colo.
JACKSON, JOHN B., President Fidelity Title and Trust Co., Pittsburg, Pa.
KNIGHT, EDWIN, Director Jackson State Savings Bank, Jackson, Mich.
LABARR, J. A., Director North Scranton Bank, Scranton, Pa.
LATHROP, E., President Bank of Tulare, Tulare, Cal.
MATTESON, GEORGE W. R., Director Rhode Island Hospital Trust Co., Providence, R. I.
MCCOY, DANIEL, Vice-President Kent State Bank, Grand Rapids, Mich.
MILLER, WILSON, Director First National Bank and Bank of Pittsburg N. A., Pittsburg, Pa.
MOORE, GEORGE WILLIAM, Cashier Lynchburg National Bank, Lynchburg, Va.
MURDOCK, JAMES, President Merchants' National Bank, Lafayette, Ind.
NASH, EDWIN, Member of Edwin Nash & Son, Bankers, Clarksville, Mich.
NEVIN, CHARLES W., President Cinaminson National Bank, Riverton, N. J.
OSWALD, WILLIAM, Director Merchants' National Bank, Lawrence, Mass.
PARKER, AARON A., Director Dime Savings Bank, Detroit, Mich.
POWERS, FRANK E., Director Millbury National Bank and Trustee Millbury Savings Bank, Millbury, Mass.
REYNOLDS, S. F., President Exchange National Bank, Denton, Tex.
RUSSELL, FRANKLIN W., Director Third National Bank, Pittsfield, Mass.
SCHEMIDT, WILLIAM O., Director Iowa National Bank, Davenport, Iowa.
SEMPLE, FRANK, Director Fidelity Title & Trust Co., and Union National Bank, Pittsburg, Pa.
STICKNEY, CHARLES A., Cashier Oneida National Bank, Utica, N. Y.
VAN HORN, ALEXANDER H., President Wilkes-Barre Deposit & Savings Bank, Wilkes-Barre, Pa.
WATTS, DR. E. L., President First National Bank, Triumph, Ill.
WILLIAMS, JAMES HENRY, President National Bank of Bellows Falls, Bellows Falls, Vt.
WILLIAMS, CAPT. JOHN B., President People's National Bank, Bellefontaine, Ohio.
WILLIAMS, J. D., President First National Bank, Athens, Tenn.

