

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Vol. I

MARCH, 1909

No. 9

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1908—1909

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DECLARATION

(WHICH PRECEDES CONSTITUTION AND BY-LAWS)

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

ANNUAL DUES

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



SUBSCRIPTION ONE DOLLAR A YEAR, PAID FROM MEMBERSHIP DUES

VOL. I

MARCH, 1909

No. 9

ANNUAL CONVENTION OF THE AMERICAN BANKERS' ASSOCIATION

AT CHICAGO, SEPTEMBER 13, 1909

AT the Denver Convention of the American Bankers' Association the invitation extended by Chicago for the next convention was accepted, and the matter of details referred to the officers of the Association.

President Reynolds and Secretary Farnsworth met with the Chicago Clearing House banks during the week of February 15, and it was decided that the next convention should be held the week of September 13. This date being somewhat earlier than the conventions have heretofore been held will insure a larger attendance of members from the South, who are generally busy the latter part of September, the time of the movement of cotton crops.

Arrangements were made with the Congress Hotel Company, operating the Congress Hotel, the Annex and the Auditorium, that these adjacent hotels would be headquarters, and the hotel company has promised all available and required space for registration, and for Section, Council and Committee meetings in these buildings. They are particularly well adapted to the purpose, having numerous parlors, cafés and lobbies, and combined, altogether the largest hotel in Chicago, with a most delightful location, as it is on Michigan Boulevard. The Auditorium Theater has been secured for the two days' sessions of the convention. This theater is in the same building as the Auditorium Hotel, and is the largest and finest audience-room in Chicago and will be very desirable, on account of its size and acoustic properties, for the convention.

Local committees of Chicago bankers have not yet been appointed, but will be named in the near future. The well-known reputation of Chicago, however, as an entertaining city insures all visitors the best kind of a time, and yet the entertainment will be so arranged as not to interfere with the necessary business sessions. Chicago being centrally located and the convention being held at the right season of the year, it is believed it will be the largest and most successful convention in the history of the Association. It is estimated there will be at least five thousand persons in attendance.

In a later issue of the JOURNAL a list of the various hotels in Chicago will be published, and among the number the new La Salle Hotel, which it is hoped will be completed in time for the convention.

Council Meeting

THE time for the spring meeting of the Executive Council has not been decided, but at a recent meeting of the executive officers held in New York, it was agreed that this spring meeting should be held within one hundred miles of New York City. The date and place will be decided upon in the near future. It is quite likely that the meeting will be held the week of May 3.

New State Bankers' Association

OVER fifty bankers from all parts of Vermont met at the Y. M. C. A. Building, Burlington, Vermont, Thursday, February 25, and organized the Vermont State Bankers' Association.

The meeting was called to order at 3 o'clock P. M., by H. L. Ward, of the Burlington Trust Company, Chairman of the committee appointed at an informal meeting of bankers at Montpelier last fall, when the matter of forming a State association was discussed. C. F. Chapman, of Woodstock, was then called to the Chair to act as temporary chairman. The meeting was addressed by Fred. E. Farnsworth, of New York, Secretary of the American Bankers' Association, who spoke along the lines of association work, stating that there were now forty-six State associations, which comprises also the Territories, and outlined in detail the various classes of work which were taken up by these various associations and spoke of their great success and prosperity. He was followed by a number of the bankers present, all of whom favored the organization of an association for Vermont. A constitution and by-laws were adopted, being modeled after the constitution and by-laws of the Michigan Bankers' Association. The following officers were elected:

President..... H. L. WARD, Burlington.
 Vice-President..... C. F. CHAPMAN, Woodstock.
 Secretary..... H. T. RUTTER, Burlington.
 Treasurer..... D. L. WELLS, Orwell.

Executive Council:

F. H. FARRINGTON, Brandon.	} For one year.
JOHN BRANCH, St. Albans.	
A. W. FERRIN, Montpelier.	
I. E. GIBSON, Bennington.	} For two years.
H. F. FIELD, Rutland.	
C. H. STEARNS-JOHNSON, Morrisville.	
H. C. CADY, Northfield.	

At 7 o'clock in the evening forty-three of the members of the new association sat down to a dinner tendered by the directors and officers of the Burlington Trust Company and served in the assembly hall of the Ethan Allen Club. Judge E. C. Mower, a director of the Burlington Trust Company, acted as toastmaster, and the principal speaker was Mr. Farnsworth, who talked on the American Bankers' Association and banking and currency legislation. Remarks were also made by F. C. Williams, of Newport, State Bank Commissioner; C. P. Smith, President of the Burlington Savings Bank; H. M. McFarland, Hyde Park; Senator W. F. Scott, of Brandon; F. G. Fleetwood, of Morrisville. There followed a general discussion and outline of the work it is hoped the State organization will accomplish.

The meeting was a very successful one and insures a live and progressive association in the State of Vermont.

Tennessee Bankers' Association Headquarters

THE Executive Council of the Tennessee Bankers' Association has authorized the establishment of association headquarters at No. 1015-16 First National Bank Building, Nashville. They cordially invite the members of the Association to make this their Nashville office, where they will have at their disposal an abundance of literature on banking subjects, the use of telephone, city directory and stenographer.

Change of Date

The date of the Annual Convention of the Alabama Bankers' Association, at Mobile, will be May 11 and 12, instead of May 14 and 15, as previously announced. This change was made in order to enable the Association to accept an invitation of the New Orleans Clearing House to visit that city May 13th in connection with the convention of the Louisiana Bankers' Association.

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.

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

New Uniform Bills of Lading.
Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.
Pennsylvania Speech—L. E. Pierson.
Little Rock, Arkansas, Speech—Thomas B. Paton.
Jamestown, Virginia, Speech—Thomas B. Paton.
Oklahoma Speech—Evans Woollen.
Draft of (State) Act relating to Bills of Lading, with Statement of Counsel and Digest of State Statutes.

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.

One of the many handsome souvenirs at the Denver convention was the Association pin for delegates and guests. A few of these have been left over, and as they cannot be used next year, any of the members who did not attend the Denver convention and would like one of the pins for a souvenir can secure same by writing the Secretary.

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

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

The following visitors registered during the month of February:

N. P. GATLING, Secretary Virginia Bankers' Association, Lynchburg, Va.
 JOHN J. MCHENRY, President Third National Bank, Louisville, Ky.
 MRS. JOHN J. MCHENRY, Louisville, Ky.
 EDWARD L. ROBINSON, Vice-President Eutaw Savings Bank, Baltimore, Md.
 A. A. CRANE, Vice-President Northwestern National Bank, Minneapolis, Minn.
 F. B. GIBSON, Denver, Colo.
 CLEMENT CHASE, Editor *Western Banker*, Omaha, Neb.
 MRS. CLEMENT CHASE, Omaha, Neb.
 GEORGE E. BARSTOW, JR., of Potter, Choate & Prentice, New York City.
 COL. JOHN F. BRUTON, President First National Bank, Wilson, N. C.
 A. W. JOHNSTON, Treasurer Schenectady Savings Bank, Schenectady, N. Y.
 V. E. NICHOLS, Cashier First National Bank of Englewood, Chicago, Ill.
 FRED. C. BEST, Secretary Wisconsin Trust Co., Milwaukee, Wis.
 J. E. BLUNT, Manager Bond Department Merchants' Loan & Trust Co., Chicago, Ill.
 JOHN H. JOHNSON, President Peninsular Savings Bank, Detroit, Mich.
 FREDERICK C. NICHOLS, Treasurer Fitchburg Savings Bank, Fitchburg, Mass.
 WM. A. LAW, Vice-President Merchants' National Bank, Philadelphia, Pa.
 CHAS. T. TERRY, New York City.
 C. A. MILLER, Utica, N. Y.
 CLARK WILLIAMS, Superintendent of Banks, New York City.
 ANDREW MILLER, New York City.
 WALDO NEWCOMER, President National Exchange Bank, Baltimore, Md.
 FRANK W. BLAIR, President Union Trust Co., Detroit, Mich.
 GASTON VEETON, Commercial Attaché, French Embassy, Washington, D. C.
 DAVID CROMWELL, President First National Bank, White Plains, N. Y.
 J. F. ALLEN, of J. F. Allen & Co., Bankers, New York City.
 W. H. CLARK, Assistant Cashier, First National Bank, Wayland, N. Y.
 R. P. KAVANAGH, State Bank Examiner, New York City.
 B. V. LEIGH, Cashier Clinton National Bank, Clinton, N. J.
 PROF. SAMUEL WILLISTON, Law School Harvard University, Cambridge, Mass.

Confidential Bulletin

WE wish to call the attention of the members of the American Bankers' Association to the fact that the bulletin sent out every three months to our members by the Pinkertons is of a confidential nature and should be treated as such. It would therefore be advisable for our members to preserve the bulletins and not give out copies to anyone, although there can be no objection to a bank showing the bulletins to police officers relating to a specific criminal, in the event that occasion should demand it.



JOURNAL of the
**AMERICAN BANKERS
ASSOCIATION**

DEVOTED TO THE SCIENCE OF BANKING AND FINANCE

VOL. I

MARCH, 1909

No. 9

FRED. E. FARNSWORTH, PUBLISHER

Secretary American Bankers' Association

THOMAS B. PATON, EDITOR

General Counsel American Bankers' Association

W. W. WAINE, ASSOCIATE EDITOR

BANK BURGLARY POLICIES

A FEW months ago we called attention, through the pages of the JOURNAL, to the fact that all the existing forms of bank burglary policies were lacking in any provision by which the bank was insured in case of loss by reason of what is commonly known as "Night Hold-ups"; that is to say, where the cashier or other officials are compelled to open the safe during the night-time by means of threats, force or violence. Night losses were limited in all policies then existing to cases where the safe had been burglarized by the "use of tools or explosives directly thereupon."

As a result of the publicity of this fact, and after considerable discussion as to the propriety and necessity that burglary policies should cover losses of this nature, three of the companies writing burglary insurance have revised their policy contracts in this particular and inserted therein "Night Hold-up" clauses.

But our attention has recently been called to the fact that in the form of policy issued by one of such companies, which is being presented to banks accompanied by solicitation for insurance, there is printed at the head the following: "The Standard Bankers' Burglary Policy. (Containing all recommendations of the American Bankers' Association.)"

This is, to a certain extent, misleading. True, the policy contains the "Night Hold-up" clause, but it is not true in the inference that the policy contains everything that the American Bankers' Association may desire to recommend or that it is a standard form which is approved by the Association. The American Bankers' Association has not yet decided upon a standard form of burglary policy to be recommended by the Association; this is a matter yet in abeyance; and until such a form is adopted, after investigation and negotiation, all statements in policy forms which, directly or by inference, convey such an idea are misleading.



TRUST COMPANY SECTION

UNDER date of February 17th the Secretary of this Section addressed the following letter to all members:

"The annual conventions of this Section have increased in interest and value, as the members have co-operated by suggesting topics for addresses and discussion and by being represented by delegates prepared to discuss the topics proposed and selected.

"While the convention will not be held until the autumn, the Executive Committee will meet within a few weeks to consider matters of interest to the Section and to outline a programme for the convention.

"You are earnestly requested to advise me, before that meeting, of any matters which you would like brought to the attention of the Committee, and particularly to make suggestions regarding the programme, as to any topics which you would like to have brought up at the coming convention.

"The Committee will be pleased to receive any suggestions for addresses to be delivered before the convention and for the names of those who you think could interest and instruct the members by preparing and delivering papers and taking part in the general discussions.

"P. S. BABCOCK, *Secretary.*"

Members who have not already done so are earnestly requested to give this letter their attention, in order that the next convention may excel the high standard set in past years, and that the great interests represented in this Section of the Association may be adequately represented.

In view of the importance of the work in which the officers of the Section and its Committee on Protective Laws are now engaged, protection of the word "trust" and proper supervision of trust companies, attention is called to the following resolution passed at the Atlantic City Convention in 1907, and the hope is expressed that members will lend their aid as therein requested:

RESOLUTION PASSED AT THE ATLANTIC CITY CONVENTION OF THE TRUST COMPANY SECTION, A. B. A., SEPTEMBER, 1907.

Whereas, It has been brought to the attention of the Trust Company Section of the American Bankers' Association that in various States of the Union private individuals, unincorporated associations and corporations without capital or with inadequate capital have adopted names under which to do business, in which names the word "trust" appears; and

Whereas, Many such concerns are conducting lines of business which are illegitimate, if not fraudulent; and

Whereas, Such unauthorized and improper use of the word "trust" is working harm to properly organized and capitalized institutions carrying on the functions of a legitimate trust company; now therefore be it

Resolved, By the Trust Company Section of the American Bankers' Association, that our members are requested and enjoined to petition the legislatures of the several States in which proper legal authority is lacking, and also to petition the Congress of the United States in so far as the District of Columbia is concerned, in order that stringent statutes may be enacted to prohibit the use of the word "trust" in the title of any institution other than a legitimately organized trust company, duly incorporated and existing under the provisions of the laws of its domicile, having ample capital and subject to investigation at frequent intervals by public authority, if such examination be required by the local statutes; and

Be It Further Resolved, That the Secretary of this Section is hereby instructed to send out at the earliest possible moment printed copies of this resolution, with a memorandum showing the date of its adoption, to each and every member of this Section.



SAVINGS BANK SECTION

The Committee on Savings Bank Laws of the Savings Bank Section held a meeting on the 15th and 16th of February at the headquarters of the Association, No. 11 Pine Street, New York.

The Committee is composed of:

ALLEN W. JOHNSTON, Treasurer Schenectady Savings Bank, Schenectady, N. Y., Chairman.
J. E. BLUNT, JR., of the Merchants' Loan & Trust Co., Chicago, Ill.
F. C. NICHOLS, Treasurer Fitchburg Savings Bank, Fitchburg, Ill.
J. H. JOHNSON, President Peninsular Savings Bank, Detroit, Mich., and President Savings Bank Section, *ex-officio*.
THOMAS B. PATON, General Counsel of the Association, and
WM. HANHART, Secretary of the Savings Bank Section.
Present at the conference, by invitation, and taking part in the discussion were:
HON. CLARK WILLIAMS, Superintendent of Banking of New York.
HON. CHARLES T. TERRY, one of the New York Commissioners on Uniform State Laws.
CHARLES A. MILLER, of Utica, President Savings Bank Association of the State of New York, and
ANDREW MILLS, President Dry Dock Savings Bank, New York.

It was decided that in the opinion of the Committee savings deposits in the different institutions throughout the country should be segregated and safeguarded, and it was also decided that the subject of drafting a skeleton law carrying out the above and other cardinal requirements be referred to General Counsel Paton for him to prepare such a law in consultation with the Chairman of the Standing Law Committee, the Chairman of the Committee on Protective Laws of the Trust Company Section and the Chairman of the Committee on Savings Bank Laws of the Savings Bank Section.

On February 25th, the Sub-Committee of the Committee of the House of Representatives on Post Offices and Post Roads, to whom was referred the matter of Postal Savings Legislation, held a hearing, which was attended, by invitation, by the Committee on Postal Savings Banks. The Chairman of this Committee, Mr. Lucius Teter, was present, together with Col. Charles E. Sprague, President Union Dime Savings Bank of New York; Mr. B. F. Saul, President Home Savings Bank of Washington, D. C., and William Hanhart, Secretary of the Savings Bank Section. The proposed Savings Bank Legislation was discussed very thoroughly. The Congressional Committee made many inquiries, and gave very close and interested attention to the different statements made by Mr. Teter, Mr. Sprague and Mr. Hanhart. Many statistics were presented and read to the Committee, together with other documents bearing upon the question. The Savings Bank Committee left, feeling that the Congressional Committee were impressed with the bankers' point of view in reference to the subject. Complete reports of the hearing were ordered printed, together with the statistics and documents presented by the Savings Bank Committee, and copies of the report may be had by application to Mr. E. L. Williams, Clerk of the Committee on Post Offices and Post Roads of the House of Representatives, Washington, D. C.

On the 11th of February, the Committee on Postal Savings Banks addressed a letter to all the banks and bankers in the United States, again urging them to write to their Representatives in Congress opposing the proposed savings bank legislation, and urging that the entire subject be referred to the Monetary Commission, and also offering to send literature on the subject of postal savings banks to all banks not already in possession of such. As a result a very great many letters were written to Senators and Representatives in Congress protesting against the proposed legislation, and, at the same time, the office of the Association has received numerous requests for literature on the subject, to be forwarded not only to banks, but to bank directors and prominent business men. All such requests were promptly answered, and the Committee feels greatly encouraged in the success of its campaign of education.



AMERICAN INSTITUTE OF BANKING SECTION

RAILROAD rates approximating a single fare for the round trip have been made from various Western points to Seattle on account of the Exposition. Such rates will be available for delegates and others attending the convention of the American Institute of Banking, June 21, 22 and 23. Tickets will permit return by any direct route, but a small additional charge will be made for return by way of San Francisco and Los Angeles. There will probably be special train service from New York by way of Chicago, Milwaukee, St. Paul and Minneapolis. Such service will be provided for the going trip and delegates and their friends be permitted to come back on regular trains at their convenience. Rates have not yet been made from points east of Chicago, but detailed announcements will doubtless soon be forthcoming. The indications are that the Institute convention will have at least the usual number in attendance, although the fact is realized that Seattle is some distance from the Hudson and Potomac rivers. Some of the Eastern chapters are disposed to send delegates who will also represent their respective banks at the tri-State convention of Washington, Oregon and Idaho, to be held June 24, 25 and 26.

The Educational Committee of the Institute, in making up its report to be submitted at the Seattle convention, desires suggestions on the following-named subjects:

1. How can the *Bulletin* be improved, either as to choice of reading matter, or in the matter of form and make-up? In regard to the *Bulletin* the question of expense must be considered.
2. Are independent magazines of the individual chapters a good thing and in what way can their influence be used to the best advantage?
3. How can the Institute best serve the bank man in the small towns where chapters conducted on metropolitan plans are impossible?
4. Does the Correspondence Chapter solve this problem and if not how can it be made to do so?
5. Is the course in Political Economy as now conducted by various chapters satisfactory? How can it be improved?
6. Is the course in Commercial Law as now conducted by various chapters satisfactory? How can it be improved?
7. Is the course in Practical Banking as now conducted by various chapters satisfactory? How can it be improved?
8. How can these three courses be knit closer together so as to make for more uniform education?
9. How can the standard of education in the Institute be raised so that our certificate of proficiency will become a recognized standard in banking education? This is one of the serious problems. Our certificate should be to the Institute what the degree of a college is to the college man. Our alumni should all be holders of our degree and its standards should be such that a man holding it would be immediately recognized as a man of broad banking knowledge and training. This position cannot be secured in a moment. It must be the work of years of development; but it should be the aim and goal of all men who have the unselfish motives of furthering education in banking as their incentive. We cannot place our ideals too high and we cannot waste any time nor spare any effort in making our Institute the real school of the American banker of the future.

The division of the Correspondence Chapter studies in English into the separate subjects of "Grammar" and "Rhetoric" seems to have solved the problem of meeting the requirements of elementary and advanced students. The course in "Grammar" consists of eight lessons arranged in general accordance with parts of speech and supplemented by comprehensive instruction in "The Elements of Composition," "Words and Phrases Misused" and "Correspondence." The course in "Rhetoric" considers the working principles of the subject and provides practice in speechmaking and writing for publication.



CLEARING HOUSE SECTION

THE Executive Committee of the Clearing House Section held a most successful meeting at the Commercial National Bank, Chicago, on February 15, which was largely attended, there being only one absentee, the following members being present:

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

The work of the Section was thoroughly discussed and the plans as outlined at a former meeting were reviewed. The system of letters and numbers on checks and drafts in the banks of the twenty-five largest cities was again taken up and the report made that very many of the banks were adopting the plan. The Secretary was instructed to communicate frequently with the banks on this subject, urging them to adopt this system that it might become universal.

It was the opinion of the Committee that the campaign inaugurated, recommending clearing house examiners for cities, should be kept up and that the large clearing house cities should be given full information as to the advantages of this plan. The Secretary was directed to procure from cities now having special examiners, an article by the clearing house examiner which shall have the approval of the various clearing house committees, outlining the work undertaken. The cities now having this plan in force are Chicago, Minneapolis and St. Paul, St. Louis, San Francisco and Kansas City. The following article appeared in the *Chicago Daily Tribune*, Friday, February 19, and gives the views of Ralph Van Vechten, Vice-President of the Commercial National Bank, Chicago, and a member of the Executive Committee of the Clearing House Section, on the importance of this movement. In discussing the Committee's work, he said:

"We are satisfied that a number of clearing houses, in which a majority of the banks is favorable to the plan, are withheld in each case from adopting the system by the opposition of one or two institutions. Some bankers are opposed to the idea of any examinations whatever except by the regular officials appointed by the various States or the National Government. In such cases, they feel that a semi-publicity is given to the affairs of their customers, but such is really not the case, and the cities which have adopted the plan have found no difficulty of this kind. As a matter of fact, the clearing house examiner does not bring matters to the attention of the clearing house committee, unless there is something radically wrong which deserves special and immediate attention. In such cases, the clearing house committee exercises its influence and authority in the proper direction. As a rule, such reports do not go beyond the directors of the bank which has been examined, and in the large majority of cases these directors are found only too willing to acquiesce promptly in any suggestions made by the special examiner.

"In some cities the examiner calls a meeting of the directors for the purpose, and goes over his report, item by item, making suggestions and comments for their benefit. The results have been found to be salutary as regards lines of credit, and have been productive of a much better feeling between bankers. Old-time jealousies have disappeared, and in every city which has tried the plan there is no question but what the banking situation has been improved.

"An important point in connection with clearing house examinations is the fact that the examiner has absolute knowledge of the total lines of credit existing in his particular city against any one firm, corporation or group. This is important in any community, and a scheme such as the Morse system of banking is nipped in its inception. The examiner possesses the same knowledge regarding a superabundance of one kind of collateral in the various banks of a city. With this knowledge a proper restraint can be exercised in time to head off the possibility of serious loss.

WOULD PUT BANKING ON HIGH PLANE

"You ask what would be the result if any considerable number of cities should adopt the plan of special clearing house examinations? I can only answer that the banking situation of the country would be raised to a high plane, which would be of lasting benefit to the public. What would naturally follow would be that corporations, firms and individuals

would permit the same sort of inspection regarding their own affairs. Many banks are already using the service of chartered accountants in making examinations of themselves for the benefit of their directors.

"With a large number of banks submitting to special examinations by the clearing house, or by chartered accountants, in addition to the regular official examinations, there would be no excuse left for concerns whose paper is being floated through note brokers denying publicity of their affairs. Such publicity would further strengthen the banking situation, and, if coupled with a system of registration of notes, would prevent an overexpansion of credit or an undue issue of commercial paper.

"We are pleased to find that in some sections of the country the so-called groups of the various State associations are taking up the idea. The groups, as a rule, represent about the same territory as a congressional district, and sometimes the same boundaries. In the States of Minnesota and California each group is arranging to have its own special examiner; in fact, I understand the system is already in force in a number of groups in these States. The arguments that are used in favor of special clearing house examinations apply with equal force to the groups. The experiment will be watched with interest in the States where it is now being carried on, and if successful, as it no doubt will be, we look for the plan to spread gradually over a large territory of the country.

PUBLICITY GAINING GROUND

"On the whole, the idea of publicity with bankers is gaining ground. The old notion of concealment regarding a bank's affairs has lost force in recent years. This is not inconsistent with the proper secrecy regarding the individual transactions of its customers, which is always respected by any well-managed banking institution. The same thought may be applied to the corporation, firm or individual whose paper is offered in the open market by note brokers. The public has the right to know in either case that a financial statement has been properly verified at regular periods by a disinterested authority."

Examiners Department, St. Louis Clearing House Association

By W. W. HOXTON, Manager

UPON October 11, 1908, Mr. J. B. McDougal, Examiner for the Chicago Clearing House Association, kindly accepted the invitation of the St. Louis Clearing House and came to St. Louis for the purpose of acquainting the St. Louis bankers with the objects, details and results of the system of clearing house bank examination obtaining in Chicago. It was at once decided to establish such a system in St. Louis, and the matter was only held in abeyance until the panic which began a short time later could be disposed of.

In accordance with the action of the meeting of October 11, the Committee of Management, in February, 1908, picked from the ranks of the National Bank Examiners, and forthwith employed, Mr. Clifford E. French, a man thoroughly qualified by temperament and experience for the arduous work assigned to him. Mr. French resigned from the government force and immediately organized a capable corps of assistants. This department, with Mr. French at its head, works only at the behest of the Clearing House under the supervision of the Committee of Management.

The Examiner is given due latitude in the conduct of his work, and while it is possible that he may be sent to a particular institution, the rule is that he shall go whither he listeth, and, of course, unannounced. There is the understanding, however, that he shall examine at least once a year all the banks and trust companies having clearing house connections, which includes all institutions in St. Louis and many in East St. Louis, Ill., and in the suburban towns near both cities.

When the Examiner has completed his scrutiny into the affairs of any institution, he sends a copy of his exhaustive report to the president of that institution, and notifies all the directors of this action, requiring from each of them a written acknowledgment of the receipt of such notice. If he finds nothing to criticize, he so notifies the Chairman of the Committee of Management, and the report is treated and filed as a confidential document, accessible only to the Examiner. If, however, he finds any matters which, in his judgment, require correction, he is at liberty to lay such matters before the Committee of Management for such treatment as the Committee sees fit.

It is the outspoken opinion of all concerned that the system, in its practical working, is thoroughly satisfactory and well worth its cost. Previous experience has not developed any examinations approaching those of the clearing house in thoroughness and efficiency, and each member of the partnership realizes that the results obtained are leading to better business methods and higher ideals of bank management; and such realization brings to each the feeling of additional confidence and security.

Minneapolis Clearing House Association

P. M. KERST, Examiner

IN accordance with your request, I submit herewith an outline of our method and procedure of examinations of the banks in Minneapolis and St. Paul as conducted by the Clearing House Examiner.

The introduction of Clearing House examinations is of recent origin, the same having its beginning in Chicago in June, 1906. On February 1, 1907, the Clearing House Association of Minneapolis installed an examiner with one assistant to embrace examinations of the Clearing House banks and non-member banks which obtain Clearing House privileges through the regular members. On May 1, 1908, the banks of St. Paul joined with Minneapolis in the arrangement for Clearing House examinations and another assistant examiner was appointed.

The examinations extend to all National, State and Savings banks and Trust Companies within the Twin Cities and number thirty-eight institutions. As at present constituted, it is possible to give each bank two examinations a year. The work embraces a verification of the assets and liabilities of the bank as reflected by the trial balance and a thorough investigation into the nature and quality of the assets and collateral, and also includes an examination into the workings of every department of the bank.

The work of analyzing the loans is a very important feature and enough time is spent thereon to enable the examiner to form a correct opinion of their stability. Having access to all the banks in the community, he is in a position to observe excessive borrowing and unwarranted expansion of liabilities of firms and individuals. The examiner, by reason of his limited territory and continuous work within that field, is placed in a position to soon acquire knowledge of the standing and strength of the borrowers by continuously consulting their statements of condition and observing their progress. Also, he is in a position to observe the duplication of credits by borrowers at other banks, and if such credits are not warranted by financial strength and other requisites, steps can be promptly taken to reduce the lines.

During the examination every asset of the bank is listed and carefully scrutinized and every collateral carefully valued. All loans to officers, directors and employees and to corporations in which they are interested are separately noted.

Before the examination is concluded the examining committee of the bank, sometimes the entire Board of Directors, is requested to meet with the examiner for the purpose of going thoroughly over all the assets with the object of familiarizing them fully in reference thereto. And this method has one distinct advantage in that the matters of the bank have the attention of the men who are not constantly in touch with the affairs of the bank as are the officers and members of the discount committee.

A report of every examination is prepared in duplicate, and the original is delivered by the examiner in person to the Board of Directors at a meeting called for that purpose. The report is read and the criticisms, if any, are fully discussed and the recommendations considered. *In this way no Director can complain that he did not have the fullest opportunity to become acquainted with the condition of his bank.*

A minute and detailed report of each examination is not submitted to the Clearing House Committee except when unwarranted conditions prevail which make it necessary for this committee to become informed thereof. In these cases the Clearing House Committee decides what action shall be taken and also exercises its authority in the proper direction. When an examination discloses a bank to be in a satisfactory condition, such statement by the examiner suffices, and no detailed report is submitted.



AMERICAN BANKERS' ASSOCIATION TRAVELERS' CHEQUES

WHILE it is impossible to reproduce effectively either in detail or in tint the Travelers' Cheque of the American Bankers' Association, yet as members of the Association are showing great interest in the system now being inaugurated, we present on the opposite page a lithograph of the \$50 denomination. Specimens of the cheques, together with full instructions as to payment, are now on their way to all necessary points in the world outside of the United States, and those for the files of the bankers in the United States will be mailed shortly after the middle of March.

The wording upon the back of the cheque is as follows:

THIS ORDER IS PAYABLE WITHOUT DEDUCTION OF CHARGES, EXCEPT STAMP
TAX OUT OF FUNDS TO CREDIT OF DRAWER.

To Our Correspondents:

When cashed in Europe this cheque should be forwarded for reimbursement to the bankers mentioned below:

ENGLAND AND WALES.—London City and Midland Bank, Ltd., London; Lloyds Bank, Ltd., London; Union of London and Smiths Bank, Ltd., London.

SCOTLAND.—British Linen Bank, Edinburgh.

IRELAND.—The National Bank, Ltd., Dublin; Ulster Bank, Ltd., Belfast.

FRANCE.—Credit Lyonnais, Paris; Comptoir Nat'l d'Escompte, Paris.

GERMANY.—Deutsche Bank, Berlin.

AUST.-HUNG.—Oesterr., Credit-Anstalt, Vienna.

SWITZERLAND.—Société de Crédit Suisse, Zurich.

ITALY.—Banca Com. Italiana, Milan.

HOLLAND.—Hope & Co., Amsterdam.

BELGIUM.—International Bank, Brussels.

When cashed in the United States or Canada this cheque is payable at par by Banks or Bankers members of Clearing House Associations in the following cities: Baltimore, Boston, Chicago, Denver, Kansas City, Mo., Los Angeles, Milwaukee, Minneapolis, New Orleans, New York, Omaha, Pittsburg, Philadelphia, St. Louis, St. Paul, San Francisco, Savannah and Seattle.

In other countries this cheque is negotiable at current rates of exchange on London.

This matter is enclosed in multi-colored lathework.

Upon the face of the cheque in the lower left-hand corner appears the following:

"We hereby accept the foregoing order and will pay the same, when properly negotiated, through any of our correspondents named on the back hereof."

This refers to the paymasters listed above. In addition to such banks, other institutions all over the world have agreed to honor the cheques. A list of these institutions has been prepared, and bankers selling the cheques will be supplied with booklets containing the names of such correspondents for the use of their customers.

Arrangements have been consummated for the protection of the cheques at the principal hotels of the world, and also at other places where travelers may desire to cash them.

The details of the system have been worked out with the greatest of care in order that bankers who may sell the cheques, customers who may purchase them, and institutions that may cash them will be protected in every way. Bankers who are contemplating using the cheques should correspond direct with the Bankers Trust Company, 7 Wall Street, New York City, which is handling the matter for the Association. They will attend to having the name of the issuing banker printed in the lower right-hand corner of the cheque in the place left for that purpose, and will arrange all details for the Association.

Bankers are particularly requested to retain in their files the instructions and specimen cheques that will be forwarded to them within a few days of the issuance of the JOURNAL.

With the instructions and specimens in their files, bankers should be able to accommodate travelers who present cheques for payment over their counters without risk or delay. General use of the Travelers' Cheques of the American Bankers' Association will soon make them so familiar to bankers and others that they will not alone be a source of profit to the bankers who may sell them, but will also be a great convenience to all concerned.

Foreign bankers have expressed themselves very strongly as being in favor of the general use of the Association cheques throughout the United States. In addition to the fact that they prefer to deal in bankers' paper, it will save them the labor and delay that is necessary to authenticate the various forms of cheques that are now upon the market, and this in turn will work to the benefit of travelers who may carry the cheques, whether they cash them at banks, hotels or shops.

The Bankers Trust Company has waived the remittance by issuing bankers of one-quarter of one per cent. on cheques sold for use in the United States, and bankers issuing cheques are to keep the entire commission charged the customer (one-half of one per cent.) in such cases, as well as when cheques are sold for use in Europe.

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Bankers Trust Company

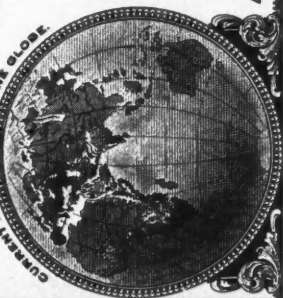
TRAVELERS' CHECKS
NEW YORK CITY

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No 00000

WHEN COUNTERSIGNED BELOW WITH THIS SIGNATURE AT ANY TIME WITHIN TWO YEARS FROM DATE, TO WIT:

CURRENT IN ALL PARTS OF THE GLOBE.



PAY TO THE ORDER OF

FAC-SIMILE NOT GOOD

\$500

19

OR ITS EQUIVALENT AS BELOW

COUNTERSIGNATURE

NAME OF ISSUING BANK WILL BE PRINTED IN THIS SPACE

WE HEREBY ACCEPT THE FOLLOWING CHECKS AND SHALL PAY THE SAME WHEN PROPERLY PRESENTED TO OUR BRANCHES OR OUR CORRESPONDENTS NAMED ON THE BACK HEREOF.
BANKERS TRUST COMPANY.

[Signature]

TREASURER.

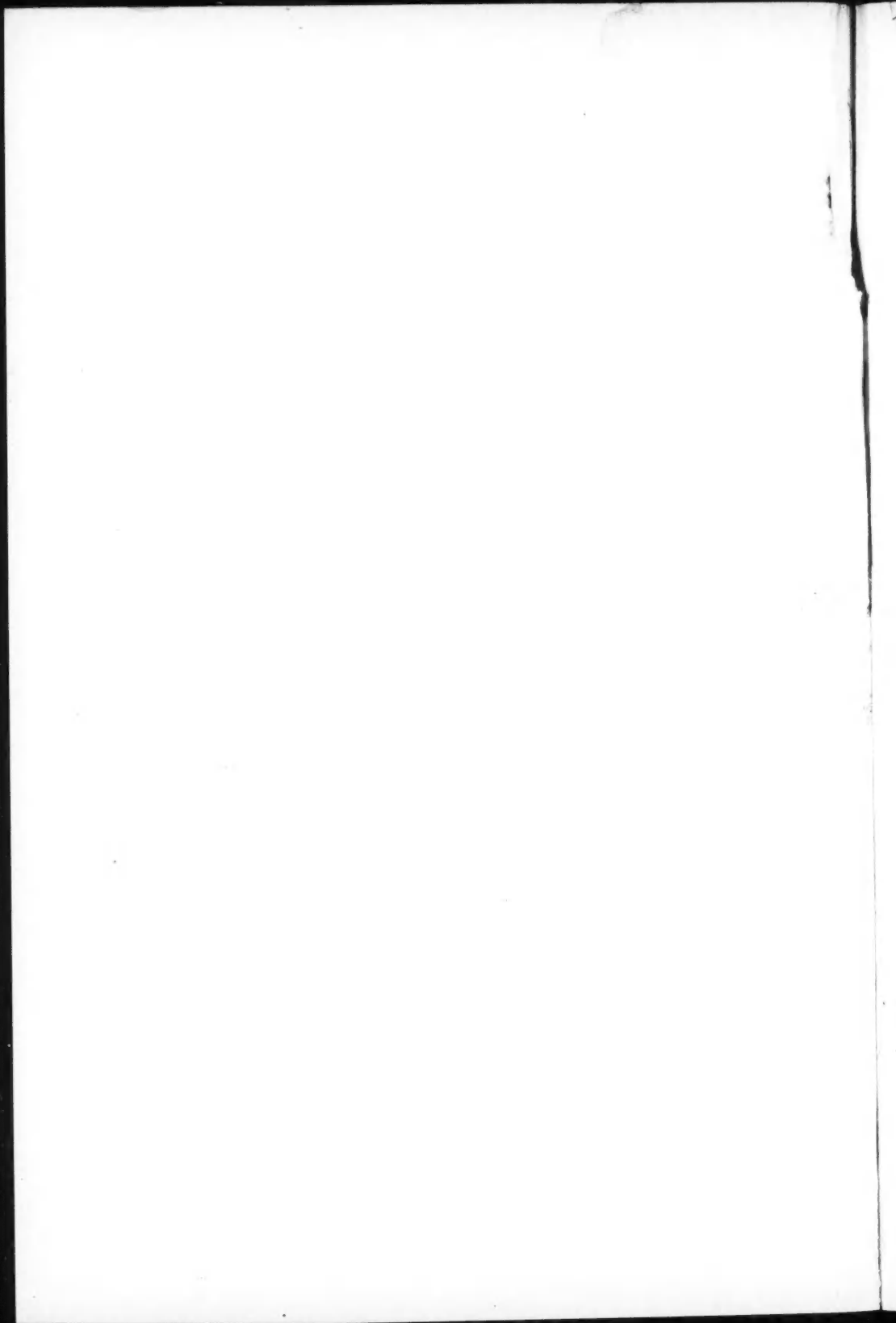
By

CASHIER.

UNITED STATES	FRANCE	GERMANY	ITALY (GOLD)	NETHERLANDS	AUSTRIA-HUNGARY	RUSSIA	HOLLAND	ALL OTHER COUNTRIES
£ 10-4-1	FRANCS 256.25	MARKS 208.30	LIRE 256.25	KRONEN 183.49	KRONEN 245.10	RUBLES 96.15	FL. 122.70	AT CURRENT RATES FOR LONDON EXCHANGE.

CHEQUES CASHED IN EUROPE WILL BE REDEEMED ONLY AT THE COMPANY'S BANKERS IN EUROPE.

FAC-SIMILE SPECIMEN WITHOUT PLANCHETTES



LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

WE take pleasure in informing our readers that the Legislatures of Wyoming and of Montana, which have just adjourned, have passed the following bills, recommended by our Association:

Passed by the Wyoming Legislature:

- (1) An Act Relating to Bills of Lading;
- (2) False Statements for Credit;
- (3) Forged or Raised Checks;
- (4) Check or Draft Without Funds;
- (5) Burglary with Explosives;
- (6) Competency of Bank Notaries.

Passed by the Montana Legislature:

- (1) An Act to Punish the Giving of Checks and Drafts on any Bank Wherein Party Drawing Has No Deposit;
- (2) An Act Relating to the payment of Deposits in Two Names;
- (3) An Act to Amend the Negotiable Instruments Law in Relation to the Time when an Instrument May Be Paid by the Bank;
- (4) An Act Fixing the Liability of a Bank to Its Depositor for the Payment of Forged or Raised Checks;
- (5) An Act to Punish the Making of False Statements to Obtain Credit.

All these measures were published in the JOURNAL for January.

It is too early as yet to report results concerning the various Association measures introduced in the Legislatures of a number of other States. At the time this JOURNAL goes to press a number of State Legislatures are on the point of adjourning, and next month we expect to be able to give quite a complete account of legislation in several other States in which the Association is interested.

The measure relating to Bills of Lading which has been passed by the Wyoming Legislature is in varying degrees of progress in other States. It passed the Senate of North Carolina by a vote of 17 to 15 in the latter part of February. It has been favorably reported by the Senate Committee in Minnesota. Owing to railroad opposition, the passage of this measure is attended with considerable difficulty. We trust, however, to report in the next number the success of this measure in one or more additional States.

The Bill to Punish the Making of False Statements to obtain Credit, which has been passed in both Wyoming and Montana, is making favorable progress in a number of other States, and concerning this measure also, we trust to announce in our April issue its further enactment.

THE NEW FORMS OF VOUCHER CHECKS

THE following is the substance of a communication recently received from a prominent railway official:

"A very serious obstacle has arisen to the successful introduction of the new forms in the suggestion of the liability of fraudulent use of these voucher forms resulting in forgeries of the names of the parties who would be authorized to sign the voucher-draft and forgeries of the approvals called for on the same sheet. The reply to this suggestion was that the first bank honoring such a forged draft would be responsible and that the matter had been fully considered in conference. While such a reply may be strictly correct, it was the opinion of the railway officials who were discussing the matter that the result would probably be a total discredit of the draft-voucher system and the wholesale rejection of them by the banks if the application of that theory was insisted upon by the railroad companies."

The reply made by General Counsel was substantially as follows:

"The suggestion is that the new voucher-check will be discredited and rejected by the banks because of the danger of forgeries 'of names of parties who would be authorized to sign the voucher-draft and forgeries of approvals called for on the same sheet'; hence this will be a serious obstacle to making it effective.

"It seems to me that the danger to the banks of forgeries in connection with voucher-checks has been much greater under the old system than it will be under the new simplified and uniform voucher, and that the banks will be less likely to discredit and reject the new than the old forms because of the risk of forged vouchers.

"Under the old forms, in some cases, the burden was placed upon the bank of paying only upon the genuine signatures of a number of auditing and approving officials—when properly countersigned, audited, approved, etc., the voucher became an order upon the bank to pay. But under the new forms—take railroad form No. 7 for an illustration—the signatures of the Superintendent, General Manager, Auditor of Disbursements and Comptroller may all be forged, yet if the Treasurer's signature is genuine and there is no alteration in the body of the check proper, it is a genuine negotiable instrument, and the bank which purchases as well as the drawee who pays will be protected.

"In other words, as I construe it, the matter of determining and acting upon the genuineness of the signatures of the Superintendent and other officials upon the side is one for which the railroad company, or its Treasurer, or whoever signs the check, is alone responsible; he sees those signatures, determines their genuineness and acting thereupon draws the railroad company's check upon the bank. Upon the same theory that a bank is bound to know the signature of its customer and is responsible, as between itself and a *bona fide* holder, if it pays a check upon a forgery, namely, because the genuineness of such signature is a matter peculiarly within its own knowledge, so as between railroad and bank in this case of voucher-check, the railroad Treasurer is bound to know the genuineness of the signatures of the officials upon which he acts, such genuineness being a matter peculiarly within his own knowledge and not known to the bank or to *bona fide* purchasers of the check, and where he draws his check based on such signatures, which are forgeries, the check is a valid negotiable order on the bank to pay. I do not believe that the forged signatures at the side would be held to constitute any part of the instrument (*i. e.*, the order to pay) so as to invalidate it. The check, as a negotiable instrument, is complete without them. The officials who place their names at the side do not sign as drawers of the check, but simply in connection with the account for which the check is drawn. The signature of the drawer is the 'E. & W. Railroad Company, John Smith, Treas-

urer; if that is genuine it is all that the bank of payment is responsible for. If the name of the Superintendent of a railroad company should be forged to a letter addressed to the Treasurer in which he certifies that a certain amount is due Mr. A, and on faith of the forged letter the Treasurer draws the railroad company's check payable to A, the validity of the check is not at all affected because of the forged inducement. I regard the signatures at the side in the same light. These are matters of certification in connection with the account for which the check is drawn, with which the purchaser or payor of the check has nothing to do. I believe the courts will so hold. Even were they to be regarded as joint drawers of the check with the Treasurer—which they are not, for they are not signed to the order to pay but signed to the account for which the check is drawn—there is the rule of law adopted in a number of cases that where an instrument bears both forged and genuine signatures, it is valid and enforceable as to the persons whose signatures are genuine.

"For these reasons, hastily but imperfectly expressed, I feel that the new forms are much safer from the standpoint of the bank, with reference to danger from forged signatures, than the old forms, under many of which the bank is responsible not alone for the genuineness of one but of a number of signatures, the check only being valid and payable on condition that all such signatures are correct.

"With regard to the point raised it may also be noted that the detachable form of voucher-check is still more preferable, for that is nothing but a plain check, and all the signatures auditing and approving the account are entirely disconnected with the check proper."

FALSE STATEMENTS TO OBTAIN CREDIT

IT was announced in a previous number that the National Association of Credit Men would undoubtedly co-operate with the American Bankers' Association in advocating the enactment of the proposed bill to punish the making and use of false statements to obtain credit.

We now take pleasure in presenting our readers with a copy of a circular letter, issued on February 27 by the chairman of the Legislative Committee of that Association to the various members of such committee throughout the country, calling for co-operative effort in behalf of the bill.

The bill as drafted, it appears, does not go quite as far as the credit men would like, yet they admit the improbability of obtaining more sweeping legislation. On this point the circular says: "The proposed act appears to your chairman to be an excellent piece of legislation. While not as broad as might be wished, especially in not making the presentation of a false written statement to a commercial agency of the same effect as though given directly to the party from whom money or merchandise on credit is sought, it is an important forward step, and is perhaps as far as legislators can be persuaded to go."

Following is a copy of the circular:

ST. PAUL, MINN., February 27, 1909.

To the Members of the Legislative Committee of the National Association of Credit Men:

DEAR SIRS:

The American Bankers' Association, through its counsel, has prepared the form of an act to punish the making or use of false statements to obtain credit. As originally drawn, this proposed act was limited to those cases where the false statement was made to banks

and bankers only, but, at the suggestion of this Association, the draft as then prepared was enlarged by the inclusion of the words "or other business" after the phrase "to any person, firm or corporation engaged in banking."

The State of New York relies upon Section 528 of the Penal Code, which provides that if a person with the intent to deprive or defraud the true owner of his property "obtains from such possession by color or aid of fraudulent or false representation or pretence," etc. This section is construed in connection with Section 544 of the Penal Code, which provides that a purchase of property by means of a false pretence is not criminal where the false pretence relates to the purchaser's means or ability to pay bills and the pretence is not made in writing and signed by the party to be charged. It has been held, however, that false representations as to the ability of a third person to pay are not within this section, and need not be in writing.

The standard case upon this in New York State is *People vs. Levin* (119 App. Div 233), in which it was shown that the defendant made a false representation to Dun & Co., the commercial agency, and that three months later he stated to Meyer & Co., merchants, that the statement he had made to Dun was true, whereas, in fact, it was not. The Court held that the defendant was properly convicted, and that he was not absolved because of the fact that his subsequent declaration as to the then truth of his former statement was not in writing.

Many other States have either passed laws making false statements in writing upon which credit is obtained a criminal offense, or rely, as this State does, upon a general description of what constitutes larceny, the effect apparently being in both cases that convictions can be obtained.

The American Bankers' Association's proposed bill is undoubtedly a valuable addition to the Penal Code, in that it amplifies the definition of the acts constituting the crime so as to include specifically the case (a) of one who makes a false statement and procures a loan or credit in any form; (b) obtains a loan or credit upon a statement previously made to the same parties, which is false at the time the loan is procured, and especially (c) delivering a false statement to a note broker or other agent, or (d) puts paper in a broker's hands to be marketed on the faith of a previously delivered statement. The bill is not as strong as it might be in that it does not in turn provide that the giving of a false statement to a commercial agency with the intent or expectation that it shall be communicated to the trade and subsequent purchases or credit based upon it, shall be criminal. In that regard, the proposed amendments to the bankruptcy act during the present session of the Congress of the United States would have been an admirable addition to this act. That section reads:

"Obtained money or property on credit upon a materially false statement in writing made by him to any person for the purpose of obtaining credit or of being communicated to the trade or to the person from whom he obtains such property on credit."

The act proposed by the American Bankers' Association also does not provide that obtaining credit or property for a person or concern with whom he is not connected as a member or agent is committing a crime under the act, and this, too, might well have been included.

The existing statute law in the State of New York is seen in the Levin case to be sufficient to cover most of the cases of obtaining money on false statements in writing, and the Penal Code, Section 528, is broader than the proposed act of the American Bankers' Association in that it includes "a person who, with the intent to deprive or defraud the true owner of his property or of the use and benefit thereof, to appropriate the same to the use of the taker or of any other person," etc.

The great difficulty in obtaining convictions in these cases for the offenses described is not the want of statutory enactments, but the difficulty, first, of obtaining evidence of the falsity of the written statement, and second, the difficulty of convincing a jury that the defendant ought to be punished. The former objection is due to the loose way in which statements in writing are worded, making it frequently necessary to prove a negative, that is to say, that a man did not have the assets, or some of them, which he claimed; this is the most difficult form of proof to which the State prosecuting authorities can be put, for their case must be proved beyond a reasonable doubt. It is, therefore, as a rule, impracticable to show beyond a reasonable doubt that the defendant did not somewhere else have the funds or property which he claimed. The prosecution, therefore, usually relies upon the statement of liabilities, and is sometimes able to show that the defendant had debts greater in amount than he claimed in his statement. Here again, however, statements are either loosely worded, or so cleverly and artificially worded, as to admit a reasonable doubt, owing to the fact that the defendant's attorney can raise a doubt that the defendant represented that the debts set forth were the only debts that he had, all of which could be obviated by the apt use of appropriate words in the credit statement.

The other controlling reason why convictions are extremely difficult in cases of this sort is because in the large commercial centers the juries frequently have members who

look with leniency upon commercial crimes of this character, and because it is frequently believed that the prosecution is merely a method used by a disgruntled creditor either to obtain the payment to himself of a debt, thus obtaining an advantage over other creditors, or of having his revenge upon an unfortunate and bankrupt defendant.

To summarize, the proposed act appears to your chairman to be an excellent piece of legislation. While not as broad as might be wished, especially in not making the presentation of a false written statement to a commercial agency of the same effect as though given directly to the party from whom money or merchandise on credit is sought, it is an important forward step and is perhaps as far as legislators can be persuaded to go. Furthermore, it is a fact that courts are inclined to look upon false statements given the agencies as no different in effect and no less deserving of punishment than the giving of such statements direct.

As pointed out, the American Bankers' Association has expressed its willingness to have our Association join in the effort to enact such a measure in the several States. Will you not, therefore, keep in touch with the matter in your State, conferring with local members of the Bankers' Association?

A copy of the proposed bill is enclosed.

Yours truly,

Chairman, Legislative Committee.

OPINIONS

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

PAYMENT ON RAISED CHECK

Bank responsible to customer for amount—Question of liability to bank of officer who paid check.

FROM MAINE.—On Saturday forenoon a young man about 25 years old entered our bank and presented to the clerk a check, No. 1294, payable to bearer, for \$370.40, signed by one of our customers. The drawer being a good customer of ours and carrying a fair-sized balance, no suspicion of irregularity was awakened in the mind of the clerk. The cashier was out of the city and the president was acting in his place for the day. At the time, the president was engaged with a gentleman in the directors' room. The clerk called his attention to the check as being payable to bearer and asked if he should pay it. The president said the party had better endorse the check for future reference. The man endorsed the check "John Ward," received the money and disappeared. After the gentleman in the directors' room had left, the president stepped into the banking-room and spoke of the check again. He then noticed, by comparison with the customer's account, that it overdraw it a few dollars. The latter was communicated with and asked to make the check good. He repudiated the check.

Afterwards it appeared that our customer had about a month previous issued a check, No. 291 for \$3.55, payable to a person in New York City. The New York party had notified our customer that his mail was robbed and that he never received the check. The figure 1 had been changed to 4, "1" prefixed, making the number 1294. All the writing, except the signature, had been entirely obliterated without in the least affecting the ground-work of the check itself.

Kindly refer to a decision as to responsibility of this bank to our customer, and whether there is any liability to the bank on the part of the one who paid the check.

Under the facts stated, it seems that the case is one where the bank must stand the loss. As between the bank and its customer, the bank cannot charge the amount of the check to his account. The general rule of law, supported by numerous decisions, is that a bank that pays a forged or raised check does not pay according to the order of the customer or by his authority, and the customer is not responsible for the money paid. There are certain exceptional cases where a customer is guilty of carelessly executing a check, with blanks unfilled or only partly filled, and the check is filled in with a raised amount and paid, in which the bank is held entitled to charge the payment to the customer by reason of his negligence. But the present is not such a case. Here the check was fully filled out, and afterwards the number changed, and the payee and amount taken out and re-written, it being made payable to bearer and the amount raised.

You ask to be referred to a decision on the point. There are numerous decisions which sustain the general proposition that the bank cannot hold the customer responsible when it pays a raised or altered check in the absence of exceptional circumstances of negligence on the customer's part. For example, in *Belknap vs. The National Bank of North America*, 100 Mass. 380, a check was altered from "order" to "bearer" by a clerk of the customer and paid by the bank, and the loss was placed on the bank.

In the present case, it is true, the customer had notice from the payee of the original check that his mail had been robbed and that he had never received it, and it would have been a reasonable precaution on his part to have notified the bank of the facts, so that the bank would be placed on its guard with reference to the check. But I do not think his omission to do this would be held by the courts to be such an act of negligence as would make him responsible. I think this is a case where, as between bank and customer, the law will clearly place the loss upon the bank.

With regard to the responsibility to the bank of the clerk who paid the check, or of the officer who authorized the clerk to pay it, it has been held in several cases that a bank officer or minor official is not personally liable for a mistake. *Union Bank vs. Knapp*, 3 Pick. (Mass.) 96, 108; *Union Bank vs. Clossey*, 10 Johns. (N. Y.) 271; Bolles "Modern Law of Banking," page 383. Of course, if there was gross or inexcusable neglect, there might be a personal liability, but the facts do not make out such a case. It is stated "that no suspicion of irregularity was awakened in the mind of the clerk." True, it was afterwards discovered that the check created a slight overdraft, but payment of the check in such a case would not constitute gross negligence.

It is my view, therefore, that the loss must fall on the bank, which can neither look to the customer nor to its own clerk or officer for the amount.

PAYMENT OF FORGED DRAFT

Question whether drawee, paying forged draft, has any remedy to recover money back under facts stated in a case from Texas.

FROM TEXAS.—One John Jones has been passing forged checks on our bank, two being cashed before it was detected, one for \$30 and one for \$12.50. He can duplicate a signature so it is hard to detect.

We wish your opinion as to who is liable in this case. The \$30 check was drawn payable to John Jones or order. He and his brother, Adam Jones, of Arkadelphia, Ark., endorsed same, and a bank there cashed it, and it reached us through one of our correspondents and we did not detect the forgery till our customer informed us it was forged. We returned check to our correspondent and they claim we are the losers. We believe Adam Jones is responsible, and that the bank which evidently cashed it on his signature could demand of him the amount. Please let us hear from you. We have not been able to locate John Jones.

It is a general rule of law that the bank which pays a check bearing the forged signature of its customer can neither charge the payment to the customer nor recover the money from a *bona fide* holder who received payment.

The courts in some of the States have recognized certain exceptions to this rule concerning the right of recovery, for example, where the party receiving payment has been guilty of negligence in taking the check, or has misled the drawee, or where he would be in no worse position if compelled to refund than before receiving the money—in cases of this nature recovery of the money by the drawee has been allowed in some States.

The Supreme Court of Texas has stated the general rule thus: "A bank in accepting and paying a draft drawn by a customer is generally held to know the signature and if a forged draft is accepted and paid the bank, as a general rule, will not be heard to assert a mistake as to the signature." *Rouvant vs. San Antonio National Bank*, 63 Texas 612. The court in this case, however, recognizes certain exceptions, namely, if the party receiving the money has contributed to the success of the fraud by negligently taking the check without proper precautions, under circumstances of suspicion, or where his conduct has been such as to mislead the drawee or induce him to pay the check without the usual scrutiny or other precautions against mistake or fraud. The facts in the case before the court were held to bring it within the exception. One Nichols had given his check to Rouvant on the San Antonio National Bank which had been duly paid. Afterwards, in another transaction, Nichols had given another check payable to Rouvant on the same bank, but signed with the name of a different drawer—the signature being a forgery of the name of another depositor—and the bank had paid Rouvant the amount. It was held that the bank was entitled to recover from Rouvant, who was guilty of negligence in receiving, endorsing and collecting the check without informing the bank of the suspicious circumstances attending its execution and that he was not certain of the identity of the drawer.

But in another Texas case (*Moody vs. First Nat. Bank of Waco*, 19 Tex. Civ. App.

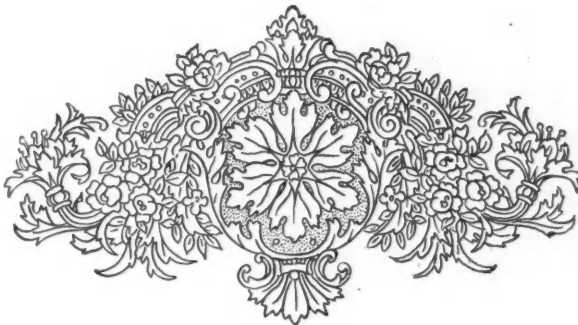
278), it has been held that a bank which cashes a forged draft for one introduced to it by a reputable person is not guilty of negligence in failing to make further inquiry concerning the identification of the person presenting the draft. In that case a forged draft on W. L. Moody & Co. of Galveston, payable to C. W. Calhoun, whose real name was W. L. Smith, was cashed by the First National Bank of Waco and collected of the drawee through Ball, Hutchins & Co. of Galveston. The cashier of the Waco bank who purchased the draft was not personally acquainted with Calhoun, but the latter was introduced to the cashier by a reputable and reliable person who was acquainted with the cashier and other of the bank officials. Calhoun had deceived this person as to his identity. The court held that as between the drawee and the Waco bank the former must stand the loss. It said that there was no suspicious fact or circumstance connected with the purchase of the draft by the Waco bank that would excite inquiry as to the genuineness of the signature of the drawer; that the bank had adopted the usual means of identification and did not fail in proper care and diligence because it did not take further steps toward the identification of Calhoun beyond his mere introduction by a person known to it.

Concerning, and denying the validity of, an alleged custom of relying on the endorsement of the collecting bank as warranting the genuineness of the drawer's signature, the court said: "To permit a bank to say that because of the existence of a local custom to rely upon the endorsement of the draft as satisfactory evidence of the genuineness of the signature of the drawer and, by reason thereof, to absolve it from responsibility in the event it should be a forgery, would relieve it from the application of that principle of law which assumes that a bank is familiar with the signatures of its regular customers and rests upon it the loss that may result from the payment of a forged draft in the name of its customer, when those that present it are not guilty of negligence in receiving it."

The above is sufficient to indicate the Texas law on the subject.

In the present case the draft was forged by the payee, endorsed by him and by his brother, was cashed by a bank in Arkansas on faith of the signature of the payee's brother and paid by the drawee to a correspondent to whom it had been forwarded by the Arkansas bank.

These facts show no negligence in the Arkansas bank which would entitle the drawee to recover the money from it. True, if the drawee had not paid the draft, the Arkansas bank would have had recourse upon the brother of the forger who endorsed it; but, assuming him to be an innocent party, not knowing of the forgery, his contract as endorser was fulfilled when the draft was paid, and if the Arkansas bank should refund the money to the drawee, I do not believe there would be any liability of the endorser to reimburse the Arkansas bank. If, however, the brother was a guilty participant in the fraud, he could be held liable. Upon this fact I think the right of recourse, so far as the brother is concerned, hinges. If the brother who endorsed the draft was an innocent party, there is no recourse by the drawee, either upon the Arkansas bank or upon the endorser. Its sole redress is limited to the payee who forged the draft. But if the brother was a guilty participant, the drawee bank could hold him responsible.



STATE BANKERS' ASSOCIATIONS, 1908-9

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902

OFFICERS

W. F. KEYSER, Sedalia, Mo., *President*.
L. P. HILLYER, Macon, Ga., *First Vice-President*.

L. O. BROUSSARD, Abbeville, La., *Second Vice-Pres.*
FRED. E. FARNSWORTH, New York, N. Y., *Sec. & Tr.*

BOARD OF CONTROL

ANDREW SMITH, Indianapolis, Ind.
E. O. ELDRIDGE, New York City.

N. P. GATLING, Lynchburg, Va.
J. W. HOOPES, Austin, Tex.

L. A. COATE, Boise, Idaho.

CONVENTIONS TO BE HELD IN 1909

April	23-24.	New Jersey	Atlantic City.
May	5-6.	Missouri	St. Joseph.
"	11-12.	Alabama (Changed from 14-15)	Mobile.
"	11-12.	Arkansas	Little Rock.
"	11-12.	Texas	Houston.
"	11-12.	Mississippi	Columbus.
"	14-15.	Louisiana	New Orleans.
"	18.	Oklahoma State Bankers' Section	Enid.
"	19-20.	Oklahoma	Enid.
"	20-22.	Virginia	(Chamberlain Hotel) Old Point Comfort.
"	25-26.	Tennessee	Chattanooga.
"	26-27.	Kansas	Wichita.
"	27-29.	California	Del Monte Monterey.
June	16-18.	South Carolina	(South Shore Hotel) Wrightsville Beach, N. C.
"	21-23.	American Institute of Banking	Seattle.
"	22-24.	Maryland	(Blue Mountain House) Blue Mountain.
"	23-24.	South Dakota	Pierre.
"	24-26.	Pacific Northwest States (Oregon, Idaho, Montana, Washington)	Seattle.
July	8-9.	North Dakota	Minot.
Sept.	7-8.	Pennsylvania	Bedford Springs.
Week of Sept.	13.	American Bankers' Association	Chicago.

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—MCLANE TILTON, JR., Cashier Bank of St. Clair County, Pell City.

ARIZONA—ORGANIZED 1903.

President—M. J. CUNNINGHAM, Cashier Bank of Bisbee, Bisbee.
Vice-President—C. A. VAN DORN, Asst. Cashier Gila Valley Bank & Trust Co., Clifton.
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, Mena; D. W. PREL, Bentonville; C. 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. BLOCKER, 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—R. M. WELCH, Assistant Cashier San Francisco Savings Union, San Francisco.
Assistant Secretary—F. H. COLBURN, 502 California Street, San Francisco.

CANADIAN—ORGANIZED 1893.

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. REDD, President The Mercantile Bank and Trust Company, Boulder.
Secretary and Treasurer—GUY L. V. EMERSON, Cashier Silverton National Bank, Silverton.

CONNECTICUT—ORGANIZED 1899.

President—B. 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—ORGANIZED 1901.

President—E. J. STELLWAGEN, President Union Trust Co., Washington.
Vice-Presidents—E. S. PARKER, President National Metropolitan Bank, Washington; B. F. SAUL, President Home Savings Bank, Washington.
Secretary—WILLIAM A. MEARNS, of Lewis Johnson & Co., Washington.
Treasurer—GEORGE O. WALSON, Cashier National Metropolitan Bank, Washington.

FLORIDA—ORGANIZED 1889.

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; C. E. GARNER, Jacksonville; J. S. REESE, Pensacola.
Secretary and Treasurer—GEORGE R. DESAUSURY, Cashier Barnett National Bank, Jacksonville.

GEORGIA—ORGANIZED 1892.

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

IDAHO—ORGANIZED 1905.

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, Rooms 1030-32, The Rookery, Chicago.
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. SALE, President Farmers' and Traders' Bank, Markle.
Secretary—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.
Treasurer—W. S. HUDDLESTON, President First National Bank, Winamac.

IOWA—ORGANIZED 1887.

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

KANSAS—ORGANIZED 1887.

President—W. M. PECK, Cashier Cloud County Bank, Concordia.
Vice-President—P. W. GOEBEL, President Commercial National Bank, Kansas City.
Secretary—W. W. BOWMAN, Director Prudential Trust Company, Topeka.
Treasurer—E. R. 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—PETER YOUREE, 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 Ibernia Bank and Trust Co., New Orleans.

MAINE—ORGANIZED 1900.

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 HANN, Asst. Cashier National Mechanics' Bank, Baltimore.
Treasurer—WM. MARRIOTT, Cashier Western National Bank, Baltimore.

MASSACHUSETTS—ORGANIZED 1905.

President—FREDERIC W. RUGG, 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 CHICHESTER, President First State Bank, Petoskey.
Vice-Presidents—H. 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, 1123 Ford 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. WHITMORE, Cashier First National Bank, Wabasha.
Secretary—CHARLES R. FROST, 209 Metropolitan Life Building, Minneapolis.

MISSISSIPPI—ORGANIZED 1869.

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. GRIFFITH, President First National Bank, Vicksburg.

MISSOURI—ORGANIZED 1891.

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

MONTANA—ORGANIZED 1904.

President—W. W. McCRACKIN, 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.

NEVADA—ORGANIZED 1908.

President—F. M. LEE, Cashier Nixon National Bank, Reno.
Vice-President—JOHN HENDERSON, President Henderson Banking Co., Elko.
Secretary—GEORGE H. TAYLOR, Asst. Cashier Washoe County Bank, Reno.
Treasurer—FRED GROB, Cashier Farmers' & Merchants' National Bank, Reno.

NEW JERSEY—ORGANIZED 1903.

President—WM. C. HEPPENHEIMER, 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—ORGANIZED 1905.

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

NEW YORK—ORGANIZED 1804.

President—E. S. TEFFT, Cashier, First National Bank, Syracuse.
Vice-President—F. E. LYFORD, President First National Bank, Waverly.
Treasurer—DELMAR RUNKLE, 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.

NORTH CAROLINA—ORGANIZED 1807.

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. KUHL, Cashier First National Bank, Towner.

OHIO—ORGANIZED 1801.

President—A. E. RICE, 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 1807.

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 The American National Bank of Pendleton, Pendleton.
Vice-President—R. W. SCHMEER, 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 1804.

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 1809.

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—H. 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. BOOTH, Taylor; J. W. BUTLER, Clifton; W. P. SKILLMAN, Sulphur Springs; L. L. SHIELD, Santa Anna; W. H. PUQUA, 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.
Attorney—S. W. FISCHER, Austin.

VERMONT—ORGANIZED 1900.

President—H. L. WARD, Vice-President Burlington Trust Company, Burlington.
Vice-President—C. F. CHAPMAN, Treasurer Ottawa-Quechee Savings Bank, Woodstock.
Secretary—H. T. RUTTER, Cashier Howard National Bank, Burlington.
Treasurer—D. L. WELLS, Cashier First National Bank, Orwell.

VIRGINIA—ORGANIZED 1803.

President—JOSEPH STEBBINS, President Bank of South Boston, South Boston.
Vice-Presidents—JOHN M. 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. P. GATLING, Lynchburg.
Treasurer—H. A. WILLIAMS, Assistant Cashier Bank of Richmond, Richmond.
Attorney—GEORGE BRYAN, Richmond.

WASHINGTON—ORGANIZED 1809.

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. MCCORNICK, President Security State Bank, Palouse.

WEST VIRGINIA—ORGANIZED 1895.

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

WISCONSIN—ORGANIZED 1802.

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

WYOMING—ORGANIZED 1908.

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

PROTECTIVE COMMITTEE MONTHLY REPORT

NEW YORK, March 1, 1909.

Statistics from September 1, 1908, to February 28, 1909, 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, 6; convicted and sentenced, 3; specific terms, 3; years, 27; released 2; killed, 1; awaiting trial, 2.

BURGLARS—GENERAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 28; convicted and sentenced, 12; specific terms, 10; indeterminate terms, 2; years, 78; released, 5; awaiting trial, 15.

FORGERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 10; arrested since September 1st, 21; convicted and sentenced, 11; specific terms, 8; indeterminate terms, 3; years, 20-8; released, 1; awaiting trial, 19.

FORGERS—GENERAL: Cases not disposed of arrested prior to September 1st, 19; arrested since September 1st, 21; convicted and sentenced, 21; specific terms, 18; indeterminate terms, 3; years, 63; released, 6; escaped, 2; awaiting trial, 11.

HOLD-UPS—SPECIAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 2; convicted and sentenced, 2; specific terms, 2; years, 15; 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; convicted and sentenced, 2; specific terms, 2; years, 4-6.

ROBBERS—SPECIAL: Arrested since September 1st, 1; awaiting trial, 1.

Total cases not disposed of arrested prior to September 1st.....	46	
Arrested since September 1st.....	79	
		125
Sentenced	53	
Released, escaped and killed.....	18	71
		54
Awaiting trial.....		

BURGLARS—SPECIAL INVESTIGATIONS.

Awaiting Trial: J. Clement, Sparta, Wis.; J. Radley, Sparta, Wis.

BURGLARS—GENERAL INVESTIGATIONS.

For the burglary of Farmers' State Bank (N. M.), Hadar, Neb., January 19, 1909; loss, \$1,934.00.

On the 8th of February Harry Joyce and James Riley were arrested in Sioux City, Ia., and on the 12th James Martman, alias Fred Morrison, was arrested at that point for the above burglary. They are now in Sioux City, Ia., fighting extradition to Nebraska, and the hearing is set for March 4th.

For the burglary of the Corinth Deposit Bank (N. M.), Corinth, Ky., December 21, 1907; loss, \$2,141.68.

On October 14, 1908, James Johnson, best known in criminal circles as "Toronto Jimmy," was arrested at Cincinnati, Ohio, by the Cincinnati police. On October 17th he was extradited by the Kentucky authorities and placed in jail at Williamstown, Ky., for the above burglary. On February 13th he was tried, but found not guilty. He was rearrested

and held on the charge of having been implicated in the burglary of the Tobacco Growers' Deposit Bank (N. M.), Crittenden, Ky., January 22, 1907; loss, \$500.00.

For the burglary of the Farmers' Bank of Clark's Hill (N. M.), Clark's Hill, Ind., November 24, 1908; loss, \$8.75.

On November 24, 1908, Fred Kinney and Edward Morgan were arrested by the police authorities at Logansport, Ind., as suspects, their photographs being sent to us for possible identification. Kinney was identified by us as Oliver Cromwell, a well-known "Yegg" burglar, among which class he was known as "The Liar" and "Philadelphia Slim."

Morgan was identified as being known to us as Louis Geiger, alias "Zeke," alias "Illinois Eddie," also a well-known "Yegg."

On January 12, 1908, Cromwell was sentenced to a term of from ten to twenty years in the Indiana State Prison at Michigan City, Ind. On January 14th Gieger plead guilty to a charge of grand larceny, was sentenced to a term of from one to fourteen years in the same prison.

Joseph Nipper, a well-known "Yegg" burglar has since been arrested by the police authorities and placed in jail at Lafayette, Ind., charged with having been implicated in this crime.

For the burglary of the Danube State Bank (N. M.), Danube, Minn., October 6, 1908; loss, \$2,246.81.

On November 26, 1908, James Gaynor, Frank Smith and Henry Streeter were arrested at Sioux Falls, S. D., as suspects and sentenced to terms of thirty days each in the workhouse. On December 26th they were extradited by the Minnesota authorities and taken to Olivia, Minn., where they were charged with being implicated in the above burglary. On account of insufficient evidence they were released on February 20, 1909.

Awaiting Trial: John Baker, Minneapolis, Minn.; M. Birmingham, Chippewa Falls, Wis.; T. Burns, Chippewa Falls, Wis.; J. Callahan, Wellington, Kas.; T. Doyle, Fredonia, Kas.; J. Johnson, Williamstown, Ky.; H. Joyce, Sioux City, Iowa; E. Madigan, Wellington, Kas.; J. Martman, Sioux City, Iowa; T. Morris, Neodesha, Kas.; J. Nipper, Lafayette, Ind.; J. Riley, Sioux City, Iowa; W. Rogers, Chippewa Falls, Wis.; C. Wilson, Emporia, Kas.; G. Wilson, Fredonia, Kas.

FORGERS—SPECIAL INVESTIGATIONS.

For attempting to defraud the First National Bank (M.), Stillwater, Minn., out of \$360.00 on February 13, 1909.

On February 13, 1909, John Connolly was arrested at Stillwater, Minn. He stole a genuine check amounting to \$37.00, and after altering it to read \$360.00 attempted to cash it. On February 24, 1909, he plead guilty and was sentenced to a term of three years in the Minnesota State Penitentiary at Stillwater, Minn.

John Connolly has been identified as a New York City thief and ex-convict.

For the passing of a forged check for \$38.25 on the Merchants' Bank & Trust Co. of Los Angeles (M.), Los Angeles, Cal., on January 8, 1909.

On January 22, 1909, H. V. Noel, alias Henry B. Hake, alias Henry Haack, was arrested in San Diego on the charge of passing a bogus check and held for trial. A warrant has been sworn out for his arrest by the Merchants' Bank & Trust Co. of Los Angeles for passing a forged check for \$38.25, and arrangements have been made with the police authorities in San Diego that if he is released on the charge against him there that he will be rearrested and turned over to the Los Angeles police officials.

Awaiting Trial: E. Benton, Cincinnati, Ohio; H. I. Bremner, San Francisco, Cal.; W. H. Brown, Pueblo, Cal.; E. Cullen, Kennett Square, Pa.; J. V. Duffy, New York, N. Y.; W. R. Hughes, Whiting, Ind.; C. W. Kahle, Alliance, Ohio; H. V. Noel, San Diego, Cal.; H. Osman, Brooklyn, N. Y.; E. Parker, Brooklyn, N. Y.; E. Perkins, Chicago, Ill.; A. M. Potter, Detroit, Mich.; B. Reichman, New York, N. Y.; A. F. Rickey, Galesburg, Ill.; E. Schmidt, New York, N. Y.; W. Taylor, San Francisco, Cal.; S. B. Thompson, Columbia City, Ind.; F. Whitten, Cincinnati, Ohio; O. Wirsén, Chicago, Ill.

FORGERS—GENERAL INVESTIGATIONS.

Awaiting Trial: G. Ames, California, Pa.; C. Brenton, California, Pa.; C. E. Farris, St. Joseph, Mo.; S. J. Fox, Brooklyn, N. Y.; J. Gross, Detroit, Mich.; R. L. Johnson, Los Angeles, Cal.; N. D. Parker, Shelbyville, Ind.; C. Raab, Auburn, N. Y.; C. H. Sheftall, Washington, D. C.; H. Slyman, Piedmont, W. Va.; S. Weis, Brooklyn, N. Y.

HOLD-UPS—SPECIAL INVESTIGATIONS.

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

HOLD-UPS—GENERAL INVESTIGATIONS.

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

ROBBERS—SPECIAL INVESTIGATIONS.

Awaiting Trial: H. B. Elliott, Eufaula, Okla.

Burglaries on non-members.....	45	Loss.....	\$90,347.42
Burglaries on members.....	12	Loss.....	13,913.47
<hr/>			
Difference.....	33		\$76,433.95
Hold-up robberies on members.....	4	Loss.....	\$15,537.15
Hold-up robberies on non-members.....	1		Attempt

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

NEBRASKA BANKERS' ASSOCIATION

OFFICE OF THE SECRETARY

OMAHA, NEB., February 20, 1909.

WARNING NOTICE

A certificate of deposit of the First National Bank of Wood River, Nebraska, No. 8630, dated January 6, 1909, \$65.00, payable to John Killian, has been lost or stolen. Please watch for it.

WM. B. HUGHES, *Secretary.*

Accommodations for Convention

The bankers of Chicago have shown a fairness toward the bankers of the country which is commendable. At a meeting of the Clearing House Banks of Chicago, recently held, a resolution was passed binding the banks of that city not to engage, or secure, or hold rooms in bulk in the hotels for their correspondents; so in the assignment of rooms at the headquarters hotel—the Auditorium and Annex—and at the other hotels, the rule will be, first come first served. As it is more than likely the New La Salle will be completed in time, there will be no difficulty for those attending the convention to secure the best of accommodations, even after the headquarters hotel is filled.

Registration at Convention

It has developed that at the Denver Convention there was more or less false registration. It is not believed that the bankers of the country would resort to despicable and unfair methods to secure delegates' badges and the privileges of the convention; however, the fact remains that there were cases of registering as delegates where the parties, whose names were used, had been dead for several months. There are other cases of registration which were open to severe criticism; some visitors registering when the bank they represented was not a member of the Association, and other cases where delegates and guests were registered in larger numbers than is provided for in the Constitution.

As the registration is always effected in a few hours, it is impossible to check up membership, or even identify applicants, so these instances are likely to creep in. To endeavor to prevent these methods, some plan will be devised for the Chicago Convention.

